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## DEFINED TERMS

In this Board Governance Manual, unless the context otherwise requires or is otherwise defined:

- a) **“Annual Service Plan Report”** means the annual service plan report required by the *Budget Transparency and Accountability Act*, SBC 2000, c. 23 and the *Insurance Corporation Act*, RSBC 1996, c. 228;
- b) **“Board”** means the current Board of Directors of ICBC;
- c) **“Board Books”** mean ICBC’s internal online portal for the Board of Directors used to store and distribute Board and Committee materials;
- d) **“By-Law”** means ICBC’s By-Law No. 9;
- e) **“CEO”** means the President/Chief Executive Officer appointed by the Board of Directors of ICBC, subject to the approval of the Lieutenant Governor in Council;
- f) **“Code of Ethics”** means the current Code of Ethics of ICBC;
- g) **“Director”** means any member of the Board of Directors of ICBC as appointed by the Lieutenant Governor in Council;
- h) **“Government”** means the Provincial Government of British Columbia;
- i) **“ICBC”** or **“Corporation”** means the Insurance Corporation of British Columbia continued under the *Insurance Corporation Act*, RSBC 1996, c. 228;
- j) **“Management”** means the executive management, including the CEO and Vice Presidents of ICBC;
- k) **“Mandate Letter”** means the current government Mandate Letter, an agreement between the Minister responsible for ICBC and the Corporation setting out their shared understanding of the respective expectations and performance deliverables;
- l) **“Manual”** means the current Board Governance Manual of ICBC;
- m) **“Minister”** means the Minister responsible for ICBC, a member of the Executive Council charged by the Lieutenant Governor in Council with the administration of the *Insurance Corporation Act*, RSBC 1996, c. 228;
- n) **“Officer”** means the Board Chair, the CEO, the Chief Financial Officer, the Corporate Secretary and any other individual the Board of Directors may appoint as an Officer; and
- o) **“Service Plan”** means the annual service plan required by the *Budget Transparency and Accountability Act*, SBC 2000, c. 23.

Last reviewed by the Governance and Technology Committee: April 18, 2023



## OVERVIEW

The Manual is intended to serve as a practical guide for the Board and Management in fulfilling their respective roles and responsibilities in an effective manner.

The governance framework in this Manual defines the roles, responsibilities and processes for accountability at the Board and Management levels of the Corporation.

The Board assumes responsibility for the Corporation's governance practices and ensures they meet the needs of the Government, the Corporation, and the public.

The Corporate Secretary serves as the primary source of governance expertise to the Board and Management, and is responsible for promoting strong corporate governance practices throughout the Corporation.

The Governance and Technology Committee reviews this Manual on an annual basis and makes recommendations to the Board when appropriate.

The framework described in the Manual reflects the Corporation's governance structure in effect as at the date of writing.

The Corporation's governance practices outlined in this Manual take into consideration the [Best Practice Guidelines – BC Governance and Disclosure Guidelines for Governing Board of Public Sector Organizations](#) (2005, Board Resourcing and Development Office).

Last reviewed by the Governance and Technology Committee: April 18, 2023



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## BOARD GOVERNANCE GUIDELINES

### INTRODUCTION

The Board Governance Guidelines (the “Guidelines”) outline how the Board will operate to carry out its duties of stewardship and accountability, and supplement the governance practices in the Manual and the By-Law. The Guidelines are for the benefit of the Board and Management, and such employees as may be delegated from time to time to support the operation of the Board and its Committees.

#### 1. Legislative Authority

ICBC is a Crown corporation continued under the *Insurance Corporation Act*, RSBC 1996, c. 228. The Corporation operates and administers a plan of automobile insurance as established under the *Insurance (Vehicle) Act*, RSBC 1996, c. 231 and, as required by legislation, reports the revenues and expenses attributable to that plan separately from other operations of the Corporation. In addition to providing Basic vehicle insurance, ICBC offers various Optional vehicle insurance coverages.

#### 2. Government Mandate Letter

The Mandate Letter is signed by the Board and the Minister. It is an agreement between the Corporation and the Minister and confirms their shared understanding of the corporate mandate, public policy issues, strategic priorities, respective expectations and performance deliverables.

#### 3. Board Relationship with Minister

The Board Chair is the Board’s principal contact with the Minister. The Board Chair should be in regular contact with the Minister, by both phone and in-person meetings. These meetings are an opportunity for the Board Chair to advise the Minister regarding important strategic and other considerations of relevance to the Corporation’s business, and for the Minister to inform the Board of evolving priorities and issues of concern to the Government that might affect the Corporation.

#### 4. Best Interests of the Corporation

Although Directors are appointed to the Board to bring specialized expertise or a point of view to Board deliberations, the best interests of the Corporation are paramount at all times. The Board recognizes certain challenges that may arise in balancing ICBC’s commercial interests with the public policy mandate assigned to it by the Government.

#### 5. Communications

The Board Chair and the CEO act as the primary spokespersons for ICBC and its subsidiaries.

The Board recognizes the need for the Board Chair and the CEO to have regular meetings and communications with the Minister and other senior Government officials. The Board Chair and the CEO are expected to keep the Board informed on key matters from meetings

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## BOARD GOVERNANCE GUIDELINES

and communications with the Minister and senior officials. The Board Chair and the CEO will keep the Board apprised of emerging public policy issues that are of major strategic importance and provide advice on how the Corporation may respond on these matters.

It is expected that the Government and the public will occasionally communicate their concerns and questions to Directors rather than to Management. It is important that Directors inform the Board Chair, CEO and/or Corporate Secretary of such communications, so that the Corporation can respond properly and accurately.

Directors may be approached directly to speak publicly about ICBC. In all cases, Directors are asked to inform the Board Chair. The Corporate Secretary, on behalf of the Board Chair, is responsible for ensuring that Director communication activities are properly coordinated and that Directors are provided with full assistance in preparing and making any public statements or presentations.

### 6. Corporate Policies and Strategy

The Board has overall responsibility of managing the Corporation's affairs.

The Board is responsible for setting major corporate policies and for monitoring compliance with such policies. The Board provides direction to Management, who is responsible for the day-to-day conduct of business.

Development and implementation of corporate strategy is a continuous, iterative process. Management is responsible for the development of an overall corporate business strategy to be presented to the Board. The Board's role is to: ensure there is a strategic and business planning process; become engaged in the process; review, question, validate and ultimately endorse the strategy for the Corporation; and monitor performance. In preparing for strategic planning sessions, Directors will be consulted on areas of strategic importance and matters for discussion. The Strategic Planning Process is outlined in Tab 2.5.

### 7. Top Corporate Risks

The Board should have a continuing understanding of the top corporate financial and non-financial risks associated with the Corporation's objectives. It is Management's responsibility to ensure the Board and its Committees are kept well informed of changing risks. The principal mechanisms through which the Board reviews risks are the strategic planning process, updates from the Committees and ongoing reports to the Board.

### 8. Spending and Payment Authority

Once the Board approves the Financial Plan, the CEO empowers Management to incur expenditures within the parameters established by their departmental or divisional budgets. These parameters are outlined in the [Spending and Payment Authority Policy](#).



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## BOARD GOVERNANCE GUIDELINES

### 9. Internal Controls and Management Information Systems

Integral to the Board's overall responsibilities is the existence of control systems. A balance has to be achieved between imposing controls that give the Board reasonable assurance that its responsibilities are being discharged, and avoiding the creation of an unnecessarily bureaucratic and costly system of controls. Through the CEO, Management will establish systems to ensure that appropriate internal controls are in place for the Corporation.

### 10. The Board Chair and the Vice Chair/Lead Director

The preference under most circumstances is that the CEO and Board Chair roles be separated. The Board may, from time to time, decide that it is appropriate for the CEO and Board Chair roles to be combined.

The Board may appoint a Vice Chair at any time. Where the position of the Board Chair and CEO are held by the same individual, the Board must appoint a Vice Chair/Lead Director with specific responsibilities that reinforce the Board's ability to function independently.

The Vice Chair/Lead Director provides leadership in guiding the Board and coordinating its activities in the absence of the Board Chair. In the event that the Board Chair is incapacitated, the Vice Chair/Lead Director assumes all duties and obligations of the Board Chair. At the request of the Board Chair, the Vice Chair/Lead Director may represent the Corporation at public gatherings and serve as a spokesperson for ICBC.

### 11. Board Committees

Board Committees permit deeper examination of issues than could reasonably be given by the full Board. The role of each Committee is to support, not supplant, Board responsibility.

The Board has developed a set of guidelines that apply to all Committees (Tab 4.1). Each Committee operates according to a Board-approved mandate outlining its duties and responsibilities. The established Board Committees are: Audit Committee; Human Resources and Compensation Committee; Investment Committee; Governance and Technology Committee; and Operations and Planning Committee.

### 12. Board Relations with Management

Board policies and guidelines shall be made available to Management. Directors may direct questions or concerns regarding Management performance to the Board Chair and CEO, or raise them at Board and Committee meetings.

The Board and Management must work at developing a sense of trust and confidence in each other's abilities and performance. There must be a clear understanding and respect for the roles, responsibilities and expectations between the Board and Management.

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## BOARD GOVERNANCE GUIDELINES

Directors must respect the organizational structure of Management. As a rule, a Director has no authority to direct staff. An exception to this would involve the unique roles of members of the Audit Committee, who may have occasion to provide direction to the Internal Auditor. A Director's request for information must be coordinated through the CEO or Corporate Secretary.

### 13. Information Flow to the Board

The Board requires clear, consistent and reliable information and analysis that is focused on the key strategies and critical issues facing the Corporation. The type, quality and timing of information are critical to achieving good governance at ICBC.

The Board will receive regular reports from Management that provide appropriate information on the measured performance against the annual and multi-year financial, services and capital plans. Information that enables the Board to fulfill its decision-making and oversight responsibilities will be based on identified key performance measures that are directly linked to the Corporation's strategic objectives.

The Board and Management will agree on the type, the form, the extent and the regularity of information that will allow Directors to assess the Corporation's performance against its strategic and operational plans.

### 14. Board Meetings, Agendas and Minutes

The date, time and place of a regular meeting of the Board shall be fixed and written notice shall be provided at least three (3) business days in advance of the meeting. The Board Chair and CEO, in consultation with the Corporate Secretary, will develop and issue the agenda for each Board meeting.

The agenda of such meetings shall generally be distributed not less than five (5) business days in advance but, in special circumstances, not less than 24 hours in advance. Management shall submit to the Board Chair notice and an outline of all agenda items it intends to bring forward, at least 10 days in advance. All Directors are permitted to suggest additions to the agenda.

The Board Chair shall be provided with the draft minutes of each meeting of the Board within 14 calendar days of its occurrence and the Directors shall be provided with the draft minutes of the previous meeting at the next Board meeting. The approved minutes serve as the official record of the Board meeting.

### 15. Material for Board and Committee Meetings

Material distributed to Directors in advance of Board and Committee meetings should be concise, yet complete, and prepared in a way that focuses attention on critical issues to be considered and provides details needed for the decisions requested.



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## BOARD GOVERNANCE GUIDELINES

Material assembled in support of meetings will be coordinated by the Corporate Secretary who will use best efforts to distribute them with the meeting agenda, not less than five (5) business days prior to the meeting.

All material submitted for consideration by the Board or by a Committee becomes part of the record of the Board, and shall be deposited with the Corporate Secretary's Office for maintenance, safekeeping and access. Official Board and Committee minutes will be maintained by the Corporate Secretary in accordance with the [Board of Directors and Committees of the Board Vital Records Safekeeping Policy](#).

Reports may be presented during meetings by Directors, Management, staff, and invited outside advisors. Presentations should be designed to maximize the time available for questions from the Directors and discussion. Presenters should briefly summarize the matter, identifying the significant issues, impacts and principal decisions required. Presenters should then engage the Board or Committee in discussion.

Matters that are brought to the Board for a decision will be in a format and at a level and type of information that enables the Board to make a decision. The Board and Management will agree on the format of information required for the Board to make a decision.

In limited cases, due to the confidential nature of matters to be discussed, written materials may not be provided in advance of a meeting. These confidential materials will be provided at the appropriate Board or Committee meeting, and will be made available to the Corporate Secretary's Office for inclusion as part of the official record of the Board.

### **16. Board and Committee Deliberations and Confidentiality**

Directors and Management will respect that the official record of the Board's or Committee's deliberations is provided through the approved minutes of the meeting. The views and opinions of individual Directors or Managers shall be treated with respect and confidence.

### **17. Board and Committee Meetings without Management**

The last agenda item at each Board and Committee meeting shall be an in-camera session in respect of which the CEO, Corporate Secretary, Management, Management Directors and any staff in attendance shall withdraw.

Any issues arising in these sessions that bear on the relationship between the Board and Management should be communicated quickly and directly by the Board Chair to the CEO. In absence of the Board Chair, or if the same person is serving as both the Board Chair and CEO, this should be done by the Vice Chair/Lead Director.

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## BOARD GOVERNANCE GUIDELINES

### 18. Non-Directors at Board and Committee Meetings

The Board appreciates the value of having members of Management attend Board and Committee meetings to provide information and opinions to assist the Directors in their deliberations.

The Board, through the Board Chair and the CEO, will determine Management attendees at Board meetings. For issues which fall within the terms of reference of a Committee, a Committee Chair may also recommend Management attendees to the Board Chair.

No third party shall attend or table material at the Board without prior approval of the Board Chair and, in the case of Committee meetings, the Committee Chair.

### 19. Outside Advisors for Committees and Directors

Occasionally, a Committee or a Director may require the services of a consultant or an advisor to assist with matters involving their responsibilities. A Committee or Director who wishes to engage an outside advisor at the expense of the Corporation must first obtain the authorization of the Board Chair or the Vice Chair/Lead Director, in either case in consultation with the CEO.

### 20. Director Recruitment, Selection and Appointment

Directors are appointed under the *Insurance Corporation Act*. The Act sets the minimum size of the Board to be three (3) members appointed by the Lieutenant Governor in Council. The Government sets the actual Board size through the appointment process.

The Board annually reviews the skills, experience, and diversity of the Board. From time to time, the Board may make recommendations to the Government as to the different skills, experiences and backgrounds that would assist the Board. The Board may also develop a list of suitable candidates to be considered for appointment.

The Board Chair has the responsibility to encourage the Government to consider the needs of the Corporation when making its appointments. The Board Chair may communicate the criteria, if any, developed by the Board, and provide a list of candidates for appointment.

### 21. Term of Service

Directors serve at the pleasure of the Lieutenant Governor in Council.

Directors are appointed for an initial term and eligible for reappointments, for a total of six (6) years of service. In exceptional circumstances, it may be appropriate that Directors serve for more than six (6) years.



## BOARD GOVERNANCE GUIDELINES

### 22. Compensation and Expenses

Director compensation and expenses are paid in accordance with the [Remuneration Guidelines for Appointees to Ministry and Crown Agency Boards](#) (Treasury Board Directive 2/20). Details regarding Director compensation and expenses are set out in the [Director Compensation and Expense Guidelines](#).

### 23. Board Governance Guidelines Review

The Governance and Technology Committee annually reviews these Guidelines and recommends any changes to the Board for approval.

Last reviewed by the Governance and Technology Committee: April 18, 2023



# INSURANCE CORPORATION OF BRITISH COLUMBIA

BY-LAW NO. 9

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# INSURANCE CORPORATION OF BRITISH COLUMBIA

BY-LAW NO. 9

The By-law relating to the conduct of the business of the Insurance Corporation of British Columbia (the "Corporation").

## PART 1. INTERPRETATION

1.01 In this By-law, unless the context otherwise requires:

- (a) **"Act"** means the *Insurance Corporation Act*, R.S.B.C. 1996, Chapter 228, as from time to time amended and every statute that may be substituted for that Act, and, in the case of such substitution, any references in this By-law to provisions of the Act shall be read as references to the substituted provisions in the new statute or statutes;
- (b) **"agent"** means any person designated to act as an agent on behalf of the Corporation by an officer of the Corporation authorized by the board to make such a designation;
- (c) **"board"** means the current board of directors of the Corporation;
- (d) **"Business Corporations Act"** means the *Business Corporations Act*, S.B.C. 2002, Chapter 57, and includes any amendments to the *Business Corporations Act* and every statute that may be substituted for it, and, in the case of such substitution, any references in this By-law to provisions of the *Business Corporations Act* shall be read as references to the substituted provisions in the new statute or statutes;
- (e) **"business day"** means any day except Saturday, Sunday or a statutory holiday in British Columbia;
- (f) **"registered address"** of a director means the address of the director as recorded in the Corporation's register of directors;
- (g) **"Regulations"** means the Regulations under the Act as published or from time to time amended and every regulation that may be substituted for them, and, in the case of such substitution, any references in this By-law to provisions of the Regulations shall be read as references to the substituted provisions in the new regulations;
- (h) all terms which are contained in this By-law and which are defined in the Act or the Regulations shall have the meanings given to those terms in the Act or the Regulations; and
- (i) the singular shall include the plural and the plural shall include the singular; and the word "person" shall include bodies corporate, corporations, companies, partnerships, syndicates, trusts and any number or aggregate of persons.



# INSURANCE CORPORATION OF BRITISH COLUMBIA

BY-LAW NO. 9

- 1.02 If any provision of this By-law is in whole or in part void, illegal or invalid, the remaining provisions shall be construed and take effect as if every provision or part of such provision which is void, illegal or invalid had been omitted.
- 1.03 If there is any conflict between the provisions of this By-law and the Act or the Regulations, the provisions of the Act or the Regulations as the case may be shall govern.
- 1.04 Expressions referring to writing shall be construed as including references to printing, lithography, typewriting, photography and other modes of printing or reproducing words in a visible form including by electronic means.

## PART 2. BOARD OF DIRECTORS

### 2.01 **Powers and Authority of Directors**

The board shall have the powers and authority given to it by the Act and, subject to the Act, shall manage, or supervise the management of, the affairs and business of the Corporation.

### 2.02 **Vacation of Office**

The office of a director shall be vacated if:

- (a) the director ceases to be qualified to act as a director under subsection 124(2) of the Business Corporations Act;
- (b) the director's term expires under the Act without the director being reappointed;
- (c) the director is removed from office by the Lieutenant Governor in Council;  
or
- (d) by notice in writing to the Corporation the director resigns in which case the resignation shall be effective at the time it is received by the Corporation or at the time specified in the notice, whichever is later.

### 2.03 **Vacancies**

The board may act so long as a quorum remains in office.



# INSURANCE CORPORATION OF BRITISH COLUMBIA

BY-LAW NO. 9

## 2.04 **Code of Ethics and Conflicts of Interest**

The board shall develop and approve the Corporation's Code of Ethics, and each director and the board shall comply, at all times, with the Corporation's Code of Ethics including the Conflict of Interest Guidelines for Board Members, as amended from time to time.

## 2.05 **Vice-Chair/Lead Director**

The board may from time to time appoint one of its members to serve as Vice-Chair of the board. If the Chair of the board is absent or is unable or refuses to act at a meeting of the board, the Vice-Chair of the board (if one is appointed) shall preside at the meeting. The Vice-Chair of the board shall have such other powers and perform such other duties as may be assigned or delegated by the board from time to time or as may be assigned or delegated by the Chair of the board. The board shall appoint, from among the directors who are not officers or employees of the Corporation or of an affiliate of the Corporation, a Vice-Chair when the roles of board Chair and President/Chief Executive Officer are combined and held by a single person, and in such instance the Vice-Chair shall also act as Lead Director with such additional duties as the board may assign.

## **PART 3. MEETINGS OF DIRECTORS**

### 3.01 **Meetings of Directors**

The board shall meet at least four times during each year on dates determined by the board. Meetings of the board shall be held at a place as may be designated in the notice of meeting, or in any resolution passed pursuant to section 3.07, or at any place if notice of such meeting has been waived or the holding of the meeting consented to by all the directors. Meetings of the board may be held at any time without formal notice being given if:

- (a) all the directors are present; or
- (b) a quorum is present and those directors who are absent have given their consent in writing, either before or after the meeting, to the holding of a meeting in their absence,

and any resolution passed, or proceeding had, or action taken at such meeting shall be as valid and effectual as if it had been passed at or taken at a meeting duly called and constituted, and any minutes of any such meeting shall be as valid as if such meeting had been duly called and held.



# INSURANCE CORPORATION OF BRITISH COLUMBIA

BY-LAW NO. 9

## 3.02 **Convening Meetings**

The Chair of the board, the Vice-Chair of the board, the President, or any two directors, may at any time direct the Corporate Secretary (or any other officer or agent designated to issue notices of meetings of the board) to convene a meeting of the board and the Corporate Secretary or the person otherwise designated shall do so. Notice of such meeting shall be sent to each director, at least three business days before the date the meeting is to take place, by any of the methods provided for in section 12.01

## 3.03 **Waiver of Notice**

Notice of any meeting or any irregularity in any meeting or the notice thereof may be waived by any director either before, during or after that meeting. Attendance at a meeting by a director shall suffice as waiver of notice of that meeting by that director except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not validly called.

## 3.04 **Regular Meetings**

The board may appoint a day or days in any month or months for regular meetings at a place and time to be named. A copy of any resolution of the board fixing the place and time of regular meetings of the board shall be sent to each director as soon as reasonably possible after the resolution is passed, and no other notice shall be required for a regular meeting.

## 3.05 **Chair of Meetings**

The Chair of the board shall, when present, preside at all meetings of the board. If the Chair of the board is absent or is unable or refuses to act at a meeting of the board:

- (a) the Vice-Chair of the board (if one is appointed) shall preside at the meeting;
- (b) if there is no Vice-Chair of the board or if the Vice-Chair of the board is absent or unable or refuses to act, the remaining directors shall choose another director to preside at the meeting.

## 3.06 **Voting at Meetings of Directors**

Questions arising at any meeting of directors shall be decided by a majority of votes. In the case of an equality of votes, the director presiding at the meeting shall have a second or casting vote.



# INSURANCE CORPORATION OF BRITISH COLUMBIA

BY-LAW NO. 9

## 3.07 **Consent Resolutions**

A consent resolution circulated in writing (including by electronic means) and agreed to by:

- (a) written signature; or
- (b) electronically verifiable means

by all the directors or by all of the members of a committee is as valid as if it had been passed at a duly called and held meeting of the directors or committee, as the case may be. A consent resolution may be in counterparts, each of which when executed and delivered (by signed document, fax, or electronically verifiable means) is deemed to be an original, and all of which together constitute one consent resolution.

## 3.08 **Quorum**

A majority of the directors shall form a quorum for the transaction of business at a meeting and a quorum of directors may exercise all the powers of directors at a meeting. The directors at a meeting shall transact no business unless a quorum is present.

## 3.09 **Participation in a Meeting**

A director may participate in a meeting of the board or of any committee of directors by telephone, video conference or other communications facilities provided that all persons participating in the meeting can hear each other. A director participating in a board or committee meeting in one of those ways is deemed to be present at that meeting.

## 3.10 **Validity of a Meeting Where Directorship Deficient**

All acts done by any director or by any member of a committee constituted by the directors shall be valid, even though it is discovered afterwards that there was some defect in the appointment of any person so acting or that person was disqualified.

## 3.11 **Validity of Meeting Despite Failure to Give Notice**

The accidental omission to give notice of any meeting of directors to any director, or the non-receipt of any notice by any director, shall not invalidate any proceedings at that meeting.



**INSURANCE CORPORATION  
OF BRITISH COLUMBIA**  
BY-LAW NO. 9

3.12 **Minutes**

The board shall keep regular minutes of its meetings and shall cause them to be recorded in books kept for that purpose or by secure electronic means.

**PART 4. COMMITTEES OF THE BOARD**

4.01 **Audit Committee**

The board shall by resolution appoint annually from among its members an audit committee consisting of not fewer than three directors of whom a majority shall not be officers or employees of the Corporation or of an affiliate of the Corporation. The audit committee shall, in addition to any other powers assigned or delegated by the board, review annually with the auditor of the Corporation the financial statements of the Corporation, prepare a report on the financial statements and submit the report to the board for its review.

4.02 **Other Committees**

The board may by resolution appoint:

- (a) a Governance Committee;
- (b) a Human Resources and Compensation Committee;
- (c) a Finance or Investment Committee; and
- (d) one or more other committees of the board,

and assign or delegate to any committee such powers of the board specified in the resolution except:

- (a) the powers set out in subsections 4(1) and (2) of the Act;
- (b) the power to change the membership of, or fill vacancies in, any other committee of the board; or
- (c) the power to enact, amend or repeal any provision of this By-law.



# INSURANCE CORPORATION OF BRITISH COLUMBIA

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#### 4.03 **Board may Revoke or Override**

The board may by resolution at any time:

- (a) revoke any power given to any committee of the board;
- (b) revoke or override any acts taken or proposed to be taken by any committee of the board; and
- (c) terminate the appointment or change the membership of any committee of the board and fill vacancies in it.

#### 4.04 **Minutes of Committees**

Each committee of the board shall keep regular minutes of its meetings and transactions and shall cause them to be recorded in books kept for that purpose or by secure electronic means, and shall report each transaction to the board at the meeting of the board next following the transaction.

#### 4.05 **Procedure**

Unless otherwise determined by the board, each committee of the board shall elect its chair, meet and adjourn as it thinks proper, and make rules for the conduct of its business as it considers necessary.

#### 4.06 **Voting at Committee Meetings**

Questions arising at any meeting of any committee of the board shall be decided by a majority of votes. In the case of an equality of votes, the chair of the meeting shall have a second or casting vote.

#### 4.07 **Sections of By-law apply**

Sections 1.01, 1.04, 2.02, 2.03, 2.04, 3.02, 3.03, 3.07, 3.08, 3.09, 3.10 and 3.11 of this By-law apply, with all necessary modifications, to each committee of the board appointed under this Part and its meetings.



# INSURANCE CORPORATION OF BRITISH COLUMBIA

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## PART 5. OFFICERS

### 5.01 **Officers**

The officers of the Corporation (all of whom, except the Chair of the board, shall be appointed by the board) shall be:

- (a) the Chair of the board;
- (b) the President (subject to the approval of the Lieutenant Governor in Council);
- (c) the Chief Executive Officer;
- (d) the Chief Financial Officer; and
- (e) the Corporate Secretary.

The board may also appoint from time to time such other officers as it considers appropriate. Two or more of the offices may be held by the same person. A director may be appointed to any office of the Corporation but none of the officers, except the Chair of the board, need be a director.

### 5.02 **Remuneration and Removal**

Subject to the Act and, where applicable, the approval of the Lieutenant Governor in Council, the remuneration of all officers appointed by the board shall be determined from time to time by the board. The fact that any officer or employee is a director of the Corporation shall not disqualify him or her from receiving such remuneration as may be determined. All officers appointed by the board, in the absence of written agreement to the contrary, shall be subject to removal by the board at any time.

### 5.03 **Reporting**

Unless otherwise determined by the board, all officers of the Corporation, except the Chair of the board and the President (each of whom shall report to the board), shall report to the President or, with the approval of the board, to such other officer of the Corporation as the President shall determine.



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## 5.04 **Powers and Duties May be Delegated**

In the case of the absence or inability to act of any officer of the Corporation or for any other reason that the board considers sufficient, the board may delegate any of the powers or assign any of the duties of such officer to any other officer or to any director for a specified period. The President may, subject to such restrictions as the board may from time to time impose, delegate such powers and assign such duties of the President (including any of those specified in section 5.06) to one or more officers or employees of the Corporation on such terms as the President may from time to time determine. Any other officer of the Corporation may, with the consent of the President, but subject to such restrictions as the board may from time to time impose, delegate such powers and assign such duties to one or more officers or employees of the Corporation, as such officer may from time to time determine.

## 5.05 **Chair of the Board**

The Chair of the board shall, when present, preside at all meetings of the board, shall act as spokesperson of the board, and shall have such other powers and perform such other duties as may be assigned or delegated by the board from time to time.

## 5.06 **The President**

Unless the board has appointed another individual as Chief Executive Officer (the "CEO") or general manager, the President shall be the CEO and general manager of the Corporation and shall exercise general supervision of the business of the Corporation and have such other powers and perform such duties as may be assigned or delegated by the board from time to time and, unless otherwise determined by the board from time to time, shall, subject to all applicable legislation, regulation and/or applicable government policy or guidelines, have authority:

- (a) subject to the authority of the board to approve the senior management of the Corporation, to make changes in the organization of the Corporation as are considered appropriate and as are consistent with the policies established from time to time by the board;
- (b) to appoint a Chief Investment Officer and one or more Vice Presidents (to which title may be added words indicating seniority or the function or department within the Corporation for which the appointee is responsible), each of whom shall have such authority and shall perform such duties as may be assigned or delegated by the President from time to time;
- (c) to suspend temporarily from duty any officer (except the Chair of the board) of the Corporation whose appointment is made or confirmed by the board and to report to the board on any such suspension;



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- (d) to recommend to the board the employment or dismissal or change in office of any officer (except the Chair of the board) of the Corporation whose appointment is made or confirmed by the board;
- (e) unless otherwise determined by the board, to prescribe the duties and responsibilities of all officers and employees of the Corporation (except the Chair of the board, the Corporate Secretary and the Chief Financial Officer);
- (f) to delegate authority to make capital and other expenditures within the limits of the financial policies established by the board and to delegate authority to sign any instruments required to make such expenditures;
- (g) to submit to the board:
  - (i) annual capital and operating plans of the Corporation;
  - (ii) longer-term capital and operating plans of the Corporation;
  - (iii) proposals involving major policies in respect of labour relations and employee compensation;
  - (iv) proposals involving major changes in insurance or licensing programs, operating practices or corporate policies; and
  - (v) such other information and materials as the board may require from time to time;
- (h) to provide the Chair of the board with information about the Corporation and its business and affairs as the Chair may require for the performance of the Chair's duties and functions;
- (i) to plan and provide for management development within the Corporation; and
- (j) to act as spokesperson for the Corporation and maintain its relations with the public, government and industry and arrange for it to be appropriately represented in its relations with other companies and individuals with which it is associated.

## 5.07 **Restrictions**

Nothing in section 5.06 shall be deemed to authorize or permit the President, without the approval of the board, to:

- (a) enter into any contracts not in the ordinary course of business of the Corporation;



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- (b) enter into any agreements or commitments for the purchase or sale of real estate that is not held as part of ICBC's investment portfolio;
- (c) authorize the participation by the Corporation in businesses not at the time carried on by the Corporation; or
- (d) invest the funds of the Corporation in securities not of a class, kind or amount designated by the board or authorized under the Act as authorized investments for the Corporation.

## 5.08 **Corporate Secretary**

The Corporate Secretary shall issue or cause to be issued notices for all meetings of the board when directed to do so, and shall have charge of the minute books of the Corporation, the common seal and the books and records required to be kept under the Act (unless another officer or agent has been appointed for one or more of these purposes). All such notices, minute books, the common seal and other books and records, shall be delivered by the Corporate Secretary as and when instructed or authorized by resolution of the board. The Corporate Secretary shall sign those instruments that require the signature of the Corporate Secretary and shall have such other powers and perform such other duties as are provided for in the terms of engagement of the Corporate Secretary or as the President or the board may require from time to time.

## 5.09 **Chief Financial Officer**

The Chief Financial Officer shall have the care and custody of all funds and securities of the Corporation and shall deposit them in the name of the Corporation in the designated bank or banks or with any designated depository or depositories. Unless otherwise permitted by the board, the Chief Financial Officer shall disburse the funds of the Corporation, taking proper documentation to support such disbursements, and shall pay out the funds under the direction of the President. The Chief Financial Officer shall maintain the books and accounts of the Corporation and, at all reasonable times, exhibit such books and accounts to any director of the Corporation upon his or her written request at the offices of the Corporation during business hours. Unless otherwise provided by the board, the Chief Financial Officer shall sign or countersign such instruments as require that officer's signature and shall perform all duties incident to that office or that are required by the board. Unless otherwise provided by the board, the Chief Financial Officer may delegate any of the duties set out herein to the Corporate Controller or another employee or employees for such period of time and on such terms as the Chief Financial Officer considers appropriate.



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## 5.10 **Officers Serving as Outside Directors or Trustees**

No officer who is an employee of the Corporation shall act as a director, trustee, consultant or advisor to any other corporation, firm or other organization, without the prior authority of the board. This section shall not apply to appointments with respect to not for profit organizations.

## **PART 6. SEAL**

### 6.01 **Seal Optional**

The directors may provide a common seal for the Corporation and may provide for its use. The directors shall have the power to destroy the common seal and may provide a new common seal.

### 6.02 **Custody of Seal**

The Corporate Secretary shall provide for the safe custody of the common seal.

### 6.03 **Affixation of Seal**

The common seal may be affixed to any instrument if required, by:

- (a) any one officer of the Corporation;
- (b) the Chief Investment Officer for the purposes of Part 8; or
- (c) any other person authorized from time to time by the directors.

## **PART 7. VOTING SHARES AND SECURITIES IN OTHER COMPANIES**

### 7.01 **Voting**

All of the shares or other securities carrying voting rights of any other corporation held from time to time by the Corporation may be voted at any other and all meetings of shareholders, bondholders, debenture holders, or holders of other securities (as the case may be) of such other corporation and in such manner and by such person or persons as the board of the Corporation shall from time to time determine. Unless the board of the Corporation otherwise directs, the President may from time to time execute and deliver for and on behalf of the Corporation instruments of proxy and arrange for the issuance of voting certificates and other evidence of right to vote in such names as may be determined.



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## PART 8. INVESTMENTS

### 8.01 Custody of Securities

The directors may from time to time by resolution provide for the deposit and custody of securities of the Corporation.

### 8.02 Registration of Securities

All share certificates, bonds, debentures, debenture stock certificates, notes or other obligations or securities belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the name of more than one nominee shall be held in the name of the nominees jointly with right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfers to be completed and registration to be effected.

### 8.03 Acquisition and Disposition of Investments

In particular, including without limitation:

- (i) any two of the following officers:
  - Chair of the board
  - President
  - Chief Financial Officer

OR

- (ii) any one of the following:
  - Chair of the board
  - President
  - Chief Financial Officer

together with any Vice-President who does not hold any of the offices above mentioned in this paragraph (ii)

OR

- (iii) the Chief Investment Officer alone, if one is appointed

shall have authority on behalf of the Corporation to acquire, purchase and/or provide any of the following: real estate for investment purposes, shares, stocks, bonds, debentures, mortgages, rights, warrants or other securities, and to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, mortgages, rights, warrants or other securities owned by or registered in the name of the Corporation and to sign and



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execute all share certificates, stocks, bonds, debentures, assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of acquiring, purchasing, selling, assigning, transferring, managing, exchanging, converting or conveying any such real estate, shares, stocks, bonds, debentures, mortgages, rights, warrants or other securities. The board shall have power from time to time by resolution to appoint any other officer or officers or any other person or persons on behalf of the Corporation to have authority and to sign and execute documents for these purposes.

## **PART 9. BANK AND DEPOSITORY ACCOUNTS, CHEQUES, DRAFTS, TRANSFERS AND NOTES**

### **9.01 Bank Accounts**

The bank accounts of the Corporation shall be opened, maintained or closed in such chartered banks, trust companies or other firms or corporations carrying on a banking business, as the board may determine by resolution, or as may be determined by any officers of the Corporation as the board may designate for that purpose.

### **9.02 Disbursement of Funds**

Cheques and electronic fund transfers drawn on bank accounts, drafts drawn or accepted by the Corporation, promissory notes given by it, acceptances, bills of exchange, orders for the payment of money and other instruments of a like nature may be made, signed, drawn, accepted or endorsed, as the case may be, by:

- (i) any officer or officers; or
- (ii) the incumbent or incumbents of such designated positions established by the Corporation; or
- (iii) any other employee or employees of the Corporation,

as the board may by resolution determine or as may be determined by such officers of the Corporation as the board may from time to time designate.

### **9.03 Deposits**

Cheques and electronic fund transfers, promissory notes, bills of exchange, orders for the payment of money and other negotiable paper may be endorsed for deposit to the credit of the Corporation's accounts with banks or other depositories by:

- (i) any officer or officers; or



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- (ii) the incumbent or incumbents of such designated positions established by the Corporation; or
- (iii) any other employee or employees,

as the board may by resolution from time to time name or designate for that purpose, or they may be endorsed for such deposit by means of a stamp bearing the Corporation's name.

## PART 10. EXECUTION OF INSTRUMENTS

### 10.01 Execution by President

The President or any officer or employee of the Corporation duly appointed for the purpose may execute any instruments relating to any of the matters enumerated in section 5.06 and, except as the board may otherwise expressly direct, no further or other signature shall be required and any such instruments so signed shall be binding upon the Corporation without any further authorization or, subject to section 6.03, formality.

### 10.02 Execution Generally

Any other duly authorized instruments may be signed in the name and on behalf of the Corporation by:

- (i) any two of the following officers:
  - Chair of the board
  - President
  - Chief Financial Officer
  - Corporate Secretary

OR

- (ii) any one of the following:
  - Chair of the board
  - President
  - Chief Financial Officer

together with any Vice President who does not hold any of the offices above mentioned in this paragraph (ii) or the Chief Investment Officer,

and any instruments so signed shall be binding upon the Corporation without any further authorization or, subject to section 6.03, formality. The board shall have the power from time to time by resolution to appoint any other officer or officers or any



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other person or persons on behalf of the Corporation either to sign instruments generally or to sign specific instruments.

## 10.03 **Signatures**

The signature or signatures of the Chair of the board, the Vice-Chair of the board, the President, or of any director of the Corporation or of any other officer or officers appointed by the board, may, if authorized by the board, be printed, engraved, lithographed or otherwise mechanically or electronically reproduced upon any instruments executed or issued by or on behalf of the Corporation and all instruments on which the signature or signatures of any of the foregoing officers or persons have been so reproduced, shall be deemed to have been manually signed by such officers or persons whose signature or signatures is or are so reproduced and shall be as valid to all intents and purposes as if they had been signed manually.

## **PART 11. INDEMNIFICATION OF DIRECTORS AND OFFICERS**

### 11.01 **Indemnity**

The directors shall cause the Corporation to indemnify its directors and officers, its former directors and officers, and their respective heirs and personal or other legal representatives to the greatest extent permitted by Division 5 of Part 5 of the Business Corporations Act and any other applicable legislation.

## **PART 12. NOTICES**

### 12.01 **Service**

Any notice may be given by the Corporate Secretary, or by a person designated to do so by the Chair of the board, to any director or officer either personally or by sending it by mail, by facsimile, by electronic mail, or by any other method of transmitting legibly recorded messages to such director or officer at his or her address, facsimile number or electronic mail address as appears in the records of the Corporation or to the last address, facsimile number or electronic mail address of such director or officer known to the Corporate Secretary. With respect to every notice sent in this manner, it shall be sufficient to prove that the notice was properly addressed and mailed or sent by other means. A notice or other document so served shall be deemed to be served on the second business day following the date on which it was mailed or on the first business day following the day on which it was personally delivered, sent by facsimile, electronic mail or by other means set out above. Any director or officer may at any time waive any notice required to be given under this By-law.



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12.02 **Signature to Notice**

The signature to any notice to be given by the Corporation may be written, stamped, typewritten or otherwise mechanically or electronically reproduced or partly written, stamped, typewritten or otherwise mechanically or electronically reproduced.

12.03 **Computation of Time**

Where a given number of days' notice or notice extending over any period is required to be given, the day of service or posting or otherwise sending the notice shall be excluded unless it is otherwise provided, and the day for which notice is given shall be included in the number of days or other period.

12.04 **Proof of Service**

A certificate of the Corporate Secretary or other duly authorized officer of the Corporation in office at the time of the making of the certificate, or of any agent of the Corporation, as to facts in relation to the mailing or delivery or sending of any notice to any director or officer shall be conclusive and shall be binding on every director or officer of the Corporation as the case may be.

**PART 13. AMENDMENT, ENACTMENT OF OTHER BY-LAWS**

13.01 **Earlier By-laws Replaced**

This By-law No. 9 replaces all earlier by-laws and annexes to the By-Laws of the Corporation.

13.02 **Amendment**

Any provision of this By-law may be amended, rescinded or replaced, and other by-laws may from time to time be made and may from time to time be amended, rescinded or replaced, by a resolution of the directors.

ENACTED this 28<sup>th</sup> day of July, 2016

*“Barry Penner”*

\_\_\_\_\_  
Barry Penner, Chair of the Board

*“Mark Blucher”*

\_\_\_\_\_  
Mark Blucher, President and CEO



## CODE OF ETHICS

ICBC's Code of Ethics sets out the principles that all Directors, ICBC employees and contractors are expected to follow.

The principles in the Code of Ethics align with ICBC's corporate values (i.e., Collaborative, Supportive, Straightforward, and Knowledgeable) and the Standards of Conduct for Public Service Employees.

The Board is responsible for reviewing and approving updates to the Code of Ethics based on recommendations from the Human Resources and Compensation Committee. The Board ensures the Code of Ethics complies with applicable legislation and governing documents, and it continues to be relevant by updating content to respond to observed trends and internal changes.

Each Director is responsible for reviewing the Code of Ethics, including the Conflict of Interest Guidelines for Board Members, as well as confirming on an annual basis their understanding and agreement to abide by the Code of Ethics.

Each Director is provided a copy of the Code of Ethics during their orientation. The [Code of Ethics](#) is accessible on icbc.com.

Directors with concerns or questions regarding any aspect of the Code of Ethics are encouraged to direct their inquiries to the Board Chair, CEO or Corporate Secretary.

Last reviewed by the Governance and Technology Committee: April 18, 2023



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## ICBC E-MAIL AND ELECTRONIC BOARD MATERIAL SECURITY POLICY

### I. INTRODUCTION

The purpose of the ICBC E-mail and Electronic Board Material Security Policy (the “Policy”) is to:

- a. Ensure that only ICBC e-mail addresses are used for the conduct of ICBC business; and
- b. Establish appropriate safeguards to protect information that exists in electronic form when accessing or transferring information from online Board portals, such as Diligent and Board Books, to portable, fixed media or other computing hardware, based on the confidentiality and sensitivity of the information, legal requirements and the reputational risk to the Corporation.

### II. SCOPE

It is the responsibility of the users to ensure that any electronic device, whether provided by the Corporation or privately owned, is in compliance with this Policy prior to its use and access to online Board portals to store, transmit or process any information covered under the Policy.

Electronic devices include, but are not limited to, laptop, desktop and tablet computers, cell phones, smart phones, and iPads.

### III. ELECTRONIC ACCESS

The Policy affirms the importance of ensuring information remains secure and protected from public access.

The use of mobile electronic devices to access information involves a higher risk of potential loss or misuse and therefore requires that appropriate security measures are enforced.

The information contained in online Board portals must be accessed electronically only via a secure network connection (wired or wireless). It is strictly prohibited to access online Board portals over an unsecure public network.

Users shall take all reasonable steps to prevent any unauthorized access to online Board portals.



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## ICBC E-MAIL AND ELECTRONIC BOARD MATERIAL SECURITY POLICY

### IV. COLLECTION AND RETENTION OF BOARD MATERIAL

Online Board portals, such as Diligent and Board Books currently being used by the Board, provide electronic accessibility to Board and Committee materials.

Board and Committee materials shall not be stored on electronic devices, unless the device has file encryption (note that ICBC-provided portable devices are encrypted).

Immediately upon completion of Board and Committee meetings, users will destroy the Board and Committee materials contained on all devices, including ICBC-provided iPads (if applicable). Materials accessed via Diligent will be archived by the Corporate Secretary's Office, and the annotations and notes contained in the materials will be deleted.

All users are expected to take reasonable safeguards to prevent unauthorized viewing of restricted information.

### V. PASSWORD AND THEFT DETERRENT PROTECTION

Devices used to access online Board portals must:

- a. Be "power-on" password protected (where the user is prompted to enter a password immediately upon device start-up);
- b. Have an inactivity time-out or automatic log-off mechanism; and
- c. Be equipped with remote wipe technology.

Access to online Board portals using an electronic device without "power-on" password protection and automatic time-out or log-off mechanisms is strictly prohibited.

### VI. USE OF PERSONAL E-MAIL

Directors shall use only the ICBC e-mail address assigned to them for the conduct of ICBC business. Non-ICBC e-mail addresses for the conduct of ICBC business should be avoided.



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## ICBC E-MAIL AND ELECTRONIC BOARD MATERIAL SECURITY POLICY

### VII. ISSUE AND USE OF USER IDENTIFICATIONS AND PASSWORDS

Directors shall comply with the user identification and password requirements as applicable for each online Board portal to access Board materials.

### VIII. LOST, STOLEN, MISPLACED OR OTHERWISE COMPROMISED DEVICES

In the event that a device is lost, stolen, misplaced or otherwise compromised, it is the sole responsibility of the user to notify the Corporation immediately or as soon as reasonably possible.

For protection, the Corporation will remote wipe the device without delay. For non-ICBC devices, the users must immediately remote wipe their device and inform the Corporation at once, or as soon as reasonably possible, that the device is missing and has been remote wiped.

### IX. DISPOSAL OF ELECTRONIC DEVICES

Electronic devices are to be disposed of without any restricted information stored or recoverable from them, including passwords.

### X. POLICY REVIEW

The Policy will be reviewed at least annually, and as otherwise required, by the Governance and Technology Committee.

Last reviewed by the Governance and Technology Committee: April 18, 2023

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## STRATEGIC PLANNING PROCESS

### I. INTRODUCTION

Development and implementation of a multi-year corporate strategy is a continuous, iterative process. Management is responsible for the development of an overall corporate strategy to be presented to the Board for approval.

### II. DUTIES AND RESPONSIBILITIES

- A. The role of the Board is to ensure there is a multi-year strategic planning process in place and to review, question, validate, provide direction and ultimately approve the corporate strategy recommended by Management for the Corporation. The Board also monitors performance in delivering on the corporate strategy through the ongoing review of the corporate strategy's key performance indicators and the Annual Strategic Plan.
- B. The Board approves the Service Plan, which is the public document that provides an overview of ICBC's three-year plan and sets out ICBC's key performance measures and accountability to fulfill responsibilities for providing auto insurance, driver licensing, vehicle registration and licensing services. The Service Plan aligns with the Corporation's multi-year corporate strategy.
- C. The Board approves the Annual Strategic Plan and Financial Plan, which set out the Corporation's priorities and performance measures and targets, as well as the operating and capital plans, for the upcoming year. Both plans are developed based on the corporate strategy and the Service Plan.

### III. MAIN STAGES OF BOARD INVOLVEMENT

#### STAGE I

- A. By Q3 of each fiscal year, Management and the Board meet to confirm or revise, the multi-year corporate strategy, consisting of the Corporation's Values and Corporate Goals and Objectives.
- B. In October every year, based on the financial outlook for the year, claims trends and operating expense targets, Management presents to the Board for approval, the financial planning assumptions that Management intends to rely upon to develop the Financial Plan, in support of the overall corporate strategy.

#### STAGE II

- A. By Q4 of each fiscal year, Management and the Board meet to confirm the upcoming fiscal year's Annual Strategic Plan that moves the corporate strategy forward.



## STRATEGIC PLANNING PROCESS

- B. In January of each year, Management prepares and presents for Board approval, the Service Plan to be submitted to the Government, for tabling in the Legislative Assembly.
- C. In January of each year, Management prepares and presents for Board approval, the Financial Plan.

### STAGE III

- A. The Board monitors on an ongoing basis the performance of the Corporation against the corporate strategy, the Service Plan, the Annual Strategic Plan and the Financial Plan.
- B. In June of each year, Management prepares and presents to the Board the Annual Strategic Plan year-end report.

Last reviewed by the Operations and Planning Committee: April 18, 2023



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## PERFORMANCE EVALUATION PROCESS

### I. INTRODUCTION

- A. The Board shall conduct an evaluation of its performance annually. The evaluation shall focus on Board and Committee performance. The Board may periodically retain an outside consultant to assist in the evaluation.
- B. The Board may decide that a questionnaire is the most appropriate method of evaluation. There are [two sample questionnaires](#) (a comprehensive and a condensed version) available for reference on the online Board portal.
- C. The questionnaire is designed to provide Directors with an opportunity to examine how the Board and Committees are operating “as a whole or as a unit” and to provide constructive input for the improvement of the Board.
- D. The Board may determine to evaluate Board and Committee performance by means other than through use of a questionnaire. The Board may also supplement questionnaire feedback through alternate means, such as, individual meetings between individual Directors and the Board Chair, or with an independent unrelated governance consultant retained for such purposes.
- E. The Board may determine that it will also conduct assessments of the performance of the Board Chair, Committee Chairs and/or individual Directors. Such assessments may be conducted via self-assessment questionnaires, interviews with the Board Chair, peer evaluations, or through any combination of the above means including by means not listed herein.

### II. PROCESS

- A. In each year, the Governance and Technology Committee will consider whether to conduct evaluations of the Board and Committees only, or whether evaluations of the Board Chair, Committee Chairs and/or individual Directors should also be conducted.
- B. The Governance and Technology Committee should consider the means by which such evaluations should be undertaken and, in formulating its recommendations, should take into account the manner in which such evaluations were conducted in the previous year and whether the feedback obtained through such means was considered satisfactory by the Board.
- C. The Governance and Technology Committee Chair should then summarize the Committee’s recommendations for the Board as to the scope of the evaluations to be undertaken and the manner by which the feedback should be obtained.
- D. Once the Board has agreed on the scope of the evaluations and the means by which feedback will be obtained, the Board Chair will ask each Director to submit



## PERFORMANCE EVALUATION PROCESS

their feedback, to the Governance and Technology Committee Chair, Corporate Secretary or independent unrelated governance consultant, in the event such a person has been retained for the purpose.

- E. The Governance and Technology Committee Chair, Corporate Secretary or governance consultant, as the case may be, will summarize the input of the Directors on a confidential basis and review the summary with the Committee.
- F. The Governance and Technology Committee Chair, with or without the assistance of the governance consultant if one has been retained, reports to the full Board. Time will be set aside at that meeting for a full and comprehensive discussion of Board performance.

Last reviewed by the Governance and Technology Committee: April 18, 2023

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## TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS

### I. PURPOSE

- A. The Board is the steward of the Corporation. It has the responsibility to foster the Corporation's success, and will set the standards of conduct for the Corporation. Pursuant to the By-Law, the Board has the responsibility of overseeing and managing the Corporation's affairs and business.
- B. The Board has delegated to the CEO, responsibility for the day-to-day leadership and management of the Corporation within the mandate set out of the By-Law and subject to the direction of the Board.
- C. These Terms of Reference are prepared to assist the Board and Management in clarifying responsibilities and ensuring effective communication between the Board and Management.
- D. The Board Calendar, attached as Appendix A to this section, indicates the month in which materials are provided to the Board for review.

### II. COMPOSITION AND BOARD ORGANIZATION

- A. The Board Chair and Directors are appointed by the Lieutenant Governor in Council.
- B. Certain of the Board's responsibilities may be delegated to Board Committees. Pursuant to the By-Law, the Corporation is required to have an Audit Committee. The responsibilities of those Committees are as set forth in their respective terms of reference, as amended from time to time.
- C. The Board delegates to Management certain of its authorities, including spending authorizations, and by reserving certain powers to itself. The current spending authorizations are outlined in the [Spending and Payment Authority Policy](#).
- D. The Board retains the responsibility for managing its own affairs including the responsibility to:
  - i) Annually review, in conjunction with the CEO, the skills and experience represented on the Board;
  - ii) Annually review the desired skills and experience possessed by future Directors in light of the Corporation's strategic direction, for the purpose of recommending to the Government the criteria for potential candidates;
  - iii) Make recommendations to the Board Chair and to the Government regarding the criteria it should consider in making appointments to the Board;

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## TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS

- iv) On the recommendation of the Board Chair, appoint, determine the composition of and set the mandate for Board Committees;
- v) Implement an appropriate process for assessing the effectiveness of the Board, the Board Chair, Committees and Directors in fulfilling their responsibilities;
- vi) Assess the adequacy and form of Director compensation and make recommendations to the Government, as appropriate;
- vii) Assume responsibility for the Corporation's governance practices and ensure they meet the needs of the Government, the Corporation, and the public;
- viii) Approve the Terms of Reference for the Board, the Board Chair, the Vice Chair/Lead Director and individual Directors; and
- ix) Appoint the Secretary to the Board.

### III. DUTIES AND RESPONSIBILITIES

#### A. Human Resources

The Board has the responsibility to:

- i) Appoint the CEO and plan succession of the CEO, subject to the approval of the Lieutenant Governor in Council;
- ii) Approve the Terms of Reference for the CEO;
- iii) Monitor and, at least annually, review the CEO's performance against agreed upon annual objectives;
- iv) Approve the CEO's compensation;
- v) On the recommendation of the CEO, appoint the Officers who report to the CEO;
- vi) Provide advice and counsel to the CEO in the execution of the CEO's duties;
- vii) Review the senior management structure, including such duties and responsibilities to be assigned to Officers;
- viii) Review compensation plans for senior management including salary, incentive, benefit and pension plans;

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## TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS

- ix) Ensure succession planning programs are in place, including programs to train and develop Management; and
- x) Approve certain matters relating to all employees, including:
  - a) The Corporation's compensation strategy and philosophy;
  - b) New benefit programs or material changes to existing programs; and
  - c) Material changes to pension plans of which ICBC is an Administrator.

### **B. Mission, Strategy and Plans**

The Board has the responsibility to:

- i) Participate with Management in the development of, and ultimately approve, the Corporation's Mission, Vision and Values;
- ii) Participate with Management in the development of, and ultimately approve, the Corporation's strategic plan, taking into consideration the commercial, public policy and regulatory responsibilities of the Corporation;
- iii) Approve annual business plans, project plans, operating and capital budgets that support the Corporation's ability to meet its strategic plan;
- iv) Direct Management to develop, implement and maintain a reporting system that accurately measures the Corporation's performance against its strategic and business plans;
- v) Monitor ICBC's progress towards the approved strategic objectives and performance against business, operating and capital plans, and alter its direction in light of changing circumstances; and
- vi) Review and approve significant changes to the plans.

### **C. Financial and Risk Issues**

The Board has the responsibility to:

- i) Oversee risk management and participate in the development of, and ultimately approve ICBC's risk management approach, taking into consideration the commercial, public policy and regulatory responsibilities of the Corporation;
- ii) Approve the corporate risk appetite and risk tolerance limits, developed by Management, given the Corporation's guiding principles, capital structure and operations, which influence how business decisions are made with

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## TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS

respect to managing risk and its priority relative to corporate strategic objectives;

- iii) Ensure Management identifies the principal risks associated with the Corporation's objectives and implements appropriate strategies, systems and programs to manage these risks;
- iv) Take reasonable steps to ensure the implementation and integrity of the Corporation's internal control and management information systems;
- v) Monitor operational and financial results;
- vi) Approve quarterly financial reports and annual financial statements, and approve their release by Management; and
- vii) Receive the Audit Committee's recommendation of the external auditors for the Corporation, appoint the External Auditor and approve the External Auditor's fees.

### D. Policies and Procedures

The Board has the responsibility to:

- i) Approve and monitor, through Management, compliance with all major company policies and procedures which govern ICBC's operations;
- ii) Approve and act as the guardian of ICBC's corporate values, including approving a Code of Ethics;
- iii) Direct Management to ensure the Corporation operates at all times within applicable laws and regulations, and to the highest ethical and moral standards; and
- iv) Review significant new policies or material amendments to existing major company policies.

### E. Government and Public Communications

The Board must pay particular attention to the fact that it and the Corporation operate within a highly public environment. The actions of the Corporation have a significant public impact and there is a need to ensure communications with the Government and the public are effective and appropriate.

The Board has the responsibility to:

- i) Ensure the Corporation has in place a policy to enable Management and the Board to communicate effectively with the Government and the public generally;

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## TERMS OF REFERENCE FOR THE BOARD OF DIRECTORS

- ii) Ensure the financial performance of the Corporation is adequately and promptly reported to the Government and the public;
- iii) Ensure financial results are reported fairly and in accordance with governing laws and generally accepted accounting principles;
- iv) Ensure timely reporting of any other developments that have a significant and material effect on the Corporation; and
- v) Report annually to the Government on the Board's stewardship for the preceding year through the Annual Service Plan Report.

### IV. GENERAL LEGAL OBLIGATIONS OF THE BOARD OF DIRECTORS

- A. Legal duties are imposed on Directors. The basic legal duties, including to serve the interests of the Corporation, are imposed at common law. Directors have specific statutory duties and obligations, including those under employment, environmental, financial reporting and tax laws.
- B. The powers of the Directors are conferred upon them to exercise on behalf of and for the benefit of ICBC. Directors are under a fiduciary duty to the Corporation to carry out the duties of their office:
  - i) Honestly and in good faith;
  - ii) In the best interests of the Corporation; and
  - iii) With the care, diligence, and skill of a reasonably prudent person.
- C. The Board is responsible for directing Management to ensure legal requirements have been met and documents and records have been properly prepared, approved and maintained.

Last reviewed by the Governance and Technology Committee: January 25, 2024



**APPENDIX A – BOARD CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>AUDIT COMMITTEE</b>												
<i>Financial Statements and Other Financial Information</i>												
a) Approval of ICBC’s annual audited consolidated financial statements.						X						
b) Approval of ICBC’s quarterly financial reports.	X						X			X		
c) Approval of the following annual audited financial statements for which ICBC is the legal Administrator: 1. M&C Pension Fund; and 2. Supplemental Retirement Plan “A” for Designated Officers.						X						
d) Approval of the quarterly financial outlooks.	X					X	X			X		
e) Approval of the assumptions used to develop the annual financial plan.										X		
f) Approval of the annual financial plan.	X											
g) Approval of significant proposed changes in financial reporting and accounting policies and processes.	<b>AS REQUIRED</b>											
<i>Risk Management</i>												
h) Approval of amendments to the Enterprise Risk Management Policy (Major Company Policy).	<b>AS REQUIRED</b>											
<i>Corporate Audit</i>												
i) Approval of the Internal Audit Charter.										X		
<i>External Audit</i>												
j) Approval of the engagement of the External Auditor.				X								



**APPENDIX A – BOARD CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<i>Other</i>												
k) Approval of the appointment of the Appointed Actuary (at least once every five years).						X						
l) Approval of the Re-Insurance Program annually and approval of the Re-Insurance Risk Management Policy at least once every five years.										X		
m) Approval of the Optional MCT target ratio.	X											
n) Approval of amendments to the Audit Committee Terms of Reference.	<b>AS REQUIRED</b>											
o) Approval of amendments to Spending and Payment Authority Policy (Major Company Policy).	<b>AS REQUIRED</b>											
p) Approval of amendments to the Banking Resolution.	<b>AS REQUIRED</b>											
q) Approval of amendments to the External Auditor Independence Policy (Major Company Policy).	<b>AS REQUIRED</b>											
<b>HUMAN RESOURCES AND COMPENSATION COMMITTEE</b>												
<i>CEO and Executive Performance</i>												
a) Approval of the CEO performance evaluation – current year-end results.						X						
b) Approval of amendments to the CEO performance review process.	<b>AS REQUIRED</b>											
c) Approval of the CEO annual performance plan – new fiscal proposed targets.						X						
d) Review of CEO 360° / Leadership Assessment.										X		
<i>Compensation</i>												
e) Approval of amendments to the Compensation Philosophy, Strategy and Guidelines.	<b>AS REQUIRED</b>											
f) Approval of the CEO's compensation plan.										X		
g) Approval of amendments to the Management Salary Plan.	<b>AS REQUIRED</b>											
h) Approval of annual Executive Compensation Disclosure Statement submission to PSEC.						X						
<i>Human Resources Strategies</i>												
i) Approval of the Human Resources Strategy.	X											



**APPENDIX A – BOARD CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<i>Labour Relations and Bargaining</i>												
j) Approval of amendments to the Labour Relations Strategy and Bargaining Mandate.	<b>AS REQUIRED</b>											
<i>Succession Planning</i>												
k) Review of the succession plan for the CEO.						X						
l) Review of the Emergency Replacement Plan.						X						
m) Approval of amendments to the Succession Planning Process.	<b>AS REQUIRED</b>											
<i>Pension Plans</i>												
n) Approval of amendments to the M&C pension plans administered by ICBC.	<b>AS REQUIRED</b>											
o) Approval of amendments to the Governance Policy and the Funding Policy for the M&C pension plans (Major Company Policies).	<b>AS REQUIRED</b>											
<i>Risk Management and Governance</i>												
p) Approval of the Code of Ethics (Major Company Policy).						X						
q) Approval amendments to the Environmental Sustainability Policy (Major Company Policy).	<b>AS REQUIRED</b>											
r) Approval of amendments to the Human Resources and Compensation Committee Terms of Reference.	<b>AS REQUIRED</b>											
<b>INVESTMENT COMMITTEE</b>												
<i>Develop and Recommend Investment Policy</i>												
a) Approval of amendments to the ICBC investment policy (asset mix).	<b>AS REQUIRED</b>											
b) Approval of amendments to the ICBC SIPP and any pension plan for which ICBC is an Administrator.	<b>AS REQUIRED</b>											
<i>Hire Investment Managers and Delegate Investment Authority</i>												
c) Approval of amendments to the authorities delegated to Management.	<b>AS REQUIRED</b>											
<i>Other</i>												
d) Approval of admendments to the Corporate Credit Risk Policy (Major Company Policy).	<b>AS REQUIRED</b>											
e) Approval of amendments to the Investment Committee Terms of Reference.	<b>AS REQUIRED</b>											



**APPENDIX A – BOARD CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>GOVERNANCE AND TECHNOLOGY COMMITTEE</b>												
a) Review of results of the Directors Needs Assessment & Skills Inventory survey.				X								
b) Review of Board composition.				X								
c) Approval of: (i) Criteria for potential candidates for appointment as Director; and (ii) Committee Members and Committee Chair appointments.	<b>AS REQUIRED</b>											
d) Approval of amendments to the Board Orientation and Development Program.	<b>AS REQUIRED</b>											
e) Assessment of the adequacy and form of Director compensation.										X		
f) Approval of annual evaluation for the Board, Board Chair, Committees and individual Directors.						X						
g) Assessment of the needs of the Board and approve amendments to the frequency and location of Board and Committee meetings.	<b>AS REQUIRED</b>											
h) Approval of amendments to: (i) The Board Governance Manual; (ii) The By-Law; and (iii) Various Terms of Reference.	<b>AS REQUIRED</b>											
i) Review and approval of amendments to the Governance and Technology Committee Terms of Reference.	<b>AS REQUIRED</b>											
j) Approval of amendments to the Terms of Reference for the ICBC Fairness Officer.	<b>AS REQUIRED</b>											
k) Approval of the Corporation's annual report to the Minister in respect of the ICBC Fairness Officer's annual report.						X						
l) Approval of the ICBC Fairness Officer's annual budget for the upcoming fiscal year.	X											
m) Approval of amendments to the E-mail & Electronic Board Material Security Policy.	<b>AS REQUIRED</b>											
n) Approval of amendments to the Board of Directors and Committees of the Board Vital Records Safekeeping Policy.	<b>AS REQUIRED</b>											
o) Approval of amendments to the Directors' Attendance Policy.	<b>AS REQUIRED</b>											



**APPENDIX A – BOARD CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
p) Approval of amendments the Competition Law Compliance Policy (Major Company Policy).	<b>AS REQUIRED</b>											
q) Approval of amendments to the Litigation Hold Policy (Major Company Policy).	<b>AS REQUIRED</b>											
<b>OPERATIONS AND PLANNING COMMITTEE</b>												
a) Approval of the Service Plan.	X											
b) Approval of the Annual Service Plan Report.						X						
c) Approval of amendments to the Operations and Planning Committee Terms of Reference.	<b>AS REQUIRED</b>											
<b>STRATEGIC PLANNING</b>												
a) Approval of the Strategic Plan.	X											
b) Receive the Strategic Plan Report.						X						
c) Approval of Corporate Strategy.	<b>AS REQUIRED</b>											
d) Approval of amendments to the Strategic Planning Process.	<b>AS REQUIRED</b>											
<b>OTHER</b>												
a) Review of the Government Mandate Letter.	<b>AS REQUIRED</b>											
b) Review of the Shared Priorities Direction Letter.	<b>AS REQUIRED</b>											
c) Review of the Estimates Content.	<b>AS REQUIRED</b>											
d) Review of the Budget Consultation Paper.	<b>AS REQUIRED</b>											
e) Approval of the Major Capital Project and Plan.	<b>AS REQUIRED</b>											
f) Review of the quarterly updates from Management on risks monitored by each Committee.	X			X		X				X		
g) Review of the annual Ex-Gratia Payment Record.						X						
h) Approval of the annual Risk Register.										X		
i) Approval of Board and Committee meeting dates for the ensuing year.				X								
j) Completion of the annual Code of Ethics review and Director's declarations.												X

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## TERMS OF REFERENCE FOR THE BOARD CHAIR

### I. BOARD CHAIR DUTIES AND RESPONSIBILITIES

#### A. Introduction

- i) The Board Chair (the “Chair”) is appointed by the Lieutenant Governor in Council.
- ii) The Chair provides leadership in managing the affairs of the Board including ensuring the Board is organized properly, functions effectively and meets its obligations and responsibilities.

#### B. Relations with Government

- i) The Chair, appointed by the Lieutenant Governor in Council, has a unique relationship with, and responsibility to, the Government.
- ii) The Chair shall act as the principal, but not exclusive, spokesperson for the Corporation with the Government and interface between the Board and the Minister.

#### C. Relations with the Board

The Chair has the responsibility to:

- i) Provide leadership to the Board, chair Board meetings and ensure that the appropriate issues are addressed;
- ii) Build consensus and develop teamwork within the Board;
- iii) Foster a constructive and harmonious relationship between the Board and Management;
- iv) Work collaboratively with the Vice Chair/Lead Director to ensure that the Board is able to operate independently of Management;
- v) Maintain a liaison and communication with all Directors and Committee Chairs to co-ordinate input from Directors, and optimize the effectiveness of the Board and its Committees;
- vi) Ensure the Board has full knowledge of the Corporation's business and affairs and is alert to its obligations to the Corporation and the Government;
- vii) Ensure the Board has the information and resources it requires to fulfill its responsibilities, including regular updates from the CEO on all issues important to the welfare and future of the Corporation;
- viii) Ensure major corporate initiatives have proper and timely Board understanding, consideration, oversight and approval;

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## TERMS OF REFERENCE FOR THE BOARD CHAIR

- ix) Ensure information requested by Directors or Committees is provided and meets their needs;
- x) Coordinate the agenda, information packages and related events for Board meetings in conjunction with the Corporate Secretary;
- xi) Establish the frequency of Board meetings, subject to the By-Law, and review such frequency from time to time, as considered appropriate or as requested by the Board;
- xii) Review recommendations regarding Committee Chairs and Board member appointments with the Vice Chair/Lead Director prior to recommending them to the Board for approval; and
- xiii) Work with the Governance and Technology Committee in:
  - a) Developing Director criteria and potential candidates for recommendation to the Board prior to recommendations being made to the Government for appointment of Directors and communicate with the Government regarding the criteria for potential candidates; and
  - b) Ensuring the Board has a process for assessing its own performance and the performance of the Committees, the Chair, the Vice Chair/Lead Director and individual Directors.

### D. Working with Management

The Chair has the responsibility to:

- i) Ensure Management is aware of concerns of the Government, the Board, stakeholders and the public;
- ii) Ensure implementation of Management succession and development plans;
- iii) Ensure Management strategies, plans and performance are appropriately represented to the Board; and
- iv) Act as the primary spokesperson for the Board.

Last reviewed by the Governance and Technology Committee: April 18, 2023

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## TERMS OF REFERENCE FOR THE VICE CHAIR/LEAD DIRECTOR

### I. DUTIES AND RESPONSIBILITIES OF VICE CHAIR

- A. The Board may appoint a Vice Chair at any time.
- B. The Vice Chair will have the responsibility of chairing Board meetings in the Board Chair's absence or if the Board Chair is otherwise unable or unwilling to act at a meeting of the Board.
- C. The Vice Chair shall have such other powers and perform such other duties as may be assigned or delegated by the Board or Board Chair from time to time.

### II. DUTIES AND RESPONSIBILITIES OF VICE CHAIR/LEAD DIRECTOR

- A. On those occasions when the roles of Board Chair and the CEO are combined and held by a single person ("Board Chair/CEO"), the Board shall appoint, from among the non-Management members of the Board, a Vice Chair who will also take on the role of Lead Director. In such cases, the individual's title will be "Vice Chair/Lead Director".
- B. The primary responsibilities of the Vice Chair/Lead Director are:
  - i) Ensure that the Board approaches its responsibilities in a manner that allows the Board to function independently of Management; and
  - ii) Provide a source of Board leadership complementary to that of the Board Chair/CEO.
- C. As required, the Vice Chair/Lead Director acts as a conduit between Management and the Board and between Directors and the Board Chair/CEO.
- D. The Vice Chair/Lead Director has the responsibility to:
  - i) Maintain a close and collaborative relationship with the Board Chair/CEO;
  - ii) Ensure that meetings of the "non-Management" Directors are scheduled regularly, chair such meetings and report the results of such meetings to the Board Chair/CEO;
  - iii) Act as a potential communication channel among the Directors and between Directors and the Board Chair/CEO, such that sensitive issues or concerns are raised in a manner that provides a voice for Directors who might not otherwise raise an issue or who might wish not to have a subject discussed publicly;
  - iv) Review the Board Chair/CEO's recommendations to the Board regarding the appointment of Committee Chairs and members;



## TERMS OF REFERENCE FOR THE VICE CHAIR/LEAD DIRECTOR

- v) Communicate periodically with all Committee Chairs to ensure they are functioning effectively and with the appropriate resources they need to fulfill their responsibilities to the Board;
- vi) Ensure the Board has a process for annually assessing the performance of the Board Chair/CEO; and
- vii) Review Director conflict of interest issues as they arise.

Last reviewed by the Governance and Technology Committee: April 18, 2023



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## TERMS OF REFERENCE FOR A DIRECTOR

### I. INTRODUCTION

The Board acts collectively and exercises its powers and responsibilities as a group. Individual Directors have no power to act on their own.

### II. LEGAL AND FIDUCIARY RESPONSIBILITIES

Broadly speaking, a Director has several fundamental legal and fiduciary obligations to perform.

#### A. Honesty and Good Faith

Common law requires a Director to act honestly and in good faith with a view towards the best interests of the Corporation. The key elements of this standard of behaviour are:

- i) A Director must act in the best interests of the Corporation, not in the Director's self-interest. This means a Director should not act in the best interests of a special interest group or constituency.
- ii) A Director cannot take personal advantage of opportunities that come before the Director in the course of performing Director duties.
- iii) A Director must disclose to the Board any personal interests that the Director holds that may conflict with the interests of the Corporation.
- iv) A Director must respect all terms of the Code of Ethics.

#### B. Skillful Management

A Director shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances. This means:

- i) The standard of behaviour expected of a Director will depend upon the particular qualities or characteristics that the Director brings to the Corporation relative to the particular matters under consideration.

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## TERMS OF REFERENCE FOR A DIRECTOR

- ii) A Director must be proactive in the performance of Director duties by:
  - a) Attending meetings; a Director who has not attended meetings of the Board, must show diligence by examination of reports, discussion with other Directors, and otherwise being sufficiently familiar with the Corporation's activities so that the Director does not suffer as a result of non-attendance;
  - b) Participating in a meaningful way; and
  - c) Being vigilant to ensure the Corporation is being properly managed and is complying with laws affecting the Corporation.

### III. STANDARDS OF BEHAVIOUR

The Board has established the following standards of behaviour for Directors.

#### A. General

As a member of the Board, each Director will:

- i) Demonstrate a solid understanding of the role, responsibilities and legal duties of a Director and the governance structure of the Corporation;
- ii) Represent the interests of the Government in the governance of the Corporation ensuring that the best interests of the Corporation are paramount;
- iii) Demonstrate high ethical standards in personal and professional dealings; and
- iv) Understand the difference between governing and managing, and not encroach on Management's area of responsibility.

#### B. Strategies and Plans

As a member of the Board, each Director will:

- i) Demonstrate an understanding of the Corporation's strategic direction;
- ii) Contribute and add value to discussions regarding the Corporation's strategic direction; and
- iii) Participate in monitoring and evaluating the success of the Corporation and the CEO in achieving established goals and objectives.

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## TERMS OF REFERENCE FOR A DIRECTOR

### C. Preparation, Attendance and Availability

As a member of the Board, each Director will:

- i) Prepare for Board and Committee meetings by reading reports and background materials distributed in advance;
- ii) Maintain an excellent Board and Committee meeting attendance record<sup>1</sup> in accordance with the [Directors' Attendance Policy](#);
- iii) Organize self to attend each meeting in its entirety in person, by video conference, telephone or other communications facilities in accordance with the Directors' Attendance Policy; and
- iv) Participate in Committees and contribute to their purpose.

### D. Communication and Interaction

As a member of the Board, each Director will:

- i) Demonstrate good judgment;
- ii) Interact appropriately with the Management of the Corporation;
- iii) Participate fully and frankly in the deliberations and discussions of the Board;
- iv) Be a positive and constructive force within the Board;
- v) Demonstrate an openness to others' opinions and a willingness to listen;
- vi) Have the confidence and will to make tough decisions, including the strength to challenge the majority view;
- vii) Maintain collaborative and congenial relationships with colleagues on the Board; and
- viii) Advise the CEO and the Board Chair in advance when introducing significant and/or previously unknown information or material at a Board meeting.

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<sup>1</sup> The target is 100% attendance. Anything less than 80%, without extenuating circumstances, would create difficulties for the Board.



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## TERMS OF REFERENCE FOR A DIRECTOR

### E. Industry Knowledge

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

- i) Become generally knowledgeable about the business of the Corporation and its industry;
- ii) In consultation with the Board Chair, attend industry conferences and any other relevant forums;
- iii) Participate in Director orientation and development programs developed by the Corporation from time to time;
- iv) Maintain an understanding of the regulatory, legislative, social and political environments within which the Corporation operates;
- v) Become acquainted with the Management; and
- vi) Be an effective ambassador and representative of the Corporation.

Last reviewed by the Governance and Technology Committee: April 18, 2023



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## DIRECTOR RECRUITMENT PROFILE

### I. INTRODUCTION

- A. The real value of the Board comes from the knowledge of its members, their cohesion as a group, their commitment to the Corporation and its work, and their relationship with the CEO.
- B. The recruitment profile for Directors is a combination of many factors, including but not limited to, personal attributes and traits, community standing and expertise, diversity of viewpoints, and how these factors fit together.
- C. Preeminent among the above factors are the following two characteristics:
  - i) People who can and will govern and people who are prepared to contribute their judgment and put in the level of effort required; and
  - ii) People who have a personal commitment to the Corporation's Values and Brand Promise of "Moving All Forward".
- D. Outlined below are the specific backgrounds and areas of expertise that are viewed as being helpful to the Board, as well as, a set of recommended personal characteristics.

### II. BACKGROUND AND AREAS OF EXPERTISE

As a Crown-owned financial services institution operating both in a monopoly and competitive environment, it is of utmost importance that the Board has industry expertise in managing the diversity of risks involved in BC's automobile insurance model. Specifically, executive level experience in the areas of insurance, investment management, and accounting/audit experience are vital in order to provide effective control and oversight.

To fulfill the Board's complex roles, the Board is strongest and most effective when the following competencies are represented on the Board, with each Director contributing knowledge, experience, and skills in at least one of the following areas:



## DIRECTOR RECRUITMENT PROFILE

COMPETENCY	DESCRIPTION
Accounting Qualifications	CPA, CA, CMA or CGA qualifications with senior financial/audit experience.
Automotive Industry Expertise	Experience in the automotive industry, including the repair value chain.
CEO & Business Management	CEO background and/or experience in large complex organizations.
Change Management	Understanding of change management requirements of a large complex organization.
Corporate Social Responsibility	Experience and knowledge of best practices to enable an organization to operate in an economically, socially and environmentally sustainable manner. With regard to environmental concerns, an understanding and awareness of climate change and environmental sustainability initiatives/strategies.
Financial Literacy	Understanding of financial operational management, knowledge of internal controls, audit practices and accounting practices in the insurance industry.
Human Capital Management / Labour Relations	Direct senior management experience with best practices in human resource management and familiarity with employment legislation and labour relations.
Indigenous Relations	Experience working with Indigenous organizations and communities, and knowledge and understanding of the culture and interests of Indigenous peoples, particularly those whose traditional territories are in British Columbia.
Information Technology, Cybersecurity & Artificial Intelligence	Experience with information technology and cybersecurity requirements of a large complex organization. Experience with a large complex systems improvement.
Insurance or Insurance Distribution	Board, CEO, C-level experience or extensive experience in the property and casualty insurance industry, including insurance distribution, or broader financial services of a large complex organization.
Investment Management	Direct senior management experience in institutional investment, oversight and reporting.
Legal	Legal practice and/or background with expertise in board/governance matters.
Marketing / Communications & Media	Understanding of the unique requirement of effective marketing and communication planning and implementation in a complex environment.
Previous Board Experience & Governance	Experience in serving as a director on public sector, private sector or not-for-profit boards of large complex organizations. Experience, understanding and compliance with leading governance policies.
Provincial / Diversity Scope	In addition, these skills and experience should be reflected in an appropriate balance of gender, diversity and region/geography.
Public Sector Knowledge	Experience and understanding of the inner workings of the Government.
Regulatory	Experience, knowledge and understanding of the regulatory environment for ICBC, insurance companies and/or financial institutions.



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## DIRECTOR RECRUITMENT PROFILE

COMPETENCY	DESCRIPTION
Risk Management	Experience and knowledge in the processes of identifying and understanding principal corporate risks and ensuring management has implemented appropriate systems to manage/mitigate significant risks and events.
Stakeholder Relations	Experience and understanding with working with a complex and diverse group of stakeholders.

### III. NEEDS ASSESSMENT & SKILLS INVENTORY (THE “COMPETENCY MATRIX”)

The ICBC Board of Directors Needs Assessment & Skills Inventory (the “Competency Matrix”) provides a checklist which allows Directors to self-identify the knowledge, experience and skills that have been identified as relevant to their role.

The Competency Matrix (below) should be completed by each Director on an annual basis with the results tabulated and presented to the Governance and Technology Committee to assist in identifying and assessing gaps in experience for recruitment purposes.

# ICBC BOARD OF DIRECTORS NEEDS ASSESSMENT & SKILLS INVENTORY (THE “COMPETENCY MATRIX”)

Director's Name	First Appointed / Elected (d/m/y)	Term being served	Term Expiry Date (d/m/y)	LEVEL OF COMPETENCY																		
				Indicate response with [N] NONE [P] PARTIAL [F] FULL																		
				Accounting Qualifications	Automotive Industry Expertise	CEO & Business Management	Change Management	Corporate Social Responsibility	Financial Literacy	Human Capital Management / Labour Relations	Indigenous Relations	Information Technology, Cybersecurity and Artificial Intelligence	Insurance or Insurance Distribution	Investment Management	Legal	Marketing / Communications & Media	Previous Board Experience & Governance	Public Sector Knowledge	Regulatory	Risk Management	Stakeholder Relations	

*In addition, these skills and experience are reflected in an appropriate balance of: gender, ethnicity and region/geography.*

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## DIRECTOR RECRUITMENT PROFILE

### IV. RECOMMENDED PERSONAL CHARACTERISTICS

#### A. Integrity and Accountability

Directors who have 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.

#### B. Informed Judgment

Directors who are able to provide wise, thoughtful counsel on a broad range of issues.

#### C. Financial Literacy

Directors who are financially literate and are familiar with processes for evaluating organizational performance.

#### D. Mature Confidence

Directors who value Board and team performance over individual performance, and who possess respect for others, and facilitate superior Board performance.

#### E. High Performance Standards

Directors who have a history of achievements that reflect high standards for themselves and others.

Last reviewed by the Governance and Technology Committee: January 25, 2024



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## DIRECTOR ORIENTATION AND DEVELOPMENT PROGRAM

### I. INTRODUCTION

The Board, with the assistance of Management, ensures there is an orientation program for new Directors and a development program for existing Directors.

### II. NEW DIRECTOR ORIENTATION

The orientation program is aimed at increasing new Directors' familiarity with the Corporation. It is designed to equip Directors with sufficient information and resources to ensure they are fully informed to make decisions and discharged their responsibilities.

The orientation program educates Directors on the Corporation's business, operations, finances, current issues and strategies, conflicts of interest, corporate governance framework and the Government expectations.

Every new Director will participate in the orientation. The orientation will be coordinated by the Corporate Secretary and will involve the Board Chair, Committee Chairs as required, the CEO, the Chief Financial Officer and other members of Management.

The orientation will be comprised of the following three stages:

1. Upon appointment – delivery of letter of introduction and fundamental Board materials;
2. Within one month of appointment – initial orientation; and
3. Within six months of appointment – detailed orientation.

The Corporate Secretary will ensure the Board Chair and the CEO are apprised of all contact with the new Director and will also facilitate engagement with the Board Chair and the CEO.

#### **1. Upon appointment**

Upon notification of appointment, the Corporate Secretary will immediately contact the new Director. The Corporate Secretary will deliver the fundamental Board materials to the new Director.

A sample of the draft letter to the new Directors and an index of the information included, are accessible on the online Board portal.

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## DIRECTOR ORIENTATION AND DEVELOPMENT PROGRAM

### **2. Within one month of appointment**

An initial orientation will occur shortly after appointment and preferably before the new Director's first Board meeting.

The purpose of the initial orientation is to address the functional/housekeeping matters relating to directorship, and to meet with the CEO and Corporate Secretary.

The new Director will be provided the opportunity to receive a tour of ICBC's Head Office and arrangements will be made to set up electronic devices and access to Board materials.

### **3. Within six months of appointment**

A detailed orientation will commence within the first month of appointment and be completed within six months.

The Corporate Secretary will work with the new Director to arrange meetings with Management and the other Directors.

The detailed orientation will provide in-depth briefings on the Corporation's business, including its operations, finances, strategies and current issues. It will also include a half day education session on ICBC's business and at least one visit to a claims facility and a driver licensing operations facility. Additional orientation can be arranged at the request of the Director.

An outline of the orientation for new Directors can be found at Attachment "A". Supporting materials for the orientation can be found under Orientation Materials on the online Board portal.

## III. DIRECTOR DEVELOPMENT

Ongoing development activities focus on informing Directors on issues of strategic importance to the Corporation, and will take place periodically. The sessions may be scheduled separately from regular Board and Committee meetings.

The Governance and Technology Committee is responsible for identifying the educational and training needs of the Board. The Committee continually looks for opportunities to ensure that the Directors have the knowledge and skills necessary to meet their obligations to the Corporation.

At the same time, individual Directors have a responsibility to advise the Board Chair or Chair of the Governance and Technology Committee if they or the Board would benefit from specific skills training or education respecting matters falling within the responsibility of the Board or relating to the business and operations of the Corporation.



## DIRECTOR ORIENTATION AND DEVELOPMENT PROGRAM

Qualified external consultants and internal staff are brought in on a regular basis to present on a range of issues such as: strategic planning, pension obligations, corporate governance, and freedom of information and privacy legislation.

The Board has a budget to fund external educational training for individual Directors or for the Board as a whole.

Last reviewed by the Governance and Technology Committee: October 25, 2023



## Director Orientation and Development Program

### Orientation for New Directors

Director	<NAME>
Date of Appointment	<DATE>
Initial Orientation Date	<DATE>
Detailed Orientation Start Date	<DATE>

Topic	Orientation Description	Supporting Materials				
<b>1.0 LETTER OF INTRODUCTION</b>	<i>Upon notification of appointment</i>					
<b>1.1. Notification of New Director Appointment</b>	<p><b>Immediate new appointment activities:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Letter of Introduction delivered to Director by Corporate Secretary</li> <li><input type="checkbox"/> Set up ICBC email address and access to online Board portal</li> </ul> <p style="text-align: right;">Date Received</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td style="width: 50px; height: 20px;"></td></tr> <tr><td style="width: 50px; height: 20px;"></td></tr> </table>			<p><b><u>Fundamental Board Materials</u></b></p> <ul style="list-style-type: none"> <li>• Governance Manual</li> <li>• Code of Ethics</li> <li>• Committees of the Board</li> <li>• Director Biographies</li> <li>• Director and ICBC Executive Contact Information</li> <li>• Schedule of Meeting Dates</li> </ul> <p><b><u>Key Corporate Information</u></b></p> <ul style="list-style-type: none"> <li>• ICBC Corporate Plans and Reports <ul style="list-style-type: none"> <li>○ Current Corporate Strategy</li> <li>○ Current Strategic Plan</li> <li>○ Current Financial Plan</li> <li>○ Current Service Plan</li> <li>○ Most recent Annual Service Plan Report</li> </ul> </li> <li>• Government Letters <ul style="list-style-type: none"> <li>○ Current Mandate Letter</li> <li>○ Current Shared Priorities Direction Letter</li> </ul> </li> <li>• ICBC Executive and Organization <ul style="list-style-type: none"> <li>○ ICBC Executive Organization Chart</li> <li>○ ICBC Executive Biographies</li> </ul> </li> </ul>		
<b>2.0 INITIAL ORIENTATION</b>	<i>Initial orientation to be completed within one month of appointment</i>					
<b>2.1. Introductions and Housekeeping</b>	<p><b>Initial meeting at ICBC Head Office:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Initial meeting with CEO</li> <li><input type="checkbox"/> Initial meeting with Board Chair</li> <li><input type="checkbox"/> Review housekeeping matters, including Director compensation and expenses</li> <li><input type="checkbox"/> Tour of ICBC Head Office</li> </ul> <p style="text-align: right;">Date Completed</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td style="width: 50px; height: 20px;"></td></tr> </table>					<p><b><u>Housekeeping</u></b></p> <ul style="list-style-type: none"> <li>• Income Tax Deductions (Provincial &amp; Federal)</li> <li>• Payroll Authorization Deposit form</li> <li>• Government Indemnity</li> </ul>
<b>2.2. Board and Corporate Overview</b>	<p><b>Meeting with Corporate Secretary on governance:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Initial meeting with Corporate Secretary</li> <li><input type="checkbox"/> Review of Fundamental Board Materials and Key Corporate Information</li> <li><input type="checkbox"/> Code of Ethics Declaration</li> </ul> <p style="text-align: right;">Date Completed</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td style="width: 50px; height: 20px;"></td></tr> <tr><td style="width: 50px; height: 20px;"></td></tr> <tr><td style="width: 50px; height: 20px;"></td></tr> </table>				<p><b><u>Fundamental Board Materials</u></b> (listed above)</p> <p><b><u>Key Corporate Information</u></b> (listed above)</p>	

Topic	Orientation Description	Supporting Materials
<b>3.0 DETAILED ORIENTATION</b>	<i>Detailed orientation to be completed within six months of appointment</i>	
<b>3.1. ICBC Business and Context</b>	<b>Overview of ICBC business (half-day session):</b>  <input type="checkbox"/> Overview and education on ICBC's business, contextual background, and key strategic issues <div style="float: right; text-align: right;"> Date Completed  <input style="width: 60px; height: 20px;" type="text"/> </div>	<b>Fundamental Board Materials</b> (listed above)  <b>Key Corporate Information</b> (listed above)
<b>3.2. Meetings with ICBC Executive Team</b>	<b>In-person 1-1 meetings with ICBC executive (1-hour):</b>  <input type="checkbox"/> VP, Insurance <input type="checkbox"/> VP, Claims Customer & Material Damage Services <input type="checkbox"/> VP, Claims Injury & Legal Services <input type="checkbox"/> VP, Driver Licensing & Corporate Affairs <input type="checkbox"/> VP, Customer Experience & Public Affairs <input type="checkbox"/> Chief Financial Officer <input type="checkbox"/> Chief Information & Technology Officer <input type="checkbox"/> Chief People Officer <div style="float: right; text-align: right;"> Date Completed  <input style="width: 60px; height: 20px;" type="text"/>  <input style="width: 60px; height: 20px;" type="text"/> </div>	<b>Fundamental Board Materials</b> (listed above)  <b>Key Corporate Information</b> (listed above)
<b>3.3. Meetings with fellow Directors (Optional)</b>	<b>In-person 1-1 meetings with fellow Directors (1-hour):</b>  <input type="checkbox"/> TBD Director <input type="checkbox"/> TBD Director <input type="checkbox"/> TBD Director <div style="float: right; text-align: right;"> Date Completed  <input style="width: 60px; height: 20px;" type="text"/>  <input style="width: 60px; height: 20px;" type="text"/>  <input style="width: 60px; height: 20px;" type="text"/> </div>	<ul style="list-style-type: none"> <li>• Committees of the Board</li> <li>• Director Biographies</li> <li>• Director and ICBC Executive Contact Information</li> </ul>
<b>3.4. Site Visits (Optional)</b>	<b>Site visits to learn about ICBC operations:</b>  <input type="checkbox"/> ICBC Claim Centre <input type="checkbox"/> ICBC Driver Licensing Office <div style="float: right; text-align: right;"> Date Completed  <input style="width: 60px; height: 20px;" type="text"/>  <input style="width: 60px; height: 20px;" type="text"/> </div>	
<b>3.5. Committee Meeting Orientation (Optional)</b>	<b>Attendance as a visitor to a meeting of each Committee:</b>  <input type="checkbox"/> Audit Committee <input type="checkbox"/> Human Resources & Compensation Committee <input type="checkbox"/> Investment Committee <input type="checkbox"/> Governance & Technology Committee <input type="checkbox"/> Operations & Planning Committee <div style="float: right; text-align: right;"> Date Completed  <input style="width: 60px; height: 20px;" type="text"/>  <input style="width: 60px; height: 20px;" type="text"/> </div>	<ul style="list-style-type: none"> <li>• Current and prior meeting materials and minutes for the respective Committee meeting</li> </ul>



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## COMMITTEE GOVERNANCE GUIDELINES

1. Each Committee will make periodic recommendations to the Board in respect of the subject on which it was created to advise. The Board will take into consideration, but will not be bound by, Committee recommendations.
2. The Board Chair, in consultation with the Vice Chair/Lead Director, recommends Committee Chairs and members to the Board for approval. In preparing recommendations, the Board Chair will take into account the preferences, skills and experience of each Director.
3. Members of Committees shall hold office until their successors are elected.
4. A Committee member may be removed or replaced at any time by the Board and will cease to be a member upon ceasing to be a Director.
5. The number of members and composition of each Committee is indicated in each Committee's terms of reference.
6. A [list of Board Committees, and their respective Committee Chairs and members](#) is accessible on icbc.com.
7. Each Committee will meet at least once each year, or more frequently as deemed necessary by the Committee. Generally, meetings will be scheduled each year in advance.
8. Notice of the time and place of every meeting shall be given in writing to each member of the Committee and the Board Chair not less than three (3) business days in advance of the date when it shall occur.
9. The Committee Chair or any two (2) members of a Committee may call a meeting of the Committee.
10. If a Committee Chair is not present at any meeting of a Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.
11. The Corporate Secretary or delegate will ensure that the minutes of each Committee meeting are prepared and given in a timely fashion to each Committee member and to the full Board. A complete meeting record will be maintained by the Corporate Secretary's Office and available to any Director and the CEO.
12. A Committee member may participate in a Committee meeting in person or by telephone, video conferencing or other communications facilities provided that all persons participating in the meeting can hear each other. A member participating in a meeting in one of those ways is deemed to be present at the meeting.



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## COMMITTEE GOVERNANCE GUIDELINES

13. A Committee may invite such Director or, in consultation with the CEO, such employees of the Corporation or consultants, as may be considered desirable to attend meetings and assist in the discussion and consideration of the business of the Committee.
14. A Committee may, from time to time, require the expertise of outside resources. No outside resource will be retained without the approval of the Board Chair or the Vice Chair/Lead Director, generally in consultation with the CEO.
15. A quorum for the transaction of business at a Committee meeting will be a majority of the authorized number of members. Questions arising at a meeting will be determined by a majority of votes of the members present.
16. Each Committee will review its own terms of reference annually and any changes will be submitted to the Board for approval.
17. The Corporate Secretary or delegate will canvass Directors with a view to establishing a meeting schedule and will work with each Committee Chair to establish meeting agendas and prepare meeting materials. Each Committee's annual meeting schedule will be incorporated into the Board calendar.
18. Each Committee shall have a timetable, as part of its terms of reference, which outlines when the Committee plans to address each of its duties and responsibilities during the course of the year.

Last reviewed by the Governance and Technology Committee: April 18, 2023



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## TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

### I. PURPOSE

- A.** The primary function of the Audit Committee (the “Committee”) is to assist the Board in fulfilling its oversight responsibilities for ICBC and its subsidiaries by reviewing:
- i) The financial information that will be provided to Government and the public;
  - ii) The Enterprise Risk Management Policy which establishes ICBC’s approach to risk management;
  - iii) The External Auditor Independence Policy;
  - iv) The Internal Audit Charter;
  - v) The internal controls and information systems that Management has established; and
  - vi) The internal audit projects as specified in the annual audit plan, and ad hoc projects that are requested during the year.
- B.** Primary responsibility for the financial reporting, information systems, risk management and internal controls of ICBC and its subsidiaries is vested in Management and is overseen by the Board.

### II. COMPOSITION AND OPERATIONS

- A.** The Committee shall be composed of not fewer than three directors and not more than five directors.
- B.** All members of the Committee should be independent. Each member must declare any potential conflicts of interest and consider whether such conflicts would compromise their independence. In response to potential conflict of interest or independence issue, the Chair of the Committee may evaluate and determine the need for any members of the Committee to be recused from any discussion.
- C.** All members of the Committee shall be financially literate and at least one will have accounting or related financial experience.<sup>1</sup>
- D.** ICBC’s External Auditor shall be advised of the names of the Committee members and will receive notice of and be invited to attend meetings of the Committee, and to be heard at those meetings on matters relating to the External Auditor’s duties.

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<sup>1</sup> The Board has defined “financial literacy” as: the ability to read and understand a statement of financial position, income statement and a cash flow statement. Where there is a requirement for a Director to have accounting or financial experience this means the Director shall have the ability to analyze and understand a full set of financial statements, including the notes attached.



## TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

- E. The Committee shall meet with the External Auditor as it deems appropriate to consider any matter that the Committee or External Auditor determines should be brought to the attention of the Board.
- F. The Committee shall meet at least four times each year.
- G. The Committee has access to ICBC's senior management and documents as required to fulfill its responsibilities and is provided with the resources necessary to carry out its responsibilities.
- H. The Committee provides open avenues of communication among Management, employees, external and internal auditors and the Board.
- I. The secretary to the Committee shall be either the Corporate Secretary or delegate.

### III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee will perform the following duties:

#### A. Financial Statements and Other Financial Information

The Committee will review, approve and make recommendations to the Board as required, the following:

- i) ICBC's annual audited consolidated financial statements;
- ii) ICBC's quarterly financial reports;
- iii) Any financial advisements<sup>2</sup>, as required;
- iv) The accounting assumptions used to develop the year-end pension and post-retirement benefit plan obligations and the following year's pension and post-retirement benefits plan expense for ICBC<sup>3</sup>;
- v) The accounting assumptions used to develop the year-end pension obligations for the Management and Confidential Pension Fund ("M&C") and the Supplemental Retirement Plan "A" for Designated Officers ("Supp A")<sup>3</sup>;
- vi) The annual audited financial statements of the M&C and the Supp A plans of which ICBC is the legal Administrator;

<sup>2</sup> "Financial advisements" are classified as non-recurring matters of a financial nature which could have an implication for financial reporting.

<sup>3</sup> Approval has been delegated to the Committee by the Board.



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## TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

- vii) The quarterly financial outlooks;
- viii) The assumptions used to develop the annual financial plan;
- ix) The annual financial plan; and
- x) Any significant proposed changes in financial reporting and accounting policies and practices to be adopted by ICBC, as required.

The Committee will review:

- xi) The appropriateness of Management's policies and practices with respect to the liability for incurred claims, reserves and surplus;
- xii) The appropriateness of accounting policies and financial reporting practices used by ICBC, particularly with reference to automobile insurance industry practices;
- xiii) Any new or pending developments in accounting and reporting standards that may significantly affect ICBC; and
- xiv) Management's key estimates and judgments that may be material to financial reporting.

### **B. Risk Management**

Initial oversight responsibilities for risk management governance are conducted by the Committee on behalf of the Board, including:

- i) Annually review the Enterprise Risk Management Policy (Major Company Policy) updates which establishes ICBC's approach to risk management and make recommendations to the Board as required;
- ii) Understand the material risks assigned to the Committee for oversight by the Board inherent in executing ICBC's objectives; and except for those risks that are monitored by another Committee, receive quarterly updates from Management on the risks monitored by the Audit Committee to understand the status of strategies to address such risks. This review will enable the Committee to discuss any inconsistencies between Management and the Committee as to the risk exposure exceeding ICBC's risk appetite; and
- iii) Review the organization and independence of the risk management function, including oversight by an independent consultant (to be conducted at least once every five years).

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## TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

### C. Internal Control and Information Systems

The Committee will review and obtain reasonable assurance, through discussions with and reporting from: the Risk Committee, comprised of the Executive Leadership Team and the Director, Risk and Audit; Internal Audit; and the External Auditor, that internal controls and information systems are operating effectively to produce financial information and to achieve effective and efficient operations. This includes:

- i) Comply with applicable laws and regulations;
- ii) Obtain reasonable assurance that key information systems are appropriately designed, implemented and maintained to produce reliable data for management decision-making; and
- iii) Obtain reasonable assurance that internal controls are appropriately designed and effectively implemented to mitigate key risks to ICBC.

### D. Internal Audit

The Committee will oversee ICBC's internal audit function and the effectiveness of the relationship between the Internal Audit function and the External Auditor and with Management. This includes:

- i) Review and receive assurances on the independence of the internal audit function and the Director, Risk and Audit;
- ii) Review results of internal quality assurance program as required;
- iii) Review results of independent Quality Assessment Review (to be conducted at least once every five years);
- iv) Review and approve the annual audit plan;
- v) Review the performance metric results;
- vi) Review the co-sourcing and outsourcing budget of internal audit work, as required;
- vii) Review the results of major activities, key findings, issues and matters that have an effect on controls, the integrity of Management and the quality of financial reporting as reported by the Director, Risk and Audit;
- viii) Meet periodically and at least quarterly with the Director, Risk and Audit without Management present;



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## TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

- ix) Review proposed changes in the position of the Director, Risk and Audit;
- x) Review the results of the annual assessment on the adequacy of internal controls and ICBC's governance processes provided by the Director, Risk and Audit; and
- xi) Annually review and recommend for approval to the Board the Internal Audit Charter as required.

### **E. External Audit**

The External Auditor is ultimately responsible to the Committee and the Board as the representative of the Government. The Committee will review the planning and results of external audit activities and the ongoing relationship with the External Auditor. This includes:

- i) Review and make recommendations to the Board the engagement of the External Auditor, and inform Government;
- ii) Review the annual external audit plan, including but not limited to the following:
  - a) Engagement letter;
  - b) Objectives and scope of the external audit work, including coordination of audit efforts with internal audit;
  - c) Materiality limit;
  - d) Areas of audit risk;
  - e) Staffing;
  - f) Timetable; and
  - g) Proposed fees;
- iii) Meet with the External Auditor to discuss ICBC's annual consolidated financial statements and the External Auditor's report including the appropriateness of accounting policies and underlying estimates;



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## TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

- iv) Review and advise the Board with respect to the planning, conduct and reporting of the annual audit, including but not limited to:
  - a) Any difficulties encountered, or restrictions imposed by Management, during the annual audit; and
  - b) Any significant accounting or financial reporting issues;
- v) Review the External Auditor's evaluation of ICBC's system of internal controls, procedures and documentation;
- vi) Review the post audit management letter containing any material findings or recommendations of the External Auditor, including Management's response thereto and the subsequent follow-up to any identified internal control weaknesses;
- vii) Annually assess the performance of the External Auditor;
- viii) Review the External Auditor's report on all material subsidiaries;
- ix) Review and receive assurances on the independence of the External Auditor;
- x) Review the non-audit services to be provided by the External Auditor's firm or its affiliates (including estimated fees), and consider the impact on the independence of the external audit in accordance with the External Auditor Independence Policy;
- xi) Meet periodically, and at least annually, with the External Auditor without Management present; and
- xii) Any other matters the External Auditor brings to the Committee's attention.

### **F. Code of Ethics**

- i) Review any allegations under the Code of Ethics pertaining to the Chief Financial Officer ("CFO"), the Senior Director, Finance & Corporate Controller and/or the Director, Risk and Audit.



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## TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

### G. Other

- i) At least once every five years, review and make recommendations to the Board the appointment of the Appointed Actuary;
- ii) Annually review insurance coverage of significant business risks and uncertainties;
- iii) Annually review and make recommendations to the Board the adoption of a Reinsurance Program;
- iv) At least once every five years, review and make recommendations to the Board for adoption of the Reinsurance Risk Management Policy as required;
- v) Review the Optional Insurance Capital Management Plan ("CMP") and make recommendations to the Board as required at least once every three years, and annually review the Optional Insurance Capital Operating Target and make recommendations to the Board as required;
- vi) Review material litigation and its impact on financial reporting, with significant matters brought forward as required at the discretion of Management;
- vii) Semi-annually review expenses of the Board Chair and the CEO<sup>4</sup>;
- viii) Annually review the terms of reference for the Committee and make recommendations to the Board as required;
- ix) Annually review the Spending and Payment Authority Policy (Major Company Policy) and make recommendations to the Board as required;
- x) Annually review the Banking Resolution and make recommendations to the Board as required;
- xi) Provide feedback to the CFO on the performance of the head of the internal audit function;
- xii) Annually review the External Auditor Independence Policy (Major Company Policy) and make recommendations to the Board as required;
- xiii) Retain the opportunity to undertake exit interviews with senior Finance Division staff;

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<sup>4</sup> Chair of Committee may undertake the review on behalf of the Committee.



## **TERMS OF REFERENCE FOR THE AUDIT COMMITTEE**

- xiv) In considering the appointment of the CFO, take into consideration, among other factors, previous employment by ICBC's External Auditor; and
- xv) Review any changes to the reporting relationship or responsibilities of the CFO.

### **IV. ACCOUNTABILITY**

The Committee shall report its discussions to the Board by oral or written report at the next Board meeting.

### **V. COMMITTEE TIMETABLE**

The timetable on the following pages outlines the Committee's schedule of activities.

Last reviewed by the Committee: **October 25, 2023**



**AUDIT COMMITTEE CALENDAR**

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>A. Financial Statements and Other Financial Information</b>													
i)	Review and recommend approval of ICBC's annual audited consolidated financial statements.						X						
ii)	Review and recommend approval of ICBC's quarterly financial reports.	X						X			X		
iii)	Review and recommend approval of any financial advisements.	<b>AS REQUIRED</b>											
iv)	Review and approve the assumptions used to develop the year-end pension and post-retirement benefit plan obligation and the following year's pension and post-retirement benefit plan expense for ICBC.										X		
v)	Review and approve the assumptions used to develop the year-end pension obligations for the M&C and Supp A plans.										X		
vi)	Review and recommend approval of annual audited statements of the M&C and the Supp A plans of which ICBC is the legal Administrator.						X						
vii)	Review and recommend approval of the quarterly financial outlooks.	X					X	X			X		
viii)	Review and recommend approval of the assumptions used to develop the annual financial plan.										X		
ix)	Review and recommend approval of the annual financial plan.	X											
x)	Review and recommend approval of any significant proposed changes in financial reporting and accounting policies and practices.	<b>AS REQUIRED</b>											
xi)	Review the appropriateness of Management's policies and practices with respect to the liability for incurred claims, reserves and surplus.						X						

NOTE: This Calendar indicates the month in which the Audit Committee will perform the activities set out herein.



**AUDIT COMMITTEE CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
xii) Review the appropriateness of accounting policies and financial reporting practices used by ICBC, particularly with reference to automobile insurance industry practices.	<b>AS REQUIRED</b>											
xiii) Review any new or pending developments in accounting and reporting standards that may significantly affect ICBC.	<b>AS REQUIRED</b>											
xiv) Review Management's key estimates and judgments that may be material to financial reporting.						X						
<b>B. Risk Management</b>												
i) Review and recommend approval of the Enterprise Risk Management Policy (Major Company Policy) updates which establishes ICBC's approach to risk management as required.	X											
ii) Receive quarterly updates from the Risk Committee on the assigned risks monitored by this Committee as well as updates on other risks as determined by the Board.	X			X						X		
iii) Review the organization and independence of the Enterprise Risk Management function, including oversight by an independent consultant (at least once every five years).										X		
<b>C. Internal Control and Information Systems</b>												
i) Comply with applicable laws and regulations.	X			X		X				X		
ii) Obtain reasonable assurance that key information systems are appropriately designed, implemented and maintained to produce reliable data for management decision-making.	X			X		X				X		
iii) Obtain reasonable assurance that internal controls are appropriately designed and effectively implemented to mitigate key risks to ICBC.	X			X		X				X		

NOTE: This Calendar indicates the month in which the Audit Committee will perform the activities set out herein.



**AUDIT COMMITTEE CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>D. Internal Audit</b>												
i) Review and receive assurances on the independence of the internal audit function and the Director, Risk and Audit.						X						
ii) Review results of internal quality assurance program.	<b>AS REQUIRED</b>											
iii) Review results of independent Quality Assessment review (at least once every five years).										X		
iv) Review and approve the annual year audit plan.	X											
v) Review the annual performance metrics results.						X						
vi) Review the co-sourcing and outsourcing budget of internal audit work.	<b>AS REQUIRED</b>											
vii) Review the results of major activities, key findings, issues and matters as reported by the Director, Risk and Audit.	X			X						X		
viii) Meet periodically and at least quarterly with the Director, Risk and Audit without Management present.	X			X		X				X		
ix) Review proposed changes in the position of Director, Risk and Audit.	<b>AS REQUIRED</b>											
x) Review the results of the annual assessment on the adequacy of internal controls and ICBC's Governance Processes provided by the Director, Risk and Audit.						X						
xi) Review and recommend approval of the Internal Audit Charter.										X		

NOTE: This Calendar indicates the month in which the Audit Committee will perform the activities set out herein.



**AUDIT COMMITTEE CALENDAR**

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>E. External Audit</b>													
i)	Review and recommend approval of the engagement of the External Auditor, and inform the Government.				X								
ii)	Review external audit plan.										X		
iii)	Meet with the External Auditor to discuss ICBC's annual consolidated financial statements and the External Auditor's report including the appropriateness of accounting policies and underlying estimates.						X						
iv)	Review and advise the Board with respect to the planning, conduct and reporting of annual audit.						X						
v)	Review the External Auditor's evaluation of ICBC's system of internal controls, procedures and documentation.						X						
vi)	Review the post audit or management letter containing any material findings or recommendation of the External Auditor, including Management's response thereto and the subsequent follow-up to any identified internal control weaknesses.						X						
vii)	Assess the performance of the External Auditor.							X					
viii)	Review the External Auditor's report on material subsidiaries.						X						
ix)	Review and receive assurances on the independence of the External Auditor.						X						
x)	Review the non-audit services to be provided by the External Auditor's firm or its affiliates (including estimated fees), and consider the impact on the independence of the External Audit in accordance with the External Auditor Independence.	X			X			X			X		
xi)	Meet periodically, and at least annually, with the External Auditor without Management present.	X			X		X				X		

NOTE: This Calendar indicates the month in which the Audit Committee will perform the activities set out herein.



**AUDIT COMMITTEE CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>F. Code of Ethics</b>												
i) Review any allegations under the Code of Ethics pertaining to the CFO, the Senior Director, Finance & Corporate Controller and/or the Director, Risk and Audit.	X			X		X				X		
<b>G. Other</b>												
i) Review and recommend approval or renewal <sup>5</sup> of the appointment of the Appointed Actuary (at least once every five years).						X						
ii) Review insurance coverage of significant business risks and uncertainties.				X								
iii) Review and recommend the adoption of a Reinsurance Program.										X		
iv) Review and recommend approval of the Reinsurance Risk Management Policy (at least once every five years) as required.										X		
v) Review and recommend approval of the Optional Insurance CMP (at least once every three years) and review and recommend approval of the Optional Insurance Capital Operating Target annually as required.	X											
vi) Review material litigation and its impact on financial reporting, with significant matters brought forward as required at the discretion of Management.	X					X	X			X		
vii) Review expenses of the Board Chair and CEO.				X						X		
viii) Review and recommend approval of the Committee Terms of Reference as required.										X		
ix) Review and recommend approval of the Spending and Payment Authority Policy (Major Company Policy) as required.										X		

<sup>5</sup> The approval of renewing the appointment of the existing Appointed Actuary will be in October.

NOTE: This Calendar indicates the month in which the Audit Committee will perform the activities set out herein.



**AUDIT COMMITTEE CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
x) Review and recommend approval of the Banking Resolution as required.	X											
xi) Provide feedback to the CFO on the performance of the head of the internal audit function.	X											
xii) Review and recommend approval of the External Auditor Independence Policy (Major Company Policy) as required.	X											

NOTE: This Calendar indicates the month in which the Audit Committee will perform the activities set out herein.

## TERMS OF REFERENCE FOR THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

### I. PURPOSE

The purpose of the Human Resources and Compensation Committee (the “Committee”) is to assist the Board in fulfilling its obligations relating to human resources and compensation policy and related matters and to establish a plan of continuity and development of senior management for ICBC, and its subsidiaries as applicable.

### II. COMPOSITION AND OPERATIONS

- A. The Committee shall be composed of not fewer than three and not more than four Directors.
- B. The Committee shall meet at least four times each year.
- C. From time to time, as deemed required by the Committee, the Committee shall retain independent advice regarding human resource and compensation issues.
- D. The secretary to the Committee shall be the Corporate Secretary or delegate.

### III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee will perform the following duties:

#### A. CEO and Executive Performance

- i) Annually review the CEO performance evaluation – current-year-end results, and make recommendations to the Board.
- ii) Annually review the performance review process for the CEO, and make recommendations to the Board as required. When approved, ensure the process is implemented. The current performance review process is contained at Tab 5.2.
- iii) Annually review the CEO performance plan – new fiscal year proposed targets and make recommendations to the Board.
- iv) Annually review the CEO development plan and make recommendations to the Board.
- v) Annually review the CEO 360° / Leadership Assessment.
- vi) Annually review with the CEO any significant outside commitment the CEO is considering before the commitment is made. This includes commitments

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## TERMS OF REFERENCE FOR THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

to act as a director or trustee of for-profit and not-for-profit organizations. The Committee will also review with the CEO on an annual basis all commitments made over the previous 12-month period.

- vii) Annually receive the executive performance evaluation – current year-end results.
- viii) Annually receive the executive performance plan – new fiscal year proposed targets.

### **B. Compensation**

- i) At least every other year, review the Corporation's compensation and benefits philosophy, strategy and guidelines compliance with laws and any applicable guidelines established by the Public Sector Employers' Council Secretariat ("PSEC"), and make recommendations to the Board as required.
- ii) Annually review compensation plan for Management and Confidential employees, ensuring that it complies with the Corporation's compensation and benefits philosophy, strategy and guidelines.
- iii) Annually review the CEO's compensation, including incentive, benefit and retirement plans, and make recommendations to the Board.
- iv) In consultation with the CEO, annually review and make recommendations to the Board on the compensation, including incentive, benefit and retirement plans, for the executive team<sup>1</sup>.
- v) Annually review the annual Executive Compensation Disclosure Statement as required by PSEC and make recommendations to the Board.
- vi) Annually review the Corporation's Pay Transparency Report.

### **C. Human Resources Strategies**

- i) Annually review the Corporation's strategy respecting human capital, human resources management and planning, including recruitment, retention, training, performance management, change management and related matters, and make recommendations to the Board as required. At

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<sup>1</sup> Those executives reporting directly to the CEO.

## TERMS OF REFERENCE FOR THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

least once a year, report to the Board on the implementation of these strategies.

- ii) Annually review ICBC's Diversity, Equity & Inclusion Strategy.

### D. Labour Relations and Bargaining

- i) Review the Corporation's strategy respecting labour relations management and make recommendations to the Board as required.
- ii) Review the collective bargaining strategy for the Corporation and make recommendations to the Board as required.

### E. Succession Planning

- i) Annually review the succession plan for the CEO and make recommendations to the Board in accordance with the Succession Planning Process contained at Tab 5.3.
- ii) Annually review the Corporation's strategy respecting the Emergency Replacement Plan for the CEO and the executive team to ensure leadership continuity in the event of the unexpected departure or absence of a member of the executive team.
- iii) Annually review the Corporation's strategy for succession planning for executive and critical roles<sup>2</sup> and ensure that comprehensive succession plans are in place.
- iv) Annually review the Succession Planning Process contained at Tab 5.3 and make recommendations to the Board as required.

### F. Pension Plans

- i) Annually review the plan design, funding and administration of the following pension plans for Management and Confidential employees, and make recommendations to the Board as required:
  - 1. Insurance Corporation of British Columbia Pension Plan for Management and Confidential Employees,

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<sup>2</sup> Critical roles are defined as the roles currently crucial to the achievement of ICBC's 2025 Strategy. A vacancy in a critical role will have a significant tangible impact on the ability of the organization to deliver outputs, achieve milestones or meet plan requirements.

## TERMS OF REFERENCE FOR THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

2. Supplemental Retirement Plan “A” (Supp “A”), and
  3. Supplemental Employee Retirement Plan (“SERP”).
- ii) Appoint an actuary for the pension plans for Management and Confidential employees as required:
1. Insurance Corporation of British Columbia Pension Plan for Management and Confidential Employees,
  2. Supp “A”, and
  3. SERP.
- iii) Annually review the administration of MoveUP/ICBC pension plan of which ICBC is the administrative agent, and ensure the obligations of ICBC as administrative agent of the plan are met.
- iv) Receive notice and information respecting the qualifications of management employees appointed to the Management Pension Plan Committee.
- v) Receive notice and information respecting the qualifications of management trustees appointed to the Board of Trustees of the MoveUP/ICBC pension plan.
- vi) Review the Governance Policy and the Funding Policy for the Insurance Corporation of British Columbia Pension Plan for Management and Confidential Employees (Major Company Policies), and make recommendations to the Board as required.

### **G. Risk Management and Governance**

- i) Understand the emerging or material governance human resources and compensation risks relative to the Corporation’s objectives, which include workforce planning, workforce culture, employee safety, wellness, security, business continuity planning and environmental sustainability, and receive updates from Management on changes to the risks and the status of strategies to address such risks.
- ii) At least every other year, review the Code of Ethics and make recommendations to the Board as required.
- iii) Review the Environmental Sustainability Policy (Major Company Policy), and make recommendations to the Board as required.



## TERMS OF REFERENCE FOR THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

- iii) Annually review the Committee's Terms of Reference and make recommendations to the Board as required.

### H. Code of Ethics

- i) On a quarterly basis, obtain a report from the Chief Human Resources Officer for the receipt and treatment of allegations, including anonymous submissions regarding serious breach of the Code of Ethics or the *Public Interest Disclosure Act* made by employees or others. Review allegations and action taken.
- ii) On a quarterly basis, review any allegations received through the anonymous reporting tool, identifiable trends and how substantiated allegations have been addressed. The process of reporting should require NIL reports when no allegations have been received in the period.

### I. Other

- i) Review major changes in the organizational structure of management as proposed by the CEO.
- ii) Review results of an Employee Opinion Survey at least once every two years, with a Pulse Check to be conducted on alternate years.

## IV. ACCOUNTABILITY

The Committee shall report its discussions to the Board by oral or written report at the next Board meeting.

## V. COMMITTEE TIMETABLE

The timetable on the following pages outlines the Committee's schedule of activities during the year.

Last reviewed by the Committee: January 25, 2024



**HUMAN RESOURCES AND COMPENSATION COMMITTEE CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>A. CEO and Executive Performance</b>												
i) Review and recommend approval of the CEO performance evaluation – current year-end results.						X						
ii) Review and recommend approval of the CEO performance review process as required.	X											
iii) Review and recommend approval of the CEO annual performance plan – new fiscal proposed targets.						X						
iv) Review the CEO development plan.										X		
v) Review the CEO 360° / Leadership Assessment.										X		
vi) Review with the CEO all significant outside commitment made over the previous 12-month period.	X											
vii) Receive the executive performance evaluation – current year-end results.						X						
viii) Receive the executive performance plan – new fiscal proposed targets.						X						
<b>B. Compensation</b>												
i) At least every other year, review and recommend approval of the Compensation Philosophy, Strategy and Guidelines as required.	X											
ii) Review compensation plan for Management and Confidential employees.	X											
iii) Review and recommend approval of the CEO's compensation plan.	X											
iv) Review and recommend approval of the executive team salary plan.	X											
v) Review and recommend approval of the Executive Compensation Disclosure for submission to PSEC.						X						
vi) Annually review the Corporation's Pay Transparency Report										X		

NOTE: This calendar indicates the month in which the Committee will perform the activities set out herein.



**HUMAN RESOURCES AND COMPENSATION COMMITTEE CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>C. Human Resources Strategies</b>												
i) Review and recommend approval of the People Strategy as required.	X											
ii) Review the Diversity, Equity & Inclusion Strategy.	X											
<b>D. Labour Relations and Bargaining</b>												
i) Review and recommend approval of the Labour Relations Strategy and Bargaining Mandate.	<b>AS REQUIRED</b>											
<b>E. Succession Planning</b>												
i) Review and recommend approval of the succession plan for the CEO.										X		
ii) Review the Emergency Replacement Plan for the CEO and executive team.										X		
iii) Review the Succession Plan for executive and critical roles.										X		
iv) Review and recommend approval of the Succession Planning Process contained at Tab 5.3 as required.										X		
<b>F. Pension Plans</b>												
i) Review and recommend approval of the plan design, funding and administration of the M&C pension plans as required.										X		
ii) Appoint actuary for the M&C pension plans.	<b>AS REQUIRED</b>											
iii) Review administration of MoveUP/ICBC pension plan.										X		
iv) Receive notice respecting management employees appointed to the Management Pension Plan Committee.	<b>AS REQUIRED</b>											
v) Receive notice respecting management trustees appointed to the Board of Trustees of the MoveUP/ICBC pension plan.	<b>AS REQUIRED</b>											
vi) Review and recommend approval of the Governance Policy and the Funding Policy for the Insurance Corporation of British Columbia Pension Plan for Management and Confidential Employees (Major Company Policies).	<b>AS REQUIRED</b>											

NOTE: This calendar indicates the month in which the Committee will perform the activities set out herein.



**HUMAN RESOURCES AND COMPENSATION COMMITTEE CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>G. Risk Management and Governance</b>												
i) Understand the emerging or material governance HR and compensation risks relative to the Corporation’s objectives, and receive updates from Management on changes to the risks and the status of strategies to address such risks.	X			X		X				X		
ii) At least every other year, review and recommend approval of the Code of Ethics as required.						X						
iii) Review and recommend approval of the Environmental Sustainability Policy (Major Company Policy).	<b>AS REQUIRED</b>											
iv) Review and recommend approval of the Committee Terms of Reference as required.										X		
<b>H. Code of Ethics</b>												
i) Obtain a report from the Chief People Officer for the receipt and treatment of allegations, including anonymous submissions regarding serious breach of the Code of Ethics or the <i>Public Interest Disclosure Act</i> made by employees or others. Review allegations and action taken.	X			X		X				X		
ii) Review any allegations received through the anonymous reporting tool, identifiable trends and how substantiated allegations have been addressed. The process of reporting should require NIL reports when no allegations have been received in the period.	X			X		X				X		
<b>I. Other</b>												
i) Review major changes in the organizational structure of management as proposed by the CEO.	<b>AS REQUIRED</b>											
ii) Review the Employee Opinion Survey/Pulse Check.				X								

NOTE: This calendar indicates the month in which the Committee will perform the activities set out herein.



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## TERMS OF REFERENCE FOR THE INVESTMENT COMMITTEE

### I. PURPOSE

The purpose of the Investment Committee (the “Committee”) is to recommend to the Board the investment policy, including the asset mix policy and the appropriate benchmark for both ICBC and any pension fund of which ICBC is an Administrator. The Committee will also review the effectiveness of these policies, compliance with these policies, performance of the portfolios, and ICBC’s risk management approach. The Committee will approve the appointment and dismissal of investment managers and review the performance and fees of the British Columbia Investment Management Corporation (“BCI”), the agent for investment.

### II. COMPOSITION AND OPERATIONS

- A. The Committee will be comprised of not fewer than three and not more than five Directors.
- B. The Committee shall meet at least four times per year, with additional meetings at the discretion of the Committee Chair.
- C. The secretary to the Committee will be the Corporate Secretary or delegate.

### III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee will:

#### A. Develop and Recommend Investment Policy to the ICBC Board

- i) Understand the principal investment risks relative to the Corporation’s objectives and receive updates from Management on changes to the risks and the status of strategies to address such risks.
- ii) Annually review the ability of the Corporation to withstand short-term and intermediate variability in its investments to achieve ICBC’s long-term return objectives. This includes review of the investment policy (asset mix) that matches ICBC’s objectives and the Board’s risk tolerance, and make recommendations to the Board as required.

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## TERMS OF REFERENCE FOR THE INVESTMENT COMMITTEE

- iii) Annually review the ICBC Statement of Investment Policy and Procedures and any pension fund for which ICBC is an Administrator, and make recommendations to the Board as required to include:
  - a. A review of the risk assumptions and asset return assumptions embedded in the current Statement of Investment Policy and Procedures relative to the Board's risk tolerance and, if changes have occurred, then review the policy asset mix and the weighted benchmark standard of performance; and
  - b. A review of the portfolio liquidity in the context of liquidity needs and adjust portfolio asset mix as required.
- iv) At least every four years conduct a formal review of the Statement of Investment Beliefs for each investment portfolio administered by ICBC and make recommendations to the Board as required.
- v) At least every four years conduct a formal review of the asset mix for ICBC any pension fund for which ICBC is an Administrator and make recommendations to the Board as required.

### **B. Monitor Investment Portfolio Compliance**

- i) Review quarterly compliance with the relevant Statement of Investment Policy and Procedures for each investment portfolio administered by ICBC.
- ii) Monitor compliance with applicable legislation.

### **C. Monitor Investment Portfolio Performance**

- i) Quarterly review the performance for all asset classes plus the total portfolio against performance measurement targets. If performance results are unacceptable, consider what changes may be required.
- ii) Quarterly review the activity and performance of external investment managers.
- iii) Annually review the performance and fees of BCI.

### **D. Hire Investment Managers and Delegate Investment Authority**

- i) Approve the decision to select, terminate or retain investment managers and to delegate the discretionary authority to invest the assets of ICBC to either internal or external investment managers, including related investment strategies.



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## TERMS OF REFERENCE FOR THE INVESTMENT COMMITTEE

- ii) Annually review the authorities delegated to Management and make recommendations to the Board as required.
- iii) Review investments beyond delegated limits and make recommendations to the Board as required.

### E. Other Duties

- i) Annually review Management's proposed rate of return to be included in the ICBC plan.
- ii) Review the Corporate Credit Risk Policy (Major Company Policy) and make recommendations to the Board as required.
- iii) Annually review the Terms of Reference for the Committee and make recommendations to the Board as required.
- iv) Annually review and/or approve the appointment of external advisor(s) to the Committee.
- v) Carry out such other duties as may be determined by resolution of the Board.

## IV. ACCOUNTABILITY

The Committee shall report its discussions to the Board by oral report at the next Board meeting.

## V. COMMITTEE TIMETABLE

The timetable on the following page outlines the Committee's schedule of activities, and will be set by the Committee following its appointment.

Last reviewed by the Committee: October 25, 2023



**INVESTMENT COMMITTEE CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>A. Develop and Recommend Investment Policy to the ICBC Board</b>												
i) Understand the principal investment risks relative to the Corporation's objectives and receive updates from Management on changes to the risks and the status of strategies to address such risks.	X			X		X				X		
ii) Review and recommend approval of the ability of the Corporation to withstand short-term and intermediate variability in its investments to achieve ICBC's long-term return objectives as required. This includes a review of the investment policy (asset mix) that matches ICBC's objectives and the Board's risk tolerance.						X						
iii) Review and recommend approval of the ICBC SIPP and any pension fund for which ICBC is an Administrator as required.						X						
a. Review the risk assumptions and asset return assumptions embedded in the SIPP relative to the Board's risk tolerance – if changes have occurred, then review the policy asset mix and the weighted benchmark standard of performance.						X						
b. Review portfolio liquidity in the context of liquidity needs and adjust portfolio asset mix, as required.						X						
iv) At least every four years, review and recommend approval of the Statement of Investment Beliefs for each investment portfolio administered by ICBC as required.						X						
v) At least every four years, review and recommend approval of the asset mix for ICBC and for any pension plan for which ICBC is an Administrator as required.						X						

NOTE: This calendar indicates the month in which the Committee will perform the activities set out herein.



**INVESTMENT COMMITTEE CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>B. Monitor Investment Portfolio Compliance</b>												
i) Review quarterly compliance with the relevant Statement of Investment Policy for each investment portfolio administered by ICBC.	X			X		X				X		
ii) Monitor compliance with applicable legislation.	X			X		X				X		
<b>C. Monitor Investment Portfolio Performance</b>												
i) Review the performance for all asset classes plus the total portfolio against performance measurement targets. If performance results are unacceptable, consider what changes may be required.	X			X		X				X		
ii) Review the activity and performance of external investment managers.	X			X		X				X		
iii) Review the performance and fees of BCI.						X						
<b>D. Hire Investment Managers and Delegate Investment Authority</b>												
i) Approve the decision to select, terminate or retain investment managers.	<b>AS REQUIRED</b>											
ii) Review and recommend approval of the authorities delegated to Management as required.										X		
iii) Review and recommend investments beyond delegated limits.	<b>AS REQUIRED</b>											
<b>E. Other Duties</b>												
i) Review Management's proposed rate of return to be included in the ICBC plan.	X											
ii) Review and recommend approval of the Corporate Credit Risk Policy (Major Company Policy).	<b>AS REQUIRED</b>											
iii) Review and recommend approval of the Terms of Reference for the Investment Committee.										X		

NOTE: This calendar indicates the month in which the Committee will perform the activities set out herein.



INVESTMENT COMMITTEE CALENDAR

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
iv) Review and/or approve the appointment of external advisor(s) to the Investment Committee.				X								

NOTE: This calendar indicates the month in which the Committee will perform the activities set out herein.



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## TERMS OF REFERENCE FOR THE GOVERNANCE AND TECHNOLOGY COMMITTEE

### I. PURPOSE

The function of the Governance and Technology Committee (the “Committee”) is to provide a focus on governance for ICBC and its subsidiaries that will enhance ICBC’s performance.

The Committee assesses and makes recommendations regarding Board effectiveness and establishes and leads the process for developing potential director criteria and candidates for recommendation to the Board for subsequent recommendation to the Government.

In addition, the Committee is responsible for:

- A. Matters related to, and the establishment of plans, for stakeholder engagement, community relations, Indigenous reconciliation, and communications and media strategy.
- B. Oversight of significant technology and cybersecurity projects and key operational activities;
- C. Governance over the ICBC Fairness Office and its functions; and
- D. Oversight of principal risks associated with its mandate, ensuring that they are identified, managed and reported up to the Board as appropriate.

### II. COMPOSITION AND OPERATION

- A. The Committee shall be composed of not fewer than three Directors and not more than five Directors. The Chair or Vice Chair of the Board shall attend each meeting of the Committee. Further, when the roles of CEO and Board Chair are combined, the Vice Chair/Lead Director shall be the Chair of the Committee.
- B. The Committee shall meet at least four times each year.
- C. From time to time, as determined by the Committee, the Committee shall retain independent advice regarding governance or nominating issues.
- D. The secretary to the Committee shall be either the Corporate Secretary or delegate.

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## TERMS OF REFERENCE FOR THE GOVERNANCE AND TECHNOLOGY COMMITTEE

### III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee will from time to time engage in the following activities or perform the following duties:

#### A. Technology

- i) Annually review the Cyber Security Program.
- ii) Review and monitor strategies, plans and progress of technology and cybersecurity projects and activities of corporate significance.
- iii) Understand the emerging or material business and technology and cybersecurity risks relative to the Corporation's objectives, and receive updates from Management on changes to the risks and the activities undertaken to address such risks.

#### B. Public Affairs

- i) Annually review the Community Relations Strategy.
- ii) Annually review the Stakeholder Engagement Strategy.
- iii) Annually review the Communications and Media Strategy.
- iv) Review and monitor strategies, plans and progress of communications and stakeholder projects and activities.
- v) Understand the emerging or material communications and stakeholder risks relative to the Corporation's objectives, and receive updates from Management on changes to the risks and the activities undertaken to address such risks.

#### C. Governance

- i) Annually review the Director Recruitment Profile contained at Tab 3.5 of the Board Governance Manual, and make recommendations to the Board as required regarding the essential and desired experiences and skills for potential directors, taking into consideration the Board's short-term needs and long-term succession plans.
- ii) Annually review the Board composition through approving the annual exercise of completing the Director Needs Assessment and Skills Inventory contained in the Director Recruitment Profile, and this process takes into

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## TERMS OF REFERENCE FOR THE GOVERNANCE AND TECHNOLOGY COMMITTEE

consideration the current strengths, skills and experience on the Board, retirement dates and the strategic direction of the Corporation.

- iii) In consultation with the Board Chair and CEO, make recommendations to the Board Committee membership, and for subsequent recommendation to the Government the criteria and potential candidates for consideration when appointing Directors.
- iv) Monitor the orientation and ongoing development of Directors and annually review the Director Orientation and Development Program contained at Tab 3.6 of the Board Governance Manual, and make recommendations to the Board as required.
- v) Annually review the Director compensation program and make recommendations to the Board for subsequent recommendation to the Government as required.
- vi) Annually recommend to the Board, and implement annually, an appropriate evaluation process for the Board, the Board Chair, the Committees and individual Directors.
- vii) Annually assess the needs of the Board in terms of the frequency and location of Board and Committee meetings, meeting agendas, discussion papers, reports and information, and the conduct of meetings, and make recommendations to the Board as required.
- viii) Annually review the Board Governance Manual outlining the policies and procedures by which the Board will operate, the By-Law to ensure its continued adequacy and relevance, and the Terms of Reference for the Board, Board Committees, the Board Chair, the Vice Chair/Lead Director, individual Directors, the CEO and the Corporate Secretary, and make recommendations to the Board as required.
- ix) Annually review the Terms of Reference of the Committee and make recommendations to the Board as required.
- x) Annually review the Terms of Reference for the ICBC Fairness Officer and make recommendations to the Board as required.
- xi) Annually meet with the ICBC Fairness Officer to receive and discuss the annual report of the ICBC Fairness Officer.
- xii) Review the Corporation's annual report to the Minister in respect of the ICBC Fairness Officer's annual report and make recommendations to the Board.



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## TERMS OF REFERENCE FOR THE GOVERNANCE AND TECHNOLOGY COMMITTEE

- xiii) Review the ICBC Fairness Officer's annual budget for the upcoming fiscal year and make recommendations to the Board.
- xiv) Annually review and assess the adequacy of the ICBC E-mail and Electronic Board Material Security Policy, and make recommendations to the Board as required.
- xv) Annually review and assess the adequacy of the Board of Directors and Committees of the Board Vital Records Safekeeping Policy, and make recommendations to the Board as required.
- xvi) Annually review and assess the adequacy of the Directors' Attendance Policy, and make recommendations to the Board as required.
- xvii) Review the Competition Law Compliance Policy (Major Company Policy) and make recommendations to the Board as required.
- xviii) Review the Litigation Hold Policy (Major Company Policy) and make recommendations to the Board as required.
- xix) Understand the emerging or material governance risks relative to the Corporation's objectives, and receive updates from Management on changes to the risks and the activities undertaken to address such risks.
- xx) Recommend to the Board any reports on corporate governance that may be required or considered advisable.
- xxi) At the request of the Board Chair, Vice Chair/Lead Director or the Board, undertake such other corporate governance initiatives as may be necessary or desirable to contribute to the success of the Corporation.
- xxii) In conjunction with the Board Chair, monitor adherence of Directors to the Code of Ethics.
- xxiii) Review material litigation involving the Corporation.

### IV. ACCOUNTABILITY

The Committee shall report its discussions to the Board by oral or written report at the next Board meeting.



## TERMS OF REFERENCE FOR THE GOVERNANCE AND TECHNOLOGY COMMITTEE

### V. COMMITTEE TIMETABLE

The timetable on the following pages outlines the Committee's schedule of activities, and will be set by the Committee following its appointment.

Last reviewed by the Committee: January 25, 2024



**GOVERNANCE AND TECHNOLOGY COMMITTEE CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>A. Technology</b>												
i) Review the Cyber Security Program.										X		
ii) Review and monitor strategies, plans and progress of technology and cybersecurity projects and activities.	<b>AS REQUIRED</b>											
iii) Review and monitor material business readiness and technology and cybersecurity risks.	X			X		X				X		
<b>B. Public Affairs</b>												
i) Review the Community Relations Strategy.				X								
ii) Review the Stakeholder Engagement Strategy.				X								
iii) Review and the Communications and Media Strategy.										X		
iv) Review and monitor strategies, plans and progress of communications and stakeholder projects and activities.	<b>AS REQUIRED</b>											
v) Review and monitor material communications and stakeholder risks.	X			X		X				X		
<b>C. Governance</b>												
i) Review and recommend approval of the Director Recruitment Profile.	X											
ii) Recommend completion of the Directors Needs Assessment and Skills Inventory survey and review Board composition.	X											
iii) Review and recommend to the Board: (i) criteria and potential candidates for appointment as Director; and (ii) Committee Members and Committee Chair appointments.	<b>AS REQUIRED</b>											

NOTE: This calendar indicates the month in which the Committee will perform the activities set out herein.



**GOVERNANCE AND TECHNOLOGY COMMITTEE CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
iv) Review and recommend approval of the Board Orientation and Development Program as required.										X		
v) Review and recommend approval of Director compensation program as required.										X		
vi) Recommend approval of annual evaluation process for the Board, Board Chair, Committees and individual Directors.						X						
vii) Review and recommend approval of the needs of the Board, including frequency and location of Board and Committee meetings as required.										X		
viii) Review and recommend approval as required of: (i) the Board Governance Manual; (ii) the By-Law; and (iii) various Terms of Reference.				X								
ix) Review and recommend approval of the Terms of Reference for the Committee as required.										X		
x) Review and recommend approval of the Terms of Reference for the ICBC Fairness Officer as required.						X						
xi) Meet with the ICBC Fairness Officer to receive the annual report of the ICBC Fairness Officer.						X						
xii) Review and recommend approval of the Corporation's annual report to the Minister in respect of the ICBC Fairness Officer's annual report.						X						
xiii) Review and recommend approval of the ICBC Fairness Officer's annual budget for the upcoming fiscal year.	X											
xiv) Review and recommend approval of the E-mail & Electronic Board Material Security Policy as required.				X								

NOTE: This calendar indicates the month in which the Committee will perform the activities set out herein.



**GOVERNANCE AND TECHNOLOGY COMMITTEE CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
xv) Review and recommend approval of the Board of Directors and Committees of the Board Vital Records Safekeeping Policy as required.				X								
xvi) Review and recommend approval of the Directors' Attendance Policy as required.				X								
xvii) Review and recommend approval of the Competition Law Compliance Policy (Major Company Policy).	<b>AS REQUIRED</b>											
xviii) Review and recommend approval of the Litigation Hold Policy (Major Company Policy).	<b>AS REQUIRED</b>											
xix) Review and monitor governance risks.	X			X		X				X		
xx) Recommend Board any reports on corporate governance that may be required or considered advisable.	<b>AS REQUIRED</b>											
xxi) At the request of the Board Chair, Vice Chair/Lead Director or the Board, undertake such other corporate governance initiatives as may be necessary or desirable to contribute to the success of the Corporation.	<b>AS REQUIRED</b>											
xxii) In conjunction with the Board Chair, monitor adherence of Directors to the Code of Ethics.	<b>AS REQUIRED</b>											
xxiii) Review material litigation involving the Corporation	X			X		X				X		

NOTE: This calendar indicates the month in which the Committee will perform the activities set out herein.



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## TERMS OF REFERENCE FOR THE OPERATIONS AND PLANNING COMMITTEE

### I. PURPOSE

The Operations and Planning Committee (the “Committee”) is a Committee of the Board established to assist directors in providing strategic and policy level advice and direction to Management on matters that drive claims costs and insurance rates, impact customer service including driver licensing, guide long-term planning, or support business operations. These may include, but are not limited to:

- A. Key operational activities including Insurance, Claims and Driver Licensing;
- B. Claims cost mitigation efforts; and
- C. Oversight of significant strategic projects affecting operations.

### II. COMPOSITION AND OPERATIONS

- A. The Committee shall be composed of not fewer than three Directors and not more than five Directors.
- B. The Committee shall meet at least three times each year.
- C. The secretary to the Committee shall be either the Corporate Secretary or delegate.

### III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee will from time to time engage in the following activities or perform the following duties:

- i) Review and monitor the status and performance of key operational activities, projects and strategies on matters falling within the purpose of the Committee, and make recommendations to the Board on these including expenditures as required.
- ii) Understand the emerging or material strategic and operational risks relative to its mandate and ensure they are appropriately identified and managed.
- iii) Receive a summary of ICBC’s major applications to and directions from the British Columbia Utilities Commission (“BCUC”).
- iv) With timing as required by regulation, review the Basic insurance rate filing to BCUC and make recommendations to the Board as required.



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## TERMS OF REFERENCE FOR THE OPERATIONS AND PLANNING COMMITTEE

- v) At least every three years review the Optional Insurance Pricing Framework and make recommendations to the Board as required.
- vi) Review rate changes outside of the Optional Insurance Pricing Framework and make recommendations to the Board as required.
- vii) Annually review the ICBC Service Plan and make recommendations to the Board.
- viii) Review the ICBC Annual Service Plan Report and make recommendations to the Board.
- ix) Annually review the Terms of Reference for the Committee and make recommendations to the Board as required.

### IV. ACCOUNTABILITY

The Committee shall report its discussions to the Board by oral or written report at the next Board meeting.

### V. COMMITTEE TIMETABLE

The timetable on the following page outlines the Committee's schedule of activities, and will be set by the Committee following its appointment.

Last reviewed by the Committee: January 25, 2024



**OPERATIONS AND PLANNING COMMITTEE CALENDAR**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
i) Review and monitor the status and performance of key operational activities, projects and strategies on matters within the purpose of the Committee, and recommend approval on these including expenditures as required.	X			X		X				X		
ii) Review and monitor strategic and operational risks.	X			X		X				X		
iii) Receive BCUC Summary of ICBC Major Applications/Direction Reports.	X					X				X		
iv) With timing as required by regulation, review and recommend approval of Basic insurance rate filing to BCUC.	<b>AS REQUIRED</b>											
v) Review and recommend approval of the Optional Insurance Pricing Framework (at least every three years) as required.										X		
vi) Review and recommend approval of rate changes outside of the Optional Insurance Pricing Framework.	<b>AS REQUIRED</b>											
vii) Review and recommend approval of the Service Plan.	X											
viii) Review and recommend approval of the Annual Service Plan Report.						X						
ix) Review and recommend approval of the Terms of Reference for the Committee as required.										X		

NOTE: This calendar indicates the month in which the Committee will perform the activities set out herein.



## TERMS OF REFERENCE FOR THE MANAGEMENT PENSION PLAN COMMITTEE

### I. INTRODUCTION

ICBC is the sponsor of the ICBC Pension Plan for Management and Confidential Employees (the "Plan") and has established and maintained a trust fund in respect of the Plan (the "Fund"). ICBC performs and exercises in connection with the Plan all roles and authorities of a sponsor of a pension plan, including the power to amend or terminate the Plan and the responsibility to ensure that the Plan is funded to a level that secures all promised benefits under the Plan.

For pension legislation purposes, ICBC is also the "administrator" of the Plan and the Fund. As administrator, it is responsible for administering the Plan in accordance with its terms and all applicable legislation, including, among other things, ensuring contributions are made, submitting regulatory filings, enrolling employees, communicating to members, investing the Fund, and paying benefits.

ICBC's dual role as both "sponsor" and "administrator" of the Plan is expressly permitted by British Columbia's *Pension Benefits Standards Act* ("PBSA"), but creates a situation where ICBC's duty under the PBSA to act in the best interest of Plan members, former members and other beneficiaries of the Plan may conflict with ICBC's interests. Decisions involving or affecting a statutory power, duty or responsibility of ICBC as the Plan's administrator may result in conflicting duties.

The Board has established the Management Pension Plan Committee (the "Committee"), a committee of senior management employees of ICBC. The Board has delegated to the Committee, as provided in these Terms of Reference, certain duties required to be done by ICBC, in its capacity as the administrator of the Plan and in its capacity as sponsor of the Plan.

The Board has also established the Management Pension Employee Advisory Council ("MPEAC") as a forum for communication and feedback between ICBC, Management and Plan members. The MPEAC is not a decision-making body and does not report to the Committee.

### I. PURPOSE

The purpose of the Committee is to take steps in the name of ICBC in overseeing the administration, operation, and financial reporting of the Plan and the Fund. The Committee is responsible for reporting to the Board in respect of the administrative aspects of the Plan, compliance with Plan documents and applicable legislation, and any concerns it may have in respect of the administration and operation of the Plan.

## TERMS OF REFERENCE FOR THE MANAGEMENT PENSION PLAN COMMITTEE

### II. COMPOSITION

The Committee consists of five or more senior management employees, ideally with representation from the Corporation's investment, finance, legal and human resources groups. Committee members are appointed by the Board on the recommendation of the CEO.

Members of the Committee serve at the pleasure of the Board unless they have been appointed to serve for a specified term.

Despite the foregoing, in the event that at any time the Committee has fewer than five members, the CEO may appoint to the Committee such number of individuals as may bring the complement of the Committee up to five, each of whom shall serve as members of the Committee until the Board next addresses the Committee's composition.

### III. MEETINGS

The Committee will meet at least once in respect of each quarter and at any other time at the call of any member of the Committee.

Notice of each meeting shall be given to each member of the Committee not less than 24 hours in advance of the meeting. A Committee member may waive notice of any meeting.

If the member of management responsible for pension plan administration is not a member of the Committee, they, or their designate, shall nevertheless be entitled to be given notice of and attend all Committee meetings.

The senior member of human resources management on the Committee from time to time shall serve as the chair of the Committee. In the absence of that person from a meeting, the Committee members present shall select from their number a chair for that meeting. For greater certainty, a member of management responsible for pension plan administration may be selected to act as chair, even if not a member of the Committee.

A quorum for a meeting shall be a majority of Committee members.

The Committee shall keep minutes of its meetings. The minutes will include all decisions of the Committee and the factors which the Committee may have considered in reaching such decisions.

Each Committee member shall have one vote. The Committee shall decide matters by majority vote.

## TERMS OF REFERENCE FOR THE MANAGEMENT PENSION PLAN COMMITTEE

The Committee may invite from time to time such persons as it sees fit to attend meetings and take part in discussions.

### IV. DUTIES AND RESPONSIBILITIES

#### i) Valuation and Funding

The Committee will:

- i) Review actuarial valuations of the Plan, including valuation assumptions and actuarial methods.
- ii) Review the funding policy annually and recommend amendments to the Human Resources and Compensation Committee for approval by the Board.

#### ii) Financial Statements

The Committee will:

- i) Review the annual audited financial statements of the Plan and recommend to the Audit Committee for approval by the Board.

#### iii) Governance and Monitoring

The Committee will:

- i) Monitor the operations and administration of the Plan, including the following:
  - a) Administration of the Plan to ensure compliance with the plan text, funding policy, where applicable;
  - b) Financial position of the Plan;
  - c) Quarterly financial statements;
  - d) Compliance with all applicable pension and tax legislation;
  - e) Pension trends, changes and best practices;
  - f) Conflicts of interest; and,
  - g) Communications to and from Plan members; including communication taking place through MPEAC.
- ii) Review the governance policy annually and recommend amendments to the Human Resources and Compensation Committee for approval by the Board. Among other things required by pension legislation, the governance policy shall

## TERMS OF REFERENCE FOR THE MANAGEMENT PENSION PLAN COMMITTEE

address the identification of material risks associated with the administration of the Plan and the implementation of appropriate systems and processes to identify and manage those risks.

- iii) Review the mandate, scope, duties and responsibilities of the Committee and recommend any amendments thereto to the Human Resources and Compensation Committee for approval by the Board.
  - iv) Review each annual plan assessment report received from legal counsel and review and approve a plan assessment legal opinion for compliance with the associated provisions of pension legislation no less frequently than every three years. Among other things required by pension legislation, the report and opinion shall identify whether the Committee has abided by these Terms of Reference.
  - v) Recommend changes to the Human Resources and Compensation Committee where needed in respect of the matters in subsection C i) to assist ICBC in performing its obligations related to the Plan.
  - vi) Report any concerns identified by the Committee in respect of the matters in subsection C i) to the responsible sub-committees of the Board.
- iv) **Other**
- i) The Committee is responsible for raising any concerns it may have regarding the Plan and making any associated recommendations to the appropriate sub-committees of the Board.
  - ii) The Committee will periodically review an education policy for Committee members so that Committee members have the appropriate skills and knowledge to carry out their responsibilities and duties as set out in these Terms of Reference.
- v) **Matters Outside the Scope of the Committee**
- i) The Board has not delegated ICBC's fiduciary duty in respect of the investment of the Plan's assets, including the portion made up of employee contributions. Accordingly, the Committee members do not act in a fiduciary capacity to employees in respect of their contributions and are not responsible to the employees to ensure that their funds are invested in a manner that a reasonable and prudent person would apply in respect of a portfolio of investments made on behalf of another person to whom there is owed a fiduciary duty to make investments without undue risk of loss and with a reasonable expectation of a return on the investments commensurate with the risk.

## TERMS OF REFERENCE FOR THE MANAGEMENT PENSION PLAN COMMITTEE

- ii) The Board has not delegated its responsibility for the approval of Plan amendments. However, if the Board or the Human Resources and Compensation Committee has approved a particular Plan amendment in principle and delegated the responsibility to finalize and approve the amendment to the Committee or to Management, the Committee or Management, as the case may be, may perform this function. Management shall have responsibility for the filing and registering with the regulatory authorities of any approved Plan amendments.
- iii) The Committee is not responsible for any of the following which fall under oversight of the Human Resources and Compensation Committee, Investment Committee or Audit Committee:
  - a) Plan design;
  - b) Determining an investment policy;
  - c) Selecting or monitoring investment managers;
  - d) Decisions relating to asset allocation or investments;
  - e) Appointing an actuary for the Plan;
  - f) Appointing an external financial auditor;
  - g) Appointing a custodian for the Fund;
  - h) Appointing and supervising a third party administrator; or
  - i) Appointing a performance measurer.
- iv) The Committee is also not responsible for the operation of the MPEAC but may cooperate and communicate with the members of the MPEAC where in the view of the Committee, such interaction is warranted.

### V. DELEGATION

Unless otherwise provided in these Terms of Reference, the Committee may delegate any of its respective responsibilities, as it deems appropriate, provided that the Committee ensures that each delegate is properly supervised and has the appropriate skills and training.

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## TERMS OF REFERENCE FOR THE MANAGEMENT PENSION PLAN COMMITTEE

### VI. CONFLICT OF INTEREST

The Code of Ethics' provisions respecting conflicts of interest apply to all members of the Committee and to any person to whom the Committee delegates its responsibilities. For the purposes of applying the provisions of the Code of Ethics, membership in, and entitlement to benefits from, the Plan does not, in and of itself, constitute a conflict of interest.

### VII. DUTY OF CARE

Every individual appointed to the Committee shall, in fulfilling any of their duties exercise the care, diligence and skill that a person of ordinary prudence would exercise in dealing with the property of another person.

The members of the Committee who possess, or by reason of profession or business ought to possess, a particular knowledge or skill relevant to the administration of a pension plan or pension fund shall employ that particular level of knowledge or skill in fulfilling any of their duties.

### VIII. ENTITLEMENT TO RELY ON STATEMENTS

A member of the Committee may, in good faith, rely on the statements or reports of the fund holders, actuaries, accountants, appraisers, lawyers or other professional advisors retained by ICBC in respect of the Plan.



## TERMS OF REFERENCE FOR THE MANAGEMENT PENSION PLAN COMMITTEE

### V. COMMITTEE TIMETABLE

The timetable below is a non-exhaustive list of the Committee's annual schedule of activities.

A. Recommend Annual Financial Statements of the Plan to the Audit Committee	Annually, usually in Q1
B. Annual Review of Self-Assessment Framework	Annually, usually in Q2
C. Review of Annual Retirement Plan Report for HRCC	Annually, usually in Q2
D. Review actuarial valuation assumptions and valuation timing	Annually, usually in Q3 or Q4
E. Annual Review of key policies: <ul style="list-style-type: none"><li>• Funding Policy;</li><li>• Governance Policy;</li><li>• Terms of Reference; and</li><li>• Statement of Investment Policies and Procedures</li></ul>	Annually, usually in Q3 or Q4

NOTE: This calendar indicated the quarter in which the Management Pension Plan Committee will perform the activities set out herein.

Last reviewed by the Human Resources and Compensation Committee: January 26, 2022



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## SPECIAL COMMITTEE/TASK FORCE GUIDELINES

- I. A Special Committee/Task Force is a Committee of the Board established for a specific period of time to undertake a specific task, and then disbanded.
- II. The Board Chair may appoint a Special Committee/Task Force between Board meetings but its appointment shall be subject to approval of the Board at the next Board meeting.
- III. A Special Committee/Task Force operates according to a Board approved mandate outlining its duties and responsibilities.
- IV. A Special Committee/Task Force must obtain Board approval for an extension beyond the time limit specified in its Terms of Reference. The Guidelines for Committees (Tab 4.1) also apply to Special Committees/Task Forces established by the Board or Board Chair.
- V. This structure will be reviewed regularly as the Board considers which of its responsibilities will best be fulfilled through more detailed review of matters by a Special Committee/Task Force.
- VI. Each Special Committee/Task Force must have Terms of Reference with the following headings:
  - a) Purpose;
  - b) Composition;
  - c) Duties and Responsibilities; and
  - d) Completion Date.

### VII. CURRENT TASK FORCES

Terms of Reference for current Special Committee/Task Forces will be held in this section of the Manual.

Last reviewed by the Governance and Technology Committee: April 18, 2023



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## TERMS OF REFERENCE FOR THE PRESIDENT/CHIEF EXECUTIVE OFFICER

### I. PRESIDENT/CHIEF EXECUTIVE OFFICER DUTIES AND RESPONSIBILITIES

#### A. Introduction

- i) The CEO is appointed by the Board, subject to approval by the Lieutenant Governor in Council, and reports to the Board.
- ii) The CEO's primary responsibilities include:
  - (a) Providing overall leadership and vision in developing, in concert with the Board, the Corporation's strategic direction;
  - (b) Providing overall leadership and vision in developing the strategies, tactics and business plans necessary to realize corporate objectives; and
  - (c) Managing the overall business to ensure strategic and business plans are effectively implemented, the results are monitored and reported to the Board, and financial and operational objectives are attained.

**Subject to the By-Laws and subject to the authority of the Board, the CEO has the responsibility to:**

- B. Lead and manage the Corporation within parameters established by the Board and its Committees;
- C. Ensure all operations and activities of the Corporation are conducted in accordance with the law, the Code of Ethics, sound business practice and the policies and practices approved by the Board;
- D. Develop and recommend to the Board strategic plans, including measurable goals and objectives, that ensure the Corporation's profitable growth and overall success. This includes updating and making changes as required, and involving the Board in the early stages of developing strategy;
- E. Successfully develop the corresponding business, project, capital and operating plans. Review and report regularly to the Board on the overall progress and results against operating and financial objectives and initiate courses of action for improvement;
- F. Keep the Board fully informed of all significant operational, financial and other matters relevant to the Corporation;



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## TERMS OF REFERENCE FOR THE PRESIDENT/CHIEF EXECUTIVE OFFICER

- G. Identify the principal risks of the Corporation's business, review these risks with the Board regularly and implement appropriate systems to manage these risks;
- H. Foster a high performance corporate culture that promotes ethical practices, encourages individual integrity/accountability and social responsibility;
- I. Develop and maintain a sound, effective organization structure, and ensure capable management succession, progressive employee training and development programs;
- J. Ensure employee responsibilities and authorities are clearly established;
- K. Annually establish and maintain a Board-approved plan for senior management development and succession;
- L. Provide the Board, at Board and Committee meetings, with exposure to the Corporation's key management;
- M. Review the implementation of the Corporation's broad compensation strategy and philosophy with the Board;
- N. Review compensation plans for senior management with the Board including salary, incentive, benefit and pension plans;
- O. Approve significant public service commitments and/or acceptance of outside Board appointments by senior management;
- P. Develop annual operating forecasts of revenue, expenditures, operational results, and financial performance;
- Q. Establish effective control and co-ordination mechanisms for all operations and activities. Ensure the integrity of the internal control and management systems;
- R. Ensure the Corporation's assets are adequately safeguarded and optimized;
- S. Authorize commitment of corporate resources. Enter into agreements, contracts, leases, etc. in the ordinary course of business, in order to pursue the approved strategies, business plans, and objectives of the Corporation, provided however, that major commitments, exposures, and risks shall be reported to the Board in a regular and timely manner;
- T. Authorize the commitment of funds to capital projects included in budgets approved by the Board. May also authorize the commitment of funds to capital projects not included in a budget or otherwise approved by the Board to a maximum outlined in the [Spending and Payment Authority Policy](#); such capital



## TERMS OF REFERENCE FOR THE PRESIDENT/CHIEF EXECUTIVE OFFICER

commitments shall be submitted to the Board for ratification at the next regularly scheduled Board meeting;

- U.** Appoint ICBC management Trustees to the Board of Trustees of the MoveUP/ICBC pension plan and review the performance of such trustees on a regular basis to ensure that they have the skills required of a trustee of a large pension plan;
- V.** Manage and oversee the required interfaces between the Corporation and the Government and act as a primary spokesperson for the Corporation; and
- W.** Maintain or cause to be maintained such industry, governmental, public or other external relationships as are deemed advisable and in the interests of the Corporation.

Last reviewed by the Governance and Technology Committee: April 18, 2023

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## PERFORMANCE REVIEW PROCESS FOR THE PRESIDENT/CHIEF EXECUTIVE OFFICER

### I. INTRODUCTION

- A. Planning and reviewing the performance and development of the CEO is one of the most important responsibilities of the Board. The performance planning and review process provides an ongoing opportunity for the Board and CEO to have a constructive discussion regarding the performance of the Corporation, the CEO's contribution to that performance, and the CEO's development as the principal leader of the Corporation.
- B. The Board works through the Human Resources and Compensation Committee (the "Committee") and the Committee Chair in implementing the performance planning and development review process. The Board ultimately approves both the CEO's annual performance plan as well as any development objectives.

### II. BENCHMARKS

The following constitute the benchmarks against which the CEO's performance will be both planned and reviewed:

- A. The CEO's personal performance plan for the year.  

The performance plan will have been agreed to by the CEO, the Committee Chair and the Board Chair at the beginning of the year and consist of those core responsibilities and key objectives the CEO will strive to achieve over the course of the year. The Board will approve the CEO's performance plan.
- B. The Corporation's performance against the:
  - (i) Strategic plan;
  - (ii) Annual operating and capital plans;
  - (iii) Stakeholder relationships; and
  - (iv) People leadership.
- C. Board approved Terms of Reference for the CEO, which are found in the Manual (Tab 5.1).
- D. In addition, the Board Chair, the Committee Chair and the CEO will reach agreement on a development plan to enhance the CEO's capabilities. The Board Chair will be responsible for providing the necessary resources to complete the developmental activities.



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## PERFORMANCE REVIEW PROCESS FOR THE PRESIDENT/CHIEF EXECUTIVE OFFICER

### III. THE PROCESS

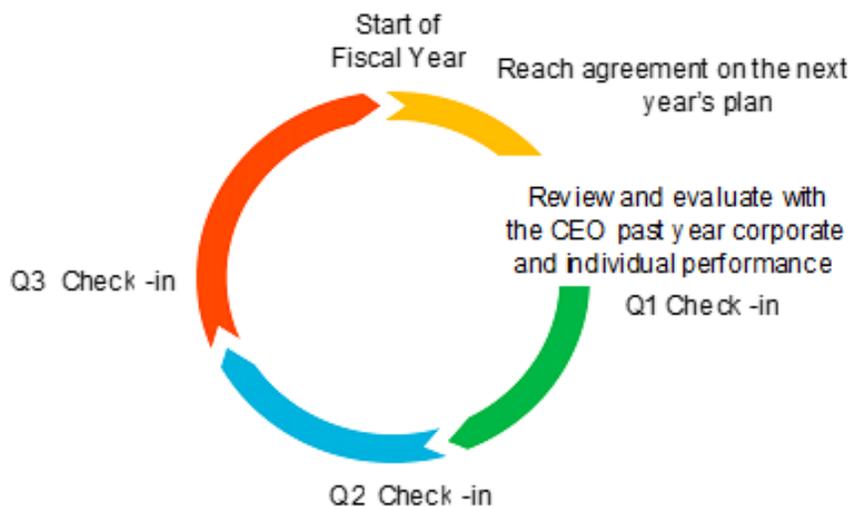
- A. The Committee Chair is charged with leading and implementing the CEO performance review, in consultation with the full Board.
- B. The CEO will prepare a draft personal performance plan for the forthcoming year. These objectives will be the matter of discussion and agreement between the CEO, the Committee Chair and the Board Chair. At the conclusion of those discussions, and having reached agreement with the CEO, the Committee Chair and the Board Chair will recommend to the Board approval of the CEO's performance plan for that year.

If the Committee Chair, the Board Chair and the CEO cannot reach agreement on a performance plan, the matter will be raised to the Board for further discussion with the CEO.

- C. At its normal meetings during the year, the Committee Chair, the Board Chair and the CEO will informally discuss the CEO's progress toward achieving his/her personal performance plan during the year.
- D. The CEO will provide the Committee Chair and the Board Chair with a written self-assessment against the benchmarks outlined in Section II, for discussion. The self-assessment will be discussed by the CEO with the Committee Chair and the Board Chair.
- E. The Board Chair and the Committee Chair will discuss the performance results and rating with the Board.
- F. The Board Chair and the Committee Chair will discuss the performance assessment and rating with the CEO.
- G. The Board Chair and the Committee Chair will meet with the CEO to discuss potential development opportunities.

## **PERFORMANCE REVIEW PROCESS FOR THE PRESIDENT/CHIEF EXECUTIVE OFFICER**

### **IV. TIMING**



### **V. 360° ASSESSMENT**

The Committee Chair, the Board Chair and the CEO will collaborate to complete every second year a 360° assessment of the CEO's leadership. This assessment will be for developmental purposes only and will not be a factor in any performance-related compensation decisions.

An external consultant will be engaged to facilitate a 360° survey of the CEO's performance as a leader. The 360° survey participants will be those that directly report to the CEO, Board members and other key stakeholders as appropriate. Participation will be optional and anonymous. The results will be shared with the Board and the CEO's direct reports.

### **VI. LEADERSHIP ASSESSMENT**

In the alternate years to the 360° assessment, the CEO will utilize a leadership assessment process, to be completed by the Board Chair and the CEO's direct reports. The focus and process will be led by the Vice President, People, Culture and Sustainability. The results will be shared with the Board Chair and Committee Chair.



## PERFORMANCE REVIEW PROCESS FOR THE PRESIDENT/CHIEF EXECUTIVE OFFICER

### VII. TIMING AND RESPONSIBILITIES

ACTIVITY	WHO	WHEN
(a) The Committee ensures that there is a prudent process in place to review the performance of the CEO and that such process is followed and provides desired results.	<ul style="list-style-type: none"><li>• Committee</li></ul>	Ongoing
(b) The CEO develops a performance plan for the forthcoming year that is reviewed by the Committee Chair and the Board Chair and, upon their recommendation, approved by the Board.	<ul style="list-style-type: none"><li>• CEO</li><li>• Committee Chair</li><li>• Board Chair</li><li>• Board</li></ul>	Q1
(c) The CEO writes self-assessment of his/her performance in respect to the previous year's performance plan and submits to the Committee Chair and the Board Chair.	<ul style="list-style-type: none"><li>• CEO</li><li>• Committee Chair</li><li>• Board Chair</li></ul>	Q1
(d) The CEO discusses self-assessment with the Committee Chair and the Board Chair.	<ul style="list-style-type: none"><li>• CEO</li><li>• Committee Chair</li><li>• Board Chair</li></ul>	Q1
(e) The Committee Chair and the Board Chair will discuss the performance results and rating with the Board.	<ul style="list-style-type: none"><li>• Committee Chair</li><li>• Board Chair</li><li>• Board</li></ul>	Q1
(f) The CEO's performance assessment and rating are discussed with the CEO.	<ul style="list-style-type: none"><li>• Committee Chair</li><li>• Board Chair</li><li>• CEO</li></ul>	Q1
(g) Meeting to discuss potential development opportunities for the CEO.	<ul style="list-style-type: none"><li>• Committee Chair</li><li>• Board Chair</li><li>• CEO</li></ul>	Q2

Last reviewed by the Committee: January 24, 2024



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## SUCCESSION PLANNING PROCESS

### GENERAL

The Board has two primary accountabilities regarding a succession plan for senior executive positions in the Corporation and its subsidiaries:

- a) The Board is accountable to identify and develop successors for the CEO position; and
- b) The Board is accountable to ensure that the CEO has a process to identify and develop successors for the executive positions that report to the CEO.

With an effective succession plan that encompasses the CEO position, along with the executive positions that report to the CEO, the Board ensures that the business plan and strategy can be executed with continuity and without significant risk should a Management position become vacant.

### RESPONSIBILITIES OF THE BOARD

On an annual basis the Board will review the succession plan for the CEO position, and the senior executive positions.

With respect to the CEO position, the Board will consider the skills, experience, and attributes required for the position against an assessment of these same factors of potential successors in order to assess the readiness of potential successors to assume the position. The Board will identify any development experiences necessary to increase the readiness of candidates for the position. In conjunction with the CEO, the Board will affect the identified development experiences.

With respect to the executive positions that report to the CEO, including the executive of the subsidiaries, the Human Resources and Compensation Committee (the “Committee”) of the Board will review the CEO’s recommendation on successors, on the readiness of successors, and on the required development plans for potential successors. The Committee is responsible to endorse the plan, or to direct the CEO to adapt the plan until the Committee is in a position to endorse the plan. The Committee is responsible to advise the Board that they have a succession plan in place which they have endorsed. The Committee will report to the Board on this matter at least once each year.

### PROCESS

The following are the steps for the CEO succession planning process:

- 1) The Committee should complete a review of the role of the CEO. The review should take into account the strategic imperatives of the Corporation, and the necessary leadership, business acumen, technical knowledge and experience necessary to lead such a mission. Attention should be paid to future deliverables sought by the Board as well as the competitive landscape. The product of the review would be the CEO role profile and candidate attributes sought by the Board.

## SUCCESSION PLANNING PROCESS

- 2) Candidates should be identified based on their close comparability to the CEO profile, their ability to meet development challenges in the short-term, their perceived drive and interest in the CEO role as well as their willingness to take on development challenges to complete their preparation for the advancement. This assessment is of the long-term potential of the candidate, not focused on the most recent annual results. The Committee and the CEO will discuss suggested candidates who might have the potential to succeed as CEO.
- 3) From the internal talent pool, two separate pools of high potential CEO successors should be identified. The first group would consist of short-term (under two years) succession candidates and the other long-term (two to five years) succession candidates, if any can be identified. The development challenges of each should be closely reviewed by the Committee and the CEO. Beyond observation of work performance and the CEO and Division Lead's estimate of potential for advancement, the Committee and the CEO should rely on real business results delivered by the candidate, as well as, on the results of psychometric assessments, annual 360° review reports, individual annual performance management approvals and the results of annual development plans.
- 4) A specific development plan should be put in place for each candidate. The plan should be measurable and answer development challenges. The candidate should have input into the development plan, and the resources necessary (particularly time) should be allotted. Development plans will likely be dominated by real work experience opportunities rather than focus on formal learning. Outside coaching and consulting can play a role as well.
- 5) Once the Committee and CEO have reached agreement on the short-term candidate list, the CEO should meet with each short-term candidate to ascertain their: 1) interest and ambition they have in the CEO role; 2) their willingness to take on additional assignments and responsibilities to develop in areas in which they are challenged; and 3) their acceptance of added scrutiny by the Board on their work performance.
- 6) For long-term candidates, the CEO should meet with each to ascertain their: 1) interest and ambition they have in the CEO role; 2) their willingness to take on additional assignments and responsibilities to develop in areas in which they are challenged; and 3) their acceptance of added scrutiny by the Board on their work performance. Long-term CEO candidates will be preferred over other candidates when major development opportunities become available.
- 7) The Committee and the CEO should review the progress of short-term candidates and long-term candidates annually. These reviews should focus on the candidate's development plan progress, and should include the results of discussions between the CEO and the candidate. The Committee should be aware of the candidate's annual performance plan progress. An unsatisfactory annual performance result should not automatically mean that the candidate's high potential status is lost, but it will occasion a greater examination of the cause of the performance setback, and any linkage to the candidate's potential for further role enrichment and advancement.



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## SUCCESSION PLANNING PROCESS

- 8) To augment its review of internal talent, the Committee should retain an external search firm to conduct a market review of potential external CEO candidates to provide a rough benchmark for comparison to internal candidates and to pre-determine target candidates in the event that internal succession fails.
- 9) Added goals and stretch targets should be part of the candidate's development plan. ICBC should also consider providing increased incentive rewards for successor candidates that meet development goals. This will both provide an incentive to the employee, but will also serve as a retention device.
- 10) A report should be prepared for the Board by the Committee and the CEO about the progress of succession planning. The Committee and the CEO should be able to explain the relative progress of candidates.
- 11) The Committee and the CEO should create ways for talent to develop by having a clear understanding of the career interests of all senior executives.
- 12) The Committee and CEO should find ways to increase the visibility and interaction between Board members and potential CEO candidates. The social distance should be reduced between short-term candidates and the Board, and opportunities should be created to allow short- and long-term candidates to make presentations to the Board and be involved in strategy level discussions with the Board.

Last reviewed by the Human Resources and Compensation Committee: October 26, 2022



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## TERMS OF REFERENCE FOR THE CORPORATE SECRETARY

### I. INTRODUCTION

The Corporate Secretary is an Officer of the Corporation appointed by the Board. The Corporate Secretary reports operationally to the Vice President, Driver Licensing and Corporate Affairs, and supports the CEO, Board Chair and the Board.

### II. DUTIES AND RESPONSIBILITIES

The Corporate Secretary has the responsibility to:

#### Board Support and Maintenance of Corporate Records

- A. Organize and ensure the proper recording of the activities of Board and Committee meetings;
- B. Act as a channel of communication and information for Directors;
- C. Advise and assist Directors with respect to their duties and responsibilities;
- D. Facilitate the orientation and ongoing education of Directors, with direction from the Governance and Technology Committee;
- E. Keep the corporate records and maintain custody of the Corporate Seal;
- F. Carry out any other appropriate duties and responsibilities as may be assigned by the Board, Board Chair, Committee, Committee Chair or the CEO;

#### Governance

- G. Ensure that the Corporation complies with its governing legislation and By-Laws;
- H. Review the By-Laws as required to ensure their continued adequacy and relevance, and provide recommendations to the Governance and Technology Committee on necessary revisions;
- I. Serve as the main source of governance expertise to the Board and Management on current developments and compliance; and
- J. Review and keep up-to-date on developments in corporate governance and promote strong corporate governance practices throughout the Corporation.

Last reviewed by the Governance and Technology Committee: April 18, 2023



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## TERMS OF REFERENCE FOR THE ICBC FAIRNESS OFFICER

### I. INTRODUCTION

ICBC is a publicly owned and customer driven organization. As such, it recognizes the value of having a process to independently review the fairness of its actions.

The ICBC Fairness Officer (“Fairness Officer”) is appointed by the Lieutenant Governor in Council pursuant to the *Insurance Corporation Act* (the “Act”). The Fairness Officer is to be appointed for a term of three years and may be reappointed for additional three-year terms.

### II. FAIRNESS OFFICER POWERS AND DUTIES

The powers and duties of the Fairness Officer are prescribed by the following documents:

1. Part 3 of the Act (set out in the [link](#));
2. The *Fairness Officer Regulation* (B.C. Reg. 142/2021) (the “Regulation”) (set out in the [link](#)); and
3. The Terms and Conditions approved by the Minister (set out in the [link](#)).

Collectively, the Act, the Regulation, and the Terms and Conditions prescribe the Fairness Officer’s remuneration, the budgeting process, the types of complaints the Fairness Officer may investigate and associated powers, restrictions on jurisdiction, and reporting requirements of the Fairness Officer and the Corporation.

The Fairness Officer may obtain office space and retain staff necessary to assist the Fairness Officer in carrying out the Fairness Officer’s powers and duties.

All necessary expenses required for the Fairness Officer are paid by the Corporation in accordance with the budgeting process prescribed by the Regulation.

### III. CORPORATION SUPPORT

Corporation will provide support to the Fairness Officer, including maintenance of publicly accessible website. The Corporation has designated the Vice President, Customer Experience and Public Affairs as the Corporation’s liaison with the Fairness Officer.

Last reviewed by the Governance and Technology Committee: May 31, 2022



## SUBSIDIARY COMPANIES MANDATE AND REPORTING REQUIREMENTS

### I. INTRODUCTION

ICBC creates wholly owned subsidiary companies from time to time to accomplish specific objectives or tasks. While it is recognized that these subsidiaries have a separate board of directors and management, for governance purposes, the subsidiaries are treated as if they were divisions of ICBC. These requirements are not applicable to subsidiary companies which are created within ICBC investment portfolio as holding companies for real property.

### II. MANDATE

Subsidiaries are accountable to ICBC in the following ways:

- A. ICBC appoints the board of directors of the subsidiary. The ICBC Board has determined that a majority of the subsidiary board members will be either ICBC Directors or members of ICBC senior management.
- B. The president of the subsidiary is appointed to that position by the subsidiary board of directors. Although the president of the subsidiary reports directly to the subsidiary board of directors, the subsidiary president has a reporting relationship to the ICBC CEO or delegate.
- C. The ICBC CEO has the responsibility to ensure that subsidiary companies' strategies and performance are reported to the ICBC Board.
- D. The ICBC Board monitors each subsidiary company's performance and, when required, provides direction to the subsidiary board of directors on matters of corporate business strategy.
- E. Each subsidiary will be reviewed on an annual basis to determine the status of the strategic direction that has been approved by the subsidiary and the ICBC Board.
- F. ICBC's governance and corporate policies also apply to its subsidiaries and their subsidiaries. In some instances, due to the unique requirements of a particular subsidiary, a special governance protocol may exist between a subsidiary company and ICBC; however, it in no way substitutes or replaces these guidelines.
- G. The subsidiaries are governed by British Columbia's *Business Corporations Act* or the equivalent companies legislation in effect in the jurisdiction in which the subsidiary in question is incorporated (the "Act") and their own Articles of Incorporation or equivalent constating documents ("Articles"). Except where inconsistent with the Act and Articles, the Terms of Reference and guidelines for ICBC's Board, Board Chair, and CEO apply to the board of directors and CEOs of the subsidiaries where applicable.



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## SUBSIDIARY COMPANIES MANDATE AND REPORTING REQUIREMENTS

### III. REPORTING REQUIREMENTS

In addition to the reporting relationship between the subsidiary president and the ICBC CEO or delegate:

- A. Subsidiary board of directors generally meet quarterly, except where business needs necessitate additional meetings. When requested, minutes of subsidiary board of directors will be provided to the ICBC Board so that significant items dealt with by the subsidiary can be reviewed, ratified or approved as necessary.
- B. Each subsidiary will present reports to the ICBC Board when called upon by the ICBC Board to do so. In addition, the subsidiary president submits operational and project status reports to the ICBC CEO or delegate at such intervals as the ICBC CEO directs, and to the ICBC Board when called upon to do so.
- C. The subsidiary president will review proposed officer appointments with ICBC CEO, prior to making a recommendation to the subsidiary board of directors.
- D. Subsidiaries will submit their audited financial statements to their board of directors for review and approval by the end of February in each year. Following approval, the subsidiary corporate secretary will ensure that the balance sheet is signed by the subsidiary directors and that all necessary corporate filings are made and a copy forwarded to ICBC's Office of the Corporate Secretary for review and approval by the ICBC Board.
- E. The president of the subsidiary will report monthly to ICBC's Chief Financial Officer on the subsidiary's financial performance against its approved annual business plan.



## SUBSIDIARY COMPANIES MANDATE AND REPORTING REQUIREMENTS

### IV. ACCOUNTABILITY AND REPORTING MATRIX FOR SUBSIDIARY COMPANIES

	ICBC Board	Subsidiary Board	ICBC CEO	Subsidiary President	ICBC Executive	Frequency
<b>STRATEGIC</b>						
Subsidiary strategic plan • Real estate investment goals and expected returns	Approve	Approve*	Approve*	Prepare	Inform	Annual
<b>OPERATIONAL</b>						
Subsidiary annual business plan and budgets • Development project plans and budgets • Revenue properties plans and budgets • Administrative plans and budgets	Approve	Approve*	Approve*	Prepare	Inform	Annual
Corporate policies and related control processes • Exceptions to major ICBC corporate policies	Inform	Approve	Approve	Recommend	Inform	As Required
Financial policies and related control processes • Approval authority of subsidiary board • Approval authority of subsidiary management	Approve	Recommend	Consult	-	Inform	As Required
	-	Approve	Approve	Recommend	Inform	As Required
<b>REPORTING</b>						
Strategic performance	Monitor	Monitor	Monitor	Prepare	Inform	Quarterly
Financial operating results	Inform	Monitor	Monitor**	Prepare	Inform	Monthly
Project results	Inform	Monitor	Monitor**	Prepare	Inform	Monthly

\* Approval is subject to ICBC Board approval.

\*\* The ICBC CEO may designate the Chief Financial Officer to be the recipient of these reports for consideration in financial decisions and for further analysis.



**SUBSIDIARY REPORTING CALENDAR**

Report to ICBC Board	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1. Annual Business Plan											X	
2. Annual Report			X									
3. Audited Financial Statements (to be forwarded to ICBC's Corporate Secretary for information only)		X										
4. Financial Performance (Report to ICBC's Chief Financial Officer)	X	X	X	X	X	X	X	X	X	X	X	X
5. Operational Reports	X	X	X	X	X	X	X	X	X	X	X	X
6. Project Status Reports	X	X	X	X	X	X	X	X	X	X	X	X

Last reviewed by the Governance and Technology Committee: April 18, 2023



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## FINANCIAL REPORTING REQUIREMENTS

The Board and Management are accountable for the Corporation's performance to the Legislative Assembly through the Minister. Corporate accountability will be achieved primarily through the development of plans and budgets, and timely reporting of financial and operational performance results to the Board, the Government, and the BC Utilities Commission ("BCUC"). The following legislation sets out ICBC's reporting requirements:

### **A. *Insurance Corporation Act***

ICBC must annually prepare and provide to the Minister for the preceding fiscal year:

- i. A report on the Corporation's operations;
- ii. A financial statement showing the Corporation's operations, assets and liabilities at the end of the year. The financial statement must show the optional insurance business separately from the rest of the Corporation's business;
- iii. A report, prepared by an actuary who is not an employee of the Corporation, as to whether the Corporation's Optional automobile insurance policy liabilities have been valued in accordance with accepted actuarial principles; and
- iv. A report, prepared by an accountant who is not an employee of the Corporation, as to whether:
  - a. The Corporation's Optional automobile insurance costs have been attributed to Optional automobile insurance in accordance with generally accepted accounting principles and in compliance with section 49, which prohibits subsidization of Optional insurance products with Basic premiums and any orders made by the BCUC under that section; and
  - b. The Corporation's Basic insurance costs and its non-insurance costs related to driver and vehicle licensing and road safety have been attributed to Basic insurance in accordance with generally accepted accounting principles and in compliance with section 49 and any orders made by the BCUC under that section.

The Minister is required, by August 31 after the end of the preceding fiscal year, to lay the financial statement before the Legislative Assembly or, if the Legislative Assembly is not in session, file the financial statements with the Legislative Assembly.

In addition, the Corporation must file an annual report on its condition and affairs with the Superintendent of Financial Institutions, within 30 days of the corresponding financial statement being laid in front of the Legislative Assembly.

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## FINANCIAL REPORTING REQUIREMENTS

### **B. *Financial Information Act***

The Corporation must prepare a statement of financial information annually within three (3) months of the end of each fiscal year, which includes a statement of assets and liabilities, an operational statement, a schedule of debts and a schedule of guarantee and indemnity agreements.

Further, within six (6) months of the end of each fiscal year, the Corporation must prepare schedules showing total remuneration and expenses for each employee who earned more than \$75,000.00, a consolidated total of all remuneration paid to all other employees, the total amount paid to each supplier of goods or services greater than \$25,000.00 and a consolidated total of all payments made to other suppliers of goods or services.

These reports must be available at the Corporation's head office for inspection by any person.

### **C. *Budget Transparency and Accountability Act***

ICBC must present the Service Plan addressing the current fiscal year and the following two (2) fiscal years to its Minister for tabling in the Legislative Assembly. Following tabling in the Legislative Assembly, ICBC is required to make the Service Plan publicly available. It must include a statement of goals, identify specific objectives and performance measures, include information about major capital projects and include any other information prescribed by the Lieutenant Governor in Council.

In addition, ICBC must present the Annual Service Plan Report to its Minister for public release. It must compare actual results for the preceding fiscal year with the expected results identified in the Service Plan for that fiscal year. ICBC may submit one annual report to the Minister, satisfying the requirements of both the *Budget Transparency and Accountability Act* and the *Insurance Corporation Act* (outlined in Section A). The Crown Agencies and Board Resourcing Office develops guidelines with specific direction as to the content of the Annual Service Plan Report.

### **D. *Public Sector Employers Act***

ICBC must make certain reports to the Public Sector Employers' Council regarding its compensation structure. ICBC is also required under that Act to make available to the public all contracts of employment for employees earning over \$125,000.00 per year.

### **E. *Utilities Commission Act***

ICBC must submit all of its rate schedules with respect to universal compulsory vehicle insurance to the BCUC. The BCUC is also empowered, as part of its oversight role, to make orders requiring ICBC to report on a wide range of matters. ICBC is required to comply with any order made by the BCUC.



## FINANCIAL REPORTING REQUIREMENTS

In addition to the above reporting requirements, ICBC's quarterly financial results are reviewed by the Audit Committee and approved by the Board quarterly. ICBC then posts its quarterly financial results on its public website [icbc.com](http://icbc.com).

Last reviewed by the Governance and Technology Committee: April 18, 2023



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## APPLICABLE LEGISLATION

The Corporation has legal responsibilities under several statutes and their applicable regulations, including but not limited to the following:

- a) [Budget Transparency and Accountability Act, SBC 2000, c. 23](#);
- b) [Commercial Transport Act, RSBC 1996, c. 58](#);
- c) [Financial Information Act, RSBC 1996, c. 140](#);
- d) [Freedom of Information and Protection of Privacy Act, RSBC 1996, c. 165](#);
- e) [Insurance Corporation Act, RSBC 1996, c. 228](#);
- f) [Insurance \(Vehicle\) Act, RSBC 1996, c. 231](#);
- g) [Motor Vehicle Act, RSBC 1996, c. 318](#);
- h) [Offence Act, RSBC 1996, c. 338](#);
- i) [Passenger Transportation Act, SBC 2004, c. 39](#);
- j) [Public Sector Employers Act, RSBC 1996, c. 384](#); and
- k) [Utilities Commission Act, RSBC 1996, c. 473](#).

The above statutes and their applicable regulations can be accessed at BC Laws' website: <http://www.bclaws.ca/>. BC Laws is an electronic library containing a comprehensive collection of BC legislation and bills.

The linked statutes above are not the official versions, and may not be up to date.

Last reviewed by the Governance and Technology Committee: April 18, 2023