



Canada Council
for the Arts

Conseil des arts
du Canada

The Canada Council for the Arts

By-Laws

January 2013

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By-Laws

Members/Board

1. The *Canada Council for the Arts Act* establishes the Canada Council for the Arts as a corporation. The *Canada Council for the Arts Act* refers to “members”. For greater clarity in these By-Laws, references herein to “Board members” or the “Board” shall, unless otherwise indicated, mean members as defined in the Act.

Interpretation

2. Terms not defined herein shall have the meanings assigned to them in the *Canada Council for the Arts Act* (the “Act”). References to “Council” shall refer to the Corporation known as “Canada Council for the Arts”. “Business Days” refers to business days in the Province of Ontario.
3. “Ex-officio” shall mean “by virtue of office”. Ex-officio membership shall include participation in discussion and notice of meetings and materials but shall not include any right to vote.

Time and Place of Meetings of Board Members

4. The Council shall meet at least three times a year in the city of Ottawa on such days as are fixed by the Council and at such other times and places as the Council deems necessary, in accordance with Section 10 of the Act, and for which notice is given in accordance with article 8 of the By-laws.
5. Subject to the provisions of the Act as amended, Section 10, regular or additional meetings of Board members may be held as decided by Board members.
6. If requested in writing by not fewer than four (4) Board members, the Chair shall call a meeting of the members, which shall be held on a date not earlier than ten (10) Business Days and not more than twenty (20) Business Days from the receipt of the request.

Notice of Board Meetings

7. A Board member may participate in a Board or committee meeting by means of such telephone or other communications facilities as permit all persons participating in the meeting to hear, communicate or interact with each other, and a member participating in such a meeting by such means is deemed to be present at that meeting.

8. Notice of any meeting of Board members shall be delivered, mailed, faxed or sent electronically to all members at their ordinary place of residence or other address as they may designate, at least fourteen (14) Business Days in advance of the meeting; but failure to give or receive notice, due to inadvertence, shall not invalidate any meeting. Urgent meetings, as determined by the Chair, may be called on not less than three (3) days notice. A notice of a Board meeting shall contain sufficient information to permit the Board member to form a reasoned judgment on the decision to be taken. A Board member may, in any manner, waive notice of or otherwise consent to a meeting of the members.
9. In the case of an adjourned meeting of Board members, notice of the adjourned meeting is not required if the time and place of the adjourned meeting was announced at the original meeting.

Quorum at Board Meetings

10. The quorum for meetings of Board members shall be the majority of the members then in office.
11. If at the time appointed for the commencement of a Board meeting, a quorum is not present, the majority of the members then present may postpone from time to time the commencement of the meeting until a quorum is present.
12. No business shall be conducted at any meeting which at the outset or through the course of the meeting lacks quorum.

Voting

13. Except where otherwise provided, each Board member shall have one (1) vote to be given in person, and the vote of the majority present shall decide, and in case of an equality of votes, the individual chairing the meeting shall have a second or casting vote. Voting shall occur by show of hands. Where expressly requested, a poll may be taken.

Decisions in Writing and by Other Means

14. Any action that might be taken at a Board meeting may be taken without a meeting if authorized in writing or by fax/electronic mail by two-thirds of the Board members.
15. No Board meeting may occur in the absence of both the Chair and the Vice-Chair when they are in office. If, in the course of a properly constituted meeting, both the Chair and Vice-Chair become absent, the meeting shall adjourn.

Roles and Responsibilities of Board Members

16. Board members:
- (a) establish, approve and periodically review the overall policies and the programs of the Council;
 - (b) oversee the effectiveness of such programs;
 - (c) provide direction and counsel to management in the strategic planning process and approve the Strategic Plan and the Corporate Plan;
 - (d) approve the annual budget of the Council, including the allocation to various disciplines, purposes and programs;
 - (e) approve the annual financial statements and annual report, and major financial decisions;
 - (f) approve the proposed use of donations or bequests left to the Council;
 - (g) approve the annual performance evaluation and financial prerequisites of the Director and CEO;
 - (h) approve the Council's internal audit plan;
 - (i) oversee the stewardship of the organization's assets and liabilities, including overall responsibility for the investment funds;
 - (j) approve the appointment of members and chairs to Board committees;
 - (k) approve the Governance Policy, the Code of Ethics for members and enact, amend or repeal by-laws;
 - (l) monitor the performance of management and hold management accountable for the Council's performance;
 - (m) ensure that the granting process is decided in a rigorous manner, with clear guidelines, and authorize the awarding of grants either directly or through delegated authority; and
 - (n) approve the position description for the Director and CEO, and recommend to the Minister of Canadian Heritage position descriptions for members, including, though not limited to, the Vice-Chair and the Chair.

Officers

17. The officers of the Council shall be the Chair, the Vice-Chair, the Director and CEO (as defined in the Act), the Corporate Secretary, the Director of Finance and Administration and such other officers, if any, as the Board members may appoint from time to time. Officers must be either Board members or full-time employees of the Council.

Chair

18. The Chair shall:
- (a) determine in consultation with the Director and CEO and Corporate Secretary the date, location, time and agenda of meetings of Board members;
 - (b) preside at meetings of Board members and the Executive Committee;
 - (c) represent the Council in its relations with the Government and Parliament of Canada and the public;
 - (d) be an ex-officio member of any and all committees with the exception of the Executive Committee, of which the Chair shall be a full voting member; and
 - (e) make a report of all proceedings for each fiscal year as required by Section 21 of the Act.

Vice-Chair

19. The Vice-Chair shall:
- (a) be an ex-officio member of any and all committees with the exception of the Executive Committee, of which the Vice-Chair shall be a full voting member;
 - (b) assist the Chair in the execution of his or her duties;
 - (c) replace the Chair when he or she is absent or if the position is vacant.

Director and CEO

20. Under the general direction of Board members, the Director and CEO shall:
- (a) be the chief executive officer of the Council and may, in the Council's affairs and materials, refer to himself or herself as Director and/or Chief Executive Officer;

- (b) oversee the development of the Strategic Plan and Corporate Plan of the Council and approve the operating goals and plans prepared pursuant to that Plan;
- (c) report to Board members or the appropriate committee on:
 - (i) the Council's activities;
 - (ii) the implementation of the Strategic Plan and Corporate Plan of the Council and the policies and resolutions of the Council; and
 - (iii) the achievement of the Council's objectives;
- (d) develop the policies for the operations of the Council in harmony with the strategic directions adopted by the Board and implement the Council's policies;
- (e) direct and guide management to ensure it is accountable for the Council's performance;
- (f) be an ex-officio member of any and all committees and the Board; and
- (g) represent the Council personally or through his or her delegate in its relations with departments and agencies of Government and organizations having to do with matters of interest to Council.

Corporate Secretary

21. The Corporate Secretary shall:
- (a) keep the records of the Council;
 - (b) enter or cause to be entered into books kept for that purpose minutes of proceedings at meetings of Board members as well as other committees as required, and the policies and resolutions approved by the Board;
 - (c) give notice of the meetings of Board members and other committees for which he or she acts as secretary;
 - (d) exhibit upon request any of the records of the Council to any of members of the Board;
 - (e) assist in and co-ordinate the preparation of the annual report of the Council as required by Section 21 of the Act;

- (f) be custodian of the seal of the Council;
- (g) be an ex-officio member of any and all committees and the Board; and
- (h) perform such other duties as the Director and CEO or the Board may require.

Director of Finance and Administration

22. The Director of Finance and Administration shall:
- (a) control the deposit of money and the disbursement of the funds of the Council and may, in the Council's affairs and materials, refer to himself or herself as the Director of Finance and Administration and/or Chief Financial Officer;
 - (b) keep proper books of account to show the financial transactions of the Council, which books shall at all times be open to inspection by Board members and by the Office of the Auditor General and, insofar as they relate to investments, by members of the Investment Committee;
 - (c) prepare statements showing the financial position of the Council, as required by Board members;
 - (d) provide to the Office of the Auditor General such information relating to the accounts and financial transactions as it may require;
 - (e) prepare for the Council's report to Parliament annual statements on the investments, financial position and transactions of the Council during the fiscal year;
 - (f) prepare the Council's budget;
 - (g) give notice of meetings of the Investment Committee, act as secretary of the Investment Committee, and report to Board members on behalf of the Investment Committee;
 - (h) be an ex-officio member of the Audit and Finance Committee, the Investment Committee and the Board; and
 - (i) perform such other duties as the Director and CEO may require.

Interim Leadership

23. In the event that the position of Director and CEO becomes vacant Board members shall, in the interest of good governance, authorize the Chair, who

shall work with the Executive Committee, to appoint a member of the executive management group (as defined by the Council's organizational charts) to direct the Council and report to the Board until the position is filled by the Governor in Council.

Executive Committee

24. The Executive Committee shall consist of the Chair, Vice-Chair and the chairs of the Governance and Nominating Committee and the Audit and Finance Committee. The Chair shall preside over meetings of the Executive Committee. The quorum for meetings shall be three (3) voting members. Five (5) Business Days written notice shall be given for a meeting of the Executive Committee. Urgent meetings, as determined by the Chair, may require shorter notice. The Executive Committee will report regularly at meetings of the Board. All approved minutes of the Executive Committee's meetings will be distributed to Board members in accordance with Council policy.
25. The Executive Committee will act on behalf of the Board in the interval between meetings of Board members and exercise all powers and perform all duties of the Board and its members except for the following:
 - (a) the enactment, amendment or repeal of by-laws; and
 - (b) the approval of policies, strategic plan, corporate plan, budgets, annual report, financial statements and grants.
26. The mandate of the Executive Committee is as follows:
 - (a) reviews the performance assessment of the Director and CEO and recommends it for approval to the Board;
 - (b) reviews the financial and non-financial prerequisites of the Director and CEO; and
 - (c) any other duties assigned it by the Board members.

Audit and Finance Committee

27. The Audit and Finance Committee shall consist of five (5) Board members appointed by the Board. The Committee Chair should have significant financial expertise and knowledge. The quorum for meetings shall be three (3) voting members. Five (5) Business Days written notice shall be given for a meeting of the Audit and Finance Committee. Urgent meetings, as determined by the Committee Chair, may require shorter notice, though in no case shall notice be fewer than twenty-four (24) hours. The Audit and

Finance Committee will report regularly at meetings of the Board. All approved minutes of the Audit and Finance Committee's meetings will be distributed to Board members in accordance with Council policy. Both the internal auditors of the Corporation and the Office of the Auditor General of Canada shall receive notice of and be invited to attend and be heard at all meetings of the Audit and Finance Committee. The Audit and Finance Committee shall meet at least four (4) times a year.

- 28.** The mandate of the Audit and Finance Committee is as follows:
- (a) reviews the quarterly financial reports of the Council;
 - (b) recommends the annual financial statements to Board members for approval;
 - (c) reviews the Council's accounting policies, procedures and internal controls;
 - (d) reviews the internal audit plan and recommends same to Board members for approval;
 - (e) receives reports and reviews recommendations from the internal auditors;
 - (f) receives reports and reviews recommendations from the Office of the Auditor General of Canada;
 - (g) reviews any corrective measures implemented as a result of both internal and external audits;
 - (h) reviews management's proposals concerning the annual budget and makes recommendations to Board members with respect to approval of the budget and major financial decisions;
 - (i) reviews the travel and hospitality expenses of Board members and the Director and CEO;
 - (j) reviews the report on internal disclosure of information concerning wrongdoing in the workplace;
 - (k) reviews management's reports on significant business, financial and regulatory risks, and monitors the Council's processes for identifying and controlling those risks;
 - (l) reviews the nature and scope of any financial item impacting the Council as requested by Board members or imposed externally; and
 - (m) undertakes any other tasks assigned to it by Board members.

Governance and Nominating Committee

29. The Governance and Nominating Committee shall consist of five (5) Board members appointed by the Board. The committee chair should have governance-related expertise and knowledge. The quorum for meetings shall be three (3) voting members. Five (5) Business Days written notice shall be given for a meeting of the Governance and Nominating Committee. Urgent meetings as determined by the Committee Chair may require shorter notice though in no case shall notice be fewer than twenty-four (24) hours. The Governance and Nominating Committee will report regularly at meetings of the Board. All approved minutes of the Governance and Nominating Committee's meetings will be distributed to Board members in accordance with Council policy. The Governance and Nominating Committee shall meet at least three (3) times a year.
30. The mandate of the Governance and Nominating Committee is as follows:
- (a) reviews all governance-related information disseminated to Board members for approval;
 - (b) establishes a process for evaluating performance of the Board;
 - (c) reviews, monitors and makes recommendations to Board members regarding orientation, training and ongoing professional development;
 - (d) reviews and monitors Board committee membership;
 - (e) ensures that the Council's By-laws are kept current with best practices and continue to meet the needs of the Council;
 - (f) ensures that the Council's Governance Policy is kept current with best practices and continues to meet the needs of the Council;
 - (g) periodically reviews and recommends to Board members the responsibilities of the Chair, Vice-Chair and Director and CEO and ensures these profiles are communicated to the Minister of Canadian Heritage as required;
 - (h) maintains a profile of members' skills and expertise, and communicates this information to the Minister of Canadian Heritage as required;
 - (i) recommends to the Minister of Canadian Heritage selection criteria for filling Board vacancies; and
 - (j) undertakes any other tasks assigned to it by the Board.

Investment Committee

31. The Board of the Canada Council is ultimately responsible for the oversight of the Council's investment assets and distribution policy for the Endowment and Special funds. The Board has delegated certain aspects of the oversight process to the Investment Committee. The Investment Committee shall consist of eight (8) committee members independent of management and appointed by the Board: (i) two (2) Board members, one of whom shall be a designated representative from the Audit and Finance Committee and (ii) six (6) external members having experience in institutional trust fund investing and fund governance (see *Appendix II* for selection process). The Committee Chair shall be appointed by the Board following consultation with the Board, management and the current Committee Chair, upon recommendation of the Governance and Nominating Committee. The Committee Chair must possess professional investment experience, namely in institutional trust fund management, such as pension or endowment funds. The Committee Chair should be familiar with domestic and foreign equity, fixed income and alternative investment asset classes including real estate, hedge funds, infrastructure, etc. The quorum for meetings shall be five (5) committee members, one (1) of whom must be a Board member. Five (5) Business Days written notice shall be given for a meeting of the Investment Committee. Urgent meetings, as determined by the Committee Chair, may require shorter notice though in no case shall notice be fewer than twenty-four (24) hours. The Committee Chair shall report at least annually to the Board and quarterly to the Audit and Finance Committee. The Director of Finance and Administration shall report to the Board on the business of the Committee on a quarterly basis.
32. All approved minutes of the Investment Committee's meetings will be distributed to Board members.
33. The Investment Committee shall meet quarterly or more frequently if required.
34. External committee members are appointed for a three (3)-year term and can be reappointed for two (2) additional three (3)-year terms whereupon such individual shall not be eligible for committee membership for six (6) months from the date of expiry of his or her term. Committee appointments may be terminated prior to the normal end of the term, on the recommendation of the Chair of the committee and the Director of Finance and Administration, subject to Board approval.
35. The appointment of Board representatives will follow the Canada Council's appointment process.

36. The mandate of the Investment Committee is as follows:
- (a) recommends a Statement of Investment Policies and Goals to the Board for approval. The Statement will be reviewed annually with any recommended changes referred to the Board for approval;
 - (b) provides oversight of the administration, implementation and monitoring of the endowment and special funds;
 - (c) selects an investment consultant to advise the committee on investment matters, including asset mix policy, fund manager structure and monitor investment performance;
 - (d) selects a custodian as external trustee to administer the investment portfolios;
 - (e) selects an investment management structure;
 - (f) interviews and appoints investment managers to manage the components of the selected investment management structure;
 - (g) establishes investment guidelines for individual investment managers within the context of the Statement of Investment Policies and Goals;
 - (h) monitors and evaluates quarterly performance and total portfolio risk by reviewing quarterly reports prepared by the investment advisor and inviting investment managers to meetings in order to discuss performance results;
 - (i) recommends potential external Investment Committee members to the Board;
 - (j) monitors and evaluates the performance of the investment advisor, at least once a year;
 - (k) reports at least once a year to the Board and quarterly to the Audit and Finance Committee;
 - (l) periodically reviews expenditure policy and recommends changes to the Board if necessary;
 - (m) conducts an annual self-assessment as part of the Board self-assessment process, and periodically reviews the Terms of Reference for appropriateness; and
 - (n) undertakes any other tasks assigned to it by the Board.

Additional Committee Rules

37. The Board may (i) create advisory and other committees or panels, with such terms of reference, powers and provisions as to reimbursement of expenses and honoraria as the Board members shall decide and (ii) appoint individuals to such committees and panels.
38. External committee members (i.e., individuals who are not Board members) may receive honoraria and reimbursement of expenses, as determined by the Act and/or Council policies.

Rules of Procedure

39. Except as otherwise provided, the meetings of Board committees and panels shall be governed by the same rules of procedure as are laid down herein for the meetings of the Board.

Public Meeting

40. On an annual basis, and at intervals of not more than fifteen (15) months, the Council shall hold a public meeting at a date, time and location specified by the Board. Notice of such meeting shall be given pursuant to the *Financial Administration Act* (Section 113.1). The Board may from time to time prescribe means of participation in said public meeting. Business to be transacted at such meeting shall be determined by the Board.

Conflict of Interest – Grants and Prizes

41. When any grant or prize recommendation is under consideration by the Board, any of its panels or committees, any Board member (or member of such panel or committee) who is associated with the application of the organization or individual interested in such grant or prize, shall, in accordance with the Code of Ethics for Board Members:
 - (a) disclose his or her interest and not vote upon such recommendation or award;
 - (b) refrain from attempting directly or indirectly to influence the decision of the members, panel or committee; and
 - (c) withdraw from any meeting during discussion of the grant or prize recommendation.
42. No Board member or external member of any committee shall make, accept or forward any application to the Council for a grant, prize or any other request for funding.

Conflict of Interest – General

43. Board members and other individuals shall, in addition to the provisions of Sections 37 and 38 hereof, adhere to that Code of Ethics for Members attached hereto as Appendix I (including the conflict of interest provisions thereof) and which may be amended by the Board members from time to time.

Indemnification

44. The Council, acting through its members, will indemnify a present or former Board member, officer, committee member, or employee of the Council, or a person who acts or acted at the Council's request as a director, member, trustee, administrator or officer of another entity, and in each case, his or her heirs and legal representatives against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgement, that are reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved by reason of association with the Council.
45. The Council may advance moneys to an individual described in Section 40 for the costs, charges and expenses of a proceeding referred to above. The individual shall repay the moneys if the individual does not fulfill the conditions of Section 42.
46. The Council may not indemnify an individual under Section 40 unless the individual:
- (a) acted honestly and in good faith with a view to the best interests of the Council or as the case may be, the best interests of the other entity for which the individual acted as director, member, trustee, administrator or officer at the Council's request; and
 - (b) in the case of any criminal or administrative action or proceeding that is sanctioned by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.
47. The Council must purchase and maintain insurance for the benefit of an individual referred to in Section 40 against any liability incurred by the individual:
- (a) in the individual's capacity as a Board member or officer of the Council or committee member; or
 - (b) in the individual's capacity as a director, member, trustee, administrator or officer of another entity, if the individual acts or acted in that capacity at the Council's request.

Banking

48. Every cheque or order for the payment of money drawn on an account of the Council shall be signed by such two (2) persons as the Board may designate.

Execution and Certification of Documents

49. Documents or instruments in writing requiring execution on behalf of the Council shall be signed by any two (2) of the Chair, the Vice-Chair, the Director and CEO, the Director of Finance and Administration or the Corporate Secretary; or by such other persons as the Board may designate.

Fiscal Year

50. The fiscal year of the Council shall be the twelve (12) months ending the 31st day of March.

Corporate Seal

51. The seal of the Council shall be in the form approved by the Board from time to time.

Head Office

52. The head office of the Council shall be in the City of Ottawa, Province of Ontario, Canada.

Amendment of By-Laws

53. By-Laws of the Council may be enacted, repealed or amended by a majority of the members of the Board present at a meeting, the notice for which shall specify the proposed enactment, repeal or amendment; the decision must be carried by a two-thirds majority of the members then in office.

General Procedure

54. The rules contained in Robert's Rules of Order shall govern meetings of the Council in all cases to which they are applicable and in which they are not inconsistent with the Act, these By-Laws, or any special Rule of Order of the Council.

Revised and re-enacted on the 7th day of March 1979 at Ottawa, Ontario, Canada, and amended in December 1980; December 1981; September 1982; March 1983; June 1983; June 1984; October 1985; December 1987; June 1989; September 1993; October 1995; March 2002; March 2004; June 2004; June 2009; June 2011; January 2012; January 2013.

Corporate Secretary

Appendix I

CANADA COUNCIL FOR THE ARTS

CODE OF ETHICS FOR BOARD MEMBERS

(adopted March 8, 1988; amended June 19, 1990; amended June 15, 1992; amended September 14, 1997; amended June 16, 2009; amended June 21, 2011)

Preamble

The public trust rests on a belief and confidence that those in public office will conduct themselves ethically.

In furtherance of this precept, the following Principles and Procedures shall be binding upon each Board member of the Canada Council for the Arts.

Principles

The principles of the Canada Council for the Arts' *Code of Ethics for Board Members* are those adopted by the Government of Canada, and applicable to public office holders, including part-time Governor in Council appointees, both during and after employment. Each Board member is a public office holder.

The *Canada Council for the Arts Act* refers to “members”. For greater certainty in this Code of Ethics, references to “Board members” or simply “the Board” shall, unless otherwise indicated, mean members as defined in the Act. Also, references to “Council” shall mean the Canada Council for the Arts.

No code can be expected to cover all possible situations that might be encountered; therefore Board members must exercise judgement in applying the principles embodied in this Code to any particular situation. The provisions in this Code are in addition to, and not in substitution for, any obligation imposed upon a member by the *Conflict of Interest Act*, S.C. 2006, c. 9 (which came into force on July 9, 2007), agreement (written or oral), Common Law, equity, statute or regulation. Compliance with this Code will not relieve a member of any such obligations.

I. Ethical Standards

Every Board member shall conform to the following guidelines:

- a) Board members shall comply with all applicable laws and regulations governing their conduct as public office holders;
- b) Board members shall act with honesty and uphold the highest ethical standards so that public confidence and trust in the integrity, objectivity and impartiality of the Council are conserved and enhanced;

- c) Board members have an obligation to act in the best interest of the Council, and in a manner that will bear the closest public scrutiny, an obligation that is not fully discharged by simply acting within the law;
- d) Board members have a duty to be knowledgeable and comply with the Council's corporate policies;
- e) Board members shall not directly or indirectly use, or allow the use of, Council property of any kind, including property leased to the Council, for anything other than officially approved activities; and
- f) Board members shall at all times and in all their dealings keep the affairs of the Council and all information related to the Council confidential.

II. Fundamental Rights

The Council is committed to creating and maintaining a work environment that is free from harassment and discrimination. This includes, but is not limited to: age, race, sex, religion, creed, nationality, ethnicity, language, political belief, marital status, sexual orientation and disability.

III. Conflict of Interest

The *Conflict of Interest Act* governs the ethical conduct of public office holders. Public office holders are in a conflict of interest when they exercise an official power, duty or function that provides an opportunity to further their private interests or those of their relatives or friends, or that improperly furthers another person's private interests. Compliance with the *Conflict of Interest Act* is a condition of appointment as a public office holder.

Every Board member shall conform to the following guidelines.

Board members must:

- a) arrange their private affairs to prevent a conflict of interest (section 5);
- b) abstain from participation in decisions that would involve a conflict of interest (subsection 6 (1));
- c) not take any action aimed at circumventing the *Conflict of Interest Act* (section 18);

Prohibited activities while holding office include:

- a) **Preferential treatment:** of any person or organization based on the identity of the person or organization representing them (section 7);
- b) **Insider information:** using information that is not available to the public to further one's private interests or the private interests of relatives or friends, or to improperly further another person's private interests (section 8);

- c) **Influence:** using one's position to influence a decision to further private interests (section 9);
- d) **Offers of employment:** being influenced in exercising one's duties by offers of outside employment (section 10);
- e) **Gifts:** accepting any gift or other advantage that might reasonably be seen to influence the exercise of one's official duties (section 11);
- f) **Contracting with family:** entering into a contract or employment relationship, in the exercise of one's official duties, with a spouse, common-law partner, child, sibling or parent or permitting the entity for which one works to do so (section 14);
- g) **Fundraising:** personally soliciting funds if it would place the public office holder in a conflict of interest (section 16).

IV. Compliance with Special Provisions

1. On appointment to the Council, all Board members shall inform the Council in writing, through the Corporate Secretary, of their activities and the activities of members of their immediate family which could give rise to a real, potential or apparent conflict of interest or otherwise impair the ability of the member to perform his or her official duties objectively. These written statements are in addition to the confidential report and other disclosure statements required under the *Conflict of Interest Act*.

"Activities" may include, but are **not limited to**, membership on boards of organizations, ownership of assets, receipt of gifts, employment whether full- or part-time, and financial or professional benefits accruing to the member or his or her immediate family. A Board member's immediate family includes his or her spouse (that is, a person to whom the member is married or with whom the member is living in a conjugal relationship outside marriage, unless the member and that person have made a separation agreement or their support obligations and family property have been dealt with by a court order) and dependents (that is, persons other than the member's spouse who are dependent in whole or in part on the member or his or her spouse for support).

These written statements shall be updated once a year by all Board members and provided to the Corporate Secretary at the Board members' meeting immediately preceding the commencement of a new fiscal year.

2. In addition to the other provisions of this Code of Ethics, Board members shall abide by the Council By-Laws pertaining to conflict of interest, which provides that when any application for any grant or prize, or recommendation for an award is under consideration by Board members or any panel or committee of the Council, any member (or of such panel or committee) associated with the application or the organization or individual interested in such grant or prize, shall:
 - a) disclose interest and not vote upon such application or award;

- b) refrain from attempting directly or indirectly to influence the decision of the Board members, panel or committee; and
- c) withdraw from any Board or committee meetings during discussions and decisions relating to the application or award.

The Minutes of the meetings shall in each case record the Board member's disclosure of conflict of interest, his or her withdrawal from the meeting, and the fact that he or she took no part in the discussion or decision.

- 3. Board members are ineligible to apply for any grant or prize from the Council on their own behalf or, without full disclosure, on behalf of any organization or person, during the course of their terms as Board members and for six months following the end of their term.
- 4. Board members are not eligible to be considered for any Council prize or award during the course of their terms as members and for six months following the end of their term.
- 5. No Board member shall accept or forward any application for a Council grant or prize.
- 6. Notwithstanding any of the foregoing, a Board member may register for payment from the Public Lending Right Commission during his or her term of office and receive payment therefrom.

V. Post-Term

Following the end of their term, Board members must continue to abide by applicable guidelines. Board members shall not act, after they leave public office, in such a manner as to take improper advantage of their previous office.

VI. Resolution of Disputes

The resolution of disputes arising from interpretation of this Code of Ethics shall be the responsibility of a committee composed of the Chair, the Vice-Chair, and the Director and CEO. This committee may choose to appoint to the committee a fourth person from outside the ranks of the current membership if, in its view, circumstances so warrant. The Corporate Secretary will act as Secretary to the committee.

In the event of any breach or possible breach of this Code of Ethics, the said committee may in its discretion impose any remedies as may be appropriate for the circumstances and within its authority.

Appendix II

CRITERIA AND PROCESS FOR SELECTION OF INDEPENDENT INVESTMENT COMMITTEE MEMBERS

(Approved January 2012)

I. Criteria

1. Prospective members should have experience or be familiar with investment management of institutional trust funds such as pension or endowment funds.
2. They should be familiar with all asset classes and especially domestic and global equities and fixed income. In addition, they will have experience or be familiar with alternative investment asset classes including real estate, hedge funds, infrastructure, currency management and other developments in the investment industry.
3. They should be knowledgeable in trust fund governance practices.
4. They should be current on developments in the global investment industry.

II. Selection Process

1. The Chair of the Investment Committee will seek recommendations from the committee.
2. The Chair of the committee will collect résumés from potential candidates and review them with the Director of Finance and Administration and Head of Finance.
3. The Chair of the committee, Director of Finance and Administration and Head of Finance will interview candidates and report their recommendations to the committee.
4. The committee will vote on candidates and submit their recommendation to the Board for approval.