
NBIMC – Director Orientation and Education Policy

1. Introduction and Purpose

The field of governance is rapidly evolving. New regulatory changes for private sector companies/Crown Corporations are complex and in many instances will only be clarified over time. Evolving governance standards in the private sector are influencing best practices in quasi-public sectors. In the case of the NBIMC, our Act provides that “all decisions and actions of the Board are to be based on sound business practice.”¹

While it is expected that directors will possess sufficient knowledge, experience and expertise at the time of their appointment to serve in such capacity, it is recognized that they will be not experts in all disciplines or in all aspects of governance. Therefore, ongoing director development is an ongoing responsibility of the Board, the Board Chair, the Governance Committee and individual directors.

The purpose of this Policy is to establish board norms relating to director orientation and ongoing education.

2. Orientation

All new directors will receive a comprehensive orientation about the NBIMC’s mandate, its nature and operations, the role of the board, and the expectations for individual directors. The orientation’s objective should be to help new directors become as effective as possible as soon as possible.

The orientation should:

- ♦ Ensure that each new member of the board has a good understanding of the formal governance structure, the constitution, the bylaws, the role of the board, its supporting committees, and the expectations in respect to individual performance as set out in the charter of expectations or equivalent statement;
- ♦ Build an understanding of the organization’s nature, its operations and working environment including:
 - The organization’s programs and services
 - Summary details of the organization’s principal assets, liabilities, major contracts and major stakeholders
 - The organization’s structure
 - The organization’s major risks and its risk management strategy
 - Key performance indicators
 - Operational or regulatory constraints
 - Requirements for reporting and public disclosure
- ♦ Build a link with the individuals who make up the organization, including:
 - Opportunities to meet and get to know fellow directors
 - Meetings with senior management

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- Site visit to view the organization's operations and to meet employees
- ♦ Build an understanding of the organization's main relationships, including those with:
 - The responsible Minister
 - Key Government representatives who deal with the organization
 - People served by the organization
- ♦ The orientation should provide a comprehensive set of written briefing materials that directors may use as reference materials. These materials will normally include:
 - ♦ Biographical and contact information for all board members and the senior management team
 - ♦ The organization's Act, regulations, by-laws
 - ♦ The organization's governance policies
 - ♦ The current annual business plan
 - ♦ The current strategic plan
 - ♦ The most recent annual and/or quarterly financial and accountability reports
 - ♦ An explanation of the organization's key performance indicators
 - ♦ A summary of director's liability insurance and indemnity
 - ♦ Details of any major litigation involving the organization
 - ♦ Minutes of the last 3-6 board meetings
 - ♦ Details of board committees and copies of the minutes from the last 3-6 meetings if a new director will be joining a specific committee.
 - ♦ A schedule of dates for upcoming board meetings
 - ♦ Website references

Each orientation program may be customized to take into account the background and skills displayed by individual directors.

The President will ensure that an orientation for new directors takes place. The Board Chair will attend if possible. Existing directors will be encouraged to attend. External expertise will be included in the program as required. The Governance Committee will review the Board orientation program/package/manual every 3 years.

3. Ongoing Education

In recognition of the evolving nature of a director's responsibilities, ongoing education will be necessary. In most cases, all directors should be exposed to the same education.

In light of the unique nature of the NBIMC's mandate, it is likely more appropriate that education will normally be delivered in-house and not via general seminars/conferences. Effective use of available governance literature will also support the ongoing personal and professional development of directors.

3.1 Ongoing Education Program

On an annual basis, the Governance Committee and the President will develop an education agenda for the entire board based on a consideration of:

- ▶ Suggestions from directors as part of the annual board evaluation
- ▶ Key strategic directions of the organization
- ▶ Major decisions on the horizon
- ▶ Appropriate and significant risk management themes, and
- ▶ The market environment in which the NBIMC operates

The topics included on the ongoing education agenda will be addressed at:

- ▶ Education sessions at regular board meetings
- ▶ Special meetings devoted to education, as appropriate

The delivery of the educational program will primarily be done in-house, drawing upon external resources where appropriate.

3.2 Governance Literature

As part of board packages, relevant articles or book summaries will be included. Such information will normally be accompanied by a management commentary on the implications for NBIMC, where applicable.

3.3 Seminars/Conferences

Requests from individual directors to attend specific seminars or conferences will be considered on a case by case basis, at the discretion of the Board Chair. Expenses associated with such attendance will be drawn from the general board expenses budget.