



**BC OIL AND GAS COMMISSION
BOARD OF DIRECTORS**

**CODE OF CONDUCT
FOR DIRECTORS**

May 2019

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BOARD OF DIRECTORS

CODE OF CONDUCT

1. PURPOSE AND APPLICATION

- 1.1 The purpose of this document is to establish minimum standards of conduct expected and required of all Directors¹ of the BC Oil and Gas Commission (Commission).
- 1.2 This Code of Conduct is not designed to be exhaustive and the standards it enumerates are in addition to and not in substitution for the statutory, common law and other duties and obligations applicable to Directors. Consequently, a Director uncertain of his or her duties in any particular circumstance should raise this concern with the Chair of the Board in order to obtain appropriate guidance and advice.

2. DUTIES

- 2.1 The Director's recognize that their duties include the following:
 - 2.1.1 **Duty of Loyalty** – Directors must act honestly, in good faith, and in the best interests of the Commission. In placing the best interests of the Commission ahead of their own personal or business interests, Directors must:
 - 2.1.1.1 be honest in their dealings within the Commission and with others on behalf of the Commission;
 - 2.1.1.2 avoid situations where they could profit at the expense of the Commission, appropriate a business opportunity of the Commission, or otherwise put themselves in a position of conflict between their own private interest and the best interests of the Commission;
 - 2.1.1.3 avoid speaking against or undermining any decision of the Board, regardless of whether the Director agrees with or voted for that decision;
 - 2.1.1.4 respect the roles of the Chair and the Chief Executive Officer who are the official spokespeople of the Commission and avoid engaging in activity or speaking publicly on matters where it could be perceived as an official act or representation of the Commission unless specifically authorized to do so by the Commission.
 - 2.1.2 **Duty of Care** – Directors owe a duty of care to the Commission and must exercise the degree of skill and diligence reasonably expected from an ordinary person of his or her knowledge and expertise.
 - 2.1.3 **Duty of Confidentiality** – Directors owe a duty of confidentiality to the Commission. A Director:
 - 2.1.3.1 must not divulge confidential information that he or she receives as a Director to anyone other than persons who are authorized to receive

¹ "Director" includes both OIC appointments and Consultant members of the Board.

the information. The duty to maintain information in confidence continues after the Director ceases to be a director of the Commission; and

2.1.3.2 is responsible for taking measures to protect the confidentiality of the information to which he or she has access.

2.1.4 **Duty of Disclosure** – Directors who become aware that he or she may have a real or perceived conflict of interest have a duty to the Board to disclose that conflict.

2.1.5 **Duty of Compliance** – Directors shall comply with all applicable laws and regulations and of the policies adopted by the Board from time to time, including this Code of Conduct.

2.1.6 **Duty of Knowledge** – Directors must familiarize themselves with the relevant legislation applicable to the Commission and to Directors.

2.2 The Chair has a duty to investigate, with respect and impartiality, any complaint of non-compliance with this Code of Conduct and to report to the Board the results of the investigation and his or her recommendation.

3. ETHICAL CONDUCT

3.1 Directors should act at all times in full compliance with both the letter and the spirit of all applicable laws.

3.2 In his or her relationship with the Commission, no Director should commit or condone an unethical or illegal act or instruct another Director, employee or supplier to do so.

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

4. CONFLICTS OF INTEREST

4.1 In fulfilling their duties, Directors must perform their responsibilities in a manner that avoids any real or apparent² conflict of interest between their private interests and the interests of the Commission.

4.2 A Director should not use his or her position within the Commission to pursue or advance the Director's personal interests, the interests of a related person, or the interests of a person to whom the Director owes an obligation.

4.3 A Director should not directly or indirectly benefit from a transaction with the Commission over which the Director can influence decisions made by the Commission

4.4 A Director should not take personal advantage of an opportunity available to the Commission unless the Commission has clearly and irrevocably decided against pursuing the opportunity, and the opportunity is available to the public.

² "apparent" in respect of a conflict of interest means any situation where it would appear to a reasonable person that the Director is in a conflict of interest situation.

- 4.5 A Director should not use his or her position with the Commission to solicit clients for the Director's business, or a business operated by a close friend, business associate or a person to whom the Director owes an obligation.
- 4.6 Every Director should avoid any situation in which there is, or may appear to be, potential conflict which could appear to interfere with the Director's judgement in making decisions in the Commission's best interests.
- 4.7 A Director must not engage in any financial transactions, contracts, or private arrangements for personal profit which accrue from or are based upon the Director's official position or authority or upon confidential or non-public information which the Director gains by reason of such position or authority.
- 4.8 Directors should not, either directly³ or through relatives or associates, acquire or dispose of any interest, including publicly traded shares, in any company while having undisclosed confidential information obtained in the course of work at the Commission which could reasonably affect the value of such securities.
- 4.9 Directors should not hold or accept a position as an officer or director in an organization with a material relationship with the Commission, where by virtue of his or her position as a Commission Director, the Director could in any way benefit the other organization, unless that interest has been fully disclosed in writing to the Commission.
- 4.10 Directors of the Commission who have been selected to a board of another organization owe the same duties and loyalties to the Commission and if their duties conflict with the wishes of the other organization, their primary duty remains to act in the best interests of the Commission.
- 4.11 Directors must avoid each of the following which would or could give rise to a conflict of interest:
- 4.11.1 accepting gifts, favours or kickbacks from suppliers;
 - 4.11.2 close or family relationships with outside suppliers;
 - 4.11.3 passing confidential information to competitors or other interested parties;
 - 4.11.4 using privileged information inappropriately.

5. DISCLOSURE

- 5.1 Directors should fully disclose all circumstances that could conceivably be construed as a conflict of interest.
- 5.2 Directors should declare possible conflicts of interests associated with matters set out in section 4 that exist at the time of appointment as soon as practicable.
- 5.3 After appointment, Directors should disclose the nature and extent of any conflict at the first meeting of the Board after which the facts leading to the conflict have come to the Directors attention.

³ This does not include a blind trust arrangement or an uncontrolled investment vehicle.

- 5.4 A Director who has declared a conflict of interest in respect of a matter should not attempt, in any way or at any time, to influence the discussion or the voting of the Board on any question relating to the matter giving rise to the conflict.
- 5.5 If a Director is in doubt whether a situation involves a conflict, the Director should seek the advice of the Board Chair.
- 5.6 If a Director is concerned that another Director is in a conflict of interest, the following applies:
 - 5.6.1 the Director should immediately bring his or her concern to the other Director's attention and request that the conflict be declared;
 - 5.6.2 if the other Director does not declare the conflict, the Director should make his or her concern known to the Board chair;
 - 5.6.3 if the concern involves the Board Chair, then the Director should make his or her concern known to the Chair of the Governance and Human Resources Committee.

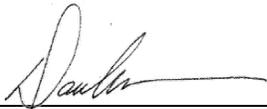
6. DECLARATIONS

- 6.1 At the beginning of each Committee or Board meeting, each Director must declare whether or not he or she has a conflict of interest with respect to the matters to be discussed during the meeting.
- 6.2 Upon appointment, each new Director must review and declare that he or she will comply with this Code of Conduct.
- 6.3 Each Director must, on an annual basis
 - 6.3.1 declare whether or not he or she has complied with this Code of Conduct, and
 - 6.3.2 declare that they will comply with this Code of Conduct in the coming year.

7. BREACH

- 7.1 A Director who is found to have breached his or her duty to comply with this Code of Conduct may be liable to censure.

APPROVED BY THE BOARD OF DIRECTORS



Dave Nikolejsin, Board Chair