



BC OIL AND GAS COMMISSION

BOARD OF DIRECTORS

CODE OF CONDUCT AND CONFLICT OF INTEREST POLICY

Re-Approved by the Board: June 9, 2022



## BOARD CODE OF CONDUCT AND CONFLICT OF INTEREST POLICY

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### 1. PURPOSE AND APPLICATION

- 1.1. The purpose of the Code of Conduct and Conflict of Interest Policy (Code of Conduct) is to establish minimum standards of conduct expected and required of the directors and consultant members of the Board of the 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 and consultants. Consequently, a Director or Board Consultant (Consultant) uncertain of his or her duties in any particular circumstance should raise this concern with the Chair in order to obtain appropriate guidance and advice.
- 1.3. Nothing in this Code of Conduct limits, restricts or precludes a director from making a request for advice or a disclosure pursuant to the Commission's Public Interest Disclosure Policy, or from participating in any other process authorized or required under that policy or pursuant to the British Columbia *Public Interest Disclosure Act*.

### 2. DUTIES

- 2.1 Directors and Consultants recognize that their duties include the following:

- 2.1.1 **Duty of Loyalty** – Directors and Consultants 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 and Consultants 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 or Consultant 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 and Consultants 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 and Consultants owe a duty of confidentiality to the Commission. Directors and Consultants:

2.1.3.1 must not divulge confidential information that they receive as director or consultant to anyone other than persons who are authorized to receive the information. The duty to maintain information in confidence continues after the Director or Consultant ceases hold such position with the Commission; and

2.1.3.2 are responsible for taking measures to protect the confidentiality of the information to which they access.

2.1.4 **Duty of Disclosure** – Directors or Consultants who become aware that they may have a real, perceived, or potential conflict of interest have a duty to the Board to promptly disclose the nature and extent of their interest.

2.1.5 **Duty of Compliance** – Directors and Consultants 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 and Consultants must familiarize themselves with the relevant legislation applicable to the Commission and to Directors and Consultants.

2.2 The Chair has a duty to investigate, with respect and impartiality, any complaint of noncompliance 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 and Consultants 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 or Consultant should commit or condone an unethical or illegal act or instruct another Director, Consultant, employee, or supplier to do so.
- 3.3 Directors and Consultants should, not only fully comply with the law, but 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 and Consultants must perform their responsibilities in

a manner that avoids any real, perceived<sup>1</sup>, or potential<sup>2</sup> conflicts of interest between their private interests and the interests of the Commission.

- 4.2 Directors and Consultants should not use their positions within the Commission to pursue or advance their personal interests, the interests of a related person, or the interests of a person to whom the Director or Consultant owes an obligation.
- 4.3 Directors and Consultants should not directly or indirectly benefit from a transaction with the Commission over which the Director or Consultant can influence decisions made by the Commission.
- 4.4 Directors and Consultants 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.
- 4.5 Directors and Consultants should not use their position with the Commission to solicit clients for their business, or a business operated by a close friend, business associate or a person to whom the Director or Consultant owes an obligation.
- 4.6 Every Director and Consultant should avoid any situation in which there is, or may appear to be, potential conflict which could appear to interfere with the Director or Consultant's judgement in making decisions in the Commission's best interests.
- 4.7 Directors and Consultants must not engage in any financial transactions, contracts, or private arrangements for personal profit which accrue from or are based upon the Director or Consultant's official position or authority or upon confidential or non-public information which the Director or Consultant gains by reason of such position or authority.
- 4.8 Directors and Consultants should not, either directly<sup>3</sup> 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 and Consultants should not hold or accept a position as an officer or director in an organization with a material relationship with the Commission, whereby virtue of his or her position as a Commission Director or Consultant, the Director or Consultant could in any way benefit the other organization, unless that interest has been fully disclosed in writing to the Commission.
- 4.10 Directors and Consultants 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

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<sup>1</sup> A perceived conflict means any situation where it would appear to a reasonable person that the Director or Consultant is in a conflict of interest situation.

<sup>2</sup> A potential conflict arises where a Director or Consultant has private interests such that, while no conflict has yet arisen, a conflict would arise were the director or consultant's responsibilities to the Commission be influenced by the private interests. For example, a director or consultant who intends to accept a role with an environmental advocacy group, and the environmental advocacy group with whom they wish to affiliate may, in the future, lobby government to make changes to its environmental policies.

<sup>3</sup> This does not include a blind trust arrangement or an uncontrolled investment vehicle.

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 and Consultants 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 and Consultants should declare real, perceived, or possible conflicts of interests associated with matters set out in section 4 that exist at the time of appointment or as soon as practicable.
- 5.3 After appointment, Directors and Consultants should disclose the nature and extent of any real, perceived, or potential conflict at the first meeting of the Board after which the facts leading to the conflict have come to the Director or Consultant's attention.
- 5.4 A Director or Consultant 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 or Consultant is in doubt whether a situation involves a conflict, the Director or Consultant should seek the advice of the Board Chair.
- 5.6 If a Director or Consultant is concerned that another Director is in a conflict of interest, the following applies:
  - 5.6.1 the Director or Consultant 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 or Consultant does not declare the conflict, the Director or Consultant should make his or her concern known to the Board chair;
  - 5.6.3 if the concern involves the Board Chair, then the Director or Consultant 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 and Consultant must declare any real, perceived or potential conflicts with respect to the matters to be discussed during the meeting.
- 6.2 Upon appointment, each new Director and Consultant must review and declare that he or she will comply with this Code of Conduct.

6.3 Each Director and Consultant must, on an annual basis

6.3.1 declare whether or not they 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**

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