



---

## **CHAIRPERSON OF THE BOARD OF DIRECTORS**

### **BUSINESS DEVELOPMENT BANK OF CANADA (“BDC” or “the Bank”)**

#### **POSITION DESCRIPTION**

##### **1. Mandate of BDC**

The BDC manages a \$36.5 B portfolio across multiple financing, investing, securitization and syndication activities that supports 72,000 entrepreneurs from over 100 business centers across Canada. BDC must maintain a complementary role, while navigating the challenges of operating within the highly competitive financial services sector and the disruptive forces of new financial technologies and non-traditional players in the market.

A full description of BDC’s mandate is available on BDC’s Website.

##### **2. Primary Role**

The Board has adopted a position description for the Chairperson of the Board that sets out the expectations for and responsibilities of the Chairperson. In this role, the Chairperson provides leadership and directs the work of the Board of Directors (the “Board”), which is responsible for independently supervising the strategic planning and management of the Bank’s business operations and internal affairs.

The Chairperson interacts with the Bank’s various stakeholders, i.e., all directors, including Committee Chairpersons, management, the Shareholder and other stakeholders. The Chairperson leads all Board meetings, including *in camera* sessions.

The Chairperson of the BDC Board is appointed by the Governor in Council on the recommendation of the Minister of International Trade, Export Promotion, Small Business and Economic Development (“Minister”) who is BDC’s designated minister, and as such is an independent director. The Chairperson’s primary responsibility is the management, development and effective performance of the Board and to provide leadership and direction to the Board in carrying out its responsibilities. His or her focus is on ensuring that BDC has the right talent, strategy and risk management in place, as well as planning for the succession of the President and CEO and senior executives. He or she ensures that appropriate structures of governance, leadership and stewardship are in place to enable BDC’s management to lead the organization effectively and deliver on its mandate to support entrepreneurs.

The Chairperson also has regular interaction with the President and CEO, acts in an advisory capacity to him or her, as well as to the Chief Legal Officer and Corporate Secretary and other senior officers. He or she oversees the Corporation’s activities and sets a tone of integrity, honesty and ethical conduct in the best interests of the Bank. The Chairperson serves as the key link between

---

BDC and the Minister, other ministers, and their senior political staff. The Chairperson ensures that feedback from the Shareholder and key stakeholders is communicated to the Board and management.

### **3. Key Responsibilities**

#### **3.1 Managing the Work of the Board**

In collaboration with the President and CEO and the Chief Legal Officer and Corporate Secretary, the Chairperson plans and organizes the work of the Board, notably:

- 3.1.1 ensures that the Board and its Committees operate effectively and make their decisions on a timely basis. The Chairperson coordinates with Committee chairpersons to ensure that the Committees integrate their work with that of the Board and report the results of their work to the Board adequately;
- 3.1.2 sets agendas for Board Meetings and the schedule of meetings to ensure that the Board focuses on important issues including strategic planning, Equality, Diversity & Inclusion, Environmental, Social and Governance, succession planning, technological, risk management and other matters requiring consideration or approval by the Board and that time is allocated for Board discussions;
- 3.1.3 ensures, in collaboration with the Chief Legal Officer and Corporate Secretary, that the Board has adequate resources and that the quality, quantity, relevance and timeliness of the information from management and other sources is appropriate to support its decision-making;
- 3.1.4 ensures that the Board, its Committees and individual Members have regular board assessments, including assessing their effectiveness and peer reviews, and deploy best efforts to improve their performance; he or she monitors the progress of the Board in addressing issues identified in the Board assessment process;
- 3.1.5 encourages and supports the development and contribution of Board Members and the operation of the Board as a whole, including communication and collaboration amongst Board Members;
- 3.1.6 leads the adoption of best practices in corporate governance and processes;
- 3.1.7 meets with Members to seek their feedback on management performance and conveys this to the President and CEO;
- 3.1.8 ensures that the Board of Directors and individual Members

receive appropriate orientation, training, mentoring and guidance in carrying out their responsibilities;

- 3.1.9 advises on the formation and membership of committees and the selection, succession planning and rotation of chairpersons;
- 3.1.10 chairs Board meetings and *in camera* sessions where Members meet independently from management and *in camera* sessions with management so they can express their views, and provides feedback to the President and CEO;
- 3.1.11 may attend, as a non-voting participant, any meeting of any Board Committee of which the Chairperson is not a member;
- 3.1.12 chairs BDC's Annual Public Meeting and is available to speak publicly on BDC issues.

### **3.2 Management Relations**

The Chairperson:

- 3.2.1 oversees management's progress in achieving the Bank's strategic goals;
- 3.2.2 interacts frequently with the President and CEO to provide feedback on strategies, accountability, performance, board and management relationships and the operations of the Bank;
- 3.2.3 interacts frequently with the Chief Legal Officer and Corporate Secretary on matters of board governance;
- 3.2.4 ensures that processes are in place to monitor legislation and best practices in board governance, conduct and compliance;
- 3.2.5 takes a leadership role with respect to succession planning for the President and CEO and works with the Shareholder to ensure that a President and CEO with the required skills and leadership profile is chosen;
- 3.2.6 takes a leadership role and works with the Human Resources Committee with respect to setting the objectives for and completing the performance review of the President and CEO;
- 3.2.7 on behalf of the Board, provides guidance and feedback to the President and CEO and other senior officers on key strategic, operational, technological and risk issues;

- 
- 3.2.8 works with the President and CEO to ensure that management's performance is reviewed on a regular basis and succession planning is in place for critical positions;
  - 3.2.9 facilitates open and effective interaction and communications between the Board and Management; communicates with the President and CEO to ensure that management's plans and strategies are appropriately presented to the Board and the Board is providing sufficient guidance to management.

### **3.3 Relations with the Shareholder**

The Chairperson:

- 3.3.1 provides leadership to the Board in the execution of its responsibilities to the Shareholder;
- 3.3.2 responds to the Shareholder's concerns regarding governance matters or other Board related issues;
- 3.3.3 meets with the Shareholder on matters related to BDC's mandate and governance and provides feedback to management;
- 3.3.4 works with the Chief Legal Officer and Corporate Secretary to assess skills requirements for Members based on the mandate and strategy of the Bank and forwards recommendations to the Minister for the appointment of new candidates and the possible re-appointment of incumbents, based on the performance of the Board and the competencies required.