
DIRECTOR ORIENTATION AND CONTINUING EDUCATION POLICY

Board Effectiveness

The Board values best practices of corporate governance, compliance, conduct and risk management and strives to adopt and maintain policies that promote effective oversight and a culture and values committed to these objectives. The Board recognizes that a Director Orientation and Continuing Education Policy is an essential tool to achieve these objectives and therefore seeks to abide by the following practices.

Orientation of New Directors

- The Board is responsible for ensuring that new directors receive a comprehensive orientation.
- All newly appointed directors should fully understand:
 - the nature and operation of BDC's lines of business;
 - BDC's governance, compliance and risk management structures;
 - the BDC Act which describes BDC's powers, mandate and client eligibility;
 - the role of the Board and its Committees;
 - the specific requirements related to being a member of the Board of a Federal Crown Corporation; and
 - the contribution each director is expected to make.
- In order to provide newly appointed directors with the knowledge base they need to fulfill their obligations as directors, they shall:
 - receive BDC's Directors' Reference Material containing the information described in Schedule A hereto, which they are expected to read and become familiar with;
 - receive a copy of the most recent Corporate Plan and Annual Report;
 - receive a copy of BDC's Legislative Inventory which governs BDC's operations;
 - attend individual meetings in an interactive setting with the heads of each business unit and the corporate functions to familiarize themselves with BDC's lines of business, operations, culture, values, governance, compliance and risk management, as well as its organizational structure. These meetings should take place within the first weeks of a director's tenure;
 - complete a course for Newly Appointed Directors of Crown Corporations offered by the Canada School of Public Service; and
 - where appropriate, complete a one-day session on Financial Literacy for Directors of Crown Corporations offered by the Canada School of Public Service.
- BDC also strongly encourages Directors to obtain an ICD.D designation from the Institute of Corporate Directors and assumes the full cost of the program.

Continuing Education of Directors

The Board is also responsible for ensuring that Directors are provided with continuing education opportunities. Each Director should remain abreast of developments in their area of expertise and commit to continuing education. Directors should reach out to each



other, and Committee Chairpersons and the Board Chairperson in particular, for guidance and mentoring.

The Governance/Nominating Committee may suggest a list of training topics to BDC's Corporate Secretariat which shall offer its directors a mix of internal and external education opportunities. All external training will be pre-approved by the Chairperson of the Governance/Nominating Committee.

Schedule A

1. Annual Agenda and Schedule of Meetings
 - a. Annual Agenda
 - i. Board of Directors
 - ii. Audit and Conduct Committee
 - iii. Board Investment Committee
 - iv. Board Risk Committee
 - v. Governance/Nominating Committee
 - vi. Human Resources Committee
 - b. Schedule of Meetings
2. Directors Information
 - a. List of Members
 - b. Terms of Mandate
 - c. Date of Birth
 - d. Spouse
3. Board Governance and Policies
 - a. Mandate of the Board of Directors
 - b. Board Profile
 - c. Chairperson Position Description and Selection Criteria
 - d. Mandate of the President and CEO
 - e. President and CEO Position Description and Selection Criteria
 - f. List of Committees of the Board of Directors
 - g. Committee Charters
 - i. Audit and Conduct Committee
 - ii. Board Risk Committee
 - iii. Board Investment Committee
 - iv. Governance/Nominating Committee
 - v. Human Resources Committee
 - h. Code of Conduct of the Board of Directors
 - i. Policy on Personal Trading for Directors
 - i. Policy on the Handling of Referrals and Enquiries by Members of Parliament, Senators, Ministers and their Staff, and BDC Directors
 - j. Director Orientation and Continuing Education Policy
 - k. Remuneration of Board Members
 - l. Policy on Reimbursement of Director's Expenses
 - i. Kilometric Rates
 - m. Policy on Trading for Directors
4. Acts & By-Laws
 - a. Access to Information Act
 - b. Business Development Bank of Canada Act
 - c. Conflict of Interest Act
 - d. Financial Administration Act
 - e. Code of General By-Law and By-Law Seven

5. Other Documents Approved by the Board of Directors
 - a. Resolution on Issuance of Debt
 - b. Delegation of Authority Policy
 - c. List of Other Policies Approved by the Board

6. Organizational Chart
 - a. Senior Management