

EXPORT DEVELOPMENT CANADA

RESOLUTIONS RESPECTING THE COMPLIANCE OFFICER
FOR EXPORT DEVELOPMENT CANADA

BACKGROUND

By resolution dated October 24, 2001, the Board, having regard to the general agreement of the government with recommendations of the Standing Committee on Foreign Affairs and International Trade that EDC explore the feasibility of establishing a post with an ombudsman-like role to ensure accountability and compliance in matters related to improving transparency, public disclosure and accountability, contributing to environmentally sustainable development, and enhancing respect for internationally-recognized human rights, and based on the Board's review of information regarding the existence and roles of similar positions within benchmark international and domestic institutions, established the position of Compliance Officer ("CO") for EDC, and set the terms of reference and oversight and reporting relationships with respect to such position.

In order to address pending legislation concerning the disclosure of wrongdoing in federal institutions, including Crown corporations, and the protection of public servants and employees of Crown corporations who make good faith disclosures, the Board recognizes that it would be appropriate that EDC's existing internal disclosure mechanisms be enhanced, and in this regard has determined that it is appropriate for the mandate of the CO to be revised to include responsibilities with respect to disclosure of wrongdoing.

The Board recognizes that the integrity and effectiveness of the position of CO remains dependent upon its autonomy and independence from lines of management of EDC, and that the position should therefore continue to be situated within the Internal Audit and Evaluation department of EDC so as to protect the CO's autonomy and independence, and also to provide the CO with the ability to operate with appropriate resources.

DECISIONS OF THE BOARD AND RELATED DIRECTIVES:

BE IT RESOLVED THAT:

A. Included CSR Policies: Compliance Officer Responsibilities and Confidentiality

1. The position of Compliance Officer for EDC is continued, with the following mandate:

- (a) To address issues related to EDC's Corporate Social Responsibility policies and initiatives with respect to: (i) transparency and disclosure, (ii) environment risk review, (iii) human rights, and (iv) business ethics ("Included CSR Policies") by assisting EDC in dealing with complaints related thereto initiated by third parties (which may include EDC customers, public interest organizations or other members of the public), and, where appropriate, taking steps to promote the settlement of these complaints, including promoting dialogue and making recommendations for dispute resolution, such as mediation, or recommending compliance audits. In furtherance of the CO's role with respect to mediation, the Corporation is directed to consider mediation, of a reasonable duration, overseen or conducted by the CO, as a possible course of action in response to a complaint received with respect to its Included CSR Policies. Mediation will only be pursued where it is acceptable to all parties;
 - (b) To provide advice to EDC regarding best in class practices focusing on, but not limited to, Included CSR Policies and procedures under Included CSR Policies; and
 - (c) To oversee audits of EDC's Included CSR Policies and EDC's performance in adhering to these policies.
2. The CO shall investigate or make recommendations only in respect of complaints that relate directly to the issue of accountability under or compliance with an Included CSR Policy or a practice under an Included CSR Policy of EDC, and EDC's performance in adhering to such practices and policies.
3. The CO shall have the following obligations of confidentiality:
- (a) The CO shall be bound by EDC's Code of Conduct (and, in particular, Section III - Confidential Information) as well as other relevant policies with regard to the treatment of information.
 - (b) With the exception of the requirements for reporting set out in paragraph 9 hereof, and subject to the requirements of applicable law, regulation and legal process, the CO shall be entitled to hold as confidential and not disclose to any third party (including, without limitation, management of EDC) any non-public information supplied to the CO on a confidential basis by any party to a complaint or the fact that a complaint has been made (collectively referred to as Confidential Information), except with the consent of the party supplying such Confidential Information.
 - (c) The CO shall use reasonable precautions to keep confidential all Confidential Information, including records and files in paper or machine readable form containing such Confidential Information.

B. Disclosure of Wrongdoing: Compliance Officer Responsibilities

4. In addition to the CO's mandate with respect to Included CSR Policies as set out in Part A, the CO is also mandated to perform the role of senior officer to receive and handle disclosures of wrongdoing under EDC's Code of Conduct regime related to disclosure of wrongdoing and under any EDC Policy dealing with the disclosure of wrongdoing in the Corporation, as well as for purposes of any current or future legislation respecting the disclosure of wrongdoing in federal government institutions and requiring such a role.

5. The CO will develop a program with respect to the disclosure of wrongdoing at EDC, including processes and procedures relating thereto, and on a regular basis will provide reports to the Audit Committee with respect to the development of the program.

C. Organizational

6. The position of CO shall be situated within the Internal Audit and Evaluation department, and the CO shall be independent of EDC's line of management.

7. The CO is directed to raise any issue with respect to the office of the CO directly with the Chair of the Audit Committee as the CO may see fit. In addition, the CO may, in his or her discretion, at any time seek the advice and counsel of any employees or officers of EDC, including the President, and bring to the attention of such employees or officers any findings which the CO may consider to be relevant.

D. Oversight, Appointment and Removal, and Reporting

8. The Board shall retain overall responsibility for overseeing the activities of the CO and the approval of the Board, upon the recommendation of the Human Resources Committee and the Audit Committee, shall be required prior to any appointment or removal of the CO.

9. The following reports of the CO shall, as a minimum, be provided to the Board:

(a) annually, a written report containing, in relation to the preceding year, a general review of the CO's activities during that year and such other information as the Board may reasonably request. A summary of this report as it pertains to Included CSR Policies will be made public via EDC's Annual Report; and

(b) quarterly, a written report of the number of complaints investigated, as well as the number of complaints within the scope of the CO's position still under investigation at the time of the report; and

- (c) quarterly, a written report on the highlights of recommendations made during the quarter and the status of these recommendations; and
- (d) such other report as the CO deems appropriate.

10. To assist the Board in overseeing the activities of the CO, the Audit Committee is directed by the Board to:

- (a) receive the reports of the CO and bring to the Board's attention such summary information or other particulars of the CO's reports as the Committee shall think fit;
- (b) set and periodically review performance standards and procedures for resolving complaints to ensure that the office of the CO remains accessible and effective;
- (c) advise the Board of the activities it has taken with respect to the office of the CO, including oversight of activities of the CO.

11. The CO shall ensure that all reports of the CO are presented to the Audit Committee.

E. Public Document

12. The Board expects that this document will be in the public domain, and the Corporation is directed to make the appointment of the CO and the terms of reference of the position as set out in this document available to the public.

This is Appendix A to the minutes of the meeting of the Board of Directors of Export Development Canada held on March 1, 2005.