

MCBRIDE COMMUNITY FOREST CORPORATION

CONFIDENTIALITY POLICY 2010 - 02

**Policy Title: Confidentiality Policy**

**Policy Number: 2010 - 02**

**Date of Adoption: April 6, 2010**

WHEREAS MCBRIDE COMMUNITY FOREST CORPORATION ( "MCFC" ) is a British Columbia company privately owned by the Village of McBride;

AND WHEREAS a director, officer or senior employee owes a fiduciary duty to a company under the *Business Corporations Act* and at common law, as the case may be, to keep any information that he or she obtains by virtue of his or her position as a director, officer or senior employee confidential except in limited circumstances, such as where the information is clearly within the public domain;

AND WHEREAS the Village of the McBride and the board of directors of MCFC are of the opinion that notwithstanding MCFC is a privately owned company, its actions and those of its board of directors should be open to public scrutiny, and as such its meetings should be open to the public;

AND WHEREAS despite this commitment to openness, the board of directors of MCFC recognize their aforesaid fiduciary duty of confidentiality and that public discussion of some matters may harm MCFC, its financial position, its directors, officers, employees, agents, appointees, customers, suppliers or contractors; and

AND WHEREAS the board of directors of MCFC is convinced that some information, particularly that which has the potential to materially affect MCFC's ability to compete, should be provided in confidence to directors, officers, employees, agents and appointees of MCFC for the sole purpose of directing, managing and carrying out MCFC's business.

THEREFORE BE IT RESOLVED that the board of directors for MCFC establish the following guidelines regarding the conduct of public meetings and the use of confidential information:

**1. Public Access to Company Meetings**

As a general rule, subject to Section 2 of this policy, all meetings of MCFC's board of directors are open to the public.

**2. Company Meetings which may be Closed to the Public**

(a) MCFC's board of directors may close part of a meeting to the public if the subject matter being discussed deals with one or more of the following items:

(i) personal information about an individual who holds or is being considered for a position as a director, officer, employee, agent or appointee of MCFC;

- (ii) labour or employee relations or negotiations;
  - (iii) the protection of any of MCFC's assets;
  - (iv) the acquisition or disposition of land, improvements or other assets, if MCFC's board of directors is of the opinion that such disclosure might reasonably be expected to damage the interests of MCFC;
  - (v) information in respect of MCFC's forest licence, including without limitation, any proposed changes to the forest licence such as any proposed expansion or reduction in the tenure of the forest licence, if MCFC's board of directors is of the opinion that such disclosure might reasonably be expected to damage the interests of MCFC;
  - (vi) personal information in respect of any of MCFC's customers, suppliers and contractors, including without limitation, any information in respect of any such contracts;
  - (vii) any litigation or administrative or governmental proceeding in progress, threatened or pending against, or relating to MCFC, its assets or business;
  - (viii) financial information regarding MCFC or its operations that, if disclosed, might reasonably be expected to damage the interests of MCFC including, without limitation, MCFC's financial statements;
  - (ix) any advice including communications in respect thereof that is subject to solicitor-client privilege;
  - (x) information that cannot be disclosed under the provisions of the *Freedom of Information and Protection of Privacy Act*;
  - (xi) discussions in respect of conflicts of interest or the conduct or duties of, or the setting of policies, guidelines or codes of conduct in respect of directors, officers, employees or members of any committee established by MCFC's board of directors;
  - (xii) discussions in respect of whether a board meeting or part of it should be closed to the public under one or more of these subsections; and
  - (xiii) any other matter that MCFC's board of directors considers disclosure of which might reasonably be expected to damage the interests of MCFC.
- (b) MCFC's board of directors may close the entire meeting to the public if the only subject matter being discussed at such meeting is one or more of the items referred to in Section 2(a).

### **3. Resolution Required Before Meeting Closed**

MCFC's board of directors must pass a resolution before a meeting or part of a meeting is closed to the public, which resolution must state:

- (a) that the meeting or part of the meeting is to be closed; and
- (b) which item or items under Section 2(a) are being relied upon, and the basis for such reliance, to close the meeting or part of the meeting.

**4. Availability of Meeting Agendas and Minutes**

- (a) Subject to Section 4(b), the agendas for, and minutes of, all meetings of MCFC's board of directors are open for public inspection at MCFC's corporate offices during regular office hours.
- (b) Section 4(a) does not apply to minutes of that part of a meeting of MCFC's board of directors from which persons were excluded under Section 2(a), or confidential supporting materials attached to meeting agendas.

**5. Confidentiality of Information Discussed at a Closed Meeting**

Information released or discussed at a closed or in-camera meeting of MCFC's board of directors or which is otherwise disclosed to a director, officer, employee, agent or appointee on a confidential basis is considered confidential and solely for use in conducting MCFC's business.

**6. Penalties for Disclosure of Confidential Information**

- (a) Every director, officer, employee, agent or appointee of MCFC shall be required to sign a Confidentiality Agreement with MCFC prior to employment or assuming office with MCFC and as a condition of continuing to hold such employment or office, in the form attached as Schedule A.
- (b) Any director, officer, employee, agent or appointee of MCFC who discloses or releases information deemed confidential under the provisions of this policy:
  - (i) should immediately resign his or her position with MCFC unless such disclosure was inadvertent or due to an error in judgment in good faith;
  - (ii) may be asked to immediately resign his or her position with MCFC;
  - (iii) may be removed from his or her position with MCFC; and/or
  - (iv) may be subject to legal action.

**7. Applicability**

This policy also applies to members of any committee of MCFC and to any other individuals who, from time to time, may be appointed by MCFC's board of directors for a specific purpose or to hold a position of trust within MCFC.

**MCBRIDE COMMUNITY FOREST CORPORATION**

**CONFIDENTIALITY AGREEMENT**

(SCHEDULE A – Policy 2010 - 02)

I, \_\_\_\_\_, acknowledge, confirm and agree that I have read, understood and will comply at all times with MCFC's attached Confidentiality Policy, and I will keep in confidence all matters deemed by the board of directors to be confidential under such Policy, and I will not use for personal gain any information disclosed by MCFC, its directors, officers, employees, agents or appointees in a closed or in-camera meeting or which is otherwise disclosed to me on a confidential basis. I will immediately resign my position in the event that I breach such Policy or the Board determines I have committed a breach and has asked me to resign.

Signed, Sealed and Delivered )  
this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, )  
in the presence of: )

\_\_\_\_\_) )  
Signature )

\_\_\_\_\_) )  
Name )

\_\_\_\_\_) )  
Address )

\_\_\_\_\_) )  
Occupation )

\_\_\_\_\_) )  
Name: )