

2018/10/25-01

**WORKERS' COMPENSATION BOARD
("WorkSafeBC")**

RESOLUTION OF THE BOARD OF DIRECTORS

RE: Amendments to the Statement of Investment Policies and Goals for the Accident Fund

WHEREAS:

Pursuant to Section 82 of the *Workers Compensation Act*, RSBC 1996, Chapter 492 and amendments thereto ("Act"), the Board of Directors ("BOD") must set and revise as necessary the policies of WorkSafeBC, and is responsible for approving the investment of funds of WorkSafeBC in accordance with the requirements imposed under the Act, approving major programs and expenditures of WorkSafeBC and planning for the future of WorkSafeBC;

AND WHEREAS:

Section 67 of the Act requires WorkSafeBC to invest and reinvest money in the accident fund (the "Fund") in excess of current requirements, subject to the supervision and control of the Minister of Finance. The Fund is managed by the British Columbia Investment Management Corporation ("BCI");

AND WHEREAS:

In furtherance of meeting its statutory investment obligations, the BOD adopted a *Statement of Investment Policies and Goals for the Accident Fund* ("SIPG"), which has been amended by the BOD from time to time with the last amendment made by Resolution 2018/07/12-01 passed at a meeting of the BOD on July 12, 2018;

AND WHEREAS:

Pursuant to Section 82(3)(a) of the Act, the BOD established an Investment Committee ("Committee") to develop and provide advice and direction to the BOD on WorkSafeBC's investment goals and objectives and, when appropriate, assess and make recommendations for amendments to the SIPG;

AND WHEREAS:

In September 2018, the Committee, in consultation with BCI, reviewed proposed amendments to (a) amend the security lending policy within the SIPG to align the security lending policy with BCI's security lending policy, and (b) amend the maximum encumbrance limit for real estate investments under the SIPG to align with BCI's policies in order to allow the Fund to continue investing in real estate investments with BCI;

AND WHEREAS:

As a result of such review, the Committee has recommended that the BOD amend Section 8.8 of the SIPG to update the security lending policy and amend Section 8.10 of the SIPG to change the maximum encumbrance limit for real estate investments.

THE BOARD OF DIRECTORS RESOLVES THAT:

1. The SIPG is amended as follows:
 - a) Section 8.8 is deleted and replaced with the Section 8.8 attached to this Resolution as Appendix A; and
 - b) Section 8.10 is deleted and replaced with the Section 8.10 attached to this Resolution as Appendix B.
2. This resolution is effective October 25, 2018.

I, Ralph McGinn, hereby certify for and on behalf of the Board of Directors of WorkSafeBC that the above resolutions were duly passed at a meeting of the Board of Directors held in Richmond, British Columbia on October 25, 2018.

RALPH MCGINN, P. ENG
Chair, Board of Directors
Workers' Compensation Board

**APPENDIX A
REVISED SECTION 8.8 OF THE SIPG**

- 8.8 The Fund may lend its securities, or participate in pooled funds that lend securities, provided that:
- (i) the loan is secured by collateral that has a market value at least equal to or greater than the market value of the loaned securities;
 - (ii) the securities lending agent provides an indemnity for losses relating to a borrower failing to return securities on loan;
 - (iii) lent securities are indemnified by the securities lending agent;
 - (iv) the loan and collateral are valued daily on a "mark-to-market" basis;
 - (v) the collateral consists of highly liquid and marketable securities under normal market conditions; and
 - (vi) the loans meet the terms and conditions of BCI's Securities Lending Program.

APPENDIX B
REVISED SECTION 8.10 OF THE SIPG

- 8.10 Within the Real Estate asset class, up to 55% of the real estate portfolio may be encumbered.