

**BOARD OF COMMISSIONERS
OF
BRITISH COLUMBIA HOUSING MANAGEMENT
COMMISSION
("BC Housing")**

**TERMS OF REFERENCE
(the "Terms of Reference")**

Introduction

BC Housing was created in 1967 through an Order-in-Council under the *Ministry of Lands, Parks and Housing Act* to deliver on the Provincial Government's commitment to the development, management and administration of housing. Under the *Homeowner Protection Act*, BC Housing also has responsibilities related to licensing of residential builders, administering owner builder authorizations, overseeing home warranty insurance, and carrying out research and education to improve the quality of residential construction and consumer protection. BC Housing is accountable to the Provincial Government of British Columbia (the "**Province**"), through the Minister of Housing.

The Board of Commissioners (the "**Board**") has a general duty to guide BC Housing's strategic direction and oversee management in the conduct of its business and organization.

Board Membership

All members of the Board (the "**Commissioners**") are independent of the management of BC Housing and have the best interests of BC Housing as their primary consideration. The Commissioners do not hold any material interest in BC Housing and strictly adhere to the Standards of Conduct Policy established by BC Housing.

Board Committees

The Board may create and maintain a structure consisting of committees (each, a "**Committee**"), as deemed necessary to support its functions effectively. The Committees are established and approved by the Board on the recommendation of the Board Chair and the Governance and Human Resources Committee in discussion with the Chief Executive Officer (the "**CEO**") and the Corporate Secretary of BC Housing.

Each Committee is governed by a Terms of Reference, which is reviewed by the Committee, recommended by the Governance and Human Resources Committee and approved by the Board. Each Committee's Terms of Reference outlines the procedures for establishing Committee membership and composition, as well as delegated duties and responsibilities. The Board appoints the Chair of each Committee at the recommendation of the Board Chair.

To assist the Board in the effective delivery of its mandate, the Board may establish new or *ad hoc* Committees, task forces and work groups as deemed necessary.

Board Chair

The Lieutenant Governor in Council appoints the Board Chair, who then acts as the representative of the Board, ensuring its accountability to the Province.

The Board Chair provides leadership in managing the Board's affairs, including ensuring that the Board is organized properly, functions effectively, and meets all its obligations and responsibilities. The Board Chair manages the activities of the Board, acting as a liaison and maintaining communication with all Commissioners and Committee Chairs, to coordinate meeting input and flow, and to encourage positive engagement in Board discussions and activities. The Board Chair supports and encourages continuous improvement of the Board, the Committees, the Commissioners, and the CEO.

If the Board Chair is unable to attend a Board meeting, the Board Chair may designate an acting chair from the Commissioners or may more broadly appoint a Board Vice-Chair who in the Board Chair's absence has the same authority, rights and duties to act in place of the Board Chair.

The Board Chair is a member of all Committees, entitling the Board Chair to attend and vote at any Committee meeting; however, the Board Chair is not counted in determination of the quorum for a Committee meeting.

The roles and responsibilities of the Board Chair are set out in the Terms of Reference of the Board Chair.

Board Public Spokesperson

The Minister of Housing is the primary public spokesperson for BC Housing on all issues. The Minister of Housing may designate the Board Chair to be the spokesperson to external stakeholders for matters pertaining to the Board, or the CEO for matters related to BC Housing's operations.

Chief Executive Officer

The Board delegates responsibility for the day-to-day leadership and management of BC Housing to the CEO. The CEO leads BC Housing in achieving Board approved goals and objectives, sets the standard for organizational conduct, and recommends new strategic initiatives to the Board. The Board also authorizes the CEO to appoint officers and employees as the CEO considers necessary to carry on the business and operations of the commission, fix their term of employment and remuneration, and provides a system of organization to fix responsibility and promote efficiency.

The Board is responsible for the following with respect to the CEO:

- the appointment and replacement of the CEO;
- the performance evaluation of the CEO; and

- the approval of compensation for the CEO.

The Board provides advice and counsel to the CEO in the execution of their duties.

The roles and responsibilities of the CEO are set out in the Terms of Reference of the CEO, which must be approved by the Board.

The Board delegates to the CEO the authority to make financial commitments up to \$5 million. The CEO may further delegate such authority in accordance with BC Housing's Financial Expense Authorities policy.

In cases of emergency or urgency, and with the approval of the Chair of the Board (or designate), the CEO (or designate), has the authority to approve commitments in excess of the amounts specified in the Financial Expense Authority Policy.

Corporate Secretary

The Corporate Secretary is responsible for providing strategic and operational support to the Board in carrying out its responsibilities. The Corporate Secretary works with the Board Chair to establish and administer BC Housing's governance framework.

The Board has the authority to approve the appointment of the Corporate Secretary on the recommendation of the CEO. However, the Corporate Secretary is an employee of BC Housing and only the CEO has the authority to recommend or terminate the Corporate Secretary.

The roles and responsibilities of the Corporate Secretary are set out in the Terms of Reference of the Corporate Secretary, which must be approved by the Board.

Corporate Governance

The Board has a responsibility to ensure that BC Housing's approach to corporate governance meets the needs of the Province, BC Housing and the public.

The Board also ensures that governance practices meet or exceed best practices for Crown corporations.

The Board ensures that governance practices, Committee operations, orientation activities and development programs align with applicable legislation and BC Housing's mandate. The Governance and Human Resources Committee conducts regular reviews of the governance practices of the Board and BC Housing to promote continuous improvement and adoption of best practices.

Strategic Plan, Service Plan and Corporate Performance

The Board is responsible for the development of BC Housing's strategic framework in collaboration with the CEO, and ensures that the plan is aligned with available resources,

the organizational mandate, and performance expectations of the Province and stakeholders. The Board tracks BC Housing's corporate performance.

The Board also oversees and approves the annual Service Plan and fulfils a stewardship function by monitoring BC Housing's performance against established goals and objectives, through the Annual Service Plan Report.

Key responsibilities of the Board include:

- taking into account any relevant financial, social and environmental considerations;
- ensuring that reporting, monitoring and accountability obligations are met; and
- making adjustments to plans through the CEO in light of changing circumstances.

From time to time, BC Housing may be requested to implement a mandate from government that is not included in the annual Service Plan or the strategic plan. In these cases, the Board is responsible for the review of the impact of the new program or initiative on BC Housing's strategic priorities, risk frameworks and human resources.

Risk Management

The Board sets the risk tolerance level for BC Housing, understands and prioritizes strategic, financial, operational and hazard risks, and ensures the presence of a strong link between risk, strategy and corporate performance. The Board also provides oversight of BC Housing's risk management framework, reviewing BC Housing's programs and initiatives in light of their impact on BC Housing's risk management framework and in alignment with its established risk appetite. The Board regularly reviews and approves BC Housing's Risk Management Charter and oversees the robustness of business continuity and disaster recovery plans.

Financial Oversight

The Board is responsible for safeguarding BC Housing's resources by ensuring there is effective financial oversight. In fulfilling its responsibility, the Board:

- approves the annual budget to ensure that it supports BC Housing in achieving its mandate and strategic direction;
- reviews and approves quarterly and annual financial statements and ensures that financial results are reported fairly and in accordance with generally accepted accounting principles;
- ensures that the financial performance of BC Housing is reported accurately and in a timely manner to the Province and the public;
- directs management to ensure that the appropriate systems are in place to maintain the integrity of BC Housing's internal financial controls and management

information systems;

- approves an annual internal audit plan, and reviews quarterly reports issued by the internal auditor; and
- appoints and oversees the independence of the external auditor, and approves an annual external audit plan and results.

With support from the Audit and Risk Management Committee, the Board also regularly reviews results from the implementation of the Financial Expense Authority Policy, fraud policy and other financial policies. It also regularly reviews BC Housing's financial and fraud policies and adopts changes where appropriate.

Human Resources

The Board is responsible for ensuring a strategic workforce plan is in place and provides a focus on senior management human resource and compensation matters. In fulfilling its responsibility, the Board:

- approves BC Housing's People Strategy and reviews progress against it;
- approves BC Housing's compensation philosophy and process for the CEO and management of BC Housing, and ensures that the compensation philosophy and processes meet guidelines and requirements established by the Province; and
- ensures that labour negotiations will be in accordance with a mandate as approved by the Board and the Public Sector Employer's Council.

Capital Projects

Primary responsibility for oversight with respect to the delivery of capital projects is vested in management and overseen by the Board. Capital projects include new affordable housing as well as the repair of existing affordable housing.

Regarding capital projects, the Board:

- approves BC Housing's annual capital plan; and
- reviews and approves capital projects with a capital value of \$20 million or greater in contributions by the Province. The Board may delegate such authority to approve capital projects to a Board Committee.

Licensing and Consumer Services

With support from the Capital Review Committee, the Board ensures that BC Housing is in compliance with its obligations under the *Homeowner Protection Act*.

Community Relations

The Board has obligations and responsibilities with respect to community relations in the areas of Reconciliation and Indigenous relations, equity, environmental sustainability and resilience, research, community engagement and external communications, affordable housing sector relations, and sponsorships. The Board has an oversight role on these areas, provides strategic direction to management, and monitors BC Housing's reputation.

Board Policies

The Board ensures that appropriate policies, procedures and other key governance documents are in place and reviewed on a regular basis to ensure they are kept current and relevant. This practice aims to ensure proper governance and oversight of BC Housing, and to mitigate risk to BC Housing. The Board, with the assistance of the Corporate Secretary, ensures that these documents are consistent with the legislation of the Province, guidelines and direction.

Standards of Conduct

The Board recognizes its pivotal role in establishing a culture of appropriate behavior for BC Housing. The Board has oversight responsibilities to ensure that BC Housing operates within applicable laws and regulations, and to the highest ethical standards.

The Board acts as the guardian of, approves and updates BC Housing's corporate values and Standards of Conduct Policy, which govern the conduct and behavior of the Board, the management, and the employees of BC Housing.

The Board appoints an Ethics Advisor to assist the Board in maintaining the highest ethical standards of conduct and in protecting BC Housing's reputation.

The roles and responsibilities of the Ethics Advisor are set out in the Terms of Reference of the Ethics Advisor, which must be approved by the Board.

Board Evaluation

The Board recognizes the need for continuous improvement in executing its governance and oversight responsibilities. To do this, the Board carries out a Board evaluation process assessing the effectiveness of the Board as a whole, its Committees, and the contribution of individual Commissioners.

Board Orientation and Development

The Board is responsible for ensuring that each new Commissioner is provided with an orientation program to become familiar with BC Housing. The orientation facilitates a good understanding of BC Housing, enabling Commissioners to effectively discharge their responsibilities. The Board also ensures that Commissioners are provided with ongoing education and learning opportunities to support them in fulfilling their governance and oversight roles, including on managing the line between governance and operations, and alignment of mutual expectations with management.

The Board uses recommendations from the Board evaluation and other reviews to help guide professional development activities.

Board Succession and Appointments

Annually, the Board reviews the required skillsets, experience, background and diversity of the Board to inform future board composition and succession planning decisions, taking into account the strategic direction of BC Housing. The Board communicates and recommends its succession plan to the Province through identification of potential candidates and/ or overall Board competency requirements. The Crown Agency Board Resource Office and the Ministry of Housing administers the appointment process of the Commissioners.

Proceedings of Meetings of Commissioners

The Commissioners may meet at such places and may adjourn or otherwise regulate their meetings and proceedings as they deem fit. A Commissioner may participate in meetings by telephone or other communications medium if all Commissioners in the meeting, whether by telephone, other communications medium or in person, are able to communicate with each other.

A representative of Government/Ministry of Housing is invited to attend all meetings of the Board of Commissioners as an observer.

Regular Meetings

Regular Board meetings, generally held quarterly, will be held at the call of the Board Chair in accordance with the Board-approved Meeting Timetable. Written notice of a regular meeting must be given to each Commissioner at least seven days in advance. The Notice must contain sufficient information to permit Commissioners to identify the issues pertinent to the decisions to be taken.

Special Meetings

The Board Chair may also call special meetings of the Board to address matters outside of the regular program of Board meetings, or on an urgent basis. Special meetings will have a limited agenda and will not be called for the purpose of discharging regular Board work. Written notice of a special meeting will be given at least 48 hours before the time selected to hold the special meeting or less, if required by reasonable circumstances. An accidental omission to give notice of a special meeting, or the non-receipt of notice by any Commissioner, will not invalidate the proceedings at a special meeting.

Committee and Board Meetings

Committee meetings are called by the Committee's chair.

The CEO and Corporate Secretary of BC Housing may attend all Board meetings and Committee meetings. However, the Board/Committee may move to an in-camera meeting at any time. An

in-camera meeting is a private session where only the Board/Committee and the Corporate Secretary is present.

There will be a Secretary for all Board meetings and Committee meetings.

The Board meetings and the Committee meetings must have a quorum to be duly constituted meetings and for their decisions to be official. Quorum for any meetings will be a majority of the Commissioners or the Committee members, as the case may be.

A majority of affirmative votes at a Board meeting or a Committee meeting where quorum is present is sufficient to pass any resolution. In the case of an equality of votes, the resolution will be considered to have failed.

The Board Chair, in consultation with the Corporate Secretary of BC Housing, sets agendas for a Board meeting. However, any Commissioner may request a matter be placed on the agenda of a Board meeting by advising the Chair.

Committee chairs set Committee meeting agendas in consultation with the Board Chair and appropriate senior staff at BC Housing. The Corporate Secretary of BC Housing facilitates the agenda-setting process to ensure approved meeting timetables are taken into account to ensure good governance practices.

If a Committee chair is unavailable to attend a Committee meeting, the Committee chair will confer with the Board Chair to designate an acting Committee chair for that Committee meeting.

Resolution in Writing

A resolution consented to in writing by every Commissioner or every member of any Committee constituted by the Board will be valid as if it had been passed at a duly called and held meeting of Board or that Committee, as the case may be. Resolutions may be signed in counterparts and may be manually or electronically signed.

Conflict of Interest

The Board is guided by general obligations at law, the CABRO's Best Practice Guidelines for Governing Boards and BC Housing's Standards of Conduct Policy with respect to conflicts of interest.

With support from the Corporate Secretary, the Board Chair will ensure at the beginning of each meeting, that Commissioners have no conflict of interest with respect to any matters on the meeting agenda based on the review of meeting materials or that, if they do, that conflicts of interest are properly disclosed.

When the Board is considering any matter in which a Commissioner has a real or perceived conflict of interest, the Commissioner may be counted in the quorum for the meeting, but the Commissioner must recuse themselves from any discussion on the matter, and may not

vote with respect to that matter.

The same process applies to the proceedings of Committee meetings.

Independent Advice

The Board or any Commissioner, may at any time, through the CEO or the Corporate Secretary of BC Housing and following approval of the Board Chair, engage independent consultants and legal counsel to assist the Board or the Commissioner with the performance of their duties.