

**GOVERNANCE AND HUMAN RESOURCES COMMITTEE
OF
BRITISH COLUMBIA HOUSING MANAGEMENT COMMISSION
("BC Housing")**

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

Purpose

The purpose of the Governance and Human Resources Committee (the “Committee”) is to provide oversight of BC Housing’s corporate governance framework, strategic workforce plan, and senior management human resource and compensation issues. The Committee also oversees BC Housing’s approach to ensuring that the Standards of Conduct Policy is regularly reviewed, thoroughly implemented and makes recommendations to the Board when changes are necessary.

The Committee is also accountable for developing recommendations regarding the essentials and desired experiences and skills for Commissioners, current and potential, and oversees the Board of Commissioners and BC Housing’s short-term and long-term succession plans.

The Committee will consider relevant strategic risks and opportunities in its planning and decision making.

In order to discharge its responsibilities, the Committee has unrestricted access to BC Housing’s personnel and documents through the CEO, Corporate Secretary and the Vice President of Human Resources, and will be provided with the resources necessary to carry out its responsibilities, including the authority to engage independent legal counsel and other advisers as part of this resource requirement.

These Terms of Reference establish the Committee’s duties and responsibilities in fulfilling its oversight role.

Accountability

The Chair of the will provide a verbal report at the next meeting of the Board of matters considered since the Board’s last meeting. Minutes of the Committee’s meetings will be made available to all Commissioners once approved by the Committee.

Committee Membership

The Board approves the Terms of Reference for the Committee, including the method for establishing membership and composition of the Committee, as well

as delegated duties and responsibilities. The Committee Chair is appointed by the Board at the Board Chair's recommendation.

The Committee will be composed of no fewer than four Commissioners.

The members of the Committee will be familiar with best practices in corporate governance and have significant prior Board experience, and/or be familiar with best practices in human resources and labor relations.

The Corporate Secretary will provide staff support to the Committee.

Meetings

A quorum for any meeting of the Committee will be constituted by the majority of the members of the Committee. The Board Chair will serve as a voting member of the Committee; however, their presence is not counted in determination of the Committee's quorum.

Committee meetings will be held at the call of the Committee Chair in accordance with the Committee Meeting Timetable outlined in the Terms of Reference under the section titled "Committee Timetable," or as deemed necessary to carry out the business of the Committee.

The Chief Executive Officer, Vice President of Human Resources and Corporate Secretary may attend all meetings of the Committee. Other individuals may attend the meetings of the Committee, if authorized by the Committee Chair. The Committee will hold in-camera meetings at the end of each regular meeting and may require that some or all employees of BC Housing do not attend.

Independent Advice

The Committee may at any time, through the CEO and/or Corporate Secretary, and following approval of the Board Chair, engage independent consultants to assist the Committee with its duties.

Duties and Responsibilities in Governance

In exercising its function, the Committee has a number of key responsibilities as set out below. Subject to the powers and duties of the Board, the Committee's duties and responsibilities are as follows:

Governance Framework

The Committee ensures that the appropriate governance principles, structures and procedures are in place to allow the Board and the Committees of the Board to function effectively. The Committee:

- Annually reviews BC Housing’s governance framework, including the Governance Manual, and advises the Board of recommended changes, best practices and current issues;
- Annually reviews the Terms of Reference for the Board and its Committees and recommends revisions to the Board, where necessary;
- Annually reviews the terms of Reference for the Board Chair, the CEO, the Corporate Secretary, and the Ethics Advisor and recommend revisions to the Board, where necessary;
- ensures appropriate structures and procedures are in place to allow the Board to function independently of management;
- reviews the Government’s Mandate Letter to support the Board and enhance the working relationship between the two parties;
- In collaboration with the Board Chair, it provides oversight and input into a framework for the relationship between the Board and the Minister of Housing, including by ensuring that the Board has a good understanding of the entities within the government that participate in the governance of BC Housing;
- monitors changes to legislation, government policy and/or strategic direction (including the Mandate Letter) that affect governance or the duties and responsibilities of the Board;
- reviews BC Housing's approach to corporate governance to ensure alignment with governance best practices and continuous improvement through approving an annual governance roadmap; and
- evaluates the effectiveness of the Committee structure and recommends any needed changes to the Board, together with the Board Chair.

Meeting Preparation and Procedure

On an ongoing basis, including through the annual Board evaluation, the Committee reviews and recommends to the Board changes or enhancements to the procedures for meetings of the Board or the Committees, including:

- Board portal and information management issues;

- Quality and content of meeting materials provided; and
- Tools and options to ensure efficient and constructive meetings.

Board, Committee and Commissioner Evaluation

The Committee is responsible for ensuring that an effective evaluation process for the Board, the Committees and the Commissioners is in place and in line with the Board Assessment Policy. To achieve this, the Committee:

- Recommends to the Board the annual review process for evaluating the Board, the Committees and the Commissioners;
- Assists and supports the annual review process; and
- Ensures that the evaluation results are communicated and addressed promptly and appropriately.

Board Composition and Succession Planning

The Committee has responsibilities related to Board composition and succession planning and works collaboratively with the provincial Crown Agencies and Board Resourcing Office in this regard. To fulfill these responsibilities, the Committee:

- Annually reviews a competency matrix outlining necessary skills, qualifications, experience and background required of the Board as a whole and recommends changes to the Board, where necessary (the competency matrix is based on BC Housing's strategic opportunities and challenges, and the Board's leadership requirements);
- Annually reviews the composition of the Board as a whole based on the Board competency matrix and communicates results with respect to current Board trends and potential gaps in competencies, attributes and/or diversity;
- Annually directs a Board learning plan to equip commissioners to fulfil their duties and carry out their Committee responsibilities pursuant to the Board's Orientation and Development Policy and in consideration of results of the Board evaluation and other reviews;
- With direction from the Board chair, monitors the Commissioners' appointment terms and plans for filling upcoming vacancies. As vacancies arise, the Committee:

- reviews and updates the competency matrix, and compares it to the skills of the continuing Commissioners;
 - through the Board Chair, identifies gaps that should be filled and recommends new Commissioner candidates; and
 - recommends to the Board whether or not new appointment(s) should be made.
- Through the Board Chair, works proactively with the Minister of Housing to ensure an appropriate succession plan for the Board.

Orientation and Professional Development

In accordance with the Board's Terms of Reference, an orientation session and relevant orientation materials will be provided by the Corporate Secretary to new members of the Committee.

The Committee is responsible for reviewing and recommending an annual plan for Board education and development that will consider findings from the annual Board evaluation process, emerging best practices, trends in corporate governance and BC Housing's strategic direction.

Communication and Disclosure

The Committee is responsible for ensuring support for the Board's commitment to public communication, transparency and disclosure of BC Housing's governance framework. To achieve this, the Committee:

- ensures the Commission's annual disclosure is consistent with best governance practices as directed by the Crown Agencies Board Resourcing Office; and
- periodically assesses BC Housing's communications to stakeholders and the public with respect to its policies and practices in the area of corporate governance and recommends changes, if any, to the Board.

Other Responsibilities

The Committee will take on other corporate governance related responsibilities as assigned to the Committee by the Board or the Chair.

The Committee has an established set of activities which are set in the meeting timetable approved by the Board of Commissioners.

Duties and Responsibilities in Human Resources

In exercising its function, the Committee has a number of key responsibilities related to Human Resources matters. Subject to the powers and duties of the Board, the Committee's duties and responsibilities are as follows:

People Strategy

The Committee is involved with several aspects of the People Strategy by:

- overseeing the long-term People Strategy established by the CEO (in consultation with Executive Committee) and approved by the Board to ensure that people practices support organizational goals, including BC Housing's ability to attract and retain the right staff in order to meet its mandate and expectations of the shareholder and clients;
- reviewing a quarterly People Strategy Update report; and
- reviewing the annual Talent Continuity Risk Report related to recruitment, retention and retirement.

CEO

The Committee makes recommendations to the Board on all aspects of the employment of the CEO, including:

- recommending to the Board the performance evaluation process for the CEO, and leading and overseeing the implementation of the evaluation process;
- reviewing and recommending to the Board the CEO's goals and objectives annually, or as required, to ensure they are aligned with BC Housing's mission, vision and values and key goals;
- monitoring the CEO's performance relative to stated goals and objectives and recommending an annual performance rating to the Board;
- reviewing and recommending to the Board compensation for the CEO that is consistent with the Public Sector Employers' Council Secretariat compensation policy;
- recommending to the Board the process to be undertaken to recruit the CEO including the composition of the search committee; and

- liaising with the Public Sector Employers Council Secretariat and the Minister of Housing regarding the parameters of the CEO's employment terms through the Board Chair.

Compensation Philosophy and Process

The Committee is responsible for:

- reviewing and recommending to the Board compensation philosophy and guidelines for the CEO, executive and management of BC Housing that is consistent with the Public Sector Employers' Council Secretariat compensation policy; and
- conducting an annual review and making recommendations to the Board, CEO, and Executive Committee of BC Housing for matters concerning compensation.

Labour Relations

The Committee is responsible for overseeing labor relations by:

- ensuring that labor negotiations will be in accordance with a mandate as approved by the Board and the Public Sector Employer's Council ("PSEC") on behalf of the Minister of Finance;
- reviewing and recommending to the Board for approval the guiding principles upon which management will negotiate collective agreements; and
- liaising with PSEC as required on matters related to labor relations and collective agreements.

Succession Planning

The Committee is responsible for overseeing succession planning by:

- reviewing the annual senior management succession plan; and
- reviewing and recommending to the Board a succession plan to address both anticipated and unforeseen departures of the CEO.

Organizational Structure

The Committee reviews any significant changes to the management structure recommended by the CEO and makes recommendations on these

changes to the Board.

Standards of Conduct

The Committee ensures that BC Housing's Standards of Conduct Policy defines the expected standards of behavior for BC Housing employees and the Commissioners. It is the Committee's responsibility to:

- review and approve the Standards of Conduct Policy annually; and
- review the Management and Staff Standards of Conduct Report twice a year and ascertain whether the Standards of Conduct are strongly maintained;

Safety

The Committee reviews standing reports on safety performance to ensure that BC Housing offers a safe work environment that complies with regulatory and procedural provisions designed to protect the health and safety of staff, clients and stakeholders.

Committee Effectiveness

The Committee annually reviews the Terms of Reference of the Board and the Committees to ensure that it continues to meet best practice and the needs of the Board. As part of the annual Board evaluation process, Committee members will assess the Committee's performance in carrying out its duties.

Committee Workplan

The Committee approves an annual workplan of activities planned for the fiscal year.