



Toronto
Community
Housing

Date: March 10, 2003

To: Board of Directors

[Resolutions](#)

From: Chief Executive Officer

[Attachment](#)

Subject: DIRECTORS' CODE OF CONDUCT (TCHC:200326)

PURPOSE:

To provide the Board of Directors with information and recommendations on the adoption of a Code of Conduct for Directors of the Board.

RECOMMENDATIONS:

It is recommended that Board of Directors:

- (1) adopt the attached Code of Conduct for Directors of the Board; and
- (2) authorize the appropriate TCHC staff to take the necessary actions to give effect to the above recommendation.

BACKGROUND:

At its meeting on February 17, 2003, the Governance Committee received the report and report and recommended it be forwarded to the Board of Directors for approval.

This report is in response to the Board's request for a Code of Conduct for the Directors of the Board that covers the conflicts and issues not covered by legislation.

REASONS FOR RECOMMENDATION:

The conduct of tenants, staff and Directors is subject to codes of conduct and conflict of interest policies. A Code of Conduct for employees was approved by the Board in June 2002 and a Code of Conduct for Tenant Representatives and Conflict of Interest Policy for Directors of the Board are both submitted under separate cover.

This Code of Conduct for Directors of the Board is similar in scope and content to the codes for tenants and staff.

Tenants, city residents and the City of Toronto, as both service manager and shareholder of the Corporation are entitled to expect the highest standards of conduct from Directors appointed to the Board. While statutes and corporate documents impose specific requirements on directors of corporations, there are conflicts and issues not covered by legislation. The Code of Conduct is intended to cover such conflicts and issues by providing principles in the following areas:

- participation by directors in matters related to the Board and its committees;
- respect;
- support for actions taken by the Board;
- governance;
- policy matters;
- administration and support for staff;
- confidentiality;
- relations with the media;
- use of company property;
- political participation by Directors; and
- responsibility of Directors with respect to applicable legislation, by-laws, and other corporate policies.

Adoption of this code for Directors puts in place a code of conduct similar to that which has been adopted for TCHC employees, and for tenant representatives which is presented under separate cover.

FINANCIAL IMPLICATIONS:

N/A

LEGAL IMPLICATIONS:

This document has been reviewed by TCHC's Legal Unit.

COMMUNICATIONS IMPLICATIONS:

N/A

GOVERNANCE COMMITTEE COMMENTS:

The Governance Committee received the report and recommended it be forwarded to the Board of Directors for approval.

Derek Ballantyne
Chief Executive Officer
[Attachment](#)

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Toronto
Community
Housing

Code of Conduct for Directors of the Board

Mar 26/03 Board
Item 5
Attachment

March, 2003

Introduction

The Board of Directors of the Toronto Community Housing Corporation (the “Board”) has adopted a *Conflict of Interest Policy* for itself, and for the boards of its subsidiaries. The staff and tenant representatives of the Toronto Community Housing Corporation (“Corporation/TCHC”) are subject to codes of conduct inclusive of conflict of interest provisions. Tenants, city residents and the City of Toronto, as both service manager under the *Social Housing Reform Act, 2000*, and as shareholder of the Corporation, are entitled to expect the highest standards of conduct from the Directors appointed to the Board.

As shareholder, the City of Toronto has appointed the Directors after a detailed process involving the Nominating Committee of City Council, with a view to complementing the Board with representatives of various viewpoints and backgrounds. The “culture” of TCHC board is inclusive while securing the best interests of the Corporations through fiduciary governance.

The Board has drafted and approved the following overall vision for TCHC:

That in 3 to 5 years the Toronto Community Housing Corporation will be the pre-eminent publicly owned housing provider in North America that sets standards and benchmarks against which other social housing providers are assessed.

Therefore, in addition to representing TCHC at the Board level in accordance with the *Conflict of Interest Policy* of the Corporation, this accompanying *Code of Conduct* is meant to capture further instances of high standards of conduct which will further enhance the meaning of the vision statement set out above. This *Code of Conduct* is also applicable to the boards of directors of all subsidiary corporations of the Corporation.

Guiding Principles

The key statements of principle as drawn from the *Conflict of Interest Policy* are as follows:

- (a) Directors shall serve and be seen to serve the Corporation honestly and in good faith with a view to the best interests of the Corporation in a conscientious and diligent manner;
- (b) Directors shall serve the interests of the Corporation by upholding both the letter and the spirit of all applicable federal and provincial legislation and

regulations, the articles and by-laws of the Corporation, the Shareholder's Direction and approved policies of the Board.

Statutory and Other Provisions Regulating Directors' Conduct

While many statutes impose specific requirements on directors of corporations, the generally applicable statutes are as follows:

- (a) The *Business Corporations Act*,
- (b) The *Social Housing Reform Act, 2000*; and
- (c) The *Municipal Freedom of Information and Protection of Privacy Act*.

The corporate documents that generally regulate the activities of the Directors of Toronto Community Housing Corporation are:

- (a) The Articles of Incorporation of Toronto Community Housing Corporation, as amended;
- (b) General By-law No. 2 of Toronto Community Housing Corporation, as may be amended or replaced from time to time;
- (c) The *Conflict of Interest Policy* of the Board;
- (d) This *Code of Conduct* and all decisions made by the Board pursuant hereto; and
 - (e) The general policies of the Corporation, with all necessary changes read thereto to be applicable to the Board of Directors, which are attached hereto as a Schedule, and as may be amended from time to time.

Time Period

This Code of Conduct is in effect until suspended or replaced by the TCHC Board of Directors.

Application of Code of Conduct

The Code of Conduct applies to Directors of the Toronto Community Housing Corporation Board, and the Directors of all subsidiary corporations of TCHC.

In addition, in working with each other and while representing the viewpoints of tenants, city residents, the service manager and the shareholder, the following principles shall be adhered to:

Participation

- Directors shall demonstrate their commitment to the Corporation by demonstrating a high priority of participation in Board and Committee meetings through high levels of attendance.
- Directors shall prepare themselves for all Board and Committee meetings by familiarizing themselves with the meeting's agenda and background materials to the greatest extent possible, with the goal of discussing the issues and business addressed at the meetings.
- Directors shall focus on the discussions at hand and be prepared to deal with issues that may not be easily solvable.
- Directors shall be members of at least one Committee of the Board.
- Directors shall participate in:
 - strategic planning and orientation workshops;
 - Board development workshops;
 - seminars and other educational events that enhance their skills as Board members; and
 - other special events.

Respect

- Directors shall express their opinions, unencumbered, yet always with the goals of flexibility and compromise whenever achievable by remaining open to differing viewpoints.
- Directors shall work with and respect the opinions of their peers and leave personal prejudices out of all Board and Committee discussions.
- Directors shall observe parliamentary procedures and display courteous conduct in all Board and Committee meetings toward each other and toward staff.

Support

- Directors shall support, in an affirmative manner, all actions taken by the Board, even when they may be in a minority position with respect to any such action.
- Directors shall represent the Corporation and the Board in a positive and supportive manner at all times and in all places.
- Directors shall exercise the duties and responsibilities of their office with integrity, collegiality and care.

Governance

- Directors shall ensure that the Board performs its duties of governance.

- Directors shall ensure that they understand their legal obligations to the Corporation and that they ensure those obligations are upheld.
- Directors shall place the Corporation's and its Board's interests before their own personal interests and will immediately declare any conflicts of interest which arise.
- Directors shall remove themselves from situations where their continued presence on the Board may cause embarrassment to the Corporation or undermine the confidence of their peers.

Policy

- Directors shall use their best judgement to balance the relative importance of issues to be determined by the Board in setting policies and avoiding operational matters.
- Directors shall educate other Board members on those matters within their own area of expertise with a goal of having the Board make decisions collectively.
- Directors shall uphold the vision statement as approved by the Board, as may be amended from time to time.
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Administration

- Directors shall actively support the Corporation's Executive by providing overall direction, resources and time frames to achieve the identified vision and ends of the Corporation.
- Directors shall publicly support actions taken by the Corporation's Executive to implement programs and achieve the objectives contained in the Corporation's plans and budgets as approved by the Board.
- Directors shall recognize the difference between the role of the Board to set policies and strategic objectives, and the role of the staff to implement same.
- Directors shall not create any additional work for staff without the approval of the Corporation's CEO.

Confidentiality

- Directors shall maintain, at all times, the confidentiality of all confidential information and records of the Corporation and must not make use of or reveal such information or records except in the course of performance of their duties or unless the documents or information become a matter of general public knowledge.

- Directors shall not use confidential information obtained through their association with the Corporation to further their private interests or the private interests of their friends or relatives.
- Directors shall comply with any Corporation policies and procedures that guide the storage, use and transmission of any information of the Corporation, including the use of computer data bases or email systems.
- Directors shall treat Board discussions as a “safe haven” for the benefit of their peers and the Corporation’s Executive, and shall not repeat any discussions concerning the Corporation’s business and practices, or any discussions of a personal nature of their peers and the Corporation’s Executive, in a public setting.

Media

- Directors shall not, in the context of the Corporation’s business and practices, make comments to the media or make themselves available for interviews by the media on behalf of the Corporation without prior approval and briefing by the Corporation’s Executive.
- Directors shall ensure that any comments made by them to the media outside of the context of the Corporation’s business and practices is attributed to them in their personal capacity and not in their capacity as Directors.

Property

- Directors shall not misappropriate the Corporation’s assets for personal use.
- Directors are entrusted with the care, management and cost-effective use of the Corporation’s property and resources, including the use of the Corporation’s name, and should not make significant use of these resources for their own personal benefit or purposes.
- Directors shall ensure that all Corporation property assigned to them is maintained in good condition, and shall be accountable for such property.

Political Participation

- Directors are encouraged to participate fully as private citizens in the democratic process at any level, including campaigning in elections and running for or holding public office, however, Directors engaging in such political activity shall take care to separate their personal activities from their association with the Corporation.
- Directors shall ensure that any views they express in the context of their political participation is clearly and unequivocally stated to be that Director’s personal views and not the views of the Corporation.

Responsibility

- Directors must adhere to the standards prescribed by this *Code of Conduct*, as well as any applicable *Conflict of Interest Policy*, and shall execute declarations in favour of the Corporation and the Board to that effect.
- Directors must adhere to all applicable legislation, as well as the by-laws and shareholder direction that govern the Corporation.
- Directors must adhere to all applicable policies of the Corporation while performing their duties, or while in situations which may affect their ability to perform their duties.
- Directors shall report any breaches or potential breaches of this *Code of Conduct* to the Board through the Chair.

Directors who have breached or who are in a potential breach of this *Code of Conduct* may be requested to resign, or may request an exemption from any such breach or potential breach, by a determination of a special majority* of the subject Director's peers..

* A vote of two-thirds of the Directors attending a meeting. The Director subject to the determination by his/her peers shall be given the opportunity to be heard by the other members of the Board.