

TORONTO COMMUNITY HOUSING CORPORATION **CHARTER OF THE BOARD OF DIRECTORS**

PURPOSE:

Toronto Community Housing Corporation (“TCHC”) is the largest social housing provider in Canada and the second largest in North America. It provides homes to about 58,500 low and moderate-income households, including seniors, families, singles, refugees, recent immigrants to Canada and people with special needs. TCHC’s core business is to provide clean, safe, well-maintained, affordable homes for residents. Through collaboration and with residents' needs at the forefront, TCHC connects residents to services and opportunities, and help foster great neighbourhoods where people can thrive. TCHC’s Strategic Plan, *Homeward 2016*, sets out the strategic priorities that will drive TCHC to deliver social housing in the City of Toronto and to build viable communities, maintain homes in good repair and reinvigorate communities that people are proud to call their own. TCHC’s vision is better home, better neighbourhoods, and a better Toronto for all.

This Charter is intended to identify the specific roles and responsibilities of the Board of Directors (Board) of Toronto Community Housing Corporation (TCHC) and thereby ensure effective coordination and communication between the Board, Management and its Shareholder. This Charter complements the Charter of the Committees of the Board.

The TCHC Board is responsible for the overall management of the business and affairs of TCHC, subject to the provisions of its Articles of Incorporation, the 2013 *Amended and Restated Shareholder Direction* between the City of Toronto and TCHC, TCHC’s *By-Laws*, its enabling legislation (the *Housing Services Act, 2011*), its various Operating Agreements with the City of Toronto, as well as all applicable City Council directives and legislation, all as amended from time to time, (collectively, TCHC’s “Governance Framework”).

The Board is responsible for oversight of the management and control of the affairs of TCHC, and for supervising TCHC Management. The Board’s specific areas of responsibility include: strategic planning, performance measurement and monitoring, financial and operational oversight, risk management, effective stakeholder communications and accountability, governance and compliance, monitoring human resources and executive officers including the President and Chief Executive Officer, and oversight of policies and procedures, as further detailed herein.

Directors of TCHC’s Board (Directors) are under a fiduciary duty to TCHC to carry out the duties of their office honestly and in good faith, in the best interests of TCHC, and with the care, diligence, and skill of a reasonably prudent person. Directors are to carry out their duties in accordance with TCHC’s Code of Conduct and Conflict of Interest Policy for Directors of the Board with a view to transparency as permitted under its Governance Framework and applicable legislation.

Certain of the Board's responsibilities may be delegated to its Board committees (Board Committees). The responsibilities of such Board Committees will be as set forth in their respective Charter, as amended from time to time by the Board.

EXTERNAL ADVISORS: As the need arises, and consistent with TCHC procurement practices, the Board shall have the authority to retain external advisors, experts or consultants, in order to properly discharge its duties and responsibilities.

RESPONSIBILITIES & FUNCTIONS:

The Board's detailed responsibilities and functions are as follows:

A. Strategic Planning and Mission, Vision and Values

- The Board participates in the formulation and adoption of TCHC's statement regarding its *Vision, Mission and Values*.
- The Board provides oversight in the development, and ultimately approves a strategic plan (Strategic Plan) for TCHC that is consistent with its mandate as set out in the *Amended and Restated Shareholder Direction* and its mandate as a social housing provider under the *Housing Services Act, 2011*.
- The Board receives quarterly performance or progress reports on the implementation of the Strategic Plan.
- The Board's decisions are to be consistent with the Strategic Plan and its *Vision, Mission and Values*.
- The Board will be guided by the Strategic Plan and strategic direction.

B. Performance Measurement and Monitoring

- The Board oversees the development and adoption of an enterprise-wide performance measurement framework (Performance Framework) in order to measure TCHC's performance against established performance indicators and against its Strategic Plan.
- The Board ensures that Management has identified appropriate measures of organizational performance.
- The Board oversees the development of a system to report on the implementation of the Performance Framework, including commitments to attaining specific performance goals within time frames.
- The Board monitors TCHC's performance against the Performance Framework and that Management has plans in place to address variances from established performance indicators, and the Board monitors implementation of remediation plans and/or corrective action.

C. Supporting Housing Stability and Resident Leadership

- The Board is to be knowledgeable about the demographics of TCHC's tenants and support the creation of opportunities to foster improved well-being for its residents and neighbourhood quality of life.

- The Board ensures that Management has a framework in place to consult with tenants through an efficient and effective tenant participation system on issues and policies that will have an impact on service standards or the level of services, and communicate such policies and changes to the tenants.
- The Board ensures that Management has measures in place to operate with an emphasis on supporting opportunities and independence for tenants, providing responsive customer service, promoting tenant satisfaction and supporting access to information and services by its diverse communities;
- The Board ensures that Management has measures in place to link tenants with organizations that provide programs and policies aimed at assisting tenants.

D. Financial and Operational Oversight

- The Board is responsible for the stewardship of TCHC's financial resources, including the availability of, and overseeing the allocation of its financial resources.
- The Board oversees the appropriate use of material accounting policies for financial reporting, and approves the annual operating budget and capital budget.
- The Board monitors TCHC's operation and financial performance relative to its budget and objectives, and ensures that a framework exists so that funds and assets are used for their intended purposes and according to applicable legislation, regulations, applicable City of Toronto directives and the principles of value for money, fairness, and transparency.
- The Board oversees that TCHC's investments are reviewed on a quarterly basis and approves any amendments required to TCHC's investment policies.
- The Board ensures the accuracy of TCHC's financial information through review of quarterly financial statements and approval of annual audited financial statements.
- The Board ensures that Management has measures in place to ensure the adequacy and quality of TCHC's internal financial and operational controls, as well as management information systems.
- The Board recommends appointment of external auditors and approves auditors' fees.
- The Board arranges for internal and/or external audits of TCHC, as required, and directs that any corrective action be taken, if needed.
- The Board oversees the development of a framework to oversee TCHC's procurement activities and its compliance with its procurement policy, protocols and guidelines.

E. Risk Identification and Oversight

- The Board is to be knowledgeable of the risks inherent in TCHC's operations and will ensure that appropriate risk analysis is performed as part of Board decision-making.
- The Board approves Management's development and implementation of an enterprise-wide risk management framework (ERM Framework) including but not limited to a risk program, a risk profile, an assessment of risk tolerance, and risk measurement and management strategies, to identify, manage and report on existing and potential risks.

- The Board receives regular briefings or progress reports on the implementation of the ERM Framework.
- The Board arranges for risk-based audits of TCHC, as required, and directs that any corrective action be taken, if needed.

F. Stakeholder Communication and Accountability

- The Board is to be knowledgeable regarding TCHC's stakeholders and understand the principles of stakeholder accountability.
- The Board oversees the development of effective communication processes with its stakeholders, and contributes to the maintenance of strong stakeholder relationships.
- The Board, through the Board Chair or as otherwise delegated, performs advocacy on behalf of TCHC with stakeholders where required in support of TCHC's *Mission, Vision and Values* and its strategic objectives.

G. Governance & Compliance

- The Board is responsible for the overall governance of TCHC and that TCHC's strategic, business, and operational plans, policies and activities are consistent with the directions of the *Amended and Restated Shareholder Direction*, and that a framework exists to support TCHC's compliance with its Governance Framework.
- The Board periodically assesses and reviews its governance by evaluating its Board structures, including the size, structure and composition of the Board and Board committees and term limits for TCHC Directors and non-Director members of Board Committees and providing feedback to its Shareholder accordingly.
- The Board ensures a framework exists to establish criteria for the selection of potential Directors and to recommend the appointment of individuals qualified to become Directors to the Shareholder, consistent with such criteria.
- The Board ensures a framework exists to recommend members to Board Committees.
- The Board ensures a process exists for the evaluation of Directors and non-Director members of Board Committees.
- The Board oversees the development of an effective orientation and continuing education program for Directors and non-Director members of Board Committees.
- The Board maintains effective oversight of all Board Committees.
- The Board approves all enterprise-wide guidelines, plans, policies and procedures that require Board participation and/or are necessary for the Board Committees to carry out their mandates.
- The Board proposes amendments to such *By-laws* or resolutions regulating management and operations as are required.
- The Board approves a conflict of interest policy for TCHC employees and consultants and Board and non-Director Board Committee members.

H. Human Resources and Management/Executive Officers

- The Board approves, on an annual basis, TCHC's human resources and compensation strategy and oversees management's implementation thereof.
- The Board oversees the development of a framework to support job classifications, job descriptions, personnel qualifications and salary ranges for all TCHC employees and that a process is in place for appropriately evaluating and rewarding employee performance and approves, on an annual basis, the annual salary adjustment for TCHC employees.
- The Board oversees the development of and adoption of a Human Resources & Compensation Strategy (HR & Compensation Strategy). The Board receives regular briefings on TCHC's HR & Compensation Strategy from the Board's Governance, Communications, Human Resources and Compensation Committee. The Board approves, on an annual basis, TCHC's HR & Compensation Strategy.
- The Board approves, on an annual basis, any material amendments required to TCHC's contributions to the OMERS pension plan and its health and benefits plan.
- The Board oversees the recruitment, selection, supervision and succession planning of the President and Chief Executive Officer. The Board recruits and supervises the President and Chief Executive Officer by:
 - Developing and approving the President and Chief Executive Officer's job description;
 - Undertaking a recruitment process and selecting the President and Chief Executive Officer;
 - Reviewing and approving the annual performance goals of the President and Chief Executive Officer ;
 - Reviewing the President and Chief Executive Officer's performance and achievement of TCHC's strategic goals; and
 - Determining the President and Chief Executive Officer's compensation including incentive compensation or other awards.
- The Board approves decisions relating to TCHC's Executive Officers, including:
 - Appointment and discharge of such Executive Officers;
 - Development of an Executive Compensation Policy;
 - Compensation and benefits (including incentive compensation or other awards) for such Executive Officers; and
 - Employment contracts, termination/severance arrangements and other special arrangements with such Executive Officers.
- The Board oversees the development of a framework to support TCHC's development of a formal succession plan for the President and Chief Executive Officer and executives.

I. Policies and Procedures

- The Board oversees the development of a framework to permit the Board to oversee the following:
 - Monitor compliance with all significant policies and procedures of TCHC's operations;
 - Direct management to ensure TCHC operates at all times within applicable laws and regulations and to the highest ethical standards;

- Provide policy direction to Management while respecting its responsibility for day-to-day management of TCHC's business; and
- Review significant new corporate policies or materials amendments to existing policies.

Non-Exhaustive List: The foregoing list of responsibilities is not exhaustive, and the Board may, in addition, perform such other functions as may be necessary or appropriate in the circumstances to foster long-term success for the corporation.

Amendment / Review: This Charter may be amended by the Board. The Charter shall be reviewed by the Board on an annual basis.

Approval Date: December 16, 2014

Amendment #1: April 30, 2015