

TORONTO COMMUNITY HOUSING CORPORATION CHARTER OF THE BOARD OF DIRECTORS



MANDATE

This Charter defines the specific roles and responsibilities of the Toronto Community Housing Corporation's ("TCHC") Board of Directors (the "Board") and thereby ensures effective coordination and communication between the Board, Management and its Shareholder, consistent with the City's Shareholder Direction, as amended from time to time, in support of TCHC's core mandate to provide subsidized rental housing in a state of good repair to low and moderate income households in Toronto. 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 and for supervising Management, subject to the provisions of its Articles of Incorporation, the *Shareholder Direction* of the City of Toronto to TCHC, as amended, 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").

RESPONSIBILITIES

The Board's specific areas of responsibility, as set out in the City's Shareholder Direction, include:

- establishing annual and long-range strategies and plans consistent with the provisions of this Shareholder Direction, including TCHC's Strategic Plan;
- establishing policies and other directives consistent with the City's Shareholder Direction, Council directives or requests, the *Housing Services Act, 2011*, and all applicable law, agreements, and best practices of corporate governance and financial and risk management;
- establishing and maintaining appropriate reserves consistent with sound financial principles and the program regulations established by any Program Administrator from time to time;
- selecting bankers and other financial institutions and establishing all banking authorities;
- managing and directing all labour and employee relations matters;
- establishing committees of the Board including those referred to in Section 6.9 of the City's Shareholder Direction, and delegating to the

committees such authority as the Board determines is appropriate or as Directed by Council, provided that the delegation of that authority is permitted under the Ontario Business Corporations Act;

- appointing the President and Chief Executive Officer (the “CEO”), approving the terms of and compensation for their employment, establishing performance objectives for the CEO, monitoring the CEO's success in meeting those objectives, and holding the CEO accountable for meeting those objectives;
- appointing the officers of TCHC, other than the Chair who is appointed by the City of Toronto, as TCHC’s sole shareholder;
- approving and submitting required reporting to the Shareholder, including but not limited to requirements in Section 10 of the City’s Shareholder Direction; and
- ensuring that the Board has appropriate processes in place to ensure that information is reported to the Board in a timely manner to enable the Board to monitor implementation of its decisions and the performance of TCHC staff;

as further detailed herein.

The Board may establish ad-hoc or advisory committees to provide input on specific issues identified by the Board. Certain of the Board's responsibilities may be delegated to its 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 oversees the development of and approves annual and long range strategies and plans including the Strategic Plan ("Strategic Plan"), for TCHC that is consistent with its mandate as set out in the *Shareholder Direction*, as established and amended by City Council from time to time, Council directives or requests and TCHC's mandate as a local housing corporation under the *Housing Services Act, 2011*.
- The Board receives and monitors 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 of and approves an enterprise-wide performance measurement and reporting framework ("Performance Management and Reporting Framework"), in order to measure TCHC's performance against performance measures as the Board establishes, from time to time, and key priorities set out in the 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 Tenant 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 tenants and neighbourhood quality of life.

- The Board ensures that Management has a framework in place to consult with tenants, including through the Tenant Advisory Committee, Youth Tenant Advisory Committee, and 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 connect 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 oversees TCHC's operational and financial performance when significant variances, material risks, or decisions requiring Board approval are escalated by the BIFAC. Routine performance monitoring is delegated to the BIFAC in accordance with its mandate.
- The Board ensures that appropriate policies and directives, consistent with the provisions of the Shareholder Direction, as established by City Council from time to time, Council directives and requests, exist 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 Management's strategy regarding the identification, assessment, selection and engagement of TCHC's bankers and its

engagement of financial institutions to support its financial affairs and the establishment of appropriate banking authorities.

- The Board considers and approves recommendations from the BIFAC, as required, related to the selection of TCHC's bankers and financial institutions and the adoption of TCHC's banking authorities.
- 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 responsible for understanding the risks inherent in TCHC's operations and ensuring that appropriate risk analysis is incorporated into Board decision-making.
- The Board establishes and approves the Corporation's risk appetite, risk tolerance levels, and risk governance expectations. The Board oversees the Enterprise Risk Management ("ERM") Framework and ensures that Management operates within these parameters.
- Management develops, maintains, and implements the ERM Framework—including risk identification, assessment, mitigation, monitoring, reporting, and maintenance of a corporate risk profile—in alignment with the Board-approved risk appetite and tolerance.

- The Board receives ERM reports at least annually, with additional reporting provided when material or emerging risks arise, when appetite or tolerance thresholds may be exceeded, or when BIFAC escalates matters requiring Board attention.
- The Board receives regular briefings on material risks, emerging risks, and the operation of the ERM Framework, including matters requiring Board approval or those affecting the Corporation's ability to meet its objectives.
- The Board ensures that risk-based audits are conducted as required and directs that corrective action be taken where appropriate, including ensuring alignment between Internal Audit, Compliance, and the ERM Framework.

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 and as an active participant in the social housing sector with stakeholders where required in support of TCHC's *Mission, Vision and Values* and its strategic objectives in a manner that is consistent with the provisions of the Shareholder Direction, as established by City Council from time to time, Council directives and requests.

G. Governance & Compliance

- The Board is responsible for the overall governance of TCHC, including overseeing TCHC's business, and operational plans, policies and activities are consistent with the directions of the *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.

- Reviewing matters related to Board and Committee Chair succession including recommendations from the GCHRC regarding the design, adoption and monitoring of a Board skills matrix to be provided to the City for consideration when recommending the appointment of Board members and Board Chair.
- The Board ensures a framework exists to recommend members to Board Committees.
- The Board ensures a process exists for the evaluation of the Board of Directors.
- 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 and provides such delegation and direction as may be required to ensure that a Board Committee can fulfill its mandate.
- 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. People and Culture and Leadership Performance

- The Board approves, on an annual basis, TCHC's People and Culture & 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 People and Culture & Compensation Strategy and receives regular briefings on the Strategy from the Board's Governance, Communications, Human Resources and Compensation Committee.
- 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, through either the Governance, Communications and Human Resources Committee of the Board or a sub-Committee established for this purpose, and selecting the President and Chief Executive Officer;
 - Establishing and managing a process through which the President and Chief Executive Officer's performance is reviewed annually through a process that is led by the Board Chair and the Board's Governance Communications and Human Resources Committee and which includes:
 - 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 and other awards for approval by the Board.
- The Board approves decisions relating to TCHC's Executive Officers, including:
 - Appointment of such Executive Officers; and
 - Development of an Executive Compensation Policy;

- 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.

COMMITTEE GOVERNANCE

- The Board shall establish Charters for all Board Committees setting out the specific responsibilities and delegated authority of the Committee;
- Appointment of the Committee Chairs and members shall be by the Board upon recommendation by the Board Chair;
- Appointment of the Committee Vice-Chairs shall be by the Committee upon recommendation by the Committee Chair; and
- The Chair of the Board, and if the Chair is not present the Vice-Chair, shall be a voting ex officio member of all Board Committees.

QUORUM

- Quorum shall be established in accordance with the Board's Rules of Procedures. If present at a Committee meeting, the Board Chair is counted in assessing whether a quorum is present, and the Board Chair has all rights and privileges of the other committee members;
- Where a quorum is present, decisions shall be taken by motion, with passage by simple majority (fifty percent plus one) of the total Board members present at a meeting of the Committee, in person or by teleconference call; and

- Written resolution in lieu of meeting signed by all members of the Board is permitted.

MEETINGS

- The Board will meet as frequently as it determines necessary but not less than once each quarter. Meetings may be called by the Chair of the Board. The Chair of the Board must call a meeting when requested to do so by any member of the Board, the President and CEO, or the General Counsel and Corporate Secretary;
- Time-limited committees or advisory committees may be formed to address specific issues and perform clear tasks;
- The procedure at meetings shall accord with the Board's Rules of Procedure; and
- Meetings will be held in public other than matters to be dealt with in closed session, adhering to the by-laws of the Corporation.

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

Amendment #2: February 27, 2019

Amendment #3: February 20, 2020

Reviewed: April 27, 2021

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