

THE BUILDING INVESTMENT, FINANCE AND AUDIT COMMITTEE CHARTER



Mandate

The Building Investment, Finance and Audit Committee (“BIFAC”) is established as a committee of the Board of Directors (the “Board”) of Toronto Community Housing Corporation (“TCHC”) to assist the Board in fulfilling its responsibilities with respect to:

- Capital Funds and investments (with an Advisory Committee, if needed);
- Capital projects, real property and building revitalization;
- Building state of repair;
- Environmental, social and governance (“ESG”) sustainability matters that fall within the scope of responsibilities as defined in this Charter;
- Budget, Financial Reporting and Financial Statements;
- Subsidiaries and joint ventures;
- Internal Audit, Accounting Systems and Internal Controls;
- External Audits;
- Financial Compliance;
- Financial and Fraud Risk;
- Information Technology;
- Enterprise Risk Management;
- Insurance; and
- Delegated Financial authority: \$10 million.

Advisory Subcommittees:

The Investment Advisory Committee is established as an advisory committee to the Building Investment, Finance and Audit Committee and shall continue as a subcommittee of the BIFAC.

Responsibilities

The BIFAC fulfills its purpose by carrying out the following responsibilities and reporting and making recommendations to the Board regarding matters that exceed the Committee’s delegated authority or that require a Board decision or direction:

Capital Funds and Investments

- Overseeing the design, implementation, and reporting of investment policies, strategies and initiatives by Management for capital reserves and other financial assets.

Capital Projects, Real Property and Building Revitalization

- Reviewing and recommending to the Board for its approval, capital projects and their respective capital budgets, real estate transactions, monitoring the execution of such matters by Management.
- Overseeing policies, strategies and initiatives by Management related to real property, including initiatives to achieve a good state of repair throughout the portfolio.
- Overseeing policies, strategies, and initiatives by Management on the management of physical assets.
- Monitoring Management's execution of development plans (including community revitalizations).

Building State of Repair and ESG Sustainability

- Overseeing the disposition of assets in connection with the State of Good Repair Fund and/or any other capital reserve funds.
- Overseeing policies, strategies and initiatives by Management on green plans, energy and environmental plans and broader ESG considerations with financial implications that fall within the scope of responsibilities as defined in this Charter.
- Providing oversight on capital sustainability planning and resilience measures that support building performance, tenant wellbeing, and climate risk mitigation.
- Supporting management's alignment with emerging ESG disclosure frameworks where relevant and as they relate to capital and building programs.
- Ensuring environmental and sustainability metrics are considered in investment prioritization and reporting.

Budget, Financial Reporting and Financial Statements

- Reviewing with Management, and as necessary with the external auditor, and recommending to the Board for approval, the annual operating and capital plan and associated budgets of the organization including the three-year budget forecast, the ten-year Capital budget the annual audited consolidated financial statements of the Corporation, quarterly

financial reports to include balance sheet, income statement, statement of cash flows, and management notes on variances between actual to budget levels, and prior years; as well as provide financial forecasts and other financial reporting as determined by the Board;

- Reviewing with Management, and as necessary with the external auditor, the Corporation's key accounting, tax, and financial reporting policies and practices and reporting and making recommendations to the Board on such matters.
- Reviewing with Management, and as necessary with the external auditor, significant accounting or disclosure issues, including complex or unusual transactions, and significant changes to accounting principles and reporting and making recommendations to the Board on such matters.
- Overseeing with Management the financial reporting of all elements in connection with the State of Good Repair Fund and/or any other capital reserve funds.
- Providing oversight, generally, in relation policies, strategies, and initiatives by Management on procurement activities, including Social Procurement.

Subsidiary and Joint Ventures

- Recommending to the Board for approval the creation or disposition of any subsidiary or joint venture.

Internal Audit, Accounting Systems and Internal Controls

- Reviewing and approving the Internal Audit work plans and reports and advising the Board, as appropriate, on the adequacy, accuracy, timeliness, and reliability of financial reports and on the efficacy of internal accounting, auditing, and management control systems and procedures and receiving reports at such intervals as the Committee determines to be appropriate in relation to Management's actions to implement recommendations arising from Internal Audit reports.

External Audits

- Annually reviewing and evaluating the external auditor, including the independence and the terms of engagement and remuneration, and making recommendations to the Board for presentation to the Shareholder.
- Reviewing and approving the annual audit plan of the external auditors;

- Reviewing with the external auditor any significant changes in financial reporting and accounting practices and reporting and making recommendations to the Board on such matters.
- Reviewing with the external auditor the findings of the annual audit of the organization's financial statements and recommending to the Board the approval of the annual audit report.
- Reviewing with Management any management responses to the annual audit report and reporting to the Board on such matters.
- Reviewing with the Auditor General and the Ombudsman any findings of their reports and audits of the Corporation, receiving regular reports from Management in relation to the implementation of their recommendations, monitoring Management responses to their recommendations, and reporting and making recommendations to the Board on such matters.

Financial Compliance

- Monitoring Management's compliance with laws and regulations, including but not limited to the reporting requirements of the Shareholder Direction and Canadian GAAP and, where there is non-compliance, reporting to the Board with recommendations for rectifying.

Financial and Fraud Risk

- Reviewing with Management, the internal auditor, and the external auditors their assessment and monitoring of financial risks including but not limited to liquidity risk, financing and refinancing risk, and litigation costs risk, reviewing and assessing steps to respond to such risks, and reporting and making recommendations to the Board on such matters.
- Monitoring and reporting, as necessary, to the Board on issues of fraud, including employee and tenant fraud.
- Monitoring and reporting, as necessary, to the Board any referrals of financial whistleblower issues with recommendations for addressing the issues.

Information Technology ("IT")

- Review the Corporation's IT strategy and approve or recommend major technology investments in line with BIFAC's financial authority and corporate policies.

- Provide oversight of digital systems supporting capital programs, tenant services, and corporate operations, including building technology, cybersecurity, and enterprise platforms.
- Monitor IT risk and performance, including project delivery, data protection, privacy compliance, and cyber readiness.
- Oversee the governance of emerging and transformative technologies—including artificial intelligence, smart infrastructure systems, cloud and data platforms, cybersecurity tools, and automation—to ensure their adoption is responsible, secure, and aligned with TCHC’s strategic direction, operational needs, and Board-approved risk appetite and tolerance levels.
- Ensure technology governance reflects accepted frameworks, supports ESG, Diversity, Equity, Inclusion, and Accessibility (“DEIA”), and value-for-money outcomes.
- ***Enterprise Risk Management (“ERM”)***
- Review and recommend for Board approval the Corporation’s risk appetite, risk tolerance thresholds, and risk governance expectations, ensuring alignment with strategic objectives and major decision-making.
- Oversee Management’s identification, assessment, and response to key and emerging risks—including financial, operational, reputational, technology, and climate-related risks—and ensure appropriate mitigation strategies are in place.
- Monitor the implementation, operation, and maturity of the ERM Framework, including reporting protocols, escalation processes, and integration across functions such as capital planning, insurance, finance, compliance, and internal audit.
- Receive ERM reports from Management and the Enterprise Risk Management Committee (“ERMC”) at least twice annually, and as required when material risks emerge, when appetite or tolerance thresholds may be exceeded, or when issues require escalation to the Board.
- Review Management’s assessment of the Corporation’s risk profile and ensure the risk management infrastructure—policies, controls, systems, and accountabilities—is effective and aligned with Board-approved risk appetite and tolerance levels.

- Recommend to the Board any updates to risk governance policies, risk appetite statements, or material risk matters requiring Board review, approval, or direction.

Insurance

- Annually reviewing with Management, the Insurance program of the Corporation and recommending to the Board for approval the annual insurance policy renewal.

Banking

- Review 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;
- Recommend to the Board, as required, the selection of TCHC's bankers and financial institutions and the adoption of TCHC's banking authorities.

Authority

With respect to BIFAC's authority, the BIFAC:

- Has full delegated authority from the Board in respect of the matters that fall within its Charter;
- May establish ad-hoc or advisory committees to provide input on specific issues identified by the Committee;
- Will have full, free and unrestricted access to Management and its employees, the external auditor, and internal auditors;
- May retain the services of external advisors at the expense of the Corporation as may be deemed necessary to ensure its due diligence and in accordance with TCHC's procurement policy and procedures; and
- Within the scope of the BIFAC, it may award contracts up to \$10,000,000.

Composition

- Appointment of the Committee Chair and members shall be by the Board upon recommendation by the Board Chair.
- Appointment of the Committee Vice-Chair shall be by the Committee upon recommendation by the Committee Chair.

- The Chair of the Board shall be a voting *ex officio* member of the Committee.
- The President and Chief Executive Officer will appoint an Executive staff liaison to support the Chair.
- The President and Chief Executive Officer will appoint a staff person as Corporate Secretary for the Committee.
- The Committee shall be composed of a minimum of four Directors.

Terms of Membership

Committee members are appointed for a term that aligns with the duration of their appointment to the Board of Directors.

Quorum

- Quorum shall be a majority of the Directors of BIFAC.
- Where a quorum is present, decisions shall be taken by motion, with passage by simple majority (fifty percent plus one) of the total BIFAC members present at a meeting of the Committee, in person or by teleconference call.
- Written resolution in lieu of meeting signed by all members of the BIFAC is permitted.

Meetings

- The BIFAC 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 or the Chair of the BIFAC. The Chair of the BIFAC must call a meeting when requested to do so by any member of the BIFAC, the Chairman of the Board, the President and Chief Executive Officer, or the General Counsel and Corporate Secretary.
- Time-limited sub-committees or advisory committees may be formed to address specific issues and perform clear tasks.
- The procedure at meetings shall be determined by the BIFAC Chair adhering to the by-laws of the Corporation or any resolution of the Board.
- Meetings will be held in public other than matters to be dealt with in closed session, adhering to the by-laws of the Corporation.

Review

- The BIFAC shall review its Charter on an annual basis and recommend any changes to such terms to the Governance, Communications and Human Resources Committee.

Reporting

- The BIFAC retains oversight of matters within its delegated authority. It reports to the Board in relation to:
 - matters that exceed its delegated authority;
 - matters that legislation or the City's Shareholder Direction require the Board to consider and/or approve; and
 - matters that the Committee identifies as having financial, legal or strategic implications or risks that warrant the Board's involvement.
- Such matters will be reported to the Board by the Committee Chair at the next Board meeting, highlighting:
 - matters addressed by the BIFAC that fall within its delegated authority in order to ensure that the Board is made aware of those matters; and
 - the consideration, by BIFAC, that informed its recommendations to the Board regarding matters that fall outside the scope of its delegated authority.

Approved: December 16, 2014

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