

Governance and Human Resources Committee Terms of Reference

1. Purpose

The purpose of the Governance and Human Resources Committee (the “Committee”) is to ensure:

- that BC Housing develops and implements an effective approach to corporate governance which enables the business and affairs of the Commission to be carried out, directed and managed with the objective of enhancing value to government and the public.
- a strategic workforce plan is in place and to provide a focus on senior management human resource and compensation issues.

The Committee will take into account any relevant financial, social and environmental considerations in its planning and decision making.

In order to discharge its responsibilities, the Committee will have unrestricted access to the Commission’s personnel and documents through the 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 counsel and other advisers as part of this resource requirement.

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

2. Accountability

The Committee will report its discussions to the Board by distributing the minutes of its meetings and, where appropriate, by oral report at the next meeting of the Board of every major matter considered since the Board’s last meeting.

3. Committee Membership

The Board approves the Terms of Reference for the Committee, including the method for establishing committee membership and composition 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 three Commissioners or 40% of Commissioners holding office, whichever is lower.

Those members 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 labour relations.

The Corporate Secretary will provide staff support to the Committee.

4. Orientation

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

5. Meetings

A quorum for any meeting of the Committee will be the majority of the members of the Committee. The Board Chair is a voting member of the Committee, but is not counted in determinations of Committee quorum.

Meetings will be held at the call of the Committee Chair in accordance with the Committee Meeting Timetable approved by the Board, or as deemed necessary to carry out the business of the Committee.

The Chief Executive Officer, Vice President Human Resources and Corporate Secretary may attend all meetings of the Committee, except for in-camera sessions.

There will be a Secretary for all Committee meetings.

6. Independent Advice

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

7. 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:

7.1 Governance Framework

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

- a) annually reviews and recommends revisions to Terms of Reference for the Board and its Committees, the Board Chair, Chief Executive Officer and the Corporate Secretary and any other materials contained in the Board Governance Manual;
- b) ensures appropriate structures and procedures are in place to allow the Board to function independently of management;
- c) reviews the Government's Mandate Letter to support the Board and enhance the working relationship between the two parties;
- d) ensures the Board has a good understanding of the entities within Government that participate in the governance of BC Housing;
- e) 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;
- f) reviews the Commission's approach to corporate governance to ensure that best practices are achieved through approving an annual Governance Roadmap; and
- g) evaluates the effectiveness of the Committee structure and recommends any needed changes to the Board, together with the Board Chair.

7.2 Meeting preparation and procedure

On an ongoing basis, the Committee reviews and recommends to the Board changes or enhancements to the procedures for meetings.

7.3 Board, Committee and Commissioner Evaluation

The Committee is responsible for ensuring that an effective evaluation process for the Board and Commissioner is in place and is in line with the Board Assessment Policy. The Committee:

- a) recommends to the Board the annual review process for Board, Committee and Commissioner evaluation;
- b) assists and supports the annual review process; and
- c) takes steps to ensure that the results are communicated and acted upon in a timely and appropriate manner.

7.4 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 (CABRO) in this regard. The Committee:

- a) recommends to the Board a competency matrix reflecting appropriate skills, qualifications, experience and background required of the Board as a whole. The competency matrix is based on BC Housing's strategic opportunities and challenges, and the Board's leadership requirements;
- b) reviews the composition of the Board as a whole and recommends, when necessary, changes to the Board competency matrix;
- c) tracks Commissioners' appointment terms and plans for filling upcoming vacancies. As vacancies arise, the Committee:
 - a. reviews and updates the competency matrix, and compares it to the skills of the continuing Commissioners;
 - b. through the Board Chair, identifies gaps that should be filled in new Commissioner candidates;
 - c. recommends to the Board whether or not new appointment(s) should be made; and
- d) through the Board Chair, works proactively with the Minister Responsible to ensure an appropriate succession plan for the Board.

7.5 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.

7.6 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.

The Committee:

- a) ensures the Commission's annual disclosure is consistent with [Best Practices Guidelines – Disclosure Requirements for Governing Boards of British Columbia Public Sector Organizations](#); and
- b) 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.

7.7 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.

8. Duties and Responsibilities in Human Resources

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:

8.1 People Strategy

The Committee:

- a) Oversees 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;
- b) Reviews a quarterly People Strategy Update report; and
- c) Reviews the annual HR Business Continuity Risk Report related to Recruitment, Retention and Retirement.

8.2 Chief Executive Officer

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

- a) Recommends to the Board the performance evaluation process for the CEO, and leads and oversees the implementation of that evaluation process;
- b) Reviews and recommends to the Board the CEO's goals and objectives annually, or as required, to ensure they are aligned with the organization's mission, vision and values and key goals;
- c) Monitors CEO performance relative to stated goals and objectives and recommends annual performance rating to the Board;
- d) Reviews and recommends to the Board compensation for the CEO that is consistent with the Public Sector Employers' Council Secretariat compensation policy;
- e) Recommends to the Board the process to be undertaken to recruit the CEO including the composition of the search committee; and
- f) Through the Board Chair, liaises with the Public Sector Employers Council Secretariat (PSEC) and the Minister/Ministry Responsible regarding the parameters of the CEO's employment terms.

8.3 Compensation Philosophy and Process

The Committee:

- a) Reviews and recommends to the Board compensation philosophy and guidelines for the CEO, Executive and Management that is consistent with the Public Sector Employers' Council Secretariat compensation policy; and
- b) Annually reviews and recommends to the Board CEO and Executive compensation.

8.4 Labour Relations

The Committee:

- a) Ensures that labour negotiations will be in accordance with a mandate as approved by the Board and the Public Sector Employer's Council on behalf of the Minister of Finance.
- b) Reviews and recommends to the Board for approval the guiding principles upon which management will negotiate collective agreements;
- c) Through the Vice President of Human Resources, liaises with PSEC as required on matters related to labor relations and collective agreements.

8.5 Succession Planning

The Committee:

- a) Reviews the annual senior management succession plan; and
- b) Reviews and recommends to the Board a succession plan to deal with planned or unplanned departure of the CEO.

8.6 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.

8.7 Standards of Conduct

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

- a) Review the Standards of Conduct Annual Report and ascertain whether the Standards of Conduct are strongly maintained.
 - [Note: The Ethics Advisor functions as the conduct advisor for the Board and CEO. The Chair may seek the advice of the Ethics Advisor on an as needed basis.]
- b) Review the Management and Staff Standards of Conduct Annual Report and ascertain whether the Standards of Conduct are strongly maintained.
 - [Note: the Vice President of Human Resources functions as the conduct advisor for management and staff excluding the CEO. The Vice President of Human Resources may seek the advice of internal or external (legal) counsel, including the Ethics Advisor, on an as needed basis.]

8.8 Safety

The Committee reviews standing reports on safety performance to assure 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.

9. Committee Effectiveness

The Governance and Human Resources Committee annually reviews its Terms of Reference 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 Committee performance in carrying out its duties.