

TERMS OF REFERENCE FOR THE GOVERNANCE COMMITTEE

1. PURPOSE

The purposes of the Governance Committee (the "Committee") are:

- 1.1. to provide a focus on Board governance that will enhance corporate performance, to assess and make recommendations regarding Board effectiveness, and to establish a process for identifying, recruiting, appointing and re-appointing Directors;
- 1.2. to assist the Board in fulfilling its responsibility for ensuring that the operations and development of the Authority are environmentally responsible, by reviewing the environmental health and safety management system and the plans and programs used to achieve compliance; and
- 1.3. to assist the Board through annual reviews of the Authority's Communication Policy, Facility Permit Process, Government Relations activities, Privacy Management Program and Cyber Security Program.

2. COMPOSITION

- 2.1. The Committee will be composed of not less than three non-management Directors, one of whom will be the Chair of the Board.
- 2.2. The Chair of the Board will not be the Chair of the Committee.
- 2.3. The Corporate Secretary will be secretary to the Committee.

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3. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee will:

3.1. Board Governance

- 3.1.1. Develop and annually update a long-term plan for the composition of the Board of Directors that takes into consideration the skills, experience and background of each existing Director, retirement dates, the strategic direction of the Authority and the Board Diversity Policy.
- 3.1.2. Develop and implement a process for communicating criteria for the Nominating Entities to consider when designating persons for appointment to the Board.
- 3.1.3. In consultation with the Chair of the Board and the President, recommend to the Board nominees for election and re-election as Directors-at-Large.
- 3.1.4. Following the consultation by the Chair of the Board with the Chair of the Governance Committee and the President, provide advice to the Chair of the Board on his or her recommendations to the Board on committee membership and leadership.
- 3.1.5. Review and make recommendations regarding orientation of new Directors and the ongoing development of existing Directors.
- 3.1.6. Monitor the mechanisms of accountability as set out in the Board Manual.

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- 3.1.7 Advise the Board, or a Board Committee, of all corporate governance and Authority accountability issues which the Committee determines ought to be considered by the Board or that Committee.
- 3.1.8. Annually review the terms of reference for the Board, the Directors, each Committee, each Task Force, the Chair, the President, the Corporate Secretary, and, the Administrative Guidelines and recommend changes to the Board.
- 3.1.9. Annually review and make recommendations to the Board for changes in the overall system of governance including the By Laws and the Governance Rules & Practices, and, the application thereof, including, but not limited to, the following:
 - 3.1.9.1. the number of Directors on the Board;
 - 3.1.9.2. the frequency and content of Board meetings and Committee meetings;
 - 3.1.9.3. the annual schedules of issues to be presented at Board meetings and at Committee meetings (Tab 19);
 - 3.1.9.4. material which is to be provided to the Directors generally and with respect to Board meetings and Committee meetings;
 - 3.1.9.5. resources available to Directors; and
 - 3.1.9.6. communication between the Board and Management.
- 3.1.10. Every 10 years, review separately and in its entirety, By-Law No.1 to ensure its continued congruence with good governance practice; and, as appropriate, make recommendations to the Board.

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- 3.1.11 Annually review the governance structure of the Authority's subsidiaries.
- 3.1.12. Be responsible for the management and administration of a system which enables a Committee or a Director to engage separate independent counsel or advisors at the expense of the Authority in appropriate circumstances.
- 3.1.13. Administer the process set forth at Tab 10 for assessing the effectiveness of the Board, its Committees and each Director and ensure the process, results and proposed improvements are reviewed by the full Board and, where appropriate, discussed with Management.
- 3.1.14. Recommend the Directors' Compensation Plan to the Board (Tab 11).
- 3.1.15. Prepare recommendations for the Board regarding any reports on corporate governance that are required or considered advisable.
- 3.1.16. Review Management's plans for preparation of the independent Performance Review every five years and ensure Nominating Entity participation in selection of the independent consulting firm (Tab 17, By-Law #1 Section 14.3).
- 3.1.17. Annually review those risks in the Enterprise Risk Management Program's risk register, which have been assigned to the Governance Committee, including the risk rating, trend direction, mitigation measures and impacts on applicable risk tolerances.

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3.2. Environment

- 3.2.1. Monitor the implementation of the environmental management system.
- 3.2.2. Review and recommend to the Board any necessary amendments to the environmental management system and the Environmental Management Plan.
- 3.2.3. Review and recommend to the Board for approval a new Environmental Management Plan and Noise Management Plan every five years, the latter also requires the acknowledgement of the Minister of Transport.
- 3.2.4. Review the results of the regular environmental audits of operations of the Authority and of tenants and monitor implementation of recommendations from previous audits.
- 3.2.5. Annually review the Authority's Contaminated Sites Management Program.
- 3.2.6. Review every report of substantial non-compliance with environmental regulations and ensure that appropriate plans are put in place to remedy the default and secure future compliance.

3.3. Stakeholder Relations

- 3.3.1. Annually review and recommend to the Board the Authority's Communication Policy.
- 3.3.2. Annually review the Communications Plan for each Nominating Entity and ensure that the nominated Director has adequate support from the Authority to meet the plan.

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- 3.3.3. Annually prepare for Board approval, then distribution to each Nominating Entity and publication at the Annual Public Meeting, a summary of the Authority communications plans for each Nominating Entity.
- 3.3.4. Annually review the satisfaction of each Nominating Entity with the frequency and quality of communication and make recommendations to the Board.
- 3.3.5. At least annually review the activities of the Authority to improve relations with the federal and provincial governments.
- 3.3.6. At least annually review the activities of the Authority to satisfy the obligations contained in the Authority-Musqueam Sustainability and Friendship Agreement and advance respectful and positive relations with Musqueam and other First Nations.
- 3.3.7. At least annually review the activities of the Authority to improve relations with other key stakeholders, including the Authority's business partners and neighbouring communities.

3.4. Facility Permit Program

Annually review the Facility Permit process.

3.5 Privacy and Cyber Security

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- 3.5.1. Annually review the Authority's Privacy Management Program and ascertain whether the Privacy Guidelines are strongly maintained;
- 3.5.2. Annually review the Authority's Cyber Security program, including the results of any cyber security audits.

4. ACCOUNTABILITY

- 4.2. The Committee will report its discussions to the Board by distributing a written report, posting 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.
- 4.3. The Committee will annually review and recommend changes to its terms of reference.