SHAREHOLDER DIRECTION

CITY OF TORONTO

TO

TORONTO COMMUNITY HOUSING CORPORATION (TCHC)

AS ADOPTED BY CITY COUNCIL
AT ITS MEETING OF OCTOBER 2-4, 2001:
JOINT POLICY AND FINANCE/COMMUNITY SERVICES REPORT 1(1) AS AMENDED

DRAFT June 13, 2013
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. INTERPRETATION</td>
<td>1</td>
</tr>
<tr>
<td>1.1 Definitions</td>
<td>1</td>
</tr>
<tr>
<td>2. INTRODUCTION</td>
<td>3</td>
</tr>
<tr>
<td>2.1 City as TCHC/TCH Shareholder</td>
<td>3</td>
</tr>
<tr>
<td>2.2 Function/Purposes of this Direction</td>
<td>3</td>
</tr>
<tr>
<td>3. OBJECTIVES AND PRINCIPLES</td>
<td>4</td>
</tr>
<tr>
<td>3.1 Purposes</td>
<td>4</td>
</tr>
<tr>
<td>3.2 Shareholder Objectives/Direction</td>
<td>3</td>
</tr>
<tr>
<td>3.3 Shareholder Principles</td>
<td>4</td>
</tr>
<tr>
<td>4. BUSINESSMANDATE OF TORONTO COMMUNITY HOUSING CORPORATION</td>
<td>7</td>
</tr>
<tr>
<td>4.1 Business Mandate of TCHC</td>
<td>7</td>
</tr>
<tr>
<td>4.2 Creation of Subsidiary Companies/Subsidiaries</td>
<td>8</td>
</tr>
<tr>
<td>5. Operation and Control</td>
<td>4, 3</td>
</tr>
<tr>
<td>Joint Ventures</td>
<td>11</td>
</tr>
<tr>
<td>5. BOARD OF DIRECTORS</td>
<td>11</td>
</tr>
<tr>
<td>5.1 Board Responsibilities</td>
<td>12</td>
</tr>
<tr>
<td>5.2 Qualifications of Directors/Metings</td>
<td>13</td>
</tr>
<tr>
<td>5.3 Composition of the Board</td>
<td>9</td>
</tr>
<tr>
<td>5.4 Nomination Process</td>
<td>9</td>
</tr>
<tr>
<td>5.5 Eligibility for Appointment to the Board</td>
<td>10</td>
</tr>
<tr>
<td>5.6 Chair</td>
<td>10</td>
</tr>
<tr>
<td>5.7 Vacancies</td>
<td>10</td>
</tr>
<tr>
<td>5.8 Term</td>
<td>10</td>
</tr>
<tr>
<td>5.9 Conflict of Interest Policy</td>
<td>13</td>
</tr>
<tr>
<td>5.10 Confidentiality</td>
<td>13</td>
</tr>
<tr>
<td>5.11 Remuneration</td>
<td>13</td>
</tr>
<tr>
<td>5.12 Removal of Directors</td>
<td>13</td>
</tr>
<tr>
<td>5.13 Board of Directors of Subsidiaries/Structure</td>
<td>14</td>
</tr>
<tr>
<td>6. Shareholder Matters</td>
<td>14</td>
</tr>
<tr>
<td>6.1 Composition of the Board</td>
<td>14</td>
</tr>
<tr>
<td>6.2 Qualifications of Directors</td>
<td>14</td>
</tr>
<tr>
<td>6.3 Council Member Nomination Process</td>
<td>15</td>
</tr>
<tr>
<td>6.4 Tenant Nomination Process</td>
<td>15</td>
</tr>
<tr>
<td>6.5 Citizen Nomination Process</td>
<td>15</td>
</tr>
<tr>
<td>6.6 Chair and Vice-Chair</td>
<td>15</td>
</tr>
<tr>
<td>6.7 Vacancies</td>
<td>15</td>
</tr>
<tr>
<td>6.8 Term</td>
<td>15</td>
</tr>
<tr>
<td>7. SHAREHOLDER MATTERS</td>
<td>16</td>
</tr>
<tr>
<td>7.1 Decisions of the Shareholder</td>
<td>16</td>
</tr>
<tr>
<td>6.27.2 Liaison</td>
<td>16</td>
</tr>
<tr>
<td>7.3 Matters Requiring Shareholder Approval Under the OBCA</td>
<td>17</td>
</tr>
<tr>
<td>6.37.4 Other Matters Requiring Shareholder Approval</td>
<td>17</td>
</tr>
<tr>
<td>6.47.5 Regulatory Matters</td>
<td>18</td>
</tr>
<tr>
<td>78. FUNDING RELATIONSHIP WITH CITY AND OPERATING AGREEMENT</td>
<td>19</td>
</tr>
</tbody>
</table>
1. INTERPRETATION

1.1 Definitions

In this Shareholder Direction the following terms will have the meanings set out below:

"Auditor" means the auditor of TCH;

"Auditor General" means the Auditor General of the City or any Person appointed to act in the place of that individual or their delegate;

"Board" means the Board of Directors of TCH;

"Business" means the business of TCH;

"Business Plan" means an operating and capital Business Plan as defined in Section 10.1.1;

"CEO" means the most senior employee and officer of TCH;

"Chair" means the director of TCH appointed as Chair of the Board from time to time;

"Citizen" means with respect to a Board member or a candidate for such membership an individual who is not a member of Council or a Tenant of TCH and is not related to whether an individual is a Canadian citizen;

"City" means the City of Toronto;

"Community Management Plan" means a rolling three-year business plan including long-term business strategies, key multi-year targets and financial plans, but not including detailed activity plans;

"City CFO" means the Deputy City Manager and Chief Financial Officer of the City of Toronto or any Person appointed to act in the place of that individual or their delegate;

"City Manager" means City Manager of the City of Toronto or any Person appointed to act in the place of that individual or their delegate;

"Council" means the Council of the City of Toronto;

"Financial - Directed by Council" means a direction from City Council, acting on behalf of the City of Toronto in its capacity as Shareholder, to the Corporation, which direction shall be in the form of a recommendation or resolution adopted by City Council which applies to the Corporation or any of its Subsidiaries;

"Financial Management Expertise" means possession of an accounting designation or an equivalent combination of skills and experience providing the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that can reasonably be expected to be raised by TCH's Financial Statements;

"Financial Statements" means, for any particular period, audited or unaudited (as stipulated in this Direction Shareholder Direction), consolidated or unconsolidated (as stipulated in this Shareholder Direction), comparative financial statements of TCH consisting of not less
Corporation

Housing

Community
to

Toronto

Direction

Shareholder

1--1

Definitions

1.1 Definitions (cont'd)

"MTHC" means Metro Toronto Housing Corporation;

"Joint Venture" means an investment in: (a) a general or limited partnership; (b) a joint venture; or (c) any other form of business enterprise with third parties, which investment is held for active operating business purposes and not as a passive or portfolio investment;

"Local Housing Corporation" means a local housing corporation as defined under the Housing Services Act, 2011, S.O. 2011, c. 6, Sched. 1, as it may be amended, replaced or re-enacted from time to time;

"OBCA" means the Business Corporations Act R.S.O. 1990, c. B. 16 (Ontario), and the regulations thereunder, as each statute the same may be amended, replaced or re-enacted from time to time;

"Person" means an individual, a natural person or a body corporate;

"Program Administrator" means the City of Toronto (Shelter, Housing and Support Division) as represented by its Shelter, Support and Housing Administration Division when acting in its role as Service Manager or as the administrator of funding for any other housing program not subject to the HSA and any other regulatory authority or order of government having authority to establish housing program legislation and regulations, or acting as the administrator of funding for housing programs;

"Service Manager" means the City of Toronto (Shelter, Support and Housing Administration Division) when carrying out its roles and responsibilities as a Service Manager under the HSA;

"Shareholder" means the City of Toronto (acting as the owner of TCH); TCH.

"Shareholder Direction" means this Shareholder Direction as it may be amended, revised or superseded from time to time;

"HSA" means the Social Housing Reform Services Act, 2000 and regulations thereunder or successor legislation, as amended from time to time;

"Subsidiary" means, with respect to TCH or "subsidiaries" shall have the meaning ascribed thereto by the OBCA. For ease of reference, these terms refer to any body corporate of which TCH owns directly or indirectly more than 50% of the outstanding securities of any class carrying exercisable voting rights are beneficially owned, directly or indirectly, by TCH, and includes any body corporate in like relation to a Subsidiary;

"Tenants" means the tenants means the tenants of TCH, as defined in the Tenant Protection Residential Tenancies Act, of TCH and of TCH:2006 as amended from time to time.

"TCH" means Toronto Housing Company Inc.

Shareholder Direction to Toronto Community Housing Corporation
“TCH” means Toronto Community Housing Corporation;

1.2 City Officials

Wherever there is a reference to a City official, that reference includes any Person acting in that capacity, or any successor officer appointed or designated as being responsible for the service area included in that office.

2. INTRODUCTION

2.1 City as TCH Shareholder

The City of Toronto has become pursuant to Part III of the SHR, the sole shareholder of TCH. City Council has directed that all assets and operations of TCH, the non-profit housing corporation of which the City is the sole shareholder pursuant to section 13 of the Housing Development Act, be transferred to TCH.

Function

The City of Toronto is the sole shareholder of TCH pursuant to Part IV of the HSA.

2.2 Purposes of this Shareholder Direction

The purposes of this Shareholder Direction are as follows:

- Establishes certain (a) subject to the Board’s authority to manage or supervise the management of the business and affairs of TCH, to provide the Board with the Shareholder’s fundamental principles regarding the Business;

- (b) to recognize the Board’s authority to manage or supervise the management of the Business and affairs of TCH in accordance with this Shareholder Direction;

- (c) to inform the Tenants of TCH and other residents of the City of the Shareholder’s fundamental principles regarding TCH;

- (d) to set out the accountability, responsibility and relationship between the Board and the Shareholder;

- (e) to set out the City’s expectations of and objectives for TCH;

- (f) to set out TCH’s mandate, scope of responsibilities and reporting requirements;

- (g) to establish the Shareholder’s principles, objectives and requirements of governance for TCH and TCH and for TCH’s governance over any Subsidiaries and Joint Ventures;

- (h) includes to set out certain rules of the Service Manager governing the accountability of TCH to the City, as mandated operation of TCH authorized by section 32 subsection 27 (1)(b) of the SHR; and HSA;

- (i) constitutes to constitute in part a declaration by the City pursuant to subsection 108(3) of the OBCA with respect to certain powers of the Board; and
3. OBJECTIVES AND PRINCIPLES

3.1 Purposes

The purposes of this Direction are as follows:

(j) to recognize and provide information on the Board's authority structure of the Board.

3. SHAREHOLDER PRINCIPLES

3.1 Operating Principles

(a) Subject to manage or supervise the management of the business—law, TCH shall conduct its affairs and affairs of TCHC, govern its operations in accordance with this Direction; such rules, policies, directives or objectives as Directed by Council from time to time.

(b) to provide the Board with the Shareholder's fundamental principles regarding TCHC;

(c) to inform the tenants of TCHC of the Shareholder's fundamental principles regarding TCHC;

(d) to inform the other residents of the City of the Shareholder's fundamental principles regarding TCHC; and

(e) to set out the accountability, responsibility, and relationship between TCHC and the Shareholder.

3.2 Shareholder Objectives

3.2.1 The Shareholder's objectives in connection with its relationship with TCHC are as follows:

TCHC will employ its own staff, and subject 3.1.2 TCH is integral to the well-being and the infrastructure of the City. TCH shall conduct its affairs in a manner consistent with the operating principles outlined below:

Governance:

(a) through the Board, TCH will be responsible for determining and implementing the appropriate balance among the following operating principles, causing TCH to conduct its affairs in accordance with the same, and be accountable to the Shareholder for how this balance is achieved;

(b) TCH will establish policies for the management of risk to mitigate financial risks to TCH and to the City as Shareholder and as Program Administrator while maintaining or enhancing service standards and levels of service;

(c) TCH will recognize that there are unique economic, social, and community challenges resulting from the fact that social housing primarily serves Tenants of low and moderate incomes;

(d) TCH shall ensure that the Business is managed in material compliance with all applicable law;
Program Management:

(a)(e) Subject to the terms of this Shareholder Direction, TCH will be responsible for the management of its housing portfolio, and making all policy and operational decisions and being held accountable for these decisions through the submission to City Council of the Community Management Plan (see Section 9.1) and the Annual Report (see Section 9.2);

3.2 Shareholder Objectives (cont'd)

3.2.1 (cont'd)

(e) TCH will utilize its assets for the purposes of providing quality, affordable housing;

(f) the assets of TCH will be maintained in good repair and the usefulness of the assets will be maintained in order to provide quality affordable housing over the long term; in accordance with law;

(g) TCH will act to mitigate financial risks to the City as Shareholder, while service standards and levels are maintained or enhanced;

(h) the tenants of TCH are able to participate in local and corporate decisions through an accountable, democratic system of representation;

(g) TCH will manage its housing portfolio consistent with Council-approved policy objectives and priorities, including the City's long term housing and homelessness plan and all applicable law, including the HSA, and regulations thereunder, and successor legislation, as amended from time to time;

(h) TCH will employ its own staff;

(i) TCH will seek out methods to operate as efficiently as possible including consideration of reviews of programs, services and processes and opportunities to share services with other providers;

(j) TCH will ensure that its policies and business practices are consistent with City standards of public accountability, financial management and transparency for the effective and efficient use of public funds;

Accountability:

(i) TCH will be protected from harassment, in an environment where human rights are upheld;

(j) TCH will support and promote efforts aimed at providing TCH tenants with healthy, safe and sustainable communities;

(k) TCH will support the diversity of its communities through the development and implementation of its policies and plans; and

(k) TCH will be accountable for achieving stated results, and meeting the intent of this Shareholder Direction to the City as Shareholder, and to stakeholders as recipients of its services, meeting the reporting requirements included in this Shareholder Direction.
3.2.2—Organizational changes can have both positive and negative impacts on tenants and staff. TCHC will address the impacts of the transfer of THC assets and operations to TCHC on tenants and staff of TCHC and strive to maximize benefits, while mitigating the risks related to implementation of this Direction and related plans.

3.3—Principles

3.3.1—TCHC recognizes that it is in the best interests of TCHC, tenants and the community of stakeholders whom TCHC affects, that TCHC conduct its affairs in a manner consistent with the principles outlined below.

3.3.2—TCHC will:

(a) conduct its affairs in accordance with the SHRA;

(b) provide quality, affordable housing accessible to those in need and eligible for subsidized housing, as defined from time to time by any Program Administrator and within the parameters of program funding and program regulations;

(c) provide accountable quality service at an affordable cost, on a sustainable basis and use the most appropriate methods for doing so;

(d) operate with an emphasis on service to tenants and tenant satisfaction, and support access to information and services for its diverse communities;

(e) pay due regard for the role of Councillors Members of Council in representing the interest of their constituents and having providing timely access to information concerning the activities of TCHC respectively in the City and in their wards;

3.3—Principles

3.3.2 (cont'd)

(f) conduct its affairs with an aim to support the ability of tenants to retain their housing with TCHC, live independently, and where it is possible, in accessible buildings;

(g) promote communities in which there is a diversity of incomes and a mix of rent geared-to-income and market rent paying tenants, within housing program limitations;

(h) ensure that policies and programs are consistent with the goal of reducing homelessness and providing affordable housing;

Tenant Relations:

(i)(m) TCH will consult with tenants through the tenant efficient and effective Tenant participation system that is to be developed on issues and policies that will have an impact on service standards or the level of services, and communicate such policies and changes to policies to all tenants;

(f) through the Board be responsible for determining and implementing the appropriate balance among the foregoing principles and for causing TCHC to conduct its affairs in
accordance with the same, and will be held accountable by the Shareholder for how this balance is achieved; and

(k) recognize that social housing primarily serves tenants of low and moderate incomes and accommodates their needs where possible.

(n) Business TCH will provide Tenants with housing intended to respond to their housing needs and wherever possible within communities where there is a diversity of incomes and a mix of rent geared-to-income and market rent paying Tenants;

(o) TCH will operate with an emphasis on supporting opportunity and independence for Tenants, providing responsive customer service, promoting Tenant satisfaction and supporting access to information and services by its diverse communities; and

(p) TCH will link Tenants with organizations that provide programs and policies aimed at assisting Tenants.

4. MANDATE OF THE TORONTO COMMUNITY HOUSING CORPORATION

4.1 Business Mandate of TCH

Subject As a Local Housing Corporation, the core mandate of TCH is to provide affordable and subsidized rental housing in a state of good repair to low and moderate income households in Toronto.

In support of this mandate, and subject to the ongoing ability of TCH to meet abide by this Shareholder Direction, the financial objectives as established through funding arrangements with established by any Program Administrator and the ability of the Board to demonstrate the same, and in support of the mandate to provide affordable housing, TCH, directly or through Subsidiaries or through Joint Ventures, partnerships, or through arrangements for the purchase of services, may engage in any of the following business activities, consistent with TCH's Articles of Incorporation and the Shareholder Direction to Toronto Community Housing Corporation:

(a) own, operate or have an ownership interest in rental housing and affordable-ownership housing and provide related services;

(b) develop new affordable housing and subsidized rental housing including the revitalization and redevelopment of TCH lands and buildings in partnership with the City, other orders of government and other parties where considered appropriate by Council;

(c) redevelop existing housing sites to facilitate the development of affordable ownership housing through the revitalization and redevelopment of its lands and buildings in partnership with the City, other orders of government and other parties where considered appropriate by Council;

(d) develop and operate commercial space and other commercial services in support of meeting business objectives;

(e) provide housing related services to third parties;

(f) provide services to tenants through other organizations beyond the shareholder direction to Toronto Community Housing Corporation.
basic residential landlord obligations;

(g)(f) manage an investment program for reserves and other funds, and borrow funds to meet long and short term requirements, subject to the conditions outlined in Section provisions of Sections 6.3 and 6.4; and

(h)(g) deliver program-related services on behalf of any Program Administrator including, but not restricted to, management of waiting lists and rent supplement programs.

4.2 — Creation of Subsidiary Companies

4.2.1 TCH, may from time to time, create one or more Subsidiaries to meet its goals. TCH will consult with the City Manager regarding the business purpose and financing of any proposed subsidiary prior to the creation of any subsidiary.

4.2.2 Subsidiaries may be wholly owned, or may be corporations in which TCH has a majority interest. Where Subsidiaries are created, TCH

4.2.2 Subject to any matters requiring approval of the Shareholder pursuant to this Shareholder Direction, the Business and affairs of the Subsidiaries will be managed or supervised by their respective boards of directors.

4.2.3 TCH will appoint the Directors of the Subsidiaries from among the directors and officers of TCH or establish and follow a process for the nomination and appointment of the Directors that is approved by the Shareholder.

4.2.4 Members of the Board or officers of TCH shall comprise a majority of the Board of Directors of any Subsidiary.

4.2.5 The Chair and Vice-Chair of the Board of Directors of any Subsidiary shall be a member of the Board of TCH.

4.2.5 When a Subsidiary is created, TCH will so inform the Shareholder at the earliest possible opportunity, and include information related to the purpose, governance, structure, board composition, operations, financing and such other such information as may be relevant requested by the City Manager.

4.2.4 Where Subsidiaries are created, there will be compliance with paragraph 5.13.2.

5. — OPERATION AND CONTROL

5.1 — Board Responsibilities

Subject to any matters requiring approval, Upon the creation of the a Subsidiary, TCH shall establish a Shareholder pursuant to this Direction, for that Subsidiary that applies the same business principles and affairs of TCH, including the following specific matters:

Shareholder Direction to Toronto Community Housing Corporation
(a) establishing annual standards of accountability and long-range strategies and plans consistent with the provisions of this Direction;

(b) establishing policies consistent with the articles of this Direction and the CRRR and all other relevant legislation;

(c) establishing and maintaining reporting, with appropriate reserves consistent with sound financial principles and the program regulations established by any Program Administrator from time to time;

(d) selecting bankers and other financial institutions and establishing all banking authorities;

(e) appointing the officers of TCHC and appointing the senior officers of the Subsidiaries; and

(f) managing and directing all labour and employee relations matters.

5.2 Qualifications of Directors

In naming directors to the Board the Shareholder will give due regard to the qualifications of citizen candidates, and ensure that the Board collectively represents a range of relevant expertise including:

(a) knowledge of the social housing area;

(b) housing advocacy;

(c) community development;

(d) business and financial management;

(e) understanding of corporate governance responsibilities;

(f) organizational development;

5.2 Qualifications of Directors (cont'd)

(g) labour relations;

(h) legal aid experience; and

(i) social services for hard-to-serve tenants.

5.3 Composition of the Board

The Board will be composed of 13 Directors, comprised of 9 citizens, 2 of whom shall be tenants and 4 members of Council, one of whom shall be the Mayor, or the Mayor's designate.

5.4 Nomination process

5.4.1 Council member nominations

Council members will be nominated for appointment to the Board on the recommendation of the Striking Committee or through any other process approved by Council from time to time.
5.4.2—Citizen nominations

Members who are not nominated through the tenant nominations process outlined in paragraph 5.4.3, and which may include tenants, will be nominated for appointment to the Board by recommendation of the Nominations Committee, arrived at through a process approved by Council from time to time.

5.4.3—Tenant nominations

Tenants will be nominated for appointment to the Board by the Nominations Committee, or any other committee of Council, as determined by Council from time to time, having regard to the recommendations of the tenants, formulated through a process approved by Council from time to time, in the normal course of events the recommendations of tenants to the Nominations Committee will be forwarded to Council.

5.5—Eligibility for appointment to the Board

4.2.7 To be eligible for Board membership, the person must not be disqualified from being a director under the OBCA, and shall be a resident CanadianTCH, to the Subsidiary as defined in the OBCA (Canadian citizens or Landed Immigrant), and residing in or pay property taxes to are applied to TCH by the City through this Shareholder Direction.

5.6—Chair

The Shareholder will select the Chair of the Board of Directors and the Board will elect the Shareholder-selected Chair. In the event the Chair resigns or otherwise vacates the position of Chair—prior to the end of the term, the Shareholder may choose to select a new Chair to sit until the end of the term, or to ask the Board to elect a Chair from among its members.

5.7—Vacancies

If a member of the Board ceases to be a director for any reason, the Shareholder will fill the vacancy created thereby as soon as reasonably possible. If a member of the Board of Directors of any Subsidiary ceases to be a director for any reason, TCHC will cause the vacancy to be filled by another director or officer of TCHC as soon as reasonably possible.

5.8—Term

5.8.1 The term of the first City-appointed Board will start on the date of appointment by the Shareholder and end on December 31, 2003, or until a successor is appointed.

5.8.2 Thereafter, the term of the citizen and tenant directors will be for a period of three years. The term of Councillor Directors will be for a period of 18 months. Directors may be re-appointed to the Board.

5.9—Conflict of Interest Policy

4.2.8 The TCH will not permit a Subsidiary to incur or create any indebtedness or interest or issue any security which impairs the ability of TCH to comply with the provisions of Section 6.4.

4.2.9 TCH shall ensure that the directors and officers of TCHC and the Subsidiaries will strictly abide by the requirements of the OBCA, the SHR, and any related TCH, the HSA. TCH shall adopt and apply a policy in respect of, consistent with that of the City, regarding conflicts of interest, including any requirements in respect of concerning disclosure and abstention from voting.

Shareholder Direction to Toronto Community Housing Corporation
5.10—Confidentiality

4.2.10 The directors and officers of TCH and the Subsidiaries, and the Shareholder will ensure that no confidential information of TCH or the Subsidiaries is disclosed or otherwise made available to any Person, except to the extent that:

(a) disclosure to the Shareholder’s or TCH’s Subsidiary’s employees or agents is necessary for the performance of any of their duties and obligations under this Shareholder Direction; and

(b) disclosure is required in the course of judicial proceedings or pursuant to law; or the confidential information becomes part of the public domain (other than through unauthorized disclosure by any party); and.

the Shareholder and TCH will abide by all terms of the Municipal Freedom of Information and Protection of Privacy Act.

4.2.11 If a member of the Board of Directors of any Subsidiary ceases to be a director for any reason, TCH will cause the vacancy to be filled by another director of TCH as soon as reasonably possible.

4.3 Joint Ventures

4.3.1 TCH, may from time to time, invest in one or more Joint Ventures to meet its goals. TCH will consult with the City Manager regarding the business purpose, financing, governance structure and reporting requirements of any proposed Joint Venture prior to its creation.

4.3.2 Each Joint Venture will provide TCH with such reporting as TCH considers appropriate but at a minimum includes the Joint Venture's annual Financial Statements, the achievement of financial and service targets or other performance indicators and such explanations, notes and information as is required to explain and account for any variances between actual results from operations and the targets set out in its annual business plan or budget.

4.3.3 When a Joint Venture is created, TCH will so inform the City Manager at the earliest possible opportunity, and include information related to the purpose, governance structure, board composition, operations, financing and such other information as may be requested by the City Manager.

4.3.4 TCH will not invest in a Joint Venture that will undertake actions that TCH would otherwise be prohibited from doing by the terms of this Shareholder Direction.

4.3.5 TCH shall ensure that no Joint Venture shall incur or create any indebtedness or interest or issue any security which impairs the ability of TCH to comply with the provisions of Section 6.4.

4.3.6 If a member nominated by or representing the interests of TCH on any board of Directors or other governing body of any Joint Venture ceases to be a member for any reason, TCH will cause the vacancy to be filled by another director or officer of TCH as soon as reasonably possible.

5. BOARD OF DIRECTORS

Shareholder Direction to Toronto Community Housing Corporation
5.1 Board Responsibilities

Subject to any matters requiring approval of the Shareholder pursuant to this Shareholder Direction, the Board will supervise the management of the Business and affairs of TCH, including the following specific matters:

(a) establishing annual and long range strategies and plans consistent with the provisions of this Shareholder Direction;

(b) establishing policies and other directives consistent with this Shareholder Direction, the HSA and all applicable law, and best practices of corporate governance and financial and risk management;

(c) establishing and maintaining appropriate reserves consistent with sound financial principles and the program regulations established by any Program Administrator from time to time;

(d) selecting bankers and other financial institutions and establishing all banking authorities;

(e) managing and directing all labour and employee relations matters;

(f) establishing a committee of the Board that is responsible for, among other matters, TCH’s Financial Statements and auditing compliance by TCH with this Shareholder Direction and the compliance of TCH staff with Board policies;

(g) the membership of the Board’s Corporate Affairs and Audit Committee or its successor shall have Financial Management Expertise;

(h) establishing such other committees of the Board as the Board determines are appropriate, and delegating to the committees such authority as the Board determines is appropriate, provided that the delegation of that authority is permitted under the OBCA;

(i) the committee of the Board responsible for policies regarding and the calculation of the compensation of senior TCH executives shall ensure that such remuneration generally aligns with City executive compensation plans and shall include a member of the Board who is a Member of Council;

(j) appointing the CEO, approving the terms of his or her 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;

(k) appointing the officers of TCH, other than the Chair who is appointed by the Shareholder;

(l) taking all necessary steps as permitted by law to ensure that senior executive compensation, is disclosed as part of annual reporting to the Shareholder;

(m) approving and submitting to the Shareholder the Annual Report referred to in Section 9.2, the Business Plan referred to in Section 9.1, annual report on Director remuneration and expenses referred to in Section 5.10 and TCH’s annual audited
consolidated and unconsolidated Financial Statements and the report of the Auditor thereon referred to in Section 9.6;

(n) 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 TCH staff; and

(o) ensuring that TCH has a whistle blower protection policy.

The Board will use its best efforts to ensure that TCH meets the financial performance standards set out in each Business Plan.

5.2 Meetings

Meetings of the Board and its committees shall be open to the public, except where matters may be considered in camera for the reasons set out in Section 190 of the City of Toronto Act, 2006. Advance public notice of the agenda is required.

5.3 Conflict of Interest Policy

The directors and officers of TCH will strictly abide by the requirements of the OBCA and the HSA. TCH shall adopt and apply a policy, consistent with that of the City, regarding conflicts of interest, including requirements concerning disclosure and abstention from voting.

5.4 Confidentiality

The Shareholder and the Directors and officers of TCH will ensure that no confidential information of the Shareholder or TCH is disclosed or otherwise made available to any Person, except to the extent that:

(a) disclosure to the Shareholder's or TCH's employees or agents is necessary for the performance of any of their duties and obligations under this Shareholder Direction; and

(b) disclosure is required in the course of judicial proceedings or pursuant to law;

(c) or the confidential information becomes part of the public domain (other than through unauthorized disclosure by any party).

5.5 Remuneration

The remuneration of the members of the Board for their services as directors will be as authorized by Council from time to time. TCH will reimburse Directors for all reasonable expenses. The Board shall report to the Shareholder the total remuneration and expenses paid to each Director using the protocols established by the City CFO from time to time.

5.6 Removal of Directors

A Director may be removed from the Board by the Shareholder in accordance with the OBCA— for any reason as may be determined by the Shareholder. TCH shall advise the Shareholder immediately...
when there is cause for removal of a Director. The reasons for such removal may include, but are not restricted to:

(a) breach of the Director's obligations under the OBCA;
(b) conflict of interest that cannot be resolved in any other manner satisfactory to the Board;
(c) engagement in activities that are deemed by the Board to have an adverse impact on their duties as a Board member; and
(d) ceasing to meet the eligibility criteria of requirements in the Public Appointments Policy for a Board member as described in Section 5.5 above; and

5.13—Board of Directors of Subsidiaries

(e) Subject to any matters requiring attendance three or more consecutive meetings of the Board or its committees without approval of the Board.

6. BOARD STRUCTURE

Without restricting the rights of the Shareholder pursuant to this Direction, the business article provides information regarding City Council's “Public Appointments Policy” and “Policy on Board Governance Structures” as amended from time to time.

6.1 Composition of the Subsidiaries Board

The Board will be managed or supervised by their respective boards composed of directors. TCHC will appoint the Directors, comprised of the Subsidiaries from among the directors 7 Citizens, 2 Tenants and officers 4 members of TCHC or establish a process for Council, one of whom shall be the Mayor, or the nomination and appointment Mayor's designate as appointed by Council.

6.2 Qualifications of Directors

6.2.1 In naming directors to the Directors Board, the Shareholder will give due regard to the provisions of Council's "Public Appointments Policy" and "Policy on Board Governance Structures", the retention of incumbent Board members to provide institutional memory, and the qualifications of individual candidates to ensure that the Board collectively represents a range of relevant skills, knowledge and experience, including the following:

5.13.2 TCHC will establish Shareholder Directions for Subsidiaries that are consistent with this Direction and ensure accountability to TCHC.

6. Shareholder MATTERS

(a) knowledge of the field of social housing;
(b) housing advocacy or community development;

Shareholder Direction to Toronto Community Housing Corporation
(c) land development;
(d) property management;
(e) business management;
(f) corporate governance;
(g) organizational development;
(h) labour relations;
(i) business law; and
(i) social services for hard-to-serve Tenants.

6.2.2 At least one member of the Board shall possess Financial Management Expertise.

6.3 Council Member Nomination Process

Council members will be nominated for appointment to the Board on the recommendation of the Striking Committee or through any other process approved by Council from time to time.

6.4 Tenant Nomination Process

Having due regard to the qualifications of directions set out in Sub-section 6.2.1, Tenants will be nominated for appointment to the Board by the City Corporation Nominating Panel, or a committee of Council, as determined by Council from time to time, having regard to the recommendations of the Tenants, formulated through a process approved by Council from time to time. In the normal course of events the recommendations of Tenants to the Corporation Nominating Panel will be forwarded to Council.

6.5 Citizen Nomination Process

Citizens who are not Tenants will be nominated for appointment to the Board by the City Corporation Nominating Panel pursuant to Council's Public Appointments Policy.

6.6 Chair and Vice-Chair

The Shareholder will select the Chair of the Board. In the event the Chair resigns or otherwise vacates the position of Chair prior to the end of the term, the Shareholder may choose to select a new Chair to sit until the end of the term, or ask the Board to elect a Chair from among its members. The Board shall elect a Vice-Chair from amongst its members who shall act as Chair in the absence of the Chair.

6.7 Vacancies

If a member of the Board ceases to be a director for any reason, TCH shall inform the Shareholder and the Shareholder will fill the vacancy created thereby as soon as reasonably possible.

6.8 Term

6.8.1 Councillor, Citizen and Tenant Directors serve at the pleasure of the Shareholder for a term as

Shareholder Direction to Toronto Community Housing Corporation
specified by the Shareholder or until their successor is appointed. Directors may be reappointed to the Board.

6.8.2 The term for Members of Council appointed to the Board shall be twenty-four months. Incumbent Councillor Directors may be reappointed as the Shareholder may determine.

6.8.3 The term for Citizen and Tenant Directors shall be two years, with a renewal term of two years for a total of four years without a formal recruitment process. Where any Citizen or Tenant Director has served for two consecutive two year terms the Shareholder shall proceed with a formal recruitment process prior to reappointment. Citizen and Tenant Directors may serve a maximum of four two year terms.

6.8.4 Councillor Directors cease to be Directors as soon as they cease to be Members of Council.

6.8.5 Tenants appointed to the Board shall cease to be Directors as soon as they cease to be TCH Tenants.

7. SHAREHOLDER MATTERS

6.4 7.1 Decisions of the Shareholder

The following will apply to any approvals or decisions that the Shareholder must provide:

(a) all approvals and decisions will be communicated writing signed by an authorized signatory of the Shareholder; and

(b) where Shareholder approvals are required TCHC will give reasonable advance notice in writing of the need for approval and will provide such information as is reasonably necessary for the Shareholder to make an informed decision regarding the subject matter requiring approval.

6.2 Where TCH wishes to obtain an approval or decision from the City, TCH shall submit a written request to the appropriate City liaison for the approval or decision which includes all information necessary for the City to make an informed decision. TCH shall submit its request and supporting information in a timely manner that enables the City liaison to comply with deadlines for submission to Committees and Council. The City Manager, the City CFO or the Service Manager, as appropriate, shall determine how a particular matter for which approval or decision has been requested will proceed.

7.2 Liaison

7.2.1 For matters requiring Shareholder approval or other action regarding governance matters set out in this Shareholder Direction and intergovernmental matters, the designated liaison is the City Manager.

7.2.2 TCH shall ensure that proposals to change Provincial or Federal legislation, policies or programs are co-ordinated with the City Manager's Office and TCH shall follow such protocols as are established by that office from time to time.

7.2.3 For financial matters set out in Sections 9.5, 9.6 and 5.11, the designated City liaison is the City CFO.

Shareholder Direction to Toronto Community Housing Corporation
7.2.4 For matters concerning TCH's administration of programs within the scope of the HSA or pursuant to agreements between TCH and the Service Manager, the designated City liaison is the General Manager, Shelter, Support and Housing Administration Division.

7.3 Matters Requiring Shareholder Approval under the OBCA

In accordance with the provisions of the OBCA, neither TCH nor TCH will not, and will not permit any Subsidiary will to, without the approval of the Shareholder:

(a) apply to make changes to the Articles of Incorporation;

(b) amalgamate (except for an amalgamation with one or more Subsidiaries), apply to continue as a body corporate under the laws of another jurisdiction, merge, consolidate or effect a reorganization as defined in the OBCA, or approve or effect any plan of arrangement, in each case whether statutory or otherwise;

(c) take or institute proceedings for any winding up, arrangement, corporate governance or legal reorganization or dissolution;

(d) create new classes of shares or reorganize, consolidate, subdivide or otherwise change its outstanding securities;

(e) dispose of, by conveyance, transfer, lease, sale and leaseback, or other transaction, all or substantially all of its assets or undertaking, with the exception of entering into residential and commercial leases for the units and commercial spaces of TCH;

(f) change the Auditor;

(g) make any change to the number of directors comprising the Board, or appoint Directors; and

(h) enter into any transaction or take any action that requires shareholder approval pursuant to the OBCA.

6.3.4 Other Matters Requiring Shareholder Approval

6.3.4 Without the approval of the Shareholder TCH will not:

(a) create any additional indebtedness that would require additional payment in the form of subsidies from any Program Administrator, not including the impact of increased subsidy payments that may be required pursuant to other program cost increases as identified in any agreement with any Program Administrator and not including the renewal of existing mortgages and loans;

(b) sell real property assets used for the purposes of providing rent-geared-to-income and market housing, or which are zoned or deemed suitable for housing purposes; but not including assets which are not zoned or deemed suitable for housing or that are used

Shareholder Direction to Toronto Community Housing Corporation
for commercial purposes;

(c) subject to Section 9, proceed with re-development/revitalization projects, or material changes in the number or distribution of rent-gelled-to-income units, including changes to targeting plans, without prior approval of the City as Shareholder; and Service Manager;

(d) appoint new directors to fill vacant positions on the Board; and

(e) pass or amend any by-laws

(i) with respect to the composition or number of Directors or the term of Directors;

(ii) that are inconsistent with this Shareholder Direction; or

(e) THC will, where by-laws unless the Shareholder approves otherwise, THC shall not, and by-law amendments have been approved shall ensure that the Subsidiaries do not, provide any financial assistance, whether by loan, guarantee or otherwise, to any director, officer or employee of the Corporation or of any Subsidiary or Joint Venture.

6.3.2 7.4.2 Subject to Sections 6.3 and implemented by 6.4, the Board, seek Shareholder approval for such may by resolution make, amend, or repeal any of its by-laws and by-law the changes take effect at such time as the Board approves. Such changes shall be submitted to the City, as shareholder, immediately upon approval by the Board for Council approval. If Council makes any amendments to any by-law passed by the Board, the amendments. Where such approval is denied, THC will cease to implement such by-laws take effect when approved by Council and by-law amendments are not retroactive, in accordance with Section 116 of the OBCA, as amended from time to time.

6.4 7.5 Regulatory Matters

6.4.5.1 Social housing

Social THC shall, at all times, act in compliance with all applicable law in its administration of social and affordable housing legislation, regulations, programs and existing operating agreements set a complex framework for the administration of THC housing. THC is managing programs under federal and provincial jurisdiction. There is, in this context, the possibility of conflict between approval or direction or other requirement of the Shareholder under this Direction and any decision, order or policies of any Program Administrator as these relate to the administration of programs and interpretation of regulations under the SIRA. Where such conflicts are identified, THC will:

(a) notify all parties of such conflicts and request to consult on how best to meet the interest of the arise between statutory obligations and this Shareholder; and

(b) Direction, THC shall notify the Shareholder and seek the cooperation of the Program Administrator Service Manager in ensuring that issues that require Provincial intervention are rapidly resolved and quickly.

(c) after the consultation outlined above notify the Shareholder whether the specific direction can be met or whether the province or other regulatory authorities have a greater authority in the matter at hand.
6.4 — Regulatory Matters (cont’d)

6.4.7.5.2 Other legislation

TCH is subject to a variety of legislation that governs its operations and sets out the responsibilities of the Board such as the Tenant Protection HSA, Residential Tenancies Act, the Human Rights Code, and municipal property standards by-laws. In all cases such legislation will prevail over this Shareholder Direction and any other direction of the Shareholder where there is a conflict between these directions and such legislation.

78. FUNDING RELATIONSHIP WITH CITY AND OPERATING AGREEMENT

78.1 General

78.1.1 Provincial and federal devolution of housing program responsibilities has given the The City has a dual role in social housing — that of an owner, the Shareholder of TCH, which in turn owns a large portfolio of housing, as well as that of being the administrator designated Service Manager of social housing programs. TCH under the HSA, TCH and other social housing providers in the City participate in these programs. Through the SHR, the Province has considerable powers over the City as a Program Administrator Service Manager, and over TCH as a housing provider corporation. The powers of TCH and of the City as Shareholder, may, in certain circumstances, be subject to Provincial authority.

8.2 Scope of Operating Agreement

8.2.1 The role of the City as Program Administrator Service Manager and that of TCH as a Local Housing Corporation is governed by the SHR, and for TCH the relationship of the two parties shall be defined in an Operating Agreement with TCH between the City and TCH. The parameters of such agreement are identified in subsection 7.2 and Sections 7.3 and 7.4 below, and relate to service level standards, implementation of the flow of subsidies, detailed program program-level reporting and other such issues.

8.2.2 The funding relationships between the City and TCH do not constitute a guarantee by the City of any debt issued or payable by TCH.

7.2 8.3 Operating Agreement Principles

Within the first six months of the appointment of the new Board of Directors, TCH will negotiate and enter into maintain an Operating Agreement with the City, with the City’s accountability through its Commissioner, Community the City General Manager, Shelter, Support and Neighbourhood Services, Housing Administration. The Operating Agreement shall be based on the following principles:

(a) both parties will seek to ensure stable and predictable funding for TCH to mitigate any impacts on tenants from program funding decisions TCH;

(b) TCH will seek out methods to operate as efficiently as possible including consideration of reviews of programs, services and processes and opportunities to share services with other providers and the City;

(b) both parties will seek to simplify and harmonize the social housing program structures
and funding models in order to reduce administration costs; and;

(d) the City both parties will require to ensure that reporting relationships and lines of accountability between them are clear and transparent;

(e) TCH will provide financial and other information and forecasts as requested by the City to help establish or validate an appropriate level of financial support from the City that is consistent with the requirements of the HSA; and

(g) TCH will comply with City budget requirements, information requests and communication protocols as determined from time to time to ensure that the City receives timely information required to prepare its budgets and fulfill its reporting obligations to the Province and other agencies.

7.3 8.4 Operating Agreement Contents

7.3.4.1 The Operating Agreement to be entered into by the City and TCH will be for the purpose of defining how TCH will meet the requirements legislated under the SHR+HSA, and how social housing programs under which TCH operates will be administered.

7.3.2 8.4.2 The Operating Agreement will include, but not necessarily be limited to:

(a) defining number of rent-gear-d-to-income units to be adhered to by TCH;

(b) format and timing for provision of budget and other financial information as deemed appropriate by the City CFO to the Shelter, Support and Housing and Support Administration Division in order to prepare their budget;

(c) format and timing for program reporting required by the Shelter, Support and Housing and Support Administration Division to fulfill Service Manager obligations under the SHR+HSA;

7.3 Operating Agreement Contents (cont’d)

7.3.2

(d) method and timing for the payment of subsidies to TCH;

(e) method for calculation of the amount payable to TCH; and

(f) identification of the Program Administrator’s Service Manager’s delegated responsibilities to TCH under the SHR+HSA.

7.4 8.5 Other City Program Funding

7.4.1 The City may, from time to time, request of TCH that it perform certain functions and assume certain responsibilities that may include but are not limited to:

(a) operation of a centralized-waiting list system for applicants to social housing in the City;

(b) operation of a rent supplement program; and

(c) management and facilitation of support programs for Tenants in

Shareholder Direction to Toronto Community Housing Corporation
8. GOVERNING DIRECTIONS

9. TENANT MATTERS

8.4 9.1 Tenant Participation System

8.4.1 Prior to September 30, 2002, TCH and the tenants will develop and maintain a democratic system of active tenant participation and involvement that will:

(a) provide a tenant council structure or similar organization;

(b) provide for tenant input for decisions at the corporate and local levels;

(c) provide for tenant input for setting local spending priorities and service levels;

(d) be based on the best practices current systems in place in MTHC and THC; and

(e) include a process to identify tenants to be proposed for appointment to tenant representation on the Board as contemplated by paragraph 5.4.3 Section 6.1.

8.1.2 The system of tenant participation will respect the terms of this Shareholder Direction and the financial targets and performance benchmarks that are established for TCH by any Program Administrator Service Manager.

8.2 Employment and Related Matters

The Shareholder expects that:

TCH will abide by all relevant employment and occupational health and safety legislation in the conduct of its operations, and will develop appropriate policies in areas such as, but not limited to, fair wages for contracted services consistent

9.2 Tenant Relations

Shareholder Direction to Toronto Community Housing Corporation
(a) TCH shall, in consultation with that of the City of Toronto and employee compensation to address these objectives; and

(b) TCHC will be responsible for determining how the obligations in clause 8.2(a) are to be carried out, recognizing its responsibilities as a public sector employer that is a model to the community.

8.3 Other matters

8.3.1 TCHC will, within the first year of operation, and in consultation with tenants Tenants, and their representatives, and other parties as required, maintain and apply:

(a) implement in the first year of operation an eviction prevention policy with an aim to reduce evictions for non-which aims to balance efforts to ensure the payment of rent and maintain while facilitating the tenancies of households experiencing financial difficulties in paying rent;

(b) ensure that there will be a system of local accountability established between TCH and tenants Tenants such that tenants Tenants are informed of the operating budget for the communities in which they reside, capital plans, and that there is regular reporting on the achievement of the budget targets and progress on plans for repairs and renovations;

(c) implement in the first year of operation a complaint process that is accessible, transparent, that advocates on behalf of tenants Tenants to seek a solution to their complaints, and that respects the management accountabilities within TCH and allows for the review of operational decisions at a senior level within TCH;

(d) put in place tendering and purchasing practices that ensure that TCH will manage all financial transactions in a transparent and open manner.

8.3.2 TCHC will report on matters identified in subsections 8.1, 8.2 and 8.3 in the Annual Report and/or the Community Management Plan.

8.4 Members ensure that Tenants of the social housing sector

(d) TCHC will be protected from harassment, in an active participant in the social housing sector and seek to identify and support, directly or through its work with associations, opportunities for sector cooperation, information sharing and other activities that promote an effective partnership among stakeholders, the efficient use of resources and effective operations and programs. TCHC will advocate on behalf of TCHC and other social housing providers on issues related to the supply, quality and affordability of housing in the community environment where human rights are respected and upheld; and

(e) TCH will ensure that all communications with Tenants will be undertaken in English and the language of the Tenant’s choice.

10 ACCOUNTABILITY

10.4 Community Management 10.1 Business Plan

Shareholder Direction to Toronto Community Housing Corporation
9.1.1 The Board will approve and submit to the Shareholder a Community Management Plan developed in accordance with this Section 9.1, for TCHC’s 2002-2004 fiscal years by December 31, 2001 or any other date set by the Shareholder in consultation with the Board.

9. ACCOUNTABILITY (CONT'D)

Community Management Plan (cont'd)

9.1.2 In each subsequent year TCHC will submit to the Shareholder its next Community Management Plan to permit consideration at its October meeting, or any other date set by the Shareholder in consultation with the Board. Each such plan will cover a rolling three-year period, and include a long-range outlook beyond the plan horizon.

9.1.3 Each Community Management Plan will outline for a period of three years:

anticipated results for the year in progress

10.1.1 Each Business Plan will be a four year business plan that is reviewed and updated annually and includes:

(a) long term business strategies and objectives and strategic goals but not including detailed activity plans for the period covered by the Business Plan;

(b) key issues and challenges facing TCHC;

(c) key strategies to be implemented to resolve key issues facing TCHC;

(d) aggregate budget estimates;

(e) financial—a four year operating budget and a 10 year capital plan with a long range outlook beyond the plan horizon, with explanatory notes and assumptions;

(f) financial and service targets and performance measures in accordance with Section 4.3 based on benchmarks set out in regulations pursuant to the HSA or established in the Operating Agreement or Business Plan;

(g) strategies to address material enterprise risks;

(h) service level targets and changes;

(i) performance indicators;

(j) environmental and energy efficiency targets; and

(k) major initiatives to be undertaken by TCHC in the medium and long term, and

other matters as may be required by the Shareholder.

9.1.4 TCH will identify the issues and directions of TCHC in the management of its housing portfolio, including any proposals to convert to co-operative housing corporations or implement other forms of self-management.

10.1.3 TCH will submit its Business Plan to the Shareholder annually at a date specified by the City to permit due consideration and inclusion in the City's financial planning process.

10.1.4 TCH will provide the draft Business Plan to the City Manager so that a report may be

Shareholder Direction to Toronto Community Housing Corporation
prepared for consideration by Council in order that the City may provide comment to the Board on the draft Business Plan, the including its financial targets and major initiatives, to ensure strategic alignment with City goals and objectives. Such comments will be included in the preparation of detailed action plans approved by the Board. The spending estimates, including separate capital and operating budget requirements, included in the Community Housing Division budget estimates for social housing programs.

9.2 10.2 Annual Reporting

9.2.1 Within 120 days after the end of the fourth fiscal quarter, $\text{TCH\text{year}}, or as requested by the City, TCH will prepare an annual report for approval by the Board and submit this report to the Council, through the Policy and Finance Committee. City Manager. This report will include:

(a) objectives, accomplishments since the prior year and performance trends;

(b) such explanations, notes and information as is required to explain and account for any variances between the actual results from operations and the budgeted amounts set forth in the current Community Housing Division Business Plan, and any material variances in the projected ability of any business activity to meet or continue to meet the financial objectives of the Shareholder;

(c) the achievement of the financial and service targets set out in the Business Plan or the Operating Agreement and such explanations, notes and information as is required to explain and account for any variances between the actual results from operations and the targets established in the Business Plan or the Operating Agreement;

(d) initiatives to provide responsive customer service;

(e) tenant engagement activities;

(f) information that is likely to materially affect the Shareholder's financial objectives;

(g) information that is likely to materially affect tenants' views or opinions regarding TCH;

(h) information regarding any matter, occurrence or other event which is a material breach or violation of any law, including major findings of internal and other audits;

9.2 Annual Report (cont'd)

9.2.4

(i) information regarding the performance of TCH such that the Shareholder can determine that the Shareholder Direction has been respected;

(j) information regarding the number of evictions each year and the rationale for these evictions;

(k) information on the disposition and uses of funds provided to TCH by the City.

Shareholder Direction to Toronto Community Housing Corporation
(I) the status of the sale of any properties and on any tenant or community impacts resulting from such sales; and

(f)(m) any such additional information as the Shareholder may specify from time to time; and

(g) information regarding the number of evictions each year, the rationale and the cost of these evictions.

9.2.2 TCHG10.2.2 TCH's Annual Report will be consistent with, but not in lieu of, other reporting that the Program Administrator, Service Manager may require that is consistent with the social housing program funding requirements or otherwise agreed to by the Board.

10.2.3 TCH will report on matters identified in Sections 8.1, 8.2 and 8.3 in the Annual Report or the Business Plan.

10.2.4 TCH will provide a report on senior executive compensation as permitted by law to the City Manager annually.

9.3 10.3 Access to Records

10.3.1 The duly appointed representatives of the Shareholder (as specified in Section 9.3.2 or as approved by report to Council from time to time) shall have unrestricted access to the books and records of TCH and the Subsidiaries during normal business hours. Such representatives shall treat all information of TCH with the same level of care and confidentiality as any confidential information of the Shareholder.

10.3.2 The City Manager, the City CFO, the City General Manager, Shelter, Support and Housing Administration, the City Solicitor and the Auditor General or their designates are deemed duly appointed representatives of the City.

9.4 10.4 Audit

10.4.1 The auditor Auditor will be appointed in accordance with the OBCA. TCH The Board will determine the remuneration for the Auditor. The annual consolidated and unconsolidated financial statements Financial Statements of TCH will be audited by the Auditor.

10.4.2 All other audit and review requirements, including internal audits, will be the sole responsibility of the Board.

10.4.3 The Auditor General may conduct periodic operational audits. All reports by the Auditor General shall be considered first by the Board and be forwarded immediately thereafter by the Board or the Auditor General to the City Audit Committee for consideration and recommendation to City Council.

9.5 10.5 Accounting

TCH will adopt and use the accounting policies and procedures that may be approved by the Board from time to time and all such policies and procedures will be in accordance with generally accepted accounting principles and applicable regulatory requirements.

9.6 Annual 10.6 Financial Statements

Shareholder Direction to Toronto Community Housing Corporation
10.6.1 The Board will deliver to the City Manager and the City CFO, as soon as practicable and in any event within 120 days after the end of each fiscal year, the audited consolidated and unconsolidated annual Financial Statements of TCH for consideration by the Shareholder, including information concerning its Subsidiaries and Joint Ventures as Directed by Council, for consideration by the Shareholder.

10.—FINANCIAL PERFORMANCE

10.6.2 TCH shall provide quarterly unaudited Financial Statements to the City CFO within 90 days after the end of each fiscal quarter.

10.4 11. FINANCIAL PERFORMANCE YEAR END

The Board will use its best efforts to ensure that TCH meets the financial performance standards set out in each Community Management Plan.

10.2 Financial Performance Targets

TCH will set out in each Community Management Plan financial targets, based on benchmarks to be set by regulations pursuant to the SHRRA or established in the Operating Agreement or Community Management Plan. The Board will report all variance against these benchmarks in the annual reporting (see subsection 9.2 above).

11.—SUCCESSOR RIGHTS

The Shareholder acknowledges that TCH's assets and undertaking are being transferred to TCHC, renamed as Toronto Community Housing Corporation (TCHC) and that this transfer amounts to a sale of business within the meaning of the Labour Relations Act. The Shareholder also requires that TCHC's Board of Directors consider at its first meeting the matter of the sale of business and whether TCHC is also of the view that this transfer amounts to a sale of business.

12.—AMENDMENTS

This Direction may be amended solely at the discretion of the Shareholder. The Shareholder will provide prior written notice to the Board, no less than 6 weeks prior to any proposed amendments to this Direction. TCH's financial year end shall be December 31.

12. EMPLOYMENT, PROCUREMENT AND RELATED MATTERS

12.1 TCH will abide by all relevant employment and occupational health and safety legislation in the conduct of its operations, and will develop appropriate policies in areas such as, but not limited to, fair wages for contracted services consistent with that of the City of Toronto and employee compensation to address these objectives.

12.2 TCH will ensure all procurement activities including, but not limited to, materials management, purchasing goods, services and construction contracts, involving purchasing, leasing, or renting, are arrived at by competitive or non-competitive tendering processes, adhere to procurement best practices, policies and procedures and are managed in an open and transparent manner.
12.3  \(TCH\) will be responsible for determining how the obligations in clause 12.2.1 are to be carried out, recognizing its responsibilities as a public sector employer that is a model to the community.

13.  **EMERGENCY HUMAN SERVICES PLANNING AND RESPONSE**

13.1  \(TCH\) will at all times inform the Office of Emergency Management ("OEM") of the key contacts at \(TCH\) responsible for emergency human services planning and response, including the most senior Person with overall accountability.

13.2  In emergencies involving the displacement of \(TCH\) Tenants, and in which the City's Emergency Human Services response has been activated, \(TCH\) will support the OEM to implement the response according to a protocol between \(TCH\) and the OEM. The OEM will lead the emergency human services response according to the Emergency Human Services Policy approved by Council and as amended from time to time.

14.  **MEMBER OF THE SOCIAL HOUSING SECTOR**

\(TCH\) may be an active participant in the social housing sector and seek to identify and support, directly or through its work with associations, opportunities for sector cooperation, information sharing and other activities that promote an effective partnership among stakeholders, the efficient use of resources and effective operations and programs. \(TCH\) may advocate on behalf of \(TCH\) and other social housing providers on issues related to the supply, quality and affordability of housing in the community. However, in conducting advocacy on any issue, \(TCH\) will make clear that it speaks on its own behalf and not on behalf of the City.

15.  **AMENDMENTS**

This Shareholder Direction may only be amended or terminated by a resolution adopted by the Council of the City as Shareholder of \(TCH\) as at the time such amendment or termination is to become effective. Promptly following the amendment or termination of this Shareholder Direction, the City shall give written notice of the amendment or termination to the Board.

16.  **NOTICE**

Any notices required or desired to be given to any of the Parties in connection with this Agreement or arising there from, shall be in writing and shall be personally delivered or sent by facsimile transmission or other means of instantaneous transmission in regular commercial usage at such time, verified by a transmission report as follows:

To the City at:

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City Manager
11th Floor, East Tower, Toronto City Hall
100 Queen Street West
Toronto, ON M5H 2N2
Facsimile transmission: 416-392-1827
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General Manager, Shelter Support and Housing Administration
6th Floor, Metro Hall
55 John Street
Toronto, ON M5V 3C6
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Shareholder Direction to Toronto Community Housing Corporation
Facsimile transmission: 416-392-0548

Deputy City Manager and Chief Financial Officer
7th Floor, East Tower, Toronto City Hall
100 Queen Street West,
Toronto, ON M5H 2N2
Facsimile transmission: 416-397-5236

To Toronto Community Housing Corporation at:

Chief Executive Officer
Toronto Community Housing Corporation
7th Floor, 931 Yonge Street
Toronto, ON M4W 2H2
Facsimile transmission: 416-981-4224

DATED at Toronto as of this 4th day of October, 2001.

CITY OF TORONTO

by

by:

Shareholder Direction to Toronto Community Housing Corporation