

MANAGEMENT REPORT TO METROLINX

Report Title:	Governance Committee Charter					
Report Number:	GC 08-001	Date to Board:	June 13, 2008	Date to Committee:	April 25, 2008	
Report To:	<input checked="" type="checkbox"/> BOARD		<input type="checkbox"/> ADVISORY COMMITTEE <input type="checkbox"/> AUDIT COMMITTEE <input type="checkbox"/> GOVERNANCE COMMITTEE <input type="checkbox"/> HUMAN RESOURCES COMMITTEE <input type="checkbox"/> TECHNICAL ADVISORY GROUP <input type="checkbox"/> OTHER:			
Report Referred From:	Governance Committee					
Author(s):	Mary Martin General Counsel & Corporate Secretary		Telephone	416 874 5915		
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Item Class:	IN CAMERA	<input type="checkbox"/>	DECISION	<input checked="" type="checkbox"/>	INFORMATION	<input type="checkbox"/>

1.0 RECOMMENDATION:

RESOLVED:

THAT the Board accept the Governance Committee's recommendation to approve the Governance Committee Charter in the amended form appended as Appendix A to report number GC 08-001 (Governance Committee Charter).

2.0 PURPOSE & EXECUTIVE SUMMARY:

The Governance Committee has reviewed and, subject to an amendment to the meeting quorum requirement, has approved its Charter for recommendation to the Board. The Charter will provide direction to the Committee in satisfying its Board-approved mandate. The Charter defines the Committee's composition, mandate and responsibilities.

3.0 BACKGROUND:

Standing committees have been established by the Board in order to increase accountability and promote efficiency in Board decision making. The Governance Committee was established by the Board on March 23, 2007.

Each committee is guided by the contents of its charter. Charters for each of the Human Resources and Compensation Committee and the Audit Committee have been approved by the Board on August 24, 2007 and September 28, 2007 respectively.

The proposed Governance Committee Charter was considered by the Governance Committee at its April 25, 2008 meeting. After discussion the following **amended** resolution was moved:

THAT the Governance Committee Charter Quorum requirement be revised as follows:

3. Quorum – The presence of the lesser of (a) three (3) members of the Committee, and (b) a majority of the then-current members of the Committee constitutes a quorum for a meeting of the Committee. In the event any Committee member declares a conflict of interest with regards to any one or more matters under consideration by the Committee, such Committee member will not attend that portion of the meeting dealing with such matter(s) and the foregoing quorum requirement will be reduced by one (1) with regards to any decision or recommendation made with respect to such matter(s)

THAT the amended Governance Committee Charter appended as Appendix A be recommended for approval by the Corporation's Board of Directors.

4.0 DISCUSSION:

The Governance Committee is a key Board Standing Committee tasked with the responsibility of ensuring that appropriate processes and structures are in place for effective Board oversight of the Corporation's activities.

In satisfying this task, the Committee: reviews the mandate of each Committee of the Board, provides information and training to the Board, reviews on a periodic basis the Corporation's legislative mandate and assesses other matters which may affect the Board's effectiveness.

On the basis of its draft Charter, the Governance Committee has already begun to satisfy its mandate by recommending, for example, the adoption of a Board Code of Business Conduct and Ethical Behaviour as contained in report GC 08-002.

As with other Standing Committee Charters, the proposed Charter is to be reviewed annually by the Committee to incorporate any amendments necessary to maintain a strong corporate

approach to governance and, in the case of the Governance Committee, to keep abreast of current developments in governance best practises.

The proposed amended Charter is attached as Appendix A.

5.0 FINANCIAL MATTERS:

N/A

6.0 HUMAN RESOURCES MATTERS:

N/A

7.0 ENVIRONMENTAL MATTERS:

N/A

8.0 COMMUNICATION MATTERS:

N/A

9.0 LEGAL MATTERS:

As described above.

10.0 CONCLUSION:

The Auditor General's expectation, as expressed in its value for money audits of other Provincial agencies, is that agencies will establish terms of reference for Governance and other key Board standing committees. For the Corporation's Governance Committee, such terms of reference are contained in its proposed Charter attached as Appendix A. The approval and adoption of the Governance Committee Charter, comprised of robust yet easily understandable and attainable terms of reference provides evidence of the Corporation's leadership in its approach to governance.

Respectfully submitted,

Approved for Submission to the Board



Mary Martin, General Counsel &
Corporate Secretary



W. Michael Fenn, CEO

Appendices:

Appendix A: Governance Committee Charter

*Staff & Others
Consulted:*

Name	Telephone
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N/A	N/A
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Notifications:

Name	Mailing or E-mail Address
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N/A	
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Special Instructions:

N/A

APPENDIX A

Greater Toronto Transportation Authority (the “Corporation”)

GOVERNANCE COMMITTEE CHARTER

PURPOSE

The purpose of the Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of the Corporation is to assist with Board oversight of governance issues affecting the Corporation to ensure that appropriate processes, structures and information necessary for effective direction and oversight are in place.

The Committee, as a standing committee of the Board, derives its mandate and responsibilities from the Board.

A. Operating Principles

Functions and Composition –

1(a) There shall be a Governance Committee, the members of which shall be the Chair and two or more of the Directors named by the Board.

(b) Members of the Committee shall be independent of management and the Corporation.

(c) The Committee will carry out the duties outlined in this Charter and such other functions as are assigned or delegated to it by the Board.

2. **Chair** – The Committee shall be chaired by the Chair of the Board. Where the Chair is absent at any meeting one of the members of the Committee who is chosen to act by the members present shall preside and have all the powers of the Chair.

3. **Quorum** – **The presence of the lesser of (a) three (3) members of the Committee, and (b) a majority of the then-current members of the Committee constitutes a quorum for a meeting of the Committee. In the event any Committee member declares a conflict of interest with regards to any one or more matters under consideration by the Committee, such Committee member will not attend that portion of the meeting dealing with such matter(s) and the foregoing quorum requirement will be reduced by one (1) with regards to any decision or recommendation made with respect to such matter(s)**

4. **Voting** – A matter put to a vote at a meeting of the Committee shall be decided by a majority of the votes cast, and in the event of an equality of votes the Chair has a second vote.

5. **Procedure and Conduct** – Subject to other provisions of any resolution of the Board respecting a specific matter, the Chair shall determine the procedure at and conduct of meetings of the Committee.

6. **Minutes** – Once they have been approved by the Committee, copies of the minutes of the proceedings of the Committee shall be sent by the Corporate Secretary to all of the Directors.

7. **Frequency of Meetings** – The Committee will meet at the discretion of the Chair, but not less frequently than three times each year.

8. **Agenda** – A written agenda for each meeting of the Committee together with any related materials will be distributed to the members of the Committee at least five days in advance of the meeting date.

9. **Supplemental Attendees** – Any person who may possess information that would be useful to the Committee in carrying out its duties may be invited by the Chair or acting Chair to attend any meeting of the Committee.

11. **Reporting** – The Committee will, where appropriate, provide a report of each meeting of the Committee at the next regular Board meeting or as may otherwise be required by the Board.

12. **Review of Charter** – The Committee shall review and assess the adequacy of this Charter at least annually. If the Committee recommends any amendments, the Committee shall submit a revised Charter to the Board for its approval.

13. **Self-assessment** – An evaluation of the Committee shall be conducted regularly, in which the Committee shall review its performance for the purpose, among other things, of assessing whether the Committee fulfilled the responsibilities and duties stated in this Charter.

14. **Independent Counsel or Other Advisors** – The Committee has the authority to engage outside advisors including, but not limited to counsel, independent consultants and/or other experts, as needed, to review any matter under its responsibility.

B. Principal Duties and Responsibilities

1. **Governance** – The Committee shall take a leadership role and assume responsibility for the Corporation's overall approach to governance and shall undertake such governance initiatives as may be desirable to ensure that the appropriate processes, structures and information necessary for effective direction and oversight are in place to contribute to the

success of the Corporation. The Committee shall keep abreast of current developments in governance best practices.

2. Orientation and Training – The Committee shall oversee the development and implementation of the Director’s orientation program including: a strategic overview; an overview of the Corporation’s vision and mission statement; an overview of the Corporation’s activities; a review of the contents of the Board Manual. The Committee shall review, monitor and make recommendations to the Board regarding the orientation, training and ongoing development of Directors.

3. Board Manual—The Committee shall ensure that a current and complete Board Manual of documents is maintained including:

- a. All policies applicable to the Board;
- b. All Committee Board Charters setting out the roles and responsibilities of Board Committees and the Committee chairs;
- c. Board procedures; and
- d. A Communications protocol for communication among governance parties including the Ministry of Transportation, municipalities and the public.

4. Charters – The Committee shall annually review and recommend, for Board approval any proposed amendments to Committee Charters and, in consultation with the affected Board Committees, any proposed amendments to Board Committee Charters.

5.. Significant Issues – The Committee shall develop a process to assist the Board in determining whether the Board is satisfied with the manner, frequency and timeliness with which significant issues are brought to its attention, as well as the appropriateness of that information.

6. Board and Committee Effectiveness—The Committee shall recommend to the Board, and if approved by the Board, implement a method for regularly evaluating and assessing the effectiveness of the Board, the Committees, the Chair, the Committee chairs and of individual Directors, and recommend any changes to the method.

7. Independent Counsel – The Committee shall ensure there is a system that enables a Board Committee or a Director to engage separate independent counsel or other advisors/other experts in appropriate circumstances, at the Corporation's expense.

8. Review of Objects, etc. – On a periodic basis, the Committee shall review the Corporation’s objects, duties and powers as set out in the *Greater Toronto Transportation Act, 2006*(the “Act”) and make any recommendations it sees fit to the Board.

9. Strategic Plan—The Committee shall advise and assist the Board in advancing the goals of the Corporation’s strategic plan including organizing and overseeing an annual Board retreat and the timely follow-up of matters raised at the retreat.

10. **Effective Date**—This Charter takes effect on the date it is approved by the Board.