

Toronto Lands Corporation

(the "Corporation")

Policy: TLC-CORP-PO0023

BOARD RENEWAL POLICY

(Adopted by the Board December 10, 2020)

1.0 PURPOSE

The purpose of this policy is to set out the open recruitment and nomination process that the Board will undertake to seek new Citizen Directors in advance of planned and unplanned vacancies in these Board positions. Of note, the four Trustee positions on the Board will be appointed by the TDSB.

2.0 RESPONSIBILITY

Human Resources & Nominating Committee

3.0 POLICY

3.1 Board Renewal

In accordance with the Shareholders' Direction, Citizen Directors serve on the TLC Board for an initial term of three years and may be appointed for a second term of three years. The terms have been designed to be staggered, and therefore there may be a need to replace a minimum of two Citizen Directors every year. *Duties of Directors of the Corporation* is provided in **Annex A**.

3.2 Competencies and Attributes Profile of the Board

Together with the competencies and attributes of the four TDSB Trustees, the six Citizen Directors should collectively bring to the work of the Board a competency and attribute mix based on their professional and lived experiences, as set out in the following table:

Category	Definition
<i>Citizen Director's Professional Competencies based on Career Knowledge and Experience</i>	

Category	Definition
Commercial or Publicly-Owned Real Estate	Knowledge of managing, transacting and valuing commercial or publicly-owned real estate. Experience in evaluating the effects of changing demographics, economic fluctuations, evolving market demands, development trends and risks, and innovative financing structures on the potential severance, sale or lease of sites.
Urban Development	Knowledge of urban development, market research, urban land economics, land needs and land use. Experience in the current approaches and strategies for successful urban community development.
City Planning	Registered Professional Planner. Experience with tendering and development processes under the City of Toronto's planning legislation and regulations.
Real Estate & Municipal Law	Experience in real estate law, land use planning, risk tolerance, zoning and development.
Community & Neighbourhood Engagement and Development	Knowledge of public processes. Experience in collaborating with multiple community stakeholders to strengthen neighbourhoods.
Financial or Accounting	Credentialed financial specialist. Experience in preparing, auditing, analyzing and evaluating financial statements, as well as in risk analysis and mitigation.
Asset Management	Knowledge of asset management. Experience in large capital project delivery, asset value enhancement and management, financial and operational restructuring.
Leadership	Is a proven leader in their own field of expertise, with preferred C.Dir, Pro.Dir, or ICD.D; professional development will be provided should candidate(s) not possess designation. Experience in strategic planning, performance measurement and evaluation, forecasting, corporate governance.
Public Sector Leadership	Knowledge of the machinery of government. Experience as a senior leader or manager in provincial or municipal positions of significant responsibility.
<i>Affinity Attributes based on the Personal Lived Experiences of the Citizen</i>	

Category	Definition
<i>Directors as a group</i>	
Gender / Orientation	The group is inclusive of gender and orientation.
Cultural / Heritage	The group is reflective of Toronto's broadly diverse demographics.
Community	The group is representative of the many diverse communities within the TDSB catchment area of Toronto.
<i>Professional Attributes every Citizen Director should possess</i>	
Advocacy	Communicates opinions and perspectives with candor and integrity.
Financial Literacy	Comprehends the financial position of the Corporation as presented in its financial statements.
Governance	Upholds governance principles and practices.
Quality and Safety	Comprehends the importance of monitoring and evaluating quality and safety initiatives.
Strategic Planning	Contributes to strategic planning with valuable insights.
<i>Personal Attributes every Citizen Director should possess</i>	
Commitment	Committed to preparing for and attending all meetings of the Board and of the relevant Committees.
Upholds Fiduciary Duty	Committed to act in the best interests of the Corporation i.e. puts no other interest ahead of that of TLC.
Upholds Duty of Care	Committed to discharge their duties of a director in a reasonably prudent manner.
Integrity	Acts consistently with personal values and those of the Corporation.
Respect for others	Values people as individuals deserving of respect and compassion and acts/interacts accordingly.

3.3 Citizen Directors Competencies and Attributes Matrix Template

A template matrix is provided in *Annex B* and is to be updated as a separate and living document following the appointment of new Citizen Directors.

Toronto Lands Corporation

(the "Corporation")

ANNEX A

DUTIES OF DIRECTORS OF THE CORPORATION

(Adopted by the Board December 10, 2020)

1.0 Responsibilities

Pursuant to the Shareholder's Direction from the Toronto District School Board (TDSB) to the Toronto Lands Corporation (TLC) dated November 28, 2018, the TLC Board of Directors is comprised of four TDSB Trustee Directors and six Citizen Directors, and together the Directors are responsible to supervise the management of the business and affairs of the Corporation.

2.0 Duty of Care

Upon appointment to the Board of Directors, each Director assumes a fiduciary relationship to the Corporation and incurs a legal duty of care. The duty of care requires each Director to act honestly and in good faith with a view to the best interests of the Corporation, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

3.0 Specific Duties

Upon appointment and during the entirety of their tenure, Directors are expected to execute their responsibilities and duties with personal and professional integrity. Specifically:

- a. Directors are to act ethically, honestly, and in good faith and makes decisions that are in the best interests of the Corporation. In so doing, a Director supports the Corporation in fulfilling its mission and mandate and in discharging its accountabilities;
- b. a Director with a special skill and knowledge is expected to apply that skill and knowledge to matters that come before the Board;
- c. a Director does not represent the specific interests of any constituency.

- d. a Director must comply with all applicable legislation and governing documents, including, but not limited to: *Ontario Education Act; Regulation 444/98 Disposition of Surplus Real Property; Regulation 444/98 Circulation of Public Agencies in Order of Priority; Shareholder's Direction of May 16, 2008 (and subsequent amendments); Further Amended and Restated Shareholder Direction of November 28, 2018.*
- e. a Director will advise on the real estate industry's landscape of issues, challenges and opportunities in relation to the TDSB's goals, including:
 - i. Advise, recommend and approve strategies for achieving effective asset management.
 - ii. Advice on effective use of public assets, including redevelopment, equity extraction, repurposing assets, and capital funding strategies.
 - iii. Provide strategy and advice on current and potential issues related to the implementation of the TLC/TDSB overall fiscal plan.
 - iv. Provide strategic advice and/or recommendations on audits, financial risk mitigation strategies and performance measures and ensure that financial risk to the TDSB and its properties is mitigated.
 - v. Understand effective and good governance models to meet TLC's objectives.
 - vi. Provide guidance on the development of policies and procedures.
 - vii. Establish relationships to advance collaboration with provincial, regional and local governments, government agencies, development corporations, small business owners, landowners and citizens and special interest groups to assist in mutually beneficial and productive working relationships.
 - viii. Understands the value added by communities, local politicians and stakeholder organizations to produce meaningful opportunities

4.0 Exercise of Authority

A Director carries out the powers of office only when acting as a voting member of the TLC Board of Directors. This occurs during a duly-constituted meeting of the Board, or one of its duly constituted committees. A Director also respects the responsibilities delegated by the Board to the Chief Executive Officer (CEO) of the Corporation. Directors shall not use their authority or position for personal or professional gain.

5.0 Conflict of Interest

A Director adheres to the direction provided in the Board Policy on Conflict of Interest.

6.0 Attendance and Participation

Directors are expected to attend all meetings of the Board and assigned Committees in person or by electronic means. Directors must come prepared to Board and Committee meetings, asks informed questions, and constructively contribute to discussions and decisions.

7.0 Formal Dissent and Board Solidarity

Unless a Director formally records a dissenting view with the Recording Secretary, they are deemed to have supported the decisions and policies of the Board, whether the Director is present at or absent from a Board meeting. Once the Board has made a decision, a Director publicly supports such decisions.

8.0 Teamwork

A Director works positively, cooperatively and respectfully with all members of the Board and the management team in the performance of their duties. Additionally, a Director communicates with the CEO through the Board Chair with respect to any issues/concerns related to the management or operations of the Corporation.

9.0 Competencies

A Director brings unique expertise and skills which may enhance Board discussion and decisions. A Director does not provide advice to the Board in a professional capacity.

10.0 Confidentiality.

Every Director shall maintain confidentiality of any matter pertaining to the Corporation.

11.0 Education

A Director takes advantage of opportunities to be educated and informed about issues related to the Corporation and its mandate as well as their responsibilities as a Director of the Corporation.

12.0 Self-Evaluation

A Director participates in the evaluation of the performance of the Board as a whole, as well as their own performance as a Director.

13.0 Receipt of Gifts

In the course of their duties, Directors are prohibited from accepting gifts from anyone including, but not limited to sponsors, agencies, consultants, professional advisors or contract providers. Acceptance of a gift creates a perception of conflict of interest. If a Director is in doubt about the propriety of accepting an offered gift, they shall bring the matter to the attention of the Board for discussion and decision. If a gift of nominal value has been accepted by a Director, and there is any concern that this has incurred a

perception of conflict of interest, the gift shall be returned. Any exceptions shall be considered by the Board.

14.0 Resignation of a Director

A Director may resign their office by communicating in writing to the Board Chair. The resignation shall be effective at the time it is received by the Board Chair or at the time specified in the written communication.

15.0 Removal

Pursuant to the Shareholders direction the Board has the authority to remove a Director from office before the expiration of their term of office, provided that notice is given to the Board of the proposal to remove a Director at the next Board meeting, by ordinary resolution of the Board. In removing a Director, the Board shall ensure that the Director is treated fairly and with respect, and they are afforded notification and the opportunity to respond. The Director shall be notified of the final decision of the Board in writing.

16.0 Post-Service

Upon the resignation, removal or completion of tenure of a Director, the Board Secretary shall ensure that all confidential material, Corporation-owned equipment, manuals or other material (e.g. letterhead, business cards, access cards, personal security device, parking pass etc.) are returned to Corporation.

TORONTO LANDS CORPORATION

ANNEX B: BOARD RENEWAL - CITIZEN DIRECTORS COMPETENCIES AND ATTRIBUTES MATRIX

As of: Month xx, yyyy

Name	Occupation	Commercial or Public-Sector Real Estate	Urban Development	City Planning	Real Estate Law	Community and Neighbourhood Engagement & Development	Financial or Accounting	Asset Management	Private Sector Leadership	Public Sector Leadership
Director 1	CPA/CA					X	X		X	
Director 2	Lawyer	X	X		X			X	X	
etc										

Toronto Lands Corporation

(the "Corporation")

Procedure: TLC-CORP-PO0023

BOARD RENEWAL PROCEDURE

(Adopted by the Board December 10, 2020)

1.0 PURPOSE

The purpose of this procedure is to set out how the Board will undertake recruitment of new Citizen Directors in advance of Director vacancies.

2.0 RESPONSIBILITY

- Human Resources & Nominating Committee
- Selection Committee
- Chief Executive Officer (CEO), TLC

3.0 PROCEDURE

3.1 A sub-committee of the Human Resources & Nominating Committee, the *Selection Committee*, is to be established with sub-committee consisting of:

- The Chair of the Board
- The Chair of the Human Resources & Nominating Committee
- One other Citizen Director
- One Trustee Director

3.2 The *Selection Committee* has the authority to direct the CEO to secure a Third Party Consultant to undertake full cycle recruitment. Third Party Consultant would be responsible for:

- Advertising Citizen Director position on relevant job banks.
Advertisement to include:

- Duties of Directors of the Corporation – listed as Annex A to Board Renewal Policy.
 - Director Profile based on qualification requirements as prescribed in the Competency Matrix and gap analysis completed.
 - Any other relevant documentation as determined by the Selection Committee.
- Review applications and draw up a short list of those that meet both the Qualifications, Competencies and Attributes required;
 - Conduct interviews;
 - Prepare a list of prioritized candidates for each vacancy for the Selection Committee;
 - Notify the successful candidates that they will be recommended to the TLC Board and TDSB Board for approval
- 3.3 Selection Committee to present a nomination slate comprising of recommended candidates for each Director vacancy to the Board for their consideration and approval
- 3.4 TLC Board approved candidate(s) to be presented to the TDSB Board for ratification.