

Toronto Seniors Housing Corporation (TSHC) Director Education and Board Development Policy

Policy Sponsor: Director, Strategy and Business Management

Approver: Board of Directors

Initial Approval Date: April 28, 2022

Date of Last Revision: September, 2024

Effective Date: October 17, 2024

Policy Statement

Toronto Seniors Housing Corporation's (TSHC's) Board of Directors and individual Board members are committed to Director education and Board development.

The Board will balance the important need for education with financial prudence as stewards of the Corporation.

Policy Objective

The objective of the Director Education and Board Development Policy is to equip Board members to add value to the Corporation, provide effective oversight and fulfill their fiduciary responsibilities to the corporation.

To fulfill the objective, the policy sets out the responsibilities and expectations of TSHC, the Board and individual Board members regarding:

- orientation
- Director education
- Board development, and
- administration and reporting of Board-related education and development activities

Policy Scope

This Policy applies to all current and new Board members and to the Board of Directors in general.

Members of the Board of TSHC, as fiduciaries, have both a duty of loyalty and good faith, and a duty of care, diligence and skill. A Board member's conduct is measured against an objective standard that requires informed decision-making and the discharging of duties responsibly.

While it is expected that Board members will possess sufficient knowledge, experience and expertise at the time of their appointment to serve in such capacity, it is also recognized that they will not necessarily be experts in all

disciplines, in all aspects of governance, or in all business area within TSHC. As such, education and learning is a key driver of continued Director and Board effectiveness and is an ongoing responsibility of individual Board members, the Board, the Leadership Team, and TSHC.

The Director Education and Board Development Policy lays out the responsibilities and expectations of TSHC, the Board and individual Board members with respect to developing the knowledge and abilities to govern effectively.

Policy Details

Board Orientation

Toronto Seniors Housing Corporation and its Board believe that properly oriented Board members are more effective directors; that more effective directors make for more engaged and effective boards; and that more engaged and effective boards provide greater strategic value to TSHC, its Shareholder (City of Toronto), its tenants, and to the TSHC Leadership Team.

As such, TSHC will design and maintain an in-depth orientation program for new Board members. The Board Chair, Chief Executive Officer (CEO) and Board Secretary will ensure that the orientation program is designed to provide baseline knowledge to enable:

- new Board members to actively contribute to the work of the Board in a timely manner, and
- productive and effective boardroom participation and understanding of the TSHC and the industry and environment within which it operates

TSHC and its Board believe that some aspects of orientation should be standardized to ensure consistency among Board Directors. However, to be most effective, the onboarding process should also be tailored to each new Board member. As such, TSHC will tailor the orientation program as appropriate and feasible for each new Board member, taking into account their unique mix of skills, experience, education, and knowledge.

TSHC and its Board believe that the orientation of new Board members should not be viewed simply as a single orientation meeting. Instead, orientation will deliver information over a period of time to minimize the likelihood of overload and maximize lasting impact.

At a minimum, the compulsory orientation program should:

- Provide each new Board member with an understanding of the formal governance structure, the constitution, the by-laws and other relating documents, the role of the Board, its supporting committees, and the

expectations with respect to individual Board member's performance

- Build an understanding of the Corporation's nature; its operations and working environment, including the Corporation's programs and services and summary details of the Corporation's principal assets, liabilities, major contracts and major stakeholders; the Corporation's structure; the Corporation's major risks and its risk management strategy; key performance indicators; operational or regulatory constraints; and requirements for reporting and public disclosure
- Build a link with the individuals who make up the Corporation, including opportunities to meet and get to know fellow Board members, meetings with the Leadership Team and site visits to view the Corporation's operations and meet employees and tenants
- Build an understanding of the Corporation's main relationships, including key government representatives who deal with the Corporation, and people served by the Corporation
- Foster an understanding of the public housing sector and the environment in which Toronto Seniors Housing Corporation conducts its business, and
- Provide a comprehensive set of written or electronic briefing materials that Board members may use as reference materials. These materials should include biographical and contact information for all board members and the executive team; the corporation's governing Acts, regulations, by-laws.
- The Corporation's governance policies; the current strategic plan; the current annual work-plan; the most recent annual and/or quarterly financial and accountability reports; an explanation of the Corporation's key performance indicators; a summary of Board members' and officers' liability insurance and indemnity; details of any major litigation involving the Corporation; minutes of the last year's Board meetings; details of Board committees and copies of the minutes from the last three to six meetings if a new Board member will be joining a specific committee; a schedule of dates for upcoming board meetings; and website references.

All new Board members are expected to receive orientation materials and attend an initial board orientation meeting within the first two months of appointment to the Board or a new Board being constituted. A second, follow-up session will be scheduled after several meetings have been held to round out the orientation process.

Individual Board members may inform the Board Chair, Corporate Governance and Human Resources Committee Chair and/or the Board Secretary of additional information or education needs to supplement the compulsory orientation program received.

Director Education

TSHC and its Board believe in the professionalism of directors and recognize the

importance of ongoing director education as a means of strengthening the effectiveness of individual Board Directors.

TSHC and its Board believe that each Board member is responsible for their ongoing director education and that the corporation should support Board Directors in their pursuit.

The Corporate Governance and Human Resources Committee and Board Secretary are available to make learning recommendations to Board members who believe they need to be better equipped in order to fulfill their responsibilities.

Ongoing director education includes both formal and informal learning opportunities.

Formal Director Education

TSHC and its Board recognize the value of formalized learning environments for Board Directors such as classroom-based and online courses.

As such, Board members are encouraged to seek out external formal learning opportunities. As TSHC recognizes that financial competency is a key skill for all Board members, Board members who do not have a strong financial background are encouraged to seek out opportunities for financial essentials training to develop a certain level of comfort and competence with financial statements and the financial discussions and decision-making relevant to the Board of Directors.

Board members, and particularly the Chair of the Board, who may not already possess a director post-nominal designation, are encouraged to obtain such from a recognized Canadian or international accrediting body.

The Board Secretary shall make Board members aware annually and from time to time about relevant courses and other external formal educational opportunities.

Informal Director Education

TSHC and its Board recognize the value of informal learning achieved through such external sources as membership in relevant professional organizations, subscriptions to relevant journals and attendance at relevant seminars or conferences.

TSHC shall support in the most cost-effective arrangement, memberships for each director in an organization committed to corporate governance and director professionalism.

The Board Secretary shall make Board members aware annually and from time to time about relevant external informal learning opportunities.

The Board Secretary shall from time to time provide relevant governance articles, magazines, websites or book summaries accompanied by management commentary on the implications for TSHC as part of board and committee packages to enable self-study by board members.

Board Development

TSHC and its Board recognize the value of group learning. Team-based development is intended to improve the Board's decision-making by providing equal information to all Board members on important subjects, enabling Board members to interact on key issues that can often be critical to pending decisions and reinforcing key issues the Board faces in the context of its role and responsibilities as a board.

TSHC will establish a board development program. In developing this program, the Corporate Governance and Human Resources Committee and the Board Secretary shall:

- Undertake a process of polling Board members as a means of identifying issues or topics for which Board members believe they need to update their skills and knowledge of the Corporation, its business and key executives and to address ongoing and emerging issues in the functional areas of the Board (i.e. corporate governance, audit, risk management, real estate and development, tenant services)
- Reflect upon key strategic directions of the Corporation, major decisions on the horizon, appropriate and significant risk management themes and the landscape within which TSHC operates, and
- Prioritize topics for focused education sessions at regular Board meetings, special meetings or retreats devoted to education, or other suitable events

The Board development program will reflect the needs and interests of the Board by including:

- Regular presentations by the Leadership Team and staff to the Board and Committees to educate them and keep them informed of changes within TSHC and in the legal, regulatory and industry requirements and standards
- Trips to various operating sites, and
- Drawing upon external resources where appropriate, including presentations by outside experts to the Board or committees on matters of particular importance or emerging significance

Policy Administration

The Board will receive from the Corporate Governance and Human Resources Committee annual recommendations for budget allocations to support effective

director education and board development.

Course, seminar and conference attendance is specifically discouraged where costs of attendance are high and/or extensive travel is required.

Research, fact-finding, study and related trips abroad are discouraged where there are more cost-effective means of gathering information and knowledge.

Course, seminar and conference attendance, and other educational costs by individual directors may be reimbursed from the Board education and development budget only as follows:

- Where the expenditure is pre-approved by the Chair of the Board or the Chair of the Corporate Governance and Human Resources Committee, and the TSHC CEO
- Where the expenditure is directly related to organizational governance, board effectiveness, or the business and operations of the Corporation
- Where the board member seeking reimbursement provides a written report to the Corporate Governance and Human Resources Committee on the results of and their view on the value of the expenditure, and
- Where all requirements are met from Toronto Seniors Housing Corporation's approved Board of Directors Reimbursement Policy

Policy Compliance and Reporting

Board members shall annually report on their formal and informal director education activities to the Corporate Governance and Human Resources Committee.

The Corporate Governance and Human Resources Committee will provide the Board with an annual report setting out the educational and development activities completed by the Board and each board member.

Consistent with high standards of governance transparency and the objectives of the Corporation's shareholder to ensure highly qualified and effective board members, the Corporate Governance and Human Resources Committee will annually and publicly disclose the steps taken by the Board and its members to comply with this Policy.

Related Legislation, Regulations, and Policies:

- TSHC Board of Directors Reimbursement Policy
- TSHC Board of Directors Code of Ethics and Conduct Policy
- TSHC Board of Directors Conflict of Interest Policy

Amendments:

Initial policy approved by the Board of Directors on April 28, 2022.

Policy reviewed in September, 2024 with minor revisions and reformatting. The review cycle was updated from every year to once every five years.

Next Scheduled Review Date: 2029

This Policy will be reviewed once every five years.

Policy Contact

Director, Strategy and Business Management