



# Board Governance Manual

June 21, 2018

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## 1.0 INTRODUCTION

The South Coast British Columbia Transportation Authority (“TransLink”), formerly named the Greater Vancouver Transportation Authority, is governed by the *South Coast British Columbia Transportation Authority Act* (the “SCBCTA Act”). This Board Governance Manual (the “Board Manual”) sets out the roles, responsibilities and accountabilities of the TransLink Board, the Board Chair, Committees, Chairs and Directors, within the parameters of the SCBCTA Act.

This Board Manual will be reviewed and updated from time to time as the Board works with, and refines, its policies and procedures.

## 2.0 TRANSLINK OVERVIEW

### 2.1 GENERAL OVERVIEW

<b>History</b>	TransLink is a regional public transportation authority that was established in 1998 under the <i>Greater Vancouver Transportation Authority Act</i> . The <i>Greater Vancouver Transportation Authority Act</i> was amended and re-named the <i>South Coast British Columbia Transportation Authority Act</i> (the “SCBCTA Act”) in November 2007. Primary responsibility for public transit in Metro Vancouver was transferred from British Columbia Transit, a provincial crown corporation, to TransLink in 1999.
<b>Purpose</b>	Under the SCBCTA Act, the purpose of TransLink is to provide a regional transportation system that (a) supports people and goods, and (b) supports the regional growth strategy; provincial and regional environmental objectives; and the economic development of the transportation service region.
<b>Regional Transportation System</b>	The regional transportation system consists of the public transit system and the Major Road Network (“MRN”). The public transit system currently includes buses, rapid transit rail lines, SeaBus passenger ferries, West Coast Express commuter trains and custom transit services (known as “HandyDart”) for persons with disabilities. These services are delivered by TransLink subsidiaries (Coast Mountain Bus Company Ltd., British Columbia Rapid Transit Company Ltd., and West Coast Express Ltd.) and independent operators. The MRN consists of a network of key roadways that link various regions within Greater Vancouver. The MRN includes four TransLink-owned bridges—Knight Street, Pattullo, Westham Island, and Golden Ears. TransLink shares responsibility for the MRN with the municipalities, providing funding for road maintenance and capital improvements and designating the regional truck routes.
<b>Transportation Demand Management (TDM)</b>	In addition to management and operation of the regional transportation system, TransLink is responsible for developing TDM strategies.
<b>Planning</b>	Under the SCBCTA Act, TransLink must adopt a Long Term Strategy (covering a period of not less than 30 years following the year in which it is prepared), which sets out TransLink’s goals and directions for the regional transportation system and a description of key initiatives and measures to achieve those goals. The Long Term Strategy must be updated at least every five years and requires the approval of the Mayors’ Council on Regional Transportation.  TransLink must prepare a fully-funded 10-year Investment Plan that identifies the transportation services, key initiatives and major capital projects for each applicable year as well as the money required to fund the plan each year. In preparing the Investment Plan, TransLink must be guided by its most recently approved Long Term Strategy. The Investment Plan must be updated within three years of the previous Investment Plan and requires the approval of the Mayors’ Council on Regional Transportation. Under the SCBCTA Act, TransLink’s Strategic Plan is the Investment Plan most recently approved by the Mayors’ Council on Regional Transportation.
<b>Revenues</b>	Under the SCBCTA Act, TransLink is permitted to raise revenues by means of taxes (including property taxes, fuel taxes and parking sales taxes), levies, project toll charges, user fees and motor vehicle charges. TransLink is not permitted to adopt deficit budgets and must have balanced 10-year financial plans.

## 2.2 GOVERNANCE FRAMEWORK

In addition to management, the SCBCTA Act establishes a governance structure for TransLink that includes the Board of Directors and the Mayors' Council on Regional Transportation ("Mayors' Council"). In addition, a Screening Panel, established annually, is responsible for nominating candidates for appointment to the Board by the Mayors' Council and may make a recommendation to the Mayors' Council to vary Director compensation. The composition and general responsibilities of each group are set out below.

### 2.2.1 Management

The management structure of TransLink is set out in Section 7.1.

Under the direction of the CEO, the management of TransLink is responsible for managing the businesses, activities and other affairs of TransLink.

### 2.2.2 Board of Directors

Effective January 2015, the Board of Directors is composed of up to eleven Directors, as follows:

- Seven Directors appointed by the Mayors' Council ("Appointed Directors"), from a shortlist identified by the Screening Panel;
- Chair and Vice Chair of the Mayors' Council, if they consent to act ("Statutory Directors"); and
- Up to two Directors appointed by the Province ("Minister-Appointed Directors").

The Board:

- supervises the management of the affairs of TransLink;
- establishes its own practices and procedures;
- participates in the development of and approves TransLink's the Long Term Strategy;
- participates in the development of and approves TransLink's Investment Plans;
- submits the Long Term Strategy to the Mayors' Council for approval;
- submits the Investment Plans to the Mayors' Council for approval;
- annually reviews and approves Business Plans which set forth TransLink's annual operating, capital and service plans and the performance measures and targets that will be used to track the progress of TransLink in achieving its goals and objectives;
- appoints the Chief Executive Officer and establishes his or her terms of employment;
- selects the Board Chair;
- establishes committees of Directors and delegates certain powers of the board to those committees;

- establishes rules of procedure for the conduct of Board and committee meetings;
- establishes subsidiaries to carry out TransLink's purpose and responsibilities and appoint boards and chairs and establish rules of conduct for the boards of those subsidiaries;
- removes Directors by resolution of all remaining Directors<sup>1</sup>; and
- fills casual vacancies of Appointed Directors within 90 days of a vacancy.

### **2.2.3 Mayors' Council on Regional Transportation**

The Mayors' Council is composed of all the mayors in the transportation service region, the appointed representative of Electoral Area 'A' and the head of the Tsawwassen First Nation.

The Mayors' Council:

- appoints the Appointed Directors, from a shortlist of candidates identified by the Screening Panel;
- approves changes to Board remuneration levels recommended by the Screening Panel;
- approves TransLink's Executive Compensation Plan;
- approves TransLink's Long Term Strategies (every five years);
- approves TransLink's Investment Plans;
- generally approves new and increased short term fares;
- approves amendments to the annual customer satisfaction survey process;
- approves amendments to the complaints resolution process; and
- oversees the disposition of any major facility or major asset.

### **2.2.4 Screening Panel**

The Screening Panel is composed of one eligible individual appointed by each of the following entities:

- the Province;
- the Mayors' Council on Regional Transportation;
- Chartered Professional Accountants of British Columbia;
- the Vancouver Board of Trade; and
- the Greater Vancouver Gateway Society.

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<sup>1</sup> This is authorized by s. 187 of the SCBCTA Act.

The Screening Panel:

- identifies a shortlist of candidates to the Mayors' Council for appointment as Appointed Directors; and
- makes recommendations to the Mayors' Council regarding changes to the level of compensation payable to the Board members.

### 2.3 ROLE OF THE PROVINCIAL GOVERNMENT

The Provincial government plays a key role in TransLink's governance, transportation funding, and transportation planning:

- **Governance** – The Province is responsible for TransLink's governing legislation, which sets out TransLink's purpose, authority, governance structure, consultation and transportation planning processes that TransLink must follow, and available funding sources and their limits. Any legislative amendments that may be required to implement changes, such as adjustments to planning process deadlines or introduction of new revenue sources, must be approved by the Legislative Assembly. The Province may appoint up to two Directors to the Board. The Province is also responsible for appointing one member of the Screening Panel.
- **Transportation Planning** – Under the SCBCTA Act, TransLink is required to consult the Province during the development of TransLink's Long Term Strategy. TransLink's Long Term Strategy must consider provincial transportation and economic objectives. Further, the Province sets greenhouse gas (GHG) reduction targets, which the TransLink regional transportation system is intended to support.
- **Transportation Funding** – The Province contributes capital funding for major infrastructure projects. In addition, federal funding has traditionally been secured through the Province.

### 2.4 ROLE OF PROVINCIAL AGENCIES

BC Transit, a Provincial Crown corporation, is responsible for the provision of public transit in areas outside of TransLink's transportation service region.

Within the TransLink transportation service region, the BC Transportation Financing Authority owns the infrastructure and property interests associated with the Expo SkyTrain Line, Millennium SkyTrain Line, and West Coast Express (previously owned by BC Transit). TransLink is responsible for operation of these transit services.



## 3.0 BOARD STRUCTURE AND MANDATES

### 3.1 BOARD STRUCTURE

#### 3.1.1 Board Powers and Duties

The Board's role is one of governance and oversight. The Board's specific responsibilities are set out in the SCBCTA Act and the Board Charter in Section 3.2.

The Board may delegate its powers or duties to a person employed by TransLink or a subsidiary, other than certain powers set out in section 190(3)(c) of the SCBCTA Act.

#### 3.1.2 Board Composition

The Board is composed of eleven Directors, which include:

- a) Appointed Directors - seven Directors appointed by the Mayors' Council from a shortlist identified by the Screening Panel;
- b) Statutory Directors - the Mayors' Council Chair and Vice-Chair, if they consent to act; and
- c) Minister-Appointed Directors – up to two Directors appointed by the Province.

Sections 170 and 171 of the SCBCTA Act define who is eligible to be appointed to the Board.

The Board maintains an analytical framework for assessing desired competencies, expertise, skills, background and personal qualities that are sought in potential candidates for the Board. Annually, based on this analysis, the Board establishes a skills and experience profile which is recorded in the Articles. The skills and experience profile is shared with the Screening Panel and Mayors' Council. The Screening Panel, after considering the skills and experience profile set out in the Articles, is required to nominate individuals who the Screening Panel determine are not disqualified from serving and who hold the skills and experience needed to oversee the operations of TransLink in an efficient and cost effective manner.<sup>2</sup>

The process for identifying the needs of the Board and sharing this information with the Screening Panel and Mayors' Council is set out in Section 5.2.

#### 3.1.3 Directors' Term

Each Appointed Director is appointed for a three-year term. They may be re-appointed and may not hold office for more than six consecutive years.<sup>3</sup>

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<sup>2</sup> The SCBCTA Act, s. 180(1)

<sup>3</sup> The SCBCTA Act, s. 171(2)

### 3.1.4 Removal of Directors

A Director may be removed as, and ceases to be, a Director of the Board on the passing of a resolution to that effect by all of the remaining Directors.<sup>4</sup>

### 3.1.5 Replacement of Directors

If an Appointed Director dies, resigns or is removed, the remaining Directors must, within 90 days, appoint as a replacement Director, a qualified individual whose appointment accords with the requirements of the SCBCTA Act. A replacement Director holds office until the end of the term of office of the replaced Director.<sup>5</sup>

### 3.1.6 Independence

All Directors should be independent of TransLink; that is, independent of management and free from any relationship that might interfere with the exercise of their independent judgment as a Director.

To be considered independent, the individual must:

- a) not receive any compensation from TransLink, other than for services as a Director;
- b) not be an Officer or owner of a business that does a significant amount of business with TransLink;
- c) not be a close relative of an Officer or Director; and
- d) meet any additional independence criteria established from time to time by the Board.

### 3.1.7 New Director Orientation

New Directors are provided with a comprehensive orientation after joining the Board. The orientation process is outlined in Section 5.3.

### 3.1.8 Election of Board Chair

The Board appoints, from among its members, a Board Chair for a term expiring on the earlier of:

- a) the effective date of his or her resignation; and
- b) the end of the day on the date on which the Chair's term of office as a Director of TransLink expires.<sup>6</sup>

In order to assist the Directors with the process of electing a Board Chair, not less than 60 days prior to the expiry of an incumbent Board Chair's term, the Board Chair will appoint a Nominating Committee

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<sup>4</sup> The SCBCTA Act, s. 187

<sup>5</sup> The SCBCTA Act, s. 188

<sup>6</sup> The SCBCTA Act, s.190

whose role is to identify those Directors who are interested in running for election as Board Chair of the Board. The Nominating Committee will consist of not less than two Directors who are not interested in seeking the Board Chair position. One of the Nominating Committee members will act as the chair of the Committee. The Corporate Secretary will act as staff support to the Nominating Committee.

The Nominating Committee will recommend to the Board for approval a list of attributes sought for the Board Chair position. After obtaining the Board's approval on the list of attributes, the Nominating Committee will seek nominations for the position of Board Chair and canvass the remaining Directors, including the Board Chair, as to his or her preferred candidate for the Board Chair position. Based on the feedback received, the Nominating Committee will advise the Board of its recommendation for the Board Chair position.

In undertaking its work, the Nominating Committee will be guided by the goal of recommending a candidate for the Board Chair position who will be supported by all of the other Directors.

The Board Chair is a non-executive position and the Board estimates the Board Chair will spend up to 10 days per month in excess of what is required for regular Director responsibilities.

### **3.1.9 Vice-Chair**

The Board, on the recommendation of the Board Chair, may appoint a Vice-Chair from among its members for a one-year term. There is no assumption that the Vice-Chair will graduate to the role of Board Chair.

### **3.1.10 Committees<sup>7</sup>**

The Board may establish committees of Directors ("Committees") and may seek the advice of, and delegate the powers and duties of the Board to, those Committees.

The Board may not delegate to a Committee the power to:

- appoint the Board Chair;
- appoint the Chief Executive Officer; or
- delegate a power of the Board.

The Board may establish rules of procedure for the conduct of meetings of, and rules of conduct for any Committee.

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<sup>7</sup> The SCBCTA Act, .190(3)(e) and (f)

The Board has established the following standing Committees to assist it with its work:

- Finance and Audit;
- Human Resources and Governance;
- Planning and Stakeholder Relations.

The Board may choose to combine Committees. The Board has established a Charter for each standing Committee and operating guidelines that govern the operations of all Committees. The Board may establish other Committees or task forces as required to assist the Board in meeting its responsibilities.

### **3.1.11 Committee Chairs and Membership**

The Board Chair is responsible to the Board for annually proposing the leadership and membership of each Committee. In preparing recommendations, the Board Chair may consult with the Human Resources and Governance Committee and the CEO, and take into account the preferences, skills and experience of each Director. Committee Chairs and members for the following year are appointed by the Board at the last Board meeting of each year (effective January 1st of the following year) or as needed to fill vacancies during the year.

Committee Chairs and members are appointed for a one-year term and may be reappointed. The Board favours a periodic rotation in committee leadership and membership in a way that recognizes and balances the needs for new ideas, continuity and maintenance of functional expertise.

### **3.1.12 Task Forces**

Task forces are committees of the Board, but differ from other committees in that each task force is established for a specific period of time to undertake a specific task, and then disbanded.

Each task force operates according to a Board approved mandate outlining its duties and responsibilities. The Guidelines for Committees (Section 3.10) also apply to task forces established by the Board.

### **3.1.13 Compensation**

The Screening Panel sets the compensation for the Directors, subject to limits in the SCBCTA Act (based on comparator organizations) and Mayors' Council approval of any changes.<sup>8</sup> Pursuant to the SCBCTA Act, the Screening Panel conducts an annual review of Director compensation to ensure that Directors are appropriately compensated for their contributions and may make recommendations to the Mayors' Council to vary the compensation payable to Directors. The Mayors' Council may, by resolution, approve or reject any recommendation made by the Screening Panel to vary Director compensation.

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<sup>8</sup> The SCBCTA Act, ss. 180, 181, 182, 184 and 185

The Board is required to incorporate the Screening Panel / Mayors' Council's determination of compensation into the Articles<sup>9</sup> and set guidelines for the payment of Director compensation and reimbursement of expenses.

Current Director compensation rates and guidelines are set out in detail in Section 11 of the Articles.

### **3.1.14 Meetings**

The Board typically holds four regularly scheduled business meetings per year. The frequency of meetings may be changed at any time at the discretion of the Board.

Every regularly scheduled meeting of the Board will, unless the Board determines otherwise, include an "open" session and an "in camera" session. The open session of the Board meeting is conducted in public, and any member of the public may attend the open session as an observer (not as a participant). The Board Chair has the authority to adjourn the open session prior to the conclusion of Board business if, in the opinion of the Board Chair, reasonable decorum is not observed. Seating at the open session is made available on a first come first served basis, and attendance may be limited due to space limitations and to comply with fire and other regulations.

The Board will receive public input at each regularly scheduled meeting in accordance with Section 3.1.14.12 below.

Meetings are generally held at TransLink's head office, but may be held at other locations. In addition, the Board holds a Corporate Strategy session at least annually and may hold additional special meetings as required.

Business conducted by Committees of the Board will not be open to the public.

Robert's Rules of Order will apply to meetings of the Board and Committees.

#### **3.1.14.1 Notice**

Notice of Board meetings is required to be given five clear days in advance of the meeting, unless notice is waived. A Director who attends a meeting will be deemed to have waived notice of the meeting with respect to all business transacted after the Director first attends the meeting.

#### **3.1.14.2 Agenda**

The Board Chair, in consultation with the CEO and Corporate Secretary, develops the agenda for each Board meeting. Agenda items will be addressed at the open session of Board meetings unless the Board Chair determines that specific items of business will be addressed at an in camera session. The Board

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<sup>9</sup> The SCBCTA Act, s 185

Chair may exclude items of business from the open session if the Board Chair determines that the protection of personal privacy, business interests of individuals or companies, or the public interest outweighs the desirability of public disclosure of that information. The Board Chair will use the British Columbia *Freedom of Information and Protection of Privacy Act* as a guide to determine whether an item of business should be addressed in camera.

Under normal circumstances, the agenda and supporting materials will be distributed to Directors not less than five business days before a meeting.

Agenda items that are not expected to generate Board discussion may be placed by the Corporate Secretary in the “Consent Agenda” portion of the meeting. If any Director wishes to remove an agenda item from the Consent Agenda, he or she will notify the Board Chair or Corporate Secretary prior to the meeting.

### **3.1.14.3 Information for Board Meetings**

Materials distributed to the Directors in advance of Board meetings should be concise, yet complete, and prepared in a way that focuses attention on critical issues to be considered and the decisions sought from the Board. Materials assembled in support of Board meetings will be coordinated by the Corporate Secretary who, in normal circumstances, will distribute these with the Board meeting agenda at least five business days prior to the meeting. All materials submitted for consideration by the Board become part of the record of the Board, and will be deposited with the Corporate Secretary for maintenance, safekeeping and access.

Reports may be presented during Board meetings by Directors, management, staff, or by invited outside advisors. Presentations on specific subjects at Board meetings should highlight key points, so as to maximize the time available for discussion on questions regarding the material.

On items where a decision is to be rendered by the Board, management will prepare a brief report that outlines the proposal, the main reasons for the recommendation and the major risks.

It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it might not be prudent or appropriate to distribute written material in advance.

Unless otherwise indicated, Board materials should be treated as confidential and are not for distribution or discussion outside the Board meeting. Once Directors are finished with Board materials, the materials should be destroyed by the end of the next Board meeting. This may be done by leaving the materials with the Corporate Secretary for shredding or deleting items received electronically. On occasion, Directors will be required to return or electronically delete sensitive material at the end of a Board meeting.

#### **3.1.14.4 Attendance**

Directors are expected to attend Board meetings in person. However, in extenuating circumstances where a Director is unable to attend in person and with the prior consent of the Board Chair, a Director may attend a Committee or in camera Board meeting by means of any telephonic, electronic or other communications facility that permits all persons participating in the meeting to communicate adequately with each other during the meeting. A Director attending by such means will be deemed to be present at the meeting and will be included in the determination of quorum and be entitled to speak and vote.<sup>10</sup> Attendance at public Board meetings will be in person.

Every Director is expected to maintain an excellent meeting attendance record. The target is 100% attendance. Anything less than 80%, without extenuating circumstances, would call into question the Director's ability to effectively carry out his or her duties.

#### **3.1.14.5 Board Deliberations and Confidentiality**

The Board recognizes that certain deliberations by the Board must remain in confidence with the Board. Directors will respect the provision that the official record of the Board's deliberations is provided through the approved minutes of the Board meeting. The views or opinions of individual Directors or others in attendance at the meeting will be treated with an appropriate level of respect and confidence.

#### **3.1.14.6 Quorum and Voting**

A quorum of the Board consists of a majority of the Directors in office.<sup>11</sup>

Questions arising at any meeting of the Board will be decided by a majority of votes. The Board Chair is entitled to vote. In the case of an equality of votes, the chair of the meeting does not have a second or casting vote and the motion will fail.<sup>12</sup>

#### **3.1.14.7 Consent Resolution**

A resolution consented to in writing by all the Directors, whether by e-mail, facsimile or other electronic transmission, will be as valid and effectual as if it had been passed at a meeting of the Directors duly called and held.<sup>13</sup>

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<sup>10</sup> Articles, s.6

<sup>11</sup> Articles, s.4

<sup>12</sup> Articles, s.5

<sup>13</sup> The SCBCTA Act, s.190(4); Articles, s.7

### **3.1.14.8 Minutes**

The Board Chair will be provided with the draft minutes of each meeting of the Board. After review by the Board Chair, the minutes will be circulated to all of the Directors and the approved minutes will serve as the official record of the Board meeting.

### **3.1.14.9 Meetings without Management**

Each regular Board meeting is followed by an *in camera* meeting of Directors (without management present). The purpose of such meetings is to evaluate the Board's relationship with management, as well as its oversight of, and the quality of, information provided by management. Such meetings will not be considered to be meetings of the Board, but rather will be information meetings only. The Board Chair will immediately communicate with the CEO any relevant matters raised during the meeting.

### **3.1.14.10 Special Meeting of the Board**

Special meetings of the Board may be held at any time at the call of the Board Chair or, in the absence of the Board Chair, another Director.

Notice of a special meeting will be delivered to each Director:

- a) by mail or electronic means at least two clear days before the date fixed for the special meeting;
- or
- b) communicated orally at least four hours before the time fixed for the special meeting;

unless notice is waived.

A Director who attends a special meeting will be deemed to have waived notice of the meeting with respect to all business transacted after the Director first attends the meeting.

### **3.1.14.11 Non-Directors at Board Meetings**

The Board appreciates the value of having members of management, employees or others attend Board meetings to provide information and opinions to assist the Directors in their deliberations. The Board, through the Board Chair and through the CEO, will determine attendees at Board meetings.

### **3.1.14.12 Public Input<sup>14</sup>**

TransLink values public input and participation and the Board believes that there are significant benefits for both the public and the Board through opportunities to receive direct public input. Section 9 of the Articles sets out the processes governing receipt of public input.

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<sup>14</sup> Articles, s.9



**3.1.15 Publication of Board Materials<sup>15</sup>**

The Corporate Secretary will publish a list of the agenda items being considered by the Board at the open session of an upcoming regularly scheduled meeting on the TransLink website five days in advance of the meeting.

The Corporate Secretary will post the reports considered at the open session of a Board meeting, and the minutes approved at the open session of a Board meeting, to the TransLink website within seven days of the conclusion of a Board meeting.

**3.1.16 Board Relations with Management**

Board policies and guidelines are issued to management for their adherence. Directors may direct questions or concerns on management performance to the Board Chair, to the CEO, or through Board and Committee meetings.

Directors must respect the organizational structure of management. A Director has no authority to direct any staff member.

**3.1.17 Level of Spending Authority for Management and the Board**

Directors have no authority to make financial commitments for TransLink, other than as a secondary approval as set out in the Levels of Spending Authority for Management and the Board set out in Section 5.7.

**3.1.18 Outside Advisors for Individual Directors**

Occasionally, a Director may need the services of an advisor to assist with matters involving responsibilities as a Director. A Director who wishes to engage an outside advisor at the expense of TransLink must first obtain the authorization of the Board Chair.

**3.1.19 Validity of Proceedings**

All acts done by any meeting of the Directors (including Board and Committee meetings) will, notwithstanding that it be afterwards discovered that there was some defect in the qualification, election or appointment of any such Director be as valid as if every such person had been duly elected or appointed and was qualified to be a Director.

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<sup>15</sup> Articles, s.8

## **3.2 BOARD CHARTER**

### **3.2.1 Introduction**

The Board is the legal governing body of TransLink and has ultimate responsibility for stewardship of the affairs of TransLink. The Board engages a CEO and delegates responsibility to the CEO for the day-to-day leadership and management of the organization.

Directors have the responsibility to oversee the conduct of the business, supervise management and endeavor to ensure that all major issues affecting the business and affairs of TransLink are given proper consideration. In performing its functions, the Board is responsible to foster the long-term success of TransLink and considers the legitimate interests held by stakeholders, including the Mayors' Council, the Provincial Government, suppliers, customers, the public and TransLink's employees. The Board has the responsibility and the mandate to make decisions in the interests of TransLink within the limits established by the SCBCTA Act.

This Charter is designed to clarify the Board's responsibilities.

### **3.2.2 Strategy**

Management normally formulates the strategic direction and corporate plans and the Board has responsibility to assess, challenge, and ultimately approve them. Specifically the Board has responsibility to:

- a) participate in the development of and approve TransLink's Vision, Mission and Values;
- b) participate in the development of and approve TransLink's Long Term Strategy\*;
- c) participate in the development of and approve TransLink's Investment Plans\*;
- d) participate in the development of and approve TransLink's annual Business Plans;
- e) approve the entering into, or withdrawing from, lines of business;
- f) approve material acquisitions or dispositions;
- g) monitor, on a regular basis, TransLink's performance against its plans and alter its direction through management in light of changing circumstances; and
- h) hold an annual board retreat and Corporate Strategy session.

### **3.2.3 Material Commitments**

The Board has responsibility to:

- a) approve TransLink's Investment Plans\*;

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\* Long Term Strategies and Investment Plans also require Mayors' Council approval.

- b) approve TransLink entering into, or withdrawing from, any new lines of business;
- c) approve TransLink withdrawing from any lines of business that are likely to be detrimental to TransLink's strategic future;
- d) approve material acquisitions or dispositions;
- e) approve any material financing;
- f) approve financial or other commitments that may have a material impact on TransLink; and
- g) approve the commencement or settlement of litigation that may have a material impact on TransLink.

#### **3.2.4 Financial Information and Systems**

The Board has responsibility to:

- a) ensure through the Finance and Audit Committee that management has established and is applying appropriate audit, accounting and financial reporting principles;
- b) ensure through the Finance and Audit Committee that internal financial, business control and information systems are in place and functioning satisfactorily;
- c) review and approve the annual audited financial statements as recommended by the Finance and Audit Committee;
- d) approve appointment of the external auditors and their fees; and
- e) approve appointment of the internal auditor.

#### **3.2.5 Risk Management**

The Board has responsibility to:

- a) understand the key risks of TransLink's operations;
- b) ensure, through regular reviews and assessments, that management has established appropriate systems to identify and manage these risks; and
- c) receive regular reports on the management of material risks to TransLink.

The CEO and CFO of TransLink are responsible for establishing processes, procedures and mechanisms by which key matters of risk are identified, and ensuring that strategies are developed to manage such risks. The principal mechanisms through which the Board reviews risks are the Finance and Audit Committee, the Corporate Strategy process and an annual risk review by the Board.

### 3.2.6 Internal Controls

The Board has responsibility to direct management to ensure that systems are in place for maintaining the integrity of and implementing TransLink's internal financial, operating and administrative controls and management information systems.

### 3.2.7 Monitoring and Reporting

The Board has responsibility to:

- a) direct management to develop, implement and maintain a reporting system that measures TransLink's financial and operational performance against the performance expectations set out in its Corporate Strategy and Business Plans;
- b) monitor TransLink's financial and operational results;
- c) report annually on the operations of TransLink by:
  - i) preparing a Statutory Annual Report containing the information required by the SCBCTA Act<sup>16</sup>;
  - ii) providing copies of the annual report to the public at an annual meeting called for that purpose<sup>17</sup>; and
  - iii) ensure the timely reporting of any other developments that have a significant and material effect on the performance of TransLink; and
- d) ensure TransLink has the strategies and resources in place to enable TransLink to communicate effectively with the public and stakeholders.

### 3.2.8 Human Resources

The Board has responsibility to:

- a) appoint and replace the CEO, as appropriate, and monitor and evaluate the CEO's performance;
- b) prepare an executive compensation plan subject to limits set out in the SCBCTA Act (based on comparator organizations) and submit the plan to the Mayors' Council for approval;
- c) approve the CEO's compensation within the bounds of the executive compensation plan approved by the Mayors' Council (or as otherwise permitted under the SCBCTA Act);
- d) provide advice and counsel to the CEO in the execution of the CEO's duties;
- e) acting upon the advice of the CEO and the Finance and Audit Committee, endorse the appointment or termination of the Chief Financial Officer and Internal Auditor;

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<sup>16</sup> The required contents of the annual report are set out in s.13.4 of the SCBCTA Act.

<sup>17</sup> S.13.1 of the SCBCTA Act requires that an annual meeting be held within 6 months of the fiscal year end.

- f) provide advice to the CEO with respect to the appointment or termination of any of TransLink's Officers ("Officers")<sup>18</sup> other than the Chief Financial Officer as referred to above;
- g) provide advice to the CEO with respect to the human resources strategies and processes for recruitment, appointment and compensation of TransLink's Officers;
- h) ensure plans are made for management succession and development, including ensuring that there is in place:
  - i) a process that would respond to an emergency situation which required an immediate replacement of the incumbent CEO; and
  - ii) criteria and processes for recognition, promotion, development and appointment of management are consistent with the future leadership requirements of TransLink;
- i) ensure plans are made for the recruitment, development and retention of key positions within TransLink, other than management;
- j) review the overall organizational structure; and
- k) approve the compensation philosophy and guidelines for the CEO and Officers adopted by TransLink.

### **3.2.9 Code of Conduct and Business Ethics**

The Board has responsibility to:

- a) establish, and update from time to time as required, a code of conduct for Directors, Officers and employees, including procedures for identifying potential conflicts of interest and resolving such conflicts; and
- b) direct management to ensure that TransLink operates at all times within the code of conduct and within applicable laws, and to the highest ethical and moral standards.

### **3.2.10 Environmental Health and Safety**

The Board has a responsibility to:

- a) review management's policies in the area of environmental responsibility and occupational health and safety;
- b) on a semi-annual basis, review TransLink's status report in the area of environmental responsibility and occupational health and safety; and
- c) review any major incidents occurring in the areas of environmental responsibility or occupational health and safety.

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<sup>18</sup> TransLink's Officers other than the CEO include the following: Chief Financial Officer and Executive Vice President, Finance and Corporate Services; Vice President, Human Resources; Vice President, Customer Communications and Public Affairs; Vice President, Strategic Sourcing and Real Estate; Vice President, Financial Services; Vice President, Infrastructure Management and Engineering; Vice President, Transportation Planning and Policy; General Counsel and Corporate Secretary; and Chief Information Officer.

### 3.2.11 Communications

The Board has the responsibility to:

- a) ensure TransLink has a plan in place to communicate effectively with the Minister, the Mayors' Council, the Screening Panel, employees, stakeholders, the communities it serves and the public;
- b) ensure financial results are reported fairly and in accordance with generally accepted accounting principles; and
- c) report annually on the Board's stewardship for the preceding fiscal year through an annual report.

The CEO is the primary spokesperson for TransLink and the Board Chair is the primary spokesperson for the Board.

Members of the public and persons interested in TransLink will often communicate their concerns and questions to Directors. In all such cases, Directors must advise the CEO's office as soon as possible. The CEO will ensure that all communications are properly coordinated and, where required, will provide Directors with full assistance in the preparation and delivery of public statements and or presentations.

### 3.2.12 Statutory Requirements

Directors have specific statutory duties and obligations under employment, environmental and financial reporting law, as well as under the withholding provisions of taxation law. This includes liability for unpaid government levies and source deductions and liability for unpaid wages and commissions.

### 3.2.13 Significant Corporate Policies

The Board will review and approve all significant corporate policies of TransLink. The significant policies are listed in Section 6.0.

### 3.2.14 Board Effectiveness

The Board retains responsibility for managing its own affairs, including responsibility to:

- a) establish and update as required, governance practices and procedures to ensure the effective functioning of the Board, including an annual review of the contents of the Board Manual;
- b) select the Board Chair, the Vice-Chair, Committee members and Corporate Secretary;
- c) regularly review the Board's ability to be effective in fulfilling its roles and responsibilities;
- d) provide advance notice regarding expiration of Directors' terms to the Screening Panel within the timeline outlined in the SCBCTA Act;

- e) create a Board succession plan, outline the desired skills and experience of the Board members as a whole and the desired criteria for any upcoming vacancies to be filled, and communication the Screening Panel the desired criteria;
- f) provide advice to the Screening Panel on the performance of any Director who is eligible for re-appointment and seeking a further term;
- g) identify potential Director candidates for consideration by the Screening Panel;
- h) provide comprehensive orientation and professional development sessions for Directors;
- i) ensure annual review and sign-off by Directors of the Code of Conduct;
- j) create required Board committees or task forces and establish their membership and terms of reference;
- k) examine the effectiveness of the Board, Committees, Board Chair, Committee Chairs and Directors through an annual evaluation process; and
- l) require appropriate certification from management that TransLink is in compliance with the law.

### **3.2.15 Governance Model**

The Board has the responsibility to:

- a) ensure that any legislative changes that affect the governance framework in which TransLink operates are implemented; and
- b) ensure that TransLink's views on any proposed changes to the legislative governance framework for TransLink are communicated to the Provincial Government and others as appropriate.

### **3.2.16 Subsidiaries**

For subsidiaries, the Board has the responsibility to:

- a) establish their governance framework;
- b) review their compliance with the SCBCTA Act and other legal requirements, including receiving certification from management that subsidiaries are in compliance with the law; and
- c) appoint Directors as required.

### **3.2.17 Outside Advisors**

The Board may hire outside advisors at TransLink's expense.

### 3.3 ANNUAL BOARD AND COMMITTEE CALENDAR

#### ANNUAL BOARD AND COMMITTEE CALENDAR

##### AGENDA ITEMS

BOARD AND COMMITTEE MEETINGS	FINANCE & AUDIT	PLANNING & STAKEHOLDER RELATIONS	HUMAN RESOURCES & GOVERNANCE	PUBLIC BOARD MEETING	IN CAMERA BOARD MEETING
<b>MARCH</b>					
Review of Finance and Audit Committee Terms of Reference	Info				
Annual Finance and Audit Committee Checklist	Info				
Year End Financial and Performance Report	Info			Info	
External Audit Findings Report	Info			Info	
Audited Consolidated Financial Statements	Recommend			Decision	
Review appointment of external auditor, if required	Recommend				Decision
Statutory Annual Report	Recommend			Decision	
In Camera - Committee and External Auditor	Info				
Director and Employee Code of Conduct Semi-Annual Report	Info				
Internal Audit Reports	Info				
In Camera – Committee and Director, Internal Audit and Performance Management	Info				
Property Tax Bylaw and Replacement Tax	Recommend			Decision	
Environmental Management System Semi-Annual Update	Info				
Enterprise Risk Management (ERM) Quarterly Report (including review of ERM results)	Info				Info
Fourth Quarter Commitments in Excess of \$1,000,000	Info				
Real Estate Quarterly Update	Info				
Major Litigation Update	Info				Info
Annually review TransLink's operational project management oversight controls and systems (Capital Projects Oversight Review, including Capital Program Approvals and Governance of Major Capital Projects)	Info				



<b>BOARD AND COMMITTEE MEETINGS</b>	<b>FINANCE &amp; AUDIT</b>	<b>PLANNING &amp; STAKEHOLDER RELATIONS</b>	<b>HUMAN RESOURCES &amp; GOVERNANCE</b>	<b>PUBLIC BOARD MEETING</b>	<b>IN CAMERA BOARD MEETING</b>
Major Capital Projects Status Update	Info			Info	Info
Corporate Sustainability (Annual)	Info				
Semi-Annual Security and Emergency Management Report	Info				
Semi-Annual Access Transit Report		Info		Info	
Review of Planning and Stakeholder Relations Committee Terms of Reference		Info			
Annual Stakeholder Relations and Service Committee Checklist		Info			
Customer Communications and Public Affairs Quarterly Report		Info			
Discuss Themes for Annual Report and General Meeting		Info			
Review Corporate Policies requiring Board approval as relate to Committee's responsibility		Info			
<b>HUMAN RESOURCES &amp; GOVERNANCE GENERAL REPORTS</b>					
Review of Human Resources and Governance Committee Terms of Reference			Info		
Annual Human Resources and Governance Committee Checklist			Info		
Review Corporate Policies requiring Board approval as relate to Committee's responsibility			Info		
Board Calendar			Info		
<b>GOVERNANCE REPORTS</b>					
Semi-Annual Privacy Management Program Report			Info		
Screening Panel Process, including review Screening Panel Remuneration and Expenses			Info		
Director and Officer Annual Director Disclosure Statements, and Code of Conduct			Info		Info
New Director Orientation Feedback			Info		
Appointment of Conduct Review Advisor			Recommend		Decision
Conduct Review Advisor Summary Report			Info		Info
Annual Subsidiary Compliance Review			Info		Info

BOARD AND COMMITTEE MEETINGS	FINANCE & AUDIT	PLANNING & STAKEHOLDER RELATIONS	HUMAN RESOURCES & GOVERNANCE	PUBLIC BOARD MEETING	IN CAMERA BOARD MEETING
<b>HUMAN RESOURCES REPORTS</b>					
Vice President, Human Resources Quarterly Report			Info		
Review Executive Compensation Plan			Info		Info
Review of Officer Performance and Compensation			Info		
CEO Performance Review			Info		Info
CEO Annual Goals			Recommend		Decision
<b>MAY</b>					
Financial and Performance Report as at Q1 (March 30)	Info				
<b>JUNE</b>					
Internal Audit Reports	Info				
In Camera – Committee and Director, Internal Audit and Performance Management	Info				
Annual Enterprise Insurance Program Update	Info				
Enterprise Risk Management (ERM) Quarterly Report	Info				Info
First Quarter Commitments in Excess of \$1,000,000	Info				
Real Estate Quarterly Update	Info				
Annual Review of Compliance with Statutory and Regulatory Requirements	Info				
Major Capital Projects Status Update	Info			Info	Info
Customer Communications and Public Affairs Quarterly Report		Info			
Long term transportation strategy – Regional Transportation Strategy (every 5 years)		Recommend		Decision	
Provide input into development of Investment Plan (at least every 3 years)		Info			
Provide input into Consultation Plan for Investment Plan (at least every 3 years)		Info			
Review Communications Policy		Info			
<b>GOVERNANCE REPORTS</b>					
Review Articles and Board Governance Manual, and make revisions if required			Recommend	Decision	

BOARD AND COMMITTEE MEETINGS	FINANCE & AUDIT	PLANNING & STAKEHOLDER RELATIONS	HUMAN RESOURCES & GOVERNANCE	PUBLIC BOARD MEETING	IN CAMERA BOARD MEETING
Annual Board Evaluation Process Update			Info		
Corporate Strategy			Info		
<b>HUMAN RESOURCES REPORTS</b>			Info		
Vice President, Human Resources Quarterly Review			Info		
Annual People Report			Info	Info	
Review Succession Plans			Info		
CEO Mid-Year Performance Review			Info		Info
CEO 360° Performance Evaluation Completed (Bi-annual)			Info		Info
CEO Compensation Review			Recommend		Decision
<b>AUGUST</b>					
Financial and Performance Report as at Q2 (June 30)	Info				
Key Financial Assumptions for Following Year Budget	Info				Info
<b>SEPTEMBER</b>					
External Auditor's Audit Plan	Decision				
In Camera – Committee and External Auditor	Info				
Director and Employee Code of Conduct Semi-Annual Report	Info				
Internal Audit Reports	Info				
Annual Review of Internal Audit Policy	Info				
In Camera – Committee and Director, Internal Audit and Performance Management	Info				
Annual Review of Financial Risk and Debt Management Policies	Info				
Annual Review of Accounting Policies, Financial Reporting Practices, and Proposed Changes	Info				
Environmental Management System Semi-Annual Update	Info				
Enterprise Risk Management (ERM) Quarterly Update	Info				Info
Second Quarter Commitments in Excess of \$1,000,000	Info				
Real Estate Quarterly Update	Info				
Major Capital Projects Status Update	Info			Info	Info

<b>BOARD AND COMMITTEE MEETINGS</b>	<b>FINANCE &amp; AUDIT</b>	<b>PLANNING &amp; STAKEHOLDER RELATIONS</b>	<b>HUMAN RESOURCES &amp; GOVERNANCE</b>	<b>PUBLIC BOARD MEETING</b>	<b>IN CAMERA BOARD MEETING</b>
Semi-Annual Security and Safety Management Report	Info				
Semi-Annual Access Transit Report		Info		Info	
Investment Plan		Decision		Decision	
Customer Communications and Public Affairs Quarterly Report		Info			
<b>GOVERNANCE REPORTS</b>					
Semi-Annual Privacy Management Program Report			Info		
Annual Board, Committee, and Director Evaluation Process			Info		Info
<b>HUMAN RESOURCES REPORTS</b>					
Vice President, Human Resources Quarterly Report			Info		
<b>NOVEMBER</b>					
Financial and Performance Report as at Q3 (September 30)	Info				
<b>DECEMBER</b>					
Internal Audit Reports	Info				
Internal Audit Plan	Approval				
Review of Internal Audit Resourcing and Performance	Info				
In Camera – Committee and Director, Internal Audit and Performance Improvement	Info				
Business Plan, Operating and Capital Budget	Recommend			Decision	
Presentation on overall capital plan for upcoming year	Info				
Review and Ensure Adequacy of Internal Controls	Info				
Enterprise Risk Management (ERM) Quarterly Update	Info				Info
Third Quarter Commitments in Excess of \$1,000,000	Info				
Real Estate Quarterly Update	Info				
Major Capital Projects Status Update	Info			Info	Info
Customer Communications and Public Affairs Quarterly Report		Info			
<b>GOVERNANCE REPORTS</b>					
New Board Member Orientation			Info		

BOARD AND COMMITTEE MEETINGS	FINANCE & AUDIT	PLANNING & STAKEHOLDER RELATIONS	HUMAN RESOURCES & GOVERNANCE	PUBLIC BOARD MEETING	IN CAMERA BOARD MEETING
Appoint Committee Chairs and Committee Members			Recommend		Decision
Election of Board Chair/Vice-Chair (if required)			Recommend		Decision
Subsidiary Board Appointments (if applicable)			Recommend		Decision
Annual Board, Committee and Director Evaluation Results, and Develop Action Items			Info		Info
<b>HUMAN RESOURCES REPORTS</b>					
Vice President Human Resources Quarterly Report			Info		
CEO Performance Review			Info		
Review draft CEO Annual Goals			Info		
CEO 360° Performance Evaluation begins (bi-annual)			Info		Info

**NOTE:**

This list of agenda items in this Annual Board and Committee Calendar is not exhaustive, and may be adjusted from time to time by the Board Chair. Additional meetings will be scheduled as required, i.e. Board Strategy Sessions.

### **3.4 DIRECTOR'S TERMS OF REFERENCE**

#### **3.4.1 Introduction**

The Board has developed this Terms of Reference for Directors to set out how the Board expects members to go about discharging their duties and responsibilities as Directors. This Terms of Reference will be used in assessing the performance of Directors. The specific duties and responsibilities of the Board as a whole are set out in the Board Charter (Section 3.2).

#### **3.4.2 Statutory Duties**

In discharging his or her responsibilities, each Director is required to:

- a) act honestly and in good faith with a view to the best interests of TransLink;
- b) exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances;
- c) act in accordance with the SCBCTA Act and regulations; and
- d) act in accordance with the Articles.

In keeping with these duties, Directors are required to:

- a) avoid potential or actual conflicts of interest that are incompatible with service as a Director;
- b) make the Board aware of any real, perceived or potential conflicts of interest and make sure they are appropriately reviewed;
- c) keep confidential any information about TransLink that has not been publicly disclosed, including boardroom discussions;
- d) comply with the Board's policies and the applicable corporate policies of TransLink, including the Code of Conduct (See Section 4.1);
- e) comply with the SCBCTA Act and the Articles; and
- f) in all decisions, act in the best interest of TransLink (rather than the interests of any particular stakeholder or interested party).

#### **3.4.3 TransLink and Industry Knowledge**

Recognizing that decisions can only be made by well-informed Directors, each Director will become knowledgeable about:

- a) TransLink's business – e.g., its strategic direction and goals, its operations, its finances and human resources;
- b) the transportation and transit sectors;
- c) the unique role of TransLink within the community; and

- d) the regulatory, legislative, business, social and political environments within which TransLink operates.

#### **3.4.4 Board Activity**

During meetings, each Director is expected to:

- a) be prepared – well-informed on relevant issues (through pre-read material or otherwise);
- b) bring his or her own experience, wisdom, judgment and influence to bear constructively on issues;
- c) interact with fellow Board members and management in a respectful and constructive manner;
- d) actively participate;
- e) speak and act independently while remaining a “team player;”
- f) express opinions in a clear, organized and relevant manner;
- g) express points of view for the Board’s consideration even if they may seem contrary to other opinions previously expressed;
- h) ask probing questions;
- i) listen to, and exercise tolerance for other perspectives;
- j) be adaptable, flexible and open-minded in the consideration and implementation of change;
- k) exercise a logical, rational approach to problem solving;
- l) analyze issues from many perspectives and consider the impact of decisions on TransLink’s internal and external environments (e.g., staff, stakeholders, community);
- m) be innovative and/or resourceful in finding or developing solutions;
- n) whenever possible, advise the Board Chair and CEO in advance of introducing significant and previously unknown information;
- o) exercise good judgment;
- p) act in the best interest of TransLink rather than his or her best interests or in the best interests of a special interest group or constituency;
- q) focus inquiries on issues related to strategy, policy, implementation and results rather than issues relating to day-to-day management of TransLink; and
- r) once Board decisions are made, support those decisions in a positive manner.

Between Board meetings, each Director should:

- s) be available as a resource to management and the Board;
- t) as necessary and appropriate, communicate with the Board Chair and with the CEO between meetings; and
- u) be willing and available for individual consultation with the Board Chair or CEO.

In carrying out his or her responsibilities, every Director is expected to be actively engaged in the work of the Board and add value to the Board's work. Those Directors who have particular areas of expertise are expected to use their unique skills and experience to the benefit of the Board; for example, by taking a lead on areas of Board investigation or discussion within their area of expertise.

#### **3.4.5 Preparation**

Directors must devote the necessary time and attention to be able to make informed decisions on issues that come before the Board. While management will provide Directors with all of the information management thinks Directors need in order to discharge their responsibilities, Directors have a responsibility to ask for all information they believe necessary to make an informed decision. Requests for information should be directed through the Board Chair or Committee Chair.

To enhance the effectiveness of Board and Committee meetings, Directors are expected to:

- a) read and absorb the materials prior to the meetings and attend the meetings prepared to discuss the issues; and
- b) ensure he or she has acquired adequate information necessary for decision making.

#### **3.4.6 Relationship with Management**

Directors should direct questions or concerns on the performance of management through Board and Committee meetings or through the Board Chair to the CEO.

Directors must respect the organizational structure of management. A Director has no authority to direct any staff member.

#### **3.4.7 Committees**

In order to assist Board Committees in being effective and productive, each Director is expected to:

- a) participate on Committees and become knowledgeable about the purpose and goals of the Committee;
- b) understand the process of Committee work, and the role of management and staff supporting the Committees; and
- c) become knowledgeable about the terms of reference for the Committee(s) on which he or she serves.

#### **3.4.8 External Communication**

Each Director has an important role as an ambassador of TransLink and may, on occasion, be invited to speak publicly about TransLink or the workings of the Board. In considering the invitation, Directors should be cognizant that the Board Chair is the official spokesperson for the Board. However, where the Director considers it is appropriate to accept the invitation, the Director will confer with the Board Chair



prior to accepting the invitation. In those cases where the Board Chair considers it necessary, the approval of the CEO may also be required. Prior to the speaking engagement, the Board Chair will review the anticipated nature of the speech or public comments with the Director in order to ensure the information to be conveyed is accurate and is appropriate for the public realm.

### **3.4.9 Attendance**

Absent extenuating circumstances, Directors are expected to attend all scheduled Board meetings and Committee meetings for those Committees on which the Directors serve. TransLink will monitor attendance at Board and Committee meetings, and the Board Chair may recommend to the Board the removal of a Board member who is not able to attend a significant majority of meetings. Director attendance records will be disclosed as part of the Annual Report.

Directors are expected to participate fully and frankly in the deliberations and discussions of the Board and its Committees. They are expected to apply informed and reasoned judgment to each issue that arises and express opinions, ask further questions and make recommendations that they think are necessary or desirable. Each Director acts directly, not by proxy. Each Director has an equal say with each of the other Directors.

### **3.4.10 Outside Activities**

Every Director will:

- a) be an effective ambassador and representative of TransLink; and
- b) be available to attend corporate events at the request of the Board Chair.

### **3.4.11 Conflict of Interest**

The SCBCTA Act<sup>19</sup> sets out minimum standards with respect to conflicts of interest. In all cases where Directors have a conflict of interest as defined in the SCBCTA Act (a “Statutory Conflict of Interest”), the Director must disclose the conflict immediately upon becoming aware of it. With respect to certain types of conflict, the Director must eliminate the conflict or resign from the Board whereas in other cases, the Director must refrain from participating or voting in a meeting where the subject matter is being discussed, not communicate with other Directors on the subject and not attempt to influence others with respect to the subject matter.

The SCBCTA Act is specifically concerned with conflicts of interest where Directors have an interest in:

- a) commercial passenger vehicles;
- b) independent transit services;

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<sup>19</sup> S. 183

- c) parking spaces;
- d) contract for the provision of transportation services; and
- e) any contract to which TransLink or a subsidiary is a party.

In addition to the Statutory Conflict of Interest provisions, TransLink has adopted a Code of Conduct (Section 4.1) that goes beyond the minimum established by the SCBCTA Act.

Each Director is required to adhere to the Statutory Conflict of Interest provisions and the Code of Conduct and upon:

- a) appointment to the Board; and
- b) on or before the 15<sup>th</sup> day of January thereafter;

acknowledge in writing that he or she has read and understood the Statutory Conflict of Interest provisions and the Code of Conduct.

#### **3.4.12 Orientation and Professional Development**

Directors are expected to take full advantage of TransLink's Director orientation program and to commit to ongoing professional development (for the Board or for an individual Director) as recommended by the Board.

#### **3.4.13 Governance**

Directors are expected to keep abreast of developments in the field of corporate governance, particularly as they affect the TransLink and the Board's responsibilities.

#### **3.4.14 Reappointment**

A Director should advise the Board Chair as early as possible if he or she will or will not seek re-appointment when eligible to do so.

#### **3.4.15 End of Term**

Upon a Director's term ending, the Director is required to return to TransLink all materials and other items belonging to TransLink, including confidential Board materials.

### **3.5 BOARD CHAIR POSITION DESCRIPTION**

The following describes the role and responsibilities of the Board Chair.

#### **3.5.1 Appointment**

The Board Chair is appointed pursuant to the process set out in Section 3.1.8 of this Manual.

#### **3.5.2 Role**

The Board Chair, as the presiding Director, provides leadership in guiding the Board and coordinating its activities and fosters relationships between the Board and management, among Directors and, together with the CEO, between TransLink and the Mayors' Council, the Provincial Government, the Screening Panel and the communities served by TransLink.

The Board Chair is accountable to the Board, acts as a direct liaison between the Board and management, and acts as a spokesperson for Board decisions where appropriate.

The Board Chair, while working closely with the CEO, retains an independent perspective to best represent the interests of TransLink, the communities it serves, and the Board.

#### **3.5.3 Duties and Responsibilities**

The specific duties and responsibilities of the Board Chair are to:

##### **a) Work with Management**

- Act as a liaison between management and the Board;
- foster a constructive and harmonious relationship between the Board and management;
- provide advice and counsel to the CEO, including helping to identify problems, reviewing strategy, maintaining accountability, building relationships and ensuring that the CEO is aware of concerns of the Board and the communities TransLink serves;
- review and approve the CEO's expenses;
- keep abreast generally of the activities of TransLink and its management; and
- ensure that management presents to the Board all matters necessary to enable the Board to effectively exercise its responsibilities.

##### **b) Manage the Board**

- foster ethical and responsible decision-making by the Board and individual Directors;
- ensure the Board has full governance of TransLink's business and affairs and is alert to its obligations to TransLink, the Mayors' Council, to the communities it serves, to stakeholders, and to management;

- ensure the Board fulfils its governance responsibilities as set out in the Board charter;
- recommend an annual schedule of the date, time and location of Board and Committee meetings;
- recommend Committee chairs and membership;
- in concert with the CEO and Corporate Secretary, develop, set and approve the Board's regular meeting agenda and determine Board information packages;
- ensure that Directors are properly informed and that sufficient and timely advance distribution of all background information is provided to enable the Directors to form appropriate judgments;
- act as Chair at meetings of the Board and the Annual Meeting;
- build consensus and develop teamwork within the Board;
- ensure the Board has cohesion of direction and purpose at a policy and strategic level;
- ensure Board meetings are conducted in an efficient, effective and focused manner;
- ensure that each Director is contributing to the Board's work and discuss with each individual Director his or her contribution, as necessary from time to time;
- in addition to the Board evaluation and Director evaluation process, meet with each Director annually to discuss his or her views on how the Board can be more effective, personal observations regarding fellow Directors and an exchange of views on how the individual Director may enhance his or her contribution;
- in consultation with the Human Resources and Governance Committee Chair, develop and implement the evaluation process for incumbent Directors whose terms are expiring and consider their qualifications to stand for re-appointment;
- call meetings of the Board and the Annual Meeting;
- act as the official spokesperson for the Board and, when appropriate and in conjunction with the CEO, as spokesperson for TransLink; and
- keep the Board up to date on all significant developments.

**c) Other**

- i) Such other functions as may be:
  - 1) ancillary to the responsibilities described above; or
  - 2) delegated to the Board Chair by the Board from time to time.

**d) Casting Vote**

In the event there is a tie vote on an issue, the Board Chair does not have a casting, or second vote.

**e) Committees**

The Board Chair is an ex officio member of all Board Committees where he or she is not formally appointed as a member. Where the Board Chair is an ex officio member of a committee the Board Chair is not counted in establishing quorum and does not vote.

**f) Advisors/Resources**

The Board Chair has authority to retain external advisors and resources up to \$50,000.

**g) Communications**

The Board Chair:

- i) represents the Board as appropriate with the Mayors' Council, the Minister, the Screening Panel, stakeholders, communities, other organizations and the public; and
- ii) in coordination with the CEO, ensures TransLink's management and the Board are appropriately represented at official functions and meetings.

**h) Absence of Board Chair**

In the absence or incapacity of the Board Chair, the Vice-Chair or, in the absence of a Vice-Chair, another Board member designated by the Board Chair will carry out the duties and exercise the powers of the Board Chair during such absence or incapacity. If the Board Chair and Vice-Chair position is vacant, the remaining Directors may designate one Director to carry out the duties and exercise the powers of the Board Chair during vacancy.

**3.6 VICE-CHAIR POSITION DESCRIPTION**

The Board may appoint a Vice-Chair. If a Vice-Chair is appointed, the following describes the role and responsibilities of the Vice-Chair.

**3.6.1 Role**

The Vice-Chair works collaboratively with the Board Chair and supports the Board Chair in fulfilling his or her responsibilities.

**3.6.2 Responsibilities**

The Vice-Chair:

- a) carries out the duties of the Board Chair when the Board Chair is absent or unable to carry out the Board Chair's responsibilities;
- b) performs any of the Board Chair's duties when requested by the Board Chair; and
- c) performs such other functions as may be reasonably requested by the Board or the Board Chair.

### **3.7 COMMITTEE CHAIR POSITION DESCRIPTION**

#### **3.7.1 Appointment**

The Committee Chairs are appointed by the Board on the recommendation of the Board Chair in consultation with the Human Resources and Governance Committee.

#### **3.7.2 Role**

The Committee Chair provides independent, effective leadership to the Committee and leads the Committee in fulfilling the duties set out in its Charter.

#### **3.7.3 Responsibilities**

The Committee Chair will:

##### **a) Leadership**

- i) Provide overall leadership to enhance the effectiveness of the Committees; and
- ii) take all reasonable steps to ensure that the responsibility and duties of the Committee, as outlined in its Charter, are well understood by the Committee members and executed as effectively as possible.

##### **b) Ethics**

- i) Foster ethical and responsible decision-making by the Committee and its individual members.

##### **c) Committee Governance**

- i) Provide effective Committee leadership, overseeing all aspects of the Committee's direction and administration in fulfilling the terms of its Charter; and
- ii) with the Human Resources and Governance Committee, oversee the structure, composition, membership and activities delegated to the Committee.

##### **d) Committee Meetings**

- i) Ensure that the Committee meets as many times as necessary to carry out its duties effectively;
- ii) In consultation with the Board Chair, other Committee members, the Corporate Secretary and members of management, as appropriate, establish the agenda for each Committee meeting;
- iii) preside at all meetings of the Committee, including in camera sessions, provided that if the Committee Chair or his or her designate is not present within 15 minutes of the time appointed for holding the meeting or if the Committee Chair or his or her designate has

- advised the Corporate Secretary that he or she will not be present at the meeting, the Directors present at the meeting will choose one of their number to chair the meeting;
- iv) ensure sufficient time during Committee meetings to fully discuss agenda items;
  - v) encourage Committee members to ask questions and express viewpoints during meetings;
  - vi) deal effectively with dissent and work constructively towards arriving at decisions and achieving consensus; and
  - vii) ensure that the Committee meets in separate, regularly scheduled, non-management, in camera sessions.
- e) Committee Reporting**
- i) Following each meeting of the Committee, ensure that the Board receives a summary of the activities, findings and any recommendations of the Committee; and ensure that Committee materials are available to any Director on request.
- f) Committee Management Relationships**
- i) Take all reasonable steps to ensure that Committee members receive written information and are exposed to presentations from management to fulfill the Committee Charter;
  - ii) facilitate effective communication between Committee members and management, both inside and outside of Committee meetings; and
  - iii) have an effective working relationship with members of management.
- g) Evaluations**
- i) Ensure that a performance evaluation of the Committee and the Committee Chair is conducted, soliciting input from all Committee members, other Directors and appropriate members of management.
- h) Advisors/Resources**
- i) Ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently; and
  - ii) coordinate with the Committee to retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities.
- i) Other**
- i) Carry out any other appropriate duties and responsibilities assigned by the Board or delegated by the Committee.

### **3.8 CEO POSITION DESCRIPTION**

The following describes the appointment, role and responsibilities of the CEO.

#### **3.8.1 Appointment**

The Board appoints the CEO on terms and conditions it considers appropriate. The CEO reports to, and is accountable to, the Board. The CEO is not a member of the Board but participates fully with the Board in regular meetings (except for the in camera portions of the meeting or if otherwise requested by the Board to retire from the meeting).

#### **3.8.2 Role**

The CEO has overall responsibility to the Board for the general management of, and control over, the businesses, activities and other affairs of TransLink. The CEO does this by leading and managing TransLink through the development and implementation of strategies and policies, the management of its human resources, and efficient and effective operations.

#### **3.8.3 Duties and Responsibilities**

The CEO has specific responsibility to:

##### **a) Leadership**

- i) lead and manage TransLink within the parameters established by the Board and its Committees;
- ii) foster a corporate culture that promotes ethical and safe practices and encourage individual integrity and social responsibility;
- iii) ensure compliance with the SCBCTA Act and the Articles;
- iv) ensure that TransLink achieves and maintains a high standard for its facilities and services;
- v) develop and implement operational policies to guide TransLink within the limits prescribed by the SCBCTA Act and the Corporate Strategy and Business Plans adopted by the Board;
- vi) direct and monitor TransLink's activities in a manner that ensures the assets of TransLink are safeguarded and optimized; and
- vii) ensure compliance with TransLink's policies and practices.

##### **b) Board**

- i) be accountable to the Board for all activities of TransLink; and
- ii) support the Board Chair and the Board to carry out the Board's governance responsibilities.

##### **c) Corporate Strategy**

- i) develop and recommend the Long Term Strategy and the Investment Plans under the SCBCTA Act;
- ii) develop and recommend the annual Business Plan to the Board; and



- iii) successfully implement the Business Plan and other supporting initiatives within approved budgets.

**d) Requisitioning and Signing Authority**

- i) initiate and approve expenditures against the annual budgets and capital plans set out in the Business Plan and other actions or transactions falling outside the Business Plan approved by the Board; and to further delegate spending authority to staff positions based on departmental responsibilities, levels of authority and individual experience; and
- ii) enter into legal binding commitments on behalf of TransLink and to further delegate signing authority to staff positions based on departmental responsibilities, levels of authority, or contract or transaction type.

**e) Reporting**

- i) report to the Board on the achievement of operational, financial, and sustainability goals;
- ii) provide an annual due diligence report confirming that TransLink is in compliance with all legal requirements; and
- iii) keep the Board apprised of material issues that may affect TransLink's ability to achieve the operational and financial objectives set out in TransLink's Corporate Strategy and Business Plans.

**f) Financial and Risk Management**

- i) ensure the integrity of TransLink's internal control, financial and managements systems; and
- ii) identify, and report to the Board, principal risks of the business and ensure the implementation of systems to manage these risks.

**g) Human Resources**

- i) develop and seek input from the Board regarding the overall organizational structure;
- ii) keep the Board informed of any proposed material changes to the organizational structure;
- iii) develop and recommend to the Board the broad compensation strategy and philosophy for TransLink;
- iv) approve management compensation within the bounds of the executive compensation plan approved by the Mayors' Council (or as otherwise permitted by the SCBCTA Act);
- v) provide the Directors, at Board and Committee meetings, with exposure to TransLink's Officers and other key management;
- vi) annually provide the Board with an overview of the Officers' performance;
- vii) consult in advance with the Board Chair and the Human Resources and Governance Committee with respect to any proposed hiring or termination of an Officer;

- viii) inform the Board Chair and Human Resources and Governance Committee if an Officer resigns his or her position;
- ix) obtain the approval of the Finance and Audit Committee for the appointment or termination of the Chief Financial Officer and Internal Auditor;
- x) annually establish and maintain a Board approved plan for management development and succession; and
- xi) annually establish and maintain a Board approved plan for the recruitment, development and retention of key personnel other than management.

#### **h) External Relations**

- i) Act as a primary spokesperson for TransLink and oversee TransLink's interfaces with the public and stakeholders;
- ii) develop and implement a communications program to support TransLink's strategic objectives; and
- iii) maintain a positive working relationship with all key stakeholders including all levels of government.

#### **i) Outside Commitments**

- i) Obtain Board approval prior to accepting significant public service commitments and/or outside board appointments.

### **3.8.4 Compensation**

The Board establishes the CEO's compensation, within the bounds of the executive compensation plan approved by the Mayors' Council (or as otherwise permitted by the SCBCTA Act).

## **3.9 CORPORATE SECRETARY POSITION DESCRIPTION**

The following describes the appointment, and role and responsibilities of the Corporate Secretary. The Corporate Secretary role may be combined with another position (e.g. General Counsel and Corporate Secretary).

### **3.9.1 Appointment**

The Corporate Secretary is appointed by the Board in consultation with the CEO. He or she is accountable to the Board for Board-related activities and reports to the Board Chair. The Corporate Secretary is also a member of management and in this capacity has management-related responsibilities and reports operationally to the CEO.

### 3.9.2 Role

The Corporate Secretary supports the Board by providing resources, information and communication links between the Board and management, with particular emphasis on facilitating the flow of information. The Corporate Secretary also advises the Board and Chair on governance matters.

### 3.9.3 Duties and Responsibilities

The Corporate Secretary has specific responsibility to:

- a) ensure the smooth running of the Board's and Board Committees' activities by helping the Board and Committee Chairs to set agendas, preparing and presenting information to the Board and Board Committees, advising on Board procedures and ensuring the Board follows them;
- b) under direction from the Board Chair, schedule all Board and Committee meetings;
- c) ensure proper notice is given for all Board meetings;
- d) attend all Board and Committee meetings (except where there may be a conflict of interest) and act as Corporate Secretary at such meetings or appoint a designate to act as Corporate Secretary;
- e) ensure that accurate minutes from Board and Committee meetings are prepared and distributed to all Directors;
- f) provide, or obtain, governance advice or support for the Board and advise the Board on all matters of procedure;
- g) advise the Board Chair in respect of any matters where conflict, potential or real, may occur between the Board and CEO;
- h) serve the Human Resources and Governance Committee as a source of expertise and advice on new developments in corporate governance and best practices that are being employed in other organizations;
- i) ensure the Board acts within the parameters of the SCBCTA Act and the policies as set out in the Board Manual;
- j) keep under close review all legislative, regulatory and corporate governance developments that might affect Board operations, and ensure the Board is fully briefed on these and has regard to them when making decisions;
- k) liaise with the Screening Panel, Mayors' Council and others as required in connection with the Director appointment process;
- l) under direction from the Human Resources and Governance Committee, provide orientation for new Directors and ongoing professional development for all Directors and support them in understanding their roles and responsibilities;

- m) act as primary point of contact and source of advice and guidance for Directors with respect to Board matters in order to support the decision making process;
- n) maintain TransLink's corporate records;
- o) maintain and update as required the Board's policies as contained in this Board Manual;
- p) maintain custody of the minutes and records of the Board; and
- q) ensure proper and timely documentary filings and fulfillment of corporate disclosure requirements to statutory authorities under applicable legislation.

#### **3.9.4 Conflict of Interest**

If there is a conflict of interest, actual, potential or perceived, on any particular matter, between the Corporate Secretary's administrative or managerial responsibilities within TransLink and the Corporate Secretary's responsibilities as secretary to the Board, it is the responsibility of the Corporate Secretary to draw it to the attention of the Board through the Board Chair.

### **3.10 COMMITTEE OPERATING GUIDELINES**

#### **3.10.1 Introduction**

Pursuant to the SCBCTA Act, TransLink may establish such committees as are appropriate to assist the Board in carrying out its work.

Committees of the Board analyze in depth, policies and strategies developed by management, which are consistent with the Committees' Charters. Committees examine proposals and, subject to limitations under applicable laws, make decisions or make recommendations to the full Board. Committees may not take action or make decisions on behalf of the Board unless specifically mandated to do so.

Current Committees of the Board are:

- a) Finance and Audit;
- b) Human Resources and Governance;
- c) Planning and Stakeholder Relations.

#### **3.10.2 Mandate**

Each Committee will review its own Charter annually and submit any changes to the Human Resources and Governance Committee for review and recommendation to the full Board.

### 3.10.3 Composition

Each year, Committee Chairs and members are appointed by the Board at the last Board meeting of the previous year, on the recommendation of the Board Chair. Committee members and Chairs are appointed for one-year terms and may be appointed for consecutive terms. A Committee member may be appointed to more than one Committee at one time. A Committee member may be removed from one Committee and placed on another Committee upon approval of the Board, providing such a change is not in conflict with the composition guidelines of the Charter for each Committee. A Committee member may be removed or replaced at any time by the Board. A Committee member will also cease to be a Committee member upon ceasing to be a Director of TransLink.

Any Director of TransLink may attend any Committee meeting, provided that a Director will be compensated only for attending meetings of Committees of which he or she is a member. Non-Committee members will not be counted in establishing quorum and will not vote.

The Board Chair is an *ex officio* member of all Board Committees of which he or she is not an appointed member. Where the Board Chair is an *ex officio* member of a Board Committee, he or she is not counted in establishing quorum and does not vote.

Each Committee Chair will advise the CEO when the Committee wishes to use TransLink staff as a Committee resource. It will be the responsibility of the CEO to designate staff for Committee assistance.

### 3.10.4 Meetings

Committees will meet as often as required to carry out their responsibilities. The frequency of Committee meetings will be determined by the Committee Chair in accordance with the Committee Charter. Meetings will be scheduled a year in advance where possible.

Notice of Committee meetings is required to be given five clear days in advance of the meeting, unless notice is waived. A member who attends a meeting will be deemed to have waived notice of the meeting with respect to all business transacted after the member first attends the meeting.

Subject to a resolution of the Board stipulating otherwise in respect of a particular transaction or particular class of business, a quorum for the transaction of business at a Committee meeting will be a majority of appointed members. Questions arising at a meeting will be determined by a majority of votes of the members present. The Committee Chair is entitled to vote. In the event of a tied vote, the Committee Chair will not have a casting vote and the motion will fail.<sup>20</sup>

Committee meetings are normally held at the head office of TransLink.

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<sup>20</sup> Articles, ss. 10, 4 and 5

A Committee member may participate in a meeting by telephone or such other communications facilities as permit all persons participating in the meeting to hear one another with the prior consent of the Committee Chair. A Director participating in a meeting in accordance with this section will be deemed to be present at the meeting and will be included in the determination of quorum and be entitled to speak and vote.<sup>21</sup> A resolution in writing, signed by all of the Directors who would be entitled to vote on that resolution at a meeting of the Committee, is as valid as if it had been passed at a meeting of the Committee. Such resolution may be in two or more counterparts which together will be deemed to constitute one resolution in writing. Such resolution will be filed with the minutes of the proceedings of the Directors and will be effective on the date stated thereon or on the latest date stated on any counterpart.<sup>22</sup>

### **3.10.5 Meeting without Management**

Each regular Committee meeting is followed by an in camera meeting of Directors (without management present). The purpose of such meetings is to evaluate the Committee's relationship with management, as well as its oversight of, and the quality of, information provided by management. Such meetings will not be considered to be meetings of the Committee but rather will be information meetings only. The Committee Chair will immediately communicate with the Committee's senior staff liaison any relevant matters raised during the meeting.

### **3.10.6 Agenda**

The Chair of each Committee will determine the agenda for each meeting.

### **3.10.7 Recommendations**

Each Committee will make periodic recommendations to the Board in respect of the subject on which it was created to provide advice. The Board will take into consideration, but will not be bound by, Committee recommendations.

### **3.10.8 Staff Support**

The Corporate Secretary will work with the Committee Chair towards the establishment of meeting agendas and preparation of meeting materials.

The Corporate Secretary will ensure that accurate minutes of each Committee meeting are prepared and provided to each Committee member in a timely fashion.

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<sup>21</sup> Articles, ss. 10 and 6

<sup>22</sup> Articles, ss. 10 and 7

### **3.10.9 Accountability to Board**

Following a Committee meeting, a summary on every major matter considered at that meeting will be provided to the full Board at the Board's next scheduled meeting. The Corporate Secretary will ensure that minutes of regular Committee meetings (i.e., not in camera meetings), once approved by the Committee, are provided to the Board Chair, Directors and the CEO.

Except where the Board, by resolution or through the Committee's Charter, has authorized the Committee to act, a Committee has no authority to direct management or to commit TransLink.

### **3.10.10 Invitees**

A Committee Chair may invite such Directors or such employees of TransLink, as may be considered desirable, to attend meetings and assist in the discussion and consideration of the business of the Committee. Where a Committee Chair, with the concurrence of the Board Chair, invites a Director to participate or attend a Committee meeting, that Director will be compensated for his or her attendance but will not be counted as quorum or a voting member.

Each Committee Chair will advise the CEO when the Committee wishes to use TransLink staff as Committee support. It will be the responsibility of the CEO, or the appropriate member of management, to designate staff for the Committee's assistance.

### **3.10.11 External Advisors**

Each Committee may engage independent advisors at the expense of TransLink when it deems it necessary in accordance with its respective Committee terms of reference.

## **3.11 FINANCE AND AUDIT COMMITTEE**

### **3.11.1 Purpose**

The Finance and Audit Committee has primary responsibility for the financial planning, financial reporting, accounting systems, external audit, internal audit, information technology, sustainability and corporate social responsibility, investor relations, management plans and budgets, internal controls and treasury of TransLink vested in Management and overseen by the Board. In addition, the committee's role is to understand TransLink's material business and project risks and to review Management's plans to manage these risks; to assist the Board in carrying out its oversight responsibilities with respect to the planning, development and construction to TransLink's major capital projects; to oversee Management's delivery of the overall capital program; to oversee TransLink's real estate program; to oversee safety and security initiatives; and to make recommendations to the board as appropriate.

### **3.11.2 Financial Oversight**

The Finance and Audit Committee (the “Committee”) is responsible for assisting the Board in fulfilling its obligations and oversight responsibilities relating to financial planning, the audit **process**, financial reporting, information technology, the system of corporate controls and, when required, for making recommendations to the full Board for approval.

In the process of overseeing TransLink’s audit procedures, the Committee will have unrestricted access to TransLink’s personnel and documents, and will be provided with the resources necessary to carry out its responsibilities, including the authorization to engage independent counsel and other advisors as part of this resource requirement.

### **3.11.3 Capital Planning**

The committee will review management’s long-term planning associated with major infrastructure investment options, which would include an analysis of consistency with the regional growth strategy, options to address growing transportation need, cost-benefit analysis of the options, an assessment of the likelihood of federal, provincial and regional financing, as well as an analysis of own-source contributions, if any. No future planning funding will be committed by TransLink until this analysis has been reviewed by the Committee and, as appropriate, the Board.

### **3.11.4 Risk**

The Committee is responsible for managing the Board’s role in overall risk management and mitigation. This will include but is not limited to:

- a) overseeing the Enterprise Risk Management assessment and ensuring appropriate mitigation measures are in place; and
- b) monitoring major initiatives undertaken to improve service delivery, safety and/or operational efficiency as assigned by the Board.

### **3.11.5 Major Capital Projects**

The Board will delegate to the Committee responsibility to assist the Board with oversight responsibilities in respect of certain major capital projects or initiatives or a series of projects or initiatives (hereinafter referred to as “Projects”).

Projects with a capital value in excess of \$50 million will be considered a major capital project. However, in determining which projects, or series of projects, will be delegated to the Committee, the Board will also consider:

- a) stakeholder, financial, environmental, reputational and political considerations
- b) project complexity, and



- c) whether the project has adequately assessed the potential risks and ensures these are provided for in the most cost-effective manner.

All projects that involve an alternate to the traditional design/build procurement model will be delegated to the Committee for oversight to:

- a) assist in reviewing and establishing the nature of the relationship;
- b) identifying and approving the appropriate risk allocation; and
- c) establishing the appropriate governance, management and commercial terms for the transaction.

### **3.11.6 Capital Program**

The Committee will receive an annual update presentation from Management and provide feedback on the overall capital plan for the upcoming year. It will include:

- a) a summary of the capital projects carrying over from previous years;
- b) a summary of reallocations across projects in the previous year and year-to-date; and
- c) a review of the criteria the Management team used to prioritize the projects for the upcoming year, including a short summary of those that did not make the cut.

### **3.11.7 Real Estate**

The Committee will oversee the strategic development of the Real Estate Program and consider the financial implications, associated risks and timing regarding:

- a) the acquisition of real estate;
- b) the disposition of surplus real estate and reallocation of revenues; and
- c) development of opportunities, including transit-oriented development.

### **3.11.8 Composition**

The Committee will be composed of at least three Directors. The Board Chair is an ex officio member, but is not counted in establishing quorum and does not vote.

Committee members will have a working familiarity with finance and accounting practices and/or engineering and project management, and at least one Committee member should have a professional accounting designation or related financial management expertise to be considered a financial expert.

### **3.11.9 External Auditor**

The external auditors will be notified of the Committee's meeting schedule and receive the appropriate meeting materials in advance of meetings. The external auditors will have the right to appear before,

and to be heard at, every meeting of the Committee, and will appear before the Committee when requested to do so by the Committee.

The external auditors will receive copies of the minutes of every meeting of the Committee and may request a meeting of the Committee be called by notifying the Committee Chair of such request.

#### **3.11.10 Staff Support**

The Chief Financial Officer will provide staff support to the Committee. In addition, the Vice-President, Financial Services will provide staff support for finance-related matters and the Vice-President, Engineering and Implementation will provide staff support for engineering and capital-related matters. Other senior staff will also provide support on specific items, as appropriate.

The Corporate Secretary or the Corporate Secretary's designate will be secretary to the Committee.

#### **3.11.11 Advisors/Resources**

The Finance and Audit Committee Chair has authority to retain external advisors and resources up to \$50,000.

#### **3.11.12 Responsibilities**

Subject to the powers and duties of the Board, the Committee will perform the duties as outlined in the 'Finance and Audit Committee Duties and Responsibilities Annual Checklist' below.

The Finance and Audit Committee will annually review and complete its checklist at the first quarter meeting of the year. The Finance and Audit Committee will report to the Board its compliance with the committee checklist and note any exceptions at the first board meeting of each year.

#### **3.11.13 Accountability**

The Committee will report its discussions to the Board of Directors by distributing the minutes of its meetings, and where appropriate, by oral or written summary to the Board of Directors with respect to every major matter considered since the last meeting.

Supporting schedules and information reviewed by the Committee will be available for examination by any Director upon request to the secretary of the Committee.

The Committee will annually review its terms of reference, and report to the Board as to how it achieved its objectives.

### 3.11.14 Committee Timetable

The Committee meets at least four times per year to permit timely review of interim and annual financial statements. Additional meetings may be held as deemed necessary by the Chair of the Committee or as requested by any member of the external or internal auditors.

The regular timetable for the Committee's activities is reflected in the Board and Committee annual calendar set out in Section 3.3.

### 3.11.15 Finance and Audit Committee Duties and Responsibilities Annual Checklist

Requirements	Action	Status
<b>Financial Planning</b>		
Review and recommend financial plans forwarded to the Board for approval, including financial plans contained within the Long Term Strategy, financial plans contained with the Investment Plans, and the Business Plan.	Review and recommend	
Review and recommend the appropriateness and validity of any material assumptions and estimates used in the preparation of such financial plans/budgets.	Review and recommend	
Review and recommend the consistency of the financial plans/budgets with policies, objectives and initiatives approved by the Board.	Review and recommend	
Review and recommend the consistency of the financial plans/budgets with any other financial data.	Review and recommend	
Review any significant assumptions, forecasts, targets or performance goals used by management in the preparation of the financial plans/budgets.	Review and recommend	
<b>Financial Reporting</b>		
Review financial reports and related information of TransLink to ensure that any material deviation from budget, or any material indication that actual results will fail to meet budget expectations, are addressed by the CEO.	Review	
Review TransLink's audited annual financial statements to ensure they are fairly presented in all material respects in accordance with generally accepted accounting principles.	Review	
Review the financial statements and reports, and make recommendations to the Board with respect to approval.	Review and recommend	
Determine whether appropriate accounting methods have been applied.	Review	
Discuss with management and with the external auditor: <ul style="list-style-type: none"> <li>i) all proposed changes in accounting policy;</li> <li>ii) the import and presentation of all large risks or uncertainties;</li> <li>iii) compliance with accounting standards;</li> <li>iv) significant adjustments arising out of the audit process and related party transaction party transactions; and</li> <li>v) all estimates or judgments of management that may be material to financial reports.</li> </ul>	Discuss	

Requirements	Action	Status
Question management and the external auditor regarding significant financial report, recording or presentation issues discussed during the fiscal period and the manner of their resolution.	Discuss	
Examine the audited annual financial statements in conjunction with the report of the external auditor, which may include determining whether the statements: <ul style="list-style-type: none"> <li>i) properly reflect the significant accounting policies selected;</li> <li>ii) reflect estimates and other financial statement elements that are reasonable and consistent;</li> <li>iii) adequately disclose all major transactions and issues;</li> <li>iv) disclose all post-year-end significant events;</li> <li>v) are understandable, relevant, reliable and comparable.</li> </ul>	Review	
Review financial reports required under the SCBCTA Act.	Review	
<b>External Audit</b>		
Recommend to the Board the appointment of the external auditor for TransLink.	Review and recommend	
Determine whether the performance of the external audit is satisfactory, effective and meets the requirements of TransLink.	Review	
Review all issues related to any change in external auditor and the planned steps of an orderly transition.	Review	
Review the terms of the external auditor's engagement, and the appropriateness and reasonableness of the proposed audit fees.	Review	
Review on an annual basis the amount of fees paid to the external auditors and their affiliates for audit related and non-audit consulting services provided to TransLink, in accordance with best practices.	Review	
Review, in advance, non-audit services to be provided by the external auditor's firm or an affiliate to ensure appropriate independence.	Review	
Pre-approve fee levels for audit related and non-audit related services provided to TransLink by its external auditor.	Pre-approve/ Decline	
Review the audit plan with the external auditor and management.	Review	
Determine whether management has provided full and open disclosure to the external auditor's inquiries.	Review	
Review problems experienced by the external auditor in performing the audit, including any restriction imposed by management and all significant accounting issues on which there was a disagreement with management.	Review	
Review the post-audit opinion or management letter containing the recommendations of the external auditor and review management's response and subsequent follow-up to any significant identified weaknesses.	Review	
The Committee will hold regular in camera meetings with the external auditors.	Perform	

Requirements	Action	Status
<b>Accounting Systems and Internal Controls</b>		
Through discussions with management and the external auditors, obtain reasonable assurance that TransLink has implemented appropriate systems of internal control over financial reporting and that these systems are operating effectively.	Obtain reasonable assurance	
Through discussions with management and the external auditors, obtain reasonable assurance that TransLink has implemented appropriate systems of internal controls to ensure compliance with its policies, and procedures and that these systems are operating effectively.	Obtain reasonable assurance	
Through discussion with management and the external auditors, obtain reasonable assurance that TransLink has implemented appropriate systems of internal control to identify, monitor, mitigate and report significant financial or operational risk exposures and that these systems are operating effectively.	Obtain reasonable assurance	
Review with TransLink's General Counsel on at least an annual basis any legal matters that could have a significant impact on TransLink's financial statements, to ensure compliance with legal and regulatory requirements.	Review	
Review the evaluation of internal controls by the external auditor, including any recommendations for improvement of TransLink's accounting procedures and internal controls, together with management's response.	Review	
Direct the external auditor's examinations to particular areas of concerns.	Direct	
<b>Internal Audit</b>		
In consultation with the CEO, review and approve the terms of the internal auditor's engagement or termination.	Approve/Decline	
Review and approve the internal audit plan.	Approve/Decline	
Ensure the internal auditor's approach to risk and internal control is appropriate.	Review	
Determine whether the performance of the internal audit is satisfactory, effective and meets the requirements of TransLink.	Review	
Ensure there are adequate resources for the internal control function.	Review	
Review problems experienced by internal audit in performing its function, including any restriction imposed by management and all significant difficulties or disagreements with management.	Review	
The Committee will hold regular in camera meetings with the internal auditor.	Perform	
<b>Information Technology</b>		
Oversee the TransLink enterprise information strategy.	Oversee	
Receive regular updates on Information Technology strategic alignment, value delivery, resource management, risk management, and performance management.	Review	
Review management's systems to manage these risks	Review	

Requirements	Action	Status
<b>Chief Financial Officer and Internal Auditor</b>		
On the recommendation of the CEO, the Committee will review and endorse the appointment and termination of the Chief Financial Officer and internal auditor and the terms of their engagement or termination.	Review and endorse	
<b>Code of Conduct</b>		
Ensure that TransLink has in place adequate procedures to address issues raised by employees or other parties concerning the receipt, retention and treatment of complaints received by TransLink regarding alleged irregularities in respect of Code of Conduct, accounting, financial reporting, internal control or auditing matters; and the confidential, anonymous submission by employees of TransLink of concerns arising in connection to the code of conduct.	Review	
Receive semi-annual reports regarding any complaints made by Directors and Officers under the Code of Conduct or employees under the Employee Code of Conduct.	Review	
<b>Sustainability and Corporate Social Responsibility</b>		
Assume oversight of the corporate Sustainability Policy., including plans, initiatives and reporting.	Oversee	
Receive reports on the implementation of the corporate sustainability plan, including the development of and progress against key performance indicators.	Review	
<b>Risk Management</b>		
Understand the material risks to TransLink.	Review	
Receive quarterly reports on how each material risk is trending and review management's risk mitigation strategies.	Review	
Lead an annual review with the Board on TransLink's material risks and management's systems to eliminate or manage such risks.	Review	
<b>Major Capital Projects</b>		
In respect of proposed Projects, assist the Board in making a decision whether or not to proceed with the Project.	Review and recommend	
During the development stage of a Project, provide oversight of management's Project development plans and provide advice to management consistent with the Long Term Strategy and Statutory Strategic Plan as appropriate on the following: <ul style="list-style-type: none"> <li>i) Project team and structure;</li> <li>ii) Use and choice of outside consultants;</li> <li>iii) Project risk profile, timetable, critical path and mitigation strategies;</li> <li>iv) Project pro-forma model and sensitivity cases;</li> <li>v) Proposed key contractual heads of terms and an outline of contracting strategy; and</li> <li>vi) The timing of securing Board approval for commencement of Project including construction and/or major pre-commencement financial commitments.</li> </ul>	Oversee	

Requirements	Action	Status
<p>During the implementation phase of a Project, review with management such items as the following:</p> <ul style="list-style-type: none"> <li>i) the proposed oversight program;</li> <li>ii) risk assessment, management and mitigation strategies;</li> <li>iii) use and choice of outside consultants;</li> <li>iv) co-ordination in the use of consultants retained by the Committee or Board;</li> <li>v) the identification of major Project milestones and progress in achieving them, including variance analysis and mitigation strategies;</li> <li>vi) a regularly updated Project risk profile and early warning of key issues or disputes and suggested mitigation strategies;</li> <li>vii) Project pro-forma model updates, showing actual expenditures versus budget, use of contingency and projected final expenditures;</li> <li>viii) expected completion schedule; and</li> <li>ix) provide regular progress updates to the Board</li> </ul>	Oversee and update	
<p>Upon completion of the Project, determine which Project aspects will be retained for Committee oversight.</p>	Review and oversee	
<p>With respect to a material dispute involving a Project:</p> <ul style="list-style-type: none"> <li>i) review with management: <ul style="list-style-type: none"> <li>a) the most appropriate method to resolve the dispute including negotiation, mediation/refereeing, arbitration or litigation;</li> <li>b) the choice of the dispute resolution strategy;</li> <li>c) the selection of the appropriate consultants and/or experts including referee, arbitrator and external legal counsel; and</li> <li>d) provide regular status updates to the Board; and</li> </ul> </li> <li>ii) make recommendations to the Board in respect to any strategic issues regarding such disputes.</li> </ul>	Review and recommend	
<p>Timely review of completed Projects in terms of:</p> <ul style="list-style-type: none"> <li>i) cost-effectiveness;</li> <li>ii) timeliness;</li> <li>iii) operational effectiveness;</li> <li>iv) quality of completed project;</li> <li>v) risk assessment, management and mitigation strategies;</li> <li>vi) lessons learned;</li> <li>vii) sustainability objectives;</li> <li>viii) post operational cost variance analysis; and</li> <li>ix) other relevant indicators and objectives</li> </ul>	Review	
<b>Management Oversight</b>		
<p>Annually review TransLink's operational project management oversight controls and systems.</p>	Review	
<p>Oversee management's delivery of the overall capital program.</p>	Oversees	

Requirements	Action	Status
<b>Real Estate Program</b>		
Oversee the strategic development of the Real Estate Program and consider the transportation and financial implications, associated risks and timing regarding: <ul style="list-style-type: none"> <li>i) the acquisition of real estate;</li> <li>ii) the disposition of surplus real estate and reallocation of revenues; and</li> <li>iii) development of opportunities.</li> </ul>	Oversee	
Review quarterly reports of the Real Estate Program to ensure the appropriate mechanisms are in place to maximize TransLink's benefits under the overall program.	Review	
<b>Safety and Security Initiatives</b>		
Review and recommend safety and security initiatives related to the public, including public health and safety..	Review and recommend	
Review and recommend safety and security initiatives related to employees, including occupational health and safety.	Review and recommend	
Receive semi-annual reports on Safety and Security	Review	
Oversee implementation of safety and security initiatives, as required.	Oversee	
<b>Other Responsibilities</b>		
Conduct an annual review TransLink's insurance coverage of material business risks and uncertainties.	Review	
Before disclosure to the public, investors or stakeholders, review any formal financial reports on the condition or results of TransLink.	Review	
Confirm that appropriate policies and procedures are in place for monitoring compliance with applicable laws and ascertain their adequacy and the levels of compliance.	Confirm	
Report to the Board all financial matters of which the Committee has knowledge that may materially affect the current or future position of TransLink.	Report	
Receive semi-annual environmental management system update.	Stay informed	
Committee Chair to meet with each subsidiary Board Chair semi-annually to discuss any issues relevant to the subsidiary Board's duties.	Stay informed	
Keep current on emerging best practices in corporate governance relevant to the mandate of the Committee and, as required, recommend changes to the Finance and Audit Committee Terms of Reference to the Governance Committee.	Stay informed	
Receive annual updates on significant litigation affecting the TransLink enterprise	Stay informed	
Review amendments to the Major Road Network and Truck Route Network.	Review and recommend	
Review such other matters that the Committee or the Board deems advisable or timely.	Review/ recommend/ implement/ lead, as required	



Review Committee Charter/Terms of Reference.	Review and recommend	
Complete Committee checklist for review.	Complete and report	
Assume other related responsibilities as assigned to the Committee by the Board.	Review/ recommend/ implement/ lead, as required	

### 3.12 HUMAN RESOURCES AND GOVERNANCE COMMITTEE

#### 3.12.1 Purpose

The purpose of the Human Resources and Governance Committee (the “Committee”) is to assist the Board with respect to all matters relating to human resources, including CEO evaluation and compensation, management development, succession planning, executive compensation and significant human resources policies, and ensure that the human resources strategies and policies support the achievement of TransLink’s goals and responsibilities, including alignment to the Corporate Strategies. The Committee will also receive reports on employee engagement and labour relations matters, when appropriate.

The Committee will also develop and recommend to the Board a set of corporate governance principles; make recommendations regarding the size, composition and charters of the committees of the Board; assist the Board and Board Committees with the annual self-evaluation process; develop and recommend to the Board the Board Skills and Experience Profile; assist the Board in identifying potential Board candidates to recommend to the Screening Panel as appropriate; and oversee privacy issues.

#### 3.12.2 Composition

The Committee will be composed of at least three Directors. The Board Chair is an *ex officio* member of the Committee but is not counted in establishing quorum and does not vote.

#### 3.12.3 Staff Support

The Corporate Secretary and Vice President, Human Resources will provide staff support to the Committee. Other senior staff will also provide support on specific items, as appropriate.

The Corporate Secretary or the Corporate Secretary’s designate will be secretary to the Committee.

#### 3.12.4 Advisors/Resources

The Human Resources and Governance Committee Chair has authority to retain external advisors and resources up to \$50,000.

### 3.12.5 Duties and Responsibilities

Subject to the powers and duties of the Board, the Committee will complete the requirements as outlined in the 'Human Resources and Governance Committee Duties and Responsibilities Annual Checklist' below.

The Committee will annually review and complete its checklist at the last meeting of the year. The Committee will report to the Board its compliance with the committee checklist and note any exceptions at the first board meeting of each year.

### 3.12.6 Accountability

The Committee will report its discussions to the Board by distributing the minutes of its meetings and, where appropriate, by oral or written summary at the next meeting of the Board of every major matter considered since the Board's last meeting.

### 3.12.7 Committee Timetable

The timetable for the Committee's activities is reflected in the annual Board and Committee calendar set out in Section 3.3.

### 3.12.8 Human Resources and Governance Committee Duties and Responsibilities Annual Checklist

Requirements	Action	Status
<b>CEO Evaluation</b>		
Review, and recommend to the Board, the CEO's annual goals and objectives.	Review and recommend	
Oversee the implementation of the CEO evaluation process (as outlined in Section 5.5 of the Board Governance Manual).	Implement and lead	
<b>Executive Compensation and Succession Planning</b>		
Review and recommend to the Board compensation for the CEO, including salary, incentive awards, perquisites, benefits and other remuneration in accordance with the Executive Compensation Plan approved by the Mayors' Council.	Review and recommend	
Review the CEO's plans regarding compensation for Officers, including salary, perquisites, benefits and other remuneration.	Review	
Review and recommend to the Board proposed changes to the compensation philosophy and guidelines for the CEO and Officers, including salary, incentive awards, perquisites, benefits and other remuneration.	Review and recommend	
Annually review and verify for completeness, succession and development plans for management prior to the CEO's discussion of those plans with the Board.	Review and verify	
Review the CEO's plans regarding the employment and severance arrangements for Officers.	Review, as required	

Requirements	Action	Status
<b>Other Human Resource Responsibilities</b>		
Review any significant organizational structure changes planned by the CEO.	Review, as required	
Recommend to the Board the general terms upon which management will be authorized to negotiate any of TransLink's collective agreements and recommend ratification of a negotiated collective agreement to the Board.	Recommend	
Review TransLink's significant human resources policies, and recommend to the Board any amendments, additions or deletions as appropriate.	Review and recommend	
Review Annual People Report.	Review	
Review the results of any surveys to measure employee engagement.	Review	
Stay informed on best practices in human resources and compensation issues as relevant to the mandate of this Committee.	Stay informed	
<b>Corporate Governance</b>		
At least annually, review the governance framework for the TransLink enterprise and advise the Board regarding: <ul style="list-style-type: none"> <li>i) areas of concern;</li> <li>ii) best practices; and</li> <li>iii) recommended changes.</li> </ul>	Review and recommend	
Annually review the Board Manual and make recommendations for changes, as appropriate.	Review and recommend	
Annually review the Articles and make recommendations for changes, as appropriate.	Review and recommend	
Ensure appropriate structures and procedures are in place to allow the Board to function effectively.	Oversee	
<b>Board Succession Planning</b>		
Annually review the composition of the Board as a whole and recommend, if necessary, recommend changes to the Board Skills and Experience Profiles.	Review and recommend	
As vacancies arise, assist the Board to review the skills and experience required on the Board, update the Board Skills and Experience Profile, identify any gaps that should be filled in new Directors candidates and communicate the Board's needs to the Screening Panel.	Review and recommend	
Assist the Board with respect to Board succession, including communication with the Screening Panel on behalf of the Board as directed by the Board.	Assist and support	
As required, and as directed by the Board, identify to the Screening Panel potential Board candidates qualified to stand for re-election or to become new members of the Board, consistent with Board Skills and Experience Profile.	Assist and support	

Requirements	Action	Status
<b>Board Evaluation and Board Effectiveness</b>		
Oversee annual Board and Committee Effectiveness Evaluation Process.	Oversee	
Assist and support the annual review processes (including a review by the full Board and discussion with management) for evaluating the effectiveness of the Board, Committees, the Board Chair, Committee Chairs and Directors.	Assist and support	
<b>Other Governance Responsibilities</b>		
Make recommendations to the Board regarding appoint of Committee Chairs / Committee membership for coming year.	Recommend	
Ensure programs are in place for new Director orientation and ongoing Director professional development (and received feedback from new board members).	Oversee	
Review Annual Director Disclosure Statements.	Review	
Appoint Conduct Review Advisor.	Appoint	
Receive semi-annual reports on the status of the corporate privacy program.	Review	
Review and monitor legislation and/or litigation affecting the duties, responsibilities and potential liability of Directors.	Review and monitor	
<b>General Committee Responsibilities</b>		
Complete Committee checklist for review.	Complete and report	
Review Committee Charter/Terms of Reference.	Review and recommend	
Assume other related responsibilities as assigned to the Committee by the Board.	Review/ recommend/ implement/ lead, as required	

### **3.13 PLANNING AND STAKEHOLDER RELATIONS COMMITTEE TERMS OF REFERENCE**

#### **3.13.1 Purpose**

The purpose of the Planning and Stakeholder Relations Committee (the “Committee”) is to assist the Board with respect to all matters relating to customer service, stakeholder relations and engagement; transportation planning; and transportation service. The Committee will work with management and assist the Board with customer service stakeholder relations and engagement, including engagement with the Mayors’ Council on Regional Transportation; all levels of government; business, trade and industry organizations; public sector organizations; community leaders; and the general public. The Committee will assist the Board with the oversight of the development and implementation of TransLink’s long term strategies and 10-Year Investment Plans; communications and branding; customer service; access transit; and goods movement.

#### **3.13.2 Composition**

The Committee will be composed of at least three Directors. The Board Chair is an *ex officio* member of the Committee but is not counted in establishing quorum and does not vote.

#### **3.13.3 Staff Support**

The Vice President, Transportation Planning and Policy and Vice President, Communications and Customer Engagement will provide staff support to the Committee. Other senior staff will also provide support on specific items, as appropriate.

The Corporate Secretary or the Corporate Secretary’s designate will be secretary to the Committee.

#### **3.13.4 Advisors/Resources**

The Planning and Stakeholder Relations Committee Chair has authority to retain external advisors and resources up to \$50,000.

#### **3.13.5 Duties and Responsibilities**

Subject to the powers and duties of the Board, the Committee will complete the requirements as outlined in the ‘Planning and Stakeholder Relations Committee Duties and Responsibilities Annual Checklist’ below.

The Committee will annually review and complete its checklist at the last meeting of the year. The Committee will report to the Board its compliance with the committee checklist and note any exceptions at the first Board meeting of the year.

### 3.13.6 Accountability

The Committee will report its discussions to the Board by distributing the minutes of its meetings and, where appropriate, by oral or written summary at the next meeting of the Board of every major matter considered since the Board's last meeting.

### 3.13.7 Committee Timetable

The timetable for the Committee's activities is reflected in the annual Board and Committee calendar set out in Section 3.3.

### 3.13.8 Planning and Stakeholder Relations Committee Duties and Responsibilities Annual Checklist

Requirements	Action	Status
<b>Transportation Planning and Stakeholder Relations</b>		
Oversee the development of TransLink's 10-Year Investment Plans (at least every three years).	Review and recommend	
Oversee the development of TransLink's long term transportation strategies (every five years).	Review and recommend	
Oversee the development of policies, procedures, strategies and studies related to all significant transportation planning initiatives in relation to people and goods movement, and ensure such initiatives are consistent with TransLink's 10-Year Investment Plan and long term transportation strategy.	Review and recommend	
Oversee the implementation of policies, procedures, strategies and studies related to all significant transportation planning initiatives.	Oversee	
Oversee the community engagement strategies and organized constituency to build Mayors' Council, government, stakeholder and public support for TransLink's transportation planning initiatives.	Oversee	
<b>Access Transit</b>		
Oversee Access Transit and recommend changes.	Review and recommend	
Receive semi-annual Access Transit reports.	Review	
<b>Communications and Branding</b>		
Oversee the development of all significant communications plans/strategies and branding campaigns, and ensure such initiatives are aligned with TransLink's strategic goals and objectives.	Review and recommend	
Provide direction for the implementation of the communications plan/strategies and branding initiatives.	Review	
Make suggestions or recommendations on topics or issues that should be addressed by TransLink through its various communications tools.	Review	
Receive quarterly updates on communications activities.	Review	
Assist with response to stakeholders and media inquiries, as required.	Review	

Requirements	Action	Status
Conduct an annual review of TransLink's Communications Policy to ensure that it continues to communicate TransLink's mission, vision and mandate.	Review and recommend	
<b>Customer Service</b>		
Review customer complaints.	Review	
Review survey process.	Review	
<b>Other Responsibilities</b>		
Discuss themes for Annual Report.	Review	
Complete Committee checklist for review.	Complete and report	
Review Committee Charter/Terms of Reference.	Review and recommend	
Assume other related responsibilities as assigned to the Committee by the Board.	Review/recommend/ implement/lead, as required	

## 4.0 CONDUCT

### 4.1 CODE OF CONDUCT

#### 4.1.1 Introduction

The purpose of the Directors and Officers Code of Conduct and Conflict of Interest Guidelines (the “Code of Conduct”) is to promote honest and ethical conduct, focus the Directors and Officers of TransLink on areas of ethical risk, provide guidance to Directors and Officers to help them recognize and deal with conflicts of interest and ethical issues, provide mechanisms to report unethical conduct and help preserve the culture of honesty and accountability at TransLink and its subsidiaries.

The Code of Conduct provides general guidance on the standards of conduct expected of Directors and Officers, including guidelines on conflicts of interest. Within TransLink, there is an Employee Code of Conduct relating to conduct of employees and the reporting of alleged breaches in respect of the Employee Code of Conduct. The Employee Code of Conduct, which also applies to Directors and Officers, is reviewed and approved by the Board.

#### 4.1.2 Definitions

Throughout this Code of Conduct and in any related or referenced documents:

- **“Associate”** means:
  - a) a spouse of the Director;
  - b) a son or daughter of a Director or of the spouse of a Director if the son or daughter is under 19 years of age or is living in the family residence of the Director;
  - c) a relative of the Director who is living in the family residence of the Director;
  - d) a corporation of which the Director beneficially owns, directly or indirectly, more than 10% of the voting rights attached to all outstanding voting securities of the corporation; or
  - e) a trust of estate in which the Director has a substantial beneficial interest or for which the Director services as trustee;
- **“Conduct Review Advisor”** means the independent contractor appointed by the Board to provide a neutral and independent expert interpretation of the standards of business conduct and guidelines for conflict of interest set out in the Code of Conduct;
- **“confidential information”** includes proprietary, technical, business, financial, legal, personal, third party or any other information which TransLink treats as confidential;
- **“Conflict of Interest Registry”** means a registry maintained by TransLink holding the disclosure records filed by Directors and Officers and the Disclosure Statements filed by Directors;



- **“disclosing person”** means a person who reports or discloses circumstances to the Conduct Review Advisor which the person believes are a breach or possible breach of the Code of Conduct;
- **“disclosure record”** means a record filed with the Corporate Secretary by a Director or Officer disclosing a real, perceived or potential conflict of interest pursuant to sections 4.1.9.2 and 4.1.9.3;
- **“Disclosure Statement”** means the statement filed by a Director upon his or her appointment, annually thereafter or as required by changed circumstances in the form set out in the Appendix to the Code of Conduct;
- **“friend”** includes an individual with whom the Director or Officer is connected by frequent or close association;
- **“private interest”** means a pecuniary or economic interest or advantage and includes any real or tangible benefit that personally benefits the Director or Officer or his or her Associate but does not include an interest arising from the performance of the Director or Officer’s official duty or function that applies to the public, affects an individual as one of a broad class of the public, or concerns the Director’s remuneration and benefits received in that capacity;
- **“relative”** means a relative by blood, adoption or marriage;
- **“substantial private interest”** means a private interest that is substantial enough in the particular circumstances to benefit materially from a decision of TransLink;
- **“spouse”** means a person the Director or Officer is married to or with whom the Director or Officer is living in a marriage-like relationship, including a person of the same gender, but does not include a person from whom the Director or Officer is separated or living apart and with whom the Director or Officer has entered into an agreement to live apart or who is the subject of an order of a court recognizing the separation.

#### 4.1.3 Conduct Review Advisor

TransLink has engaged a Conduct Review Advisor who reports through the Board Chair’s office.

The Conduct Review Advisor is a neutral and independent resource to provide a clear interpretation of its standards of business conduct and guidelines for conflict of interest.

The Conduct Review Advisor provides independent expert advice, receives disclosures and issues written opinions or directives to Directors or Officers on Code of Conduct and conflict of interest matters that they may encounter when fulfilling their respective responsibilities.

#### **4.1.4 Individual Responsibility**

TransLink is determined to behave, and to be perceived, as an ethical corporation. Each Director and Officer must adhere to the standards described in this Code of Conduct, and to the standards set out in applicable policies, guidelines or legislation.

A Director's failure to adhere to these standards could result in a recommendation by the Board Chair to the Board for removal from office.

An Officer's failure to adhere to these standards could lead to termination of appointment as Officer and/or disciplinary action, up to and including termination of employment.

Integrity, honesty, and trust are essential elements of our business success. Any Director or Officer who knows or suspects that this Code of Conduct has been or is likely to be breached has a responsibility to report it.

#### **4.1.5 Where to Seek Clarification**

Directors should seek clarification with respect to any aspect of the Code of Conduct from the Board Chair. If the Director is not comfortable seeking clarification from the Board Chair, the Director should seek clarification from the Conduct Review Advisor.

Officers should seek clarification with respect to any aspect of the Code of Conduct from the CEO. If the Officer is not comfortable seeking clarification from the CEO, the Officer should seek clarification from the Conduct Review Advisor.

The Board Chair may, at his or her discretion or at the request of a Director, seek the advice of the Conduct Review Advisor.

#### **4.1.6 General Compliance with the Law**

Directors and Officers must act at all times in full compliance with both the letter and the spirit of all applicable laws.

In his or her relationship with TransLink, no Director or Officer will commit or condone an unethical or illegal act or instruct another Director, Officer, employee, or supplier to do so.

Directors and Officers are expected to be sufficiently familiar with any legislation that applies to their work to recognize potential liabilities and to know when to seek legal advice.

No Director or Officer should create or condone the creation of a false record. No Director or Officer should destroy or condone the destruction of a record, except in accordance with TransLink policies.

TransLink is continually under public scrutiny. Therefore, Directors and Officers must not only comply fully with the law, but must also avoid any situation which could be perceived as improper or indicate a casual attitude towards compliance.

Directors and Officers must not engage in, or give the appearance of being engaged in, any illegal or improper conduct that is in violation of this Code of Conduct.

#### **4.1.7 Conflicts of Interest – General Provisions**

##### **4.1.7.1 General**

Directors and Officers will perform their duties conscientiously and will not put themselves in a position in which their private interests or the private interest of their friends, relatives or Associates and those of TransLink might be in actual or perceived conflict.

A Director or Officer has an actual conflict of interest when the Director or Officer is performing a duty or function of the position and in the performance of that duty or function has the opportunity to further his or her private interests or the private interests of his or her friends, relatives or Associates.

There is a perceived conflict of interest when a reasonably well-informed person could perceive that a Director or Officer's ability to perform a duty or function of the position was, or will be, affected by the Director or Officer's private interests.

Every Director and Officer must avoid any situation in which there is an actual or perceived conflict of interest that could interfere, or could be perceived to interfere, with the Director or Officer's judgment in making decisions in TransLink's best interest.

TransLink depends on the integrity of all Directors and Officers who have knowledge of a decision or activity of TransLink that involves or might involve a conflict of interest to disclose the circumstances.

Some conflicts are quite clear, but others are less obvious. TransLink recognizes that its Directors and Officers have perfectly legitimate outside interests; however, there may also be situations which could be perceived as a conflict of interest, no matter how innocent the intentions of the Director or Officer.

The following are examples of circumstances where a Director or Officer's private interests would be in conflict with the interests of TransLink:

- a) influencing a TransLink staff member to lease equipment from a business owned by a Director or Officer's spouse;
- b) influencing the Board to provide funding to a society where the Director or Officer serves on the board of that society;

- c) disclosing confidential information about future TransLink real estate sales or developments to a close personal friend or business colleague;
- d) being aware of a significant contract being negotiated between a public company and TransLink, purchasing shares in the public company before the contract is announced publicly; and
- e) obtaining confidential TransLink information at a Board meeting concerning the alignment of a rapid transit project which could affect the value of real estate owned by the Director or Officer or Associate.

Directors who find themselves in a conflict of interest must disclose the conflict in accordance with the provisions of the Code of Conflict. Full disclosure enables Directors to resolve unclear situations and gives an opportunity to dispose of or appropriately address conflicting interests before any difficulty can arise.

The following provides a more detailed discussion of circumstances where a conflict of interest could arise and how TransLink expects its Directors and Officers to behave.

#### **4.1.7.2 Outside Business Interests**

No Director or Officer should hold a substantial private interest, directly or indirectly, through a relative, friend or Associate, or hold or accept a position as an Officer or Director, in an entity where by virtue of his or her position in TransLink the Director or Officer could in any way benefit the entity by influencing the decisions of TransLink.

#### **4.1.7.3 Confidential Information**

Directors and Officers must at all times maintain the confidentiality of all confidential information and records obtained by the Directors and Officers by reason of TransLink and must not make use of or reveal such information or records except in the course of performance of his or her duties or as required by law, or unless the documents or information become a matter of general public knowledge (other than through disclosure by the Director or Officer).

Directors and Officers must take the precautions necessary and appropriate to maintain the confidentiality of the confidential information and must not directly or indirectly disclose, allow access to, transit or transfer the confidential information to any person.

Similarly, Directors and Officers may not use confidential information obtained through their association with TransLink to further their private interests or the private interests of their friends, relatives or Associates.

#### **4.1.7.4 Non-Profit and Professional Associations**

From time to time, a Director or Officer may reach a position of leadership in a non-profit association where he or she may be viewed as a spokesperson for that group. In such situations, the Director or Officer should ensure that when speaking on behalf of such an association he or she is seen as speaking for the organization and not as a spokesperson of TransLink.

#### **4.1.7.5 Entertainment, Gifts and Benefits**

In this discussion, “gifts or benefits” include cash, preferred loans, securities or secret commissions and “entertainment” includes invitations to attend events or functions.

Gifts, entertainment and benefits may only be accepted or offered by a Director or Officer in the normal exchanges common to business relationships. The following criteria will guide his or her judgment:

- a) the gift, entertainment or benefit would be considered by the business community to be within the bounds of propriety taking into account all the circumstances of the occasion;
- b) the exchange does not nor is it expected to create an obligation;
- c) it occurs infrequently.

Inappropriate gifts that are received by a Director or Officer should be returned to the donor and may be accompanied by a copy of the Code of Conduct. Inappropriate perishable gifts can be donated to a charity and the donor notified. Inappropriate invitations should be refused.

In some cultures or business settings, the return of a gift or refusal of a favour, benefit or entertainment would be offensive. In these cases, a Director or Officer should refer the circumstances to the Board Chair or CEO, as appropriate, for guidance.

Full and immediate disclosure of borderline cases will always be taken as good-faith compliance with the Code of Conduct.

#### **4.1.7.6 Business Relationships with Contractors**

No Director or Officer may benefit directly or indirectly from TransLink’s business relationships unless the benefit is an ancillary benefit that TransLink intends its Directors or Officers to enjoy.

#### **4.1.7.7 Professional Development**

TransLink encourages and supports the professional development of its employees, including Officers. Where Officers are members of a recognized profession, they are expected:

- a) to keep abreast of professional developments in their field;
- b) to perform their duties in accordance with the recognized standards of that profession; and

- c) to abide by any code of ethics adopted by their professional association.

#### **4.1.7.8 Use of Corporate Property**

TransLink assets must not be misappropriated for personal use by Directors or Officers.

Directors and Officers are entrusted with the care, management and cost-effective use of TransLink's property, including the use of TransLink's name, and should not make significant use of these resources for their own personal benefit or purposes.

A Director or Officer using TransLink's computer database or electronic mail system will be expected to comply with any internal policies and procedures that guide the storage, use and transmission of information through this medium.

Directors and Officers should ensure that any TransLink property assigned to them is maintained in good condition and should be able to account for such property.

Directors and Officers may not dispose of TransLink property except in accordance with the guidelines established by TransLink.

#### **4.1.7.9 Political Participation**

Directors and Officers engaging in the political process should do so on their own time and must take care to separate their personal activities from their association with TransLink.

#### **4.1.8 Conflict of Interest – Statutory Provisions for Directors**

##### **4.1.8.1 General**

In addition to the General Provisions regarding conflict of interest outlined in Section 4.1.7 above, the SCBCTA Act sets out minimum standards with respect to conflicts of interest (s. 183 of the SCBCTA Act).

In all cases where Directors have a conflict of interest as defined in the SCBCTA Act, the Director must disclose the conflict immediately upon becoming aware of it. With respect to certain types of conflict, the Director must eliminate the conflict or resign from the Board whereas in other cases, the Director must refrain from participating or voting in a meeting where the subject matter is being discussed, not communicate with other Directors on the subject and not attempt to influence others with respect to the subject matter.

Directors are expected to know, understand and comply with the SCBCTA Act's conflict of interest provisions.

#### 4.1.8.2 Commercial Passenger Vehicles, Transit, Parking and Transportation

A Director who, in any way, directly or indirectly:

- a) has a significant beneficial interest in an operation, whether that operation is for profit or not, or in a person, or in a share, stock, bond, debenture or other security of a person, that
  - i) owns or manages the operation of one or more commercial passenger vehicles or directly or indirectly has a significant beneficial interest in person who owns or manages the operation of one or more commercial passenger vehicles;
  - ii) provides, or directly or indirectly has a significant beneficial interest in a person who provides, independent transit service; or
  - iii) provides parking services in the transportation service region or directly or indirectly has a significant beneficial interest in a person who provides parking services in the transportation service; or
- b) has a significant beneficial interest in a contract for the provision of transportation services, including, without limitation, independent transit services, in the transportation service region;

must:

- c) immediately after becoming aware of the fact, refrain from:
  - i) exercising any of his or her powers or duties under the SCBCTA Act, including, without limitation, participating in or voting at any Board or Committee meeting;
  - ii) communicating to any of the other Directors in relation to the matter in relation to which the interest exists; and
  - iii) influencing in any way a decision or action to be made by TransLink in relation to the matter in relation to which the interest exists;until he or she has complied with subparagraph 4.1.8.2(d), and
- d) promptly after becoming aware of the fact:
  - i) eliminate the circumstances that resulted in him or her having that interest; or
  - ii) resign as Director.

If a Director does not comply with subparagraph 4.1.8.2 (d) within three months after becoming aware of having that interest, the other Directors must remove that Director from office.

#### 4.1.8.3 Devices, Patents and Contracts

A Director who, in any way, directly or indirectly, has:

- a) a significant beneficial interest in a device, appliance, machine, article, patent or patented process, or a part of it, that is material to the provision of transportation services in the transportation service region; or

- b) a significant beneficial interest in any contract, other than a Director indemnity agreement or a contract of insurance for Director and Officer liability, to which TransLink or its subsidiary is a party; must, immediately after becoming aware of that fact, refrain from:
  - i) participating in or voting at any meeting of the Board or a Committee in relation to the matter in relation to which the interest exist;
  - ii) communicating to any of the other Directors in relation to the matter in relation to which the interest exists; and
  - iii) influencing in any way a decision or action to be made by TransLink in relation to the matter in relation to which the interest exists.

#### **4.1.8.4 Exceptions**

Notwithstanding sections 4.1.8.2 and 4.1.8.3 of this Policy:

- a) the use or purchase in the transportation service region by a Director, for personal or domestic purposes, of parking services or a means of conveyance is not a contravention of this policy and does not disqualify the Director from acting; and
- b) a Director who has a beneficial interest in a publicly held mutual fund or pension fund that contains any of the investments referred to in subparagraph 4.1.8.2(a) is not, merely because of that interest;
  - i) required to disclose that interest under section 4.1.9.2; and
  - ii) subject to section 4.1.8.2;unless those investments make up more than 30% of the total mutual fund or pension fund holdings.

#### **4.1.9 Conflict of Interest Disclosure Process**

##### **4.1.9.1 Disclosure Statement (Directors)**

Every Director must file a Disclosure Statement with the Corporate Secretary, in the form attached as Appendix "A" to the Code of Conduct, upon his or her appointment, by January 15<sup>th</sup> of each year thereafter, and at any time as required by changed circumstances.

##### **4.1.9.2 Disclosure Record – Statutory Requirements (Directors)**

Any Director who has any interest described in Section 4.1.8.2 or 4.1.8.3 must, promptly after he or she becomes aware that he or she has such an interest, disclose the nature and extent of the interest by a disclosure record:

- a) the original of which provided to the Corporate Secretary for deposit at TransLink's head office; and



- b) a copy of which is provided to each of the other Directors.

Such disclosure record will be made available for public inspection at TransLink's head office.

#### **4.1.9.3 Disclosure Record – Other (Directors and Officers)**

Any Director or Officer who, directly or indirectly:

- a) holds property;
- b) holds an office;
- c) owes a fiduciary obligation to any other entity;
- d) has an interest in a contract or proposed contract with TransLink or its subsidiary; or
- e) has any other interest which could give rise to an actual or perceived conflict of interest;

must disclose the relevant details by a disclosure record to the Corporate Secretary.

#### **4.1.9.4 Registry of Director Statements and Disclosure Records (Directors)**

The Corporate Secretary will retain the disclosure records and Disclosure Statements at TransLink's head office, ensure they are circulated promptly to each of the Directors, and record the disclosures in TransLink's Conflict of Interest Registry.

#### **4.1.9.5 Indirect Significant Beneficial Interest**

Under the Code of Conduct, a Director will be considered to have an indirect significant beneficial interest if his or her Associate has a significant beneficial interest. (This does not prevent a Director from having an indirect significant beneficial interest in a manner other than through an Associate.)

#### **4.1.10 Protocol for Dealing with Conflicts of Interest**

##### **4.1.10.1 Circulation of Disclosure**

If a Director or Officer has disclosed an actual, perceived or potential conflict of interest pursuant to a disclosure record or a Disclosure Statement:

- a) the Corporate Secretary will circulate a copy of the disclosure to all Directors and the CEO; and
- b) the disclosure and plans to manage the actual, perceived or potential conflict will be included as an agenda item at the next Board meeting.

##### **4.1.10.2 Potential Conflicts of Interest Related to Board and Committee Meeting Agenda Items**

Relying on information that has been made available to the Corporate Secretary through the Disclosure Statements and disclosure records and otherwise, the Corporate Secretary will monitor the subject matter of Board or Committee agendas for potential conflicts of interest for individual Directors.

If the Corporate Secretary has reason to believe that an agenda item could result in a conflict of interest for a Director, the Corporate Secretary will make reasonable efforts to discuss the issue generally with the Director before circulating background information to that Director on that subject matter.

If a Director identifies a conflict of interest in an agenda item, the Director will:

- a) refrain from reviewing the materials in respect of that agenda item;
- b) return the materials in respect of that agenda item to the Corporate Secretary;
- c) advise the Corporate Secretary that he or she should not be sent the materials in respect of that agenda item in the future; and
- d) only be provided with minutes of the meeting that record the decision made respecting that agenda item and not minutes that reflect the details of any discussion that took place.

#### **4.1.10.3 Declaration at Meeting**

The Director will declare to the Board or the Committee, as the case may be, the general nature of the conflict of interest when the subject matter arises on the agenda of the Board or Committee meeting and will leave the meeting until the discussion on that item is completed and a decision, if any, has been made.

If a Director makes a declaration of conflict of interest and leaves the meeting, the Corporate Secretary will record these facts in the minutes of the meeting.

If a Director has made a declaration in respect of certain subject matter, the Director will only be provided minutes of the meeting that record the decision made respecting that subject matter but not minutes that reflect the details of any discussion that took place.

#### **4.1.10.4 Potential Conflicts of Interest Unrelated to Board/Committee Meeting Agenda Items**

If TransLink has entered into a contract in which a Director or Officer has declared a conflict of interest, the CEO will ensure that the details concerning such a contract are presented to the Board at the next Board meeting.

If TransLink proposes to enter into a contract in which a Director or Officer has declared a conflict of interest, the CEO will ensure that the details concerning such a contract are presented to the Board and Board approval is sought. Such contracts will be brought before the Board for approval even if they are not of the type or dollar value that would normally require Board approval.

#### **4.1.11 Procedures for Disclosure to the Conduct Review Advisor**

##### **4.1.11.1 Disclosure**

A Director or Officer who believes that there has been a breach or possible breach of the Code of Conduct (by himself or herself or another Director or Officer) that has not been reported to the Board Chair or CEO, as appropriate, may disclose the circumstances to the Conduct Review Advisor.

##### **4.1.11.2 Encouragement to Report**

If the Conduct Review Advisor is of the opinion that the circumstances related are a breach or possible breach of the Code of Conduct, the Conduct Review Advisory will encourage the disclosing person:

- a) who is an Officer, to report the circumstances to the CEO; or
- b) who is a Director, to report the circumstances to the Board Chair.

If the disclosing person is reluctant to report the circumstances, the Conduct Review Advisor will offer to provide assistance in making this report by attending with the person, by reporting the circumstances on that person's behalf or by any other means the Conduct Review Advisor considers appropriate in the circumstances.

##### **4.1.11.3 Officer Concern about Reprisals**

If the disclosing person is an Officer and is concerned about possible reprisals for reporting the circumstances to the CEO, the Conduct Review Advisor will offer to monitor the circumstances and will report these concerns to the Board Chair on a confidential basis. The Board Chair will ensure that no Officer is subject to reprisals as a result of reports made in good faith and based upon reasonable belief.

##### **4.1.11.4 Advisor Conclusion on Potential Harm**

If the disclosing person has indicated an intention to **not** report the circumstances to the CEO or Board Chair as appropriate, the Conduct Review Advisor:

- a) will record the advice and offers of assistance given and provide a copy to the disclosing person; and
- b) will assess whether the disclosed circumstances are likely to cause serious harm to a member of the public or to TransLink or its employees.

For these purposes "serious harm" includes physical injury, significant financial loss, significant damage to or loss of property, significant damage to corporate or personal reputation, or significant loss of public confidence in TransLink.

**4.1.11.5 No Serious Harm**

If the Conduct Review Advisor concludes that the disclosed circumstances are not likely to cause serious harm, both the fact of the disclosure and the Conduct Review Advisor's advice to the disclosing person will be kept confidential by the Conduct Review Advisor, to the extent permitted by law.

The Conduct Review Advisor will not take any further steps in respect of the specific disclosure but may refer to the circumstances in a general way in any subsequent reports given to the Board Chair or the Board.

**4.1.11.6 Serious Harm**

If the Conduct Review Advisor concludes that the disclosed circumstances are likely to cause serious harm, the Conduct Review Advisor will advise the disclosing person of this conclusion and that the Conduct Review Advisor intends to discuss the disclosed circumstances with the CEO or Board Chair as appropriate.

If the Conduct Review Advisor discusses these disclosed circumstances with the CEO and is not satisfied that the disclosure will be or has been dealt with appropriately, the Conduct Review Advisor will make a report to the Board Chair.

**4.1.11.7 Protection of Privacy**

If the Conduct Review Advisor discusses these disclosed circumstances with the CEO or the Board Chair, the Conduct Review Advisor, the CEO and the Board Chair will make reasonable efforts to protect the privacy of the disclosing person. However, this privacy may not be protected if:

- a) the disclosing person has reported his or her own breach of the Code of Conduct to the Conduct Review Advisor and, contrary to the specific advice of the Advisor, has refused to report the circumstances to the CEO or Board Chair;
- b) the disclosing person appears to have deliberately misrepresented the disclosed circumstances;
- c) disclosure is necessary in order for the matter to be properly investigated and dealt with; or
- d) disclosure is required by law.

**4.1.11.8 Investigation**

The Conduct Review Advisor may recommend to the Board Chair that an investigation be conducted into these disclosed circumstances. If so, the Board may cause an investigation to be conducted.

**4.1.11.9 Opportunity to Respond**

If it has been alleged that a person has breached or may have breached the Code of Conduct and these circumstances have been reported to the CEO or the Board Chair, as appropriate, the person in respect

of whom the allegations have been made, should be informed of the allegations and give the opportunity:

- a) to respond to them; and
- b) where appropriate, to contribute to the discussions on how the breach could be remedied.

#### **4.1.11.10 Reporting**

The Conduct Report Advisor will provide a report to the Human Resources and Governance Committee, at least once each year, summarizing the number and nature of consultations and discussions held with the Conduct Review Advisor under this Code of Conduct.

#### **4.1.12 Exemption from Code of Conduct Requirements**

In extraordinary circumstances and where it is clearly in the best interests of TransLink to do so, the Board Chair may exempt a Director from a requirement of this Code of Conduct following full and detailed disclosure by the Director of all material and relevant circumstances respecting the matter. Conditions may be attached to an exemption.

If a Director is exempted from a requirement of this Code of Conduct for the continuation of circumstances that would otherwise be considered an actual or perceived conflict of interest, the Director must refrain from participating in any way in any decision-making respecting the subject matter of the conflict of interest except to the extent specifically authorized in the decision granting the exemption.

#### **4.1.13 Provisions of Code of Conduct Not Exclusive**

The provisions of this Code of Conduct are in addition to, and not in substitution for, any obligation to TransLink imposed upon a Director by common law, equity or statute. Compliance with the Code of Conduct will not relieve a Director from any such obligations.



**TRANSLINK DIRECTOR DISCLOSURE STATEMENT**

To: TransLink Board of Directors and Corporate Secretary

Name of Director: \_\_\_\_\_

This Statement discloses information as of \_\_\_\_\_, 20\_\_

I have read and understood the Directors and Officers Code of Conduct and Conflict of Interest Guidelines (the "DOCC") and the statutory provisions of the *South Coast British Columbia Transportation Authority Act* governing Director conflict of interest.

In order to comply with the DOCC, I disclose:

A. The following interests (e.g. more than 5% of the shares in a company, partnership interest, joint venture, proprietorship), held directly or indirectly.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

B. Existing or proposed contracts with TransLink or its subsidiaries.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C. Offices held.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

D. Properties held within TransLink’s service region.

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E. Other fiduciary interests owed.

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I, \_\_\_\_\_ (print name) declare that:

1. Other than disclosed above, I do not have any relationships or interests that could compromise, or be perceived to compromise, my ability to exercise judgment with a view to the best interests of TransLink.
2. I have read and considered the DOCC and Director and Employee Code of Conduct and agree to conduct myself in accordance with the DOCC and Director and Employee Code of Conduct.
3. I agree to promptly provide an updated Disclosure Statement, as may be required by changed circumstances.
4. I am not aware of any breach of the DOCC and Director and Employee Code of Conduct by other Directors and Officers, except as already reported in compliance with the DOCC and Director and Employee Code of Conduct.

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Signature

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Date

## **5.0 BOARD POLICIES**

### **5.1 PLANNING**

#### **5.1.1 SCBCTA Act Planning Provisions**

The SCBCTA Act sets out the Board's responsibilities in relation to the Long Term Strategy and Investment Plans. Directors should refer to the SCBCTA Act or consult the CEO or General Counsel if they have any questions regarding such responsibilities.

#### **5.1.2 Corporate Strategy**

Management will, with the Board, develop a common enterprise-wide Vision, Mission and Values. The Board will be responsible for approving the Vision, Mission and Values for TransLink and its subsidiaries. Management will, with the Board, develop a multi-year Corporate Strategy that will move the enterprise toward its Vision, Mission, and Year Long Term Strategy goals. The Board will be responsible for approving the Corporate Strategy for TransLink and its subsidiaries.

Management will, with the Board, annually develop the Business Plan that will further TransLink's achievement of the Corporate Strategy. The Board will be responsible for approving the Business Plan.

#### **5.1.3 Business Performance Reporting**

Management will report to the board on an ongoing basis on the performance of TransLink, whether it is achieving its targets as identified in the strategic and business planning process and any actions planned for areas that are not meeting business targets.

#### **5.1.4 Financial Performance**

TransLink will report its financial performance by providing a copy of its financial statements to the public at the Annual General Meeting and by posting them on TransLink's website.

#### **5.1.5 Roles and Responsibilities**

Management, led by the CEO, is responsible for the development of the Corporate Strategy and the Business Plan.

The Board's role is to ensure there is an appropriate planning process in place and to review, question, offer advice, validate and ultimately endorse the plans for TransLink and monitor their implementation. At various stages of development of the Corporate Strategy and Business Plans, the Board will be briefed on the status of the planning process and may be asked to review draft elements of the plans. The Corporate Strategy and Business Plans will be approved by the Board.

The CEO has the responsibility to ensure that all employees are aware of the Corporate Strategy and Business Plans and understand how the functions they perform fit within the strategic direction of TransLink.



## **5.2 BOARD PROFILE AND SUCCESSION PLAN**

### **5.2.1 Introduction**

The most important factor contributing to Board effectiveness is having Board members with the right combination of skills and experience. Consistent with modern governance practices, it is the Board's responsibility to assist in the Board succession planning process to ensure, as much as possible, that Board members have the required competencies to effectively carry out their roles and responsibilities and there is orderly succession of Board members.

### **5.2.2 Board Skills and Experience Profile**

Overall, Directors should have the skills and experience to effectively monitor the performance of TransLink and the CEO and add value and provide support for management in establishing strategy and reviewing risks and opportunities and account to the public.

Pursuant to the SCBCTA Act, the Board is required to create a Board Skills and Experience Profile to reflect the recommended personal characteristics and specific competencies that are viewed as being required for the Board. The Board Skills and Experience Profile is set out in Section 13 of the Articles.

The required competencies are expected to change over time in relation to TransLink's evolving strategic goals and objectives. The Board Skills and Experience Profile is reviewed and updated annually.

### **5.2.3 Director Recruitment Profile**

In order to provide guidance on the skills and experience required in new Director candidates, the Human Resources and Governance Committee will develop and update as required a Director Recruitment Profile that sets out the skills and experience sought in new Director candidates.

The Director Recruitment Profile is developed by considering:

- a) the optimal Board composition as set out in the Board Skills and Experience Profile;
- b) the skills, background and experience of existing (and continuing) Directors; and
- c) the "gaps" (e.g., those qualifications which should be added and/or strengthened on the Board) to be filled in the appointment of new Directors.

5.2.9 sets out a form of Competency Matrix template to be used as a guide by the Human Resources and Governance Committee in establishing the Director Recruitment Profile.

The Director Recruitment Profile will be reviewed and updated as vacancies arise and provided to the Screening Panel.

#### **5.2.4 Notice to Screening Panel and Mayors' Council**

The Screening Panel is appointed by June 30<sup>th</sup>. As soon as possible after the appointment of the Screening Panel, the Board will:

- a) advise the Screening Panel and Mayors' Council as to the Directors whose terms are expiring; and
- b) provide the Screening Panel and Mayors' Council with a copy of the Board Skills and Experience Profile and the Director Recruitment Profile to articulate the skills and experience required in new Director appointments.

In relation to any Appointed Director who is eligible for re-appointment, the Board Chair will provide the Screening Panel with an assessment of the Director's performance during the preceding term, based on the Chair's personal assessment and the feedback provided through a Director evaluation process.

If the Board is aware of potential Director candidates who meet the Director Recruitment Profile and are interested in serving on the Board, the Board may communicate the potential candidate's name and biographical information to the Screening Panel for their information.

Throughout the Director recruitment and appointment process, the Board Chair will be available for consultation with the Screening Panel and Mayors' Council with respect to potential Director candidates.

#### **5.2.5 Role of Screening Panel**

The Screening Panel is required to nominate candidates for appointment by September 15<sup>th</sup> of each year.

#### **5.2.6 Role of Mayors' Council**

The Mayors' Council is to appoint the requisite number of individuals as Directors within 45 days of receiving the Screening Panel's list of nominees. The Mayors' Council must not make an appointment that would result in there being more Appointed Directors than permitted under the SCBCTA Act.

#### **5.2.7 Background Information Made Available to Director Candidates**

The Board will make available, to all potential Director candidates, copies of the Board Charter and the Director's Terms of Reference.

#### **5.2.8 Human Resources and Governance Committee**

The Human Resources and Governance Committee will guide the work of the Board in preparing the Board Skills and Experience Profile and Director Recruitment Profile.

**5.2.9 Board Profile and Succession Plan**

<b>TransLink Board - Competencies</b>	Sustainability																				
	Goods Movement																				
	Risk Management																				
	Strategic Planning																				
	Intergovernmental Relations																				
	Experience in Regulated Environment																				
	Legal																				
	Knowledge of Region / Local Government																				
	Transportation Operations																				
	IT Infrastructure																				
	Labour Relations / Human Resources																				
	Environmental / Energy Policy																				
	Marketing / Commercialization																				
	Public Consultation / Communications																				
	Capital Projects / PPP																				
	Real Estate Development and Construction																				
	Finance / Audit / Internal Controls																				
	Public Transportation / Land Use / Economics																				
	Corporate Leadership (large, complex orgs and infrastructure)																				
	Corporate Board Leadership																				
<b>Director's Name</b>																					

## **5.3 DIRECTOR ORIENTATION**

### **5.3.1 Introduction**

New Directors become members of TransLink's Board due to their judgment, experience and knowledge. In order to capitalize on these assets as soon as possible, Directors receive a comprehensive orientation.

The Human Resources and Governance Committee, with the assistance of management, ensures that there is an appropriate orientation program for new Directors. The program will include one-on-one meetings with the Conduct Review Advisor.

### **5.3.2 Goals**

The goals of the orientation program are to:

- a) ensure that each new Director fully understands the formal governance structure, the role of the Board, its supporting Committees, and the expectations in respect to individual performance as set out in the Director's Terms of Reference;
- b) help each new Director build an understanding of TransLink, its operations and working environment including:
  - i) its strategic goals and initiatives;
  - ii) its sustainability commitments;
  - iii) summary details of its principal assets, liabilities, significant commitments and major stakeholders;
  - iv) its structure;
  - v) its major risks and risk management strategy;
  - vi) key performance indicators;
  - vii) any operational or financial constraints imposed by legislation or otherwise;
  - viii) the Statutory Conflict of Interest provisions;
  - ix) the Code of Conduct, including conflict of interest and confidentiality policies;
- c) build a link with the individuals who make up TransLink, including:
  - i) opportunities to meet and get to know fellow Directors;
  - ii) meetings with senior management; and
  - iii) visits to TransLink's office to meet employees; and
- d) build an understanding of TransLink's main relationships, including those with the Mayors' Council, customers and stakeholders.

### 5.3.3 Written Material

The orientation will include a comprehensive set of written briefing materials including:

- a) the Board Manual;
- b) the SCBCTA Act;
- c) the Articles;
- d) the most recent financial and accountabilities reports, including the sustainability report;
- e) a summary of the Director's liability insurance and indemnity;
- f) details of any major litigation or disputes involving TransLink;
- g) a summary from the previous year's Board meetings;
- h) minutes from the previous year's Board meetings;
- i) a schedule of dates for upcoming Board meetings;
- j) biographical information and contact information for all Directors, Officers and other key management executives; and
- k) a copy of minutes from the last three to six Committee meetings for any Committee that the Director will be joining.

### 5.3.4 Professional Development

The Board is committed to ongoing professional development for Directors.

The Board will identify professional development opportunities for Directors, to be provided throughout the year.

If a Director wishes to take advantage of a professional development opportunity not previously identified by the Board, and seeks reimbursement from the Board for expense related to the opportunity, the Director must obtain the prior approval from the Board Chair.

## 5.4 BOARD AND DIRECTOR EVALUATION

### 5.4.1 Introduction

The Board is committed to Board and Director evaluation designed to provide Directors with an opportunity each year to examine how the Board, its Committees, the Board Chair, Committee Chairs and individual Directors are performing and adding value and identify opportunities for improvement.

### 5.4.2 Process

Each year, the Human Resources and Governance Committee will recommend to the Board the specific evaluation process to be undertaken. The evaluation process will be appropriate to the stage of development of the Board and the Board's evaluation processes.

The Human Resources and Governance Committee may engage an outside advisor to assist in the design and implementation of the Board, Committee and Director evaluation process.

The evaluation process may include an evaluation questionnaire, interviews, facilitated discussions or any combinations of methods.

#### **5.4.3 Board Evaluation – Goal**

The objective of the Board evaluation process is to assist the Board to:

- a) assess the overall performance of the Board and measure the contributions of the Board to TransLink;
- b) evaluate the mechanisms in place for the Board to operate effectively and make decisions in the best interests of TransLink;
- c) add value to TransLink; and
- d) enhance and maintain best corporate governance practices.

#### **5.4.4 Board Evaluation – Areas to be Evaluated**

Board evaluation is designed to review the effectiveness of the Board. Typical assessments will evaluate the following areas:

- a) effectiveness in assessing the organization’s strategic environment, including major risks and opportunities;
- b) effectiveness in providing strategic direction for the organization;
- c) the appropriateness of the Board compositions;
- d) the quality of Board meetings including appropriateness, effectiveness and sufficiency of:
  - i) topics;
  - ii) time allocated;
  - iii) pre-meeting information packages; and
  - iv) presentations;
- e) Board dynamics, including the quality of the discussion;
- f) the appropriateness and sufficiency of the financial and operational reporting;
- g) quality of the relationship between the Board and CEO;
- h) quality of the relationship between the Board and Management;
- i) effectiveness of the Committees and Board Chair;
- j) TransLink’s practice with respect to business conduct and ethical behaviour;
- k) Director training and education;

- l) the effectiveness of the Board's processes with respect to Corporate Strategy, risk review, CEO evaluation, management development and succession, compliance; and
- m) The Board's relationship with the Mayors' Council, the Provincial Government, the Screening Panel, stakeholders and the public.

#### **5.4.5 Committee Evaluation – Areas to be Evaluated**

Committee evaluation is designed to review the effectiveness of each Committee. Typical assessments include evaluation of:

- a) the appropriateness of the Committee mandate;
- b) the quality of Committee meetings;
- c) the appropriateness of the membership composition; and
- d) the ability of Committee members to contribute to the work of the Committee.

#### **5.4.6 Board Chair Evaluation – Goal**

The objective of the Board Chair evaluation is to improve the overall performance of the Board by providing feedback to the Board Chair on his or her performance and identifying areas of strength and opportunities for improvement.

The Board Chair evaluation process is usually led and carried out by the Human Resources and Governance Committee. The Chair of the Human Resources and Governance Committee will meet with the Board Chair to review the feedback and develop recommendations if necessary.

#### **5.4.7 Board Chair – Areas to be Evaluated**

Board Chair evaluation is based on the Board Chair's Position Description. Typical areas covered by Board Chair Evaluation include evaluation of:

- a) quality of the Board Chair's interaction and relationship with management;
- b) ability to manage the Board and its activities;
- c) effectiveness in representing the Board internally and externally.

#### **5.4.8 Committee Chair Evaluation – Goal**

The objective of the Committee Chair evaluation is to improve the overall performance of the Committee by providing feedback to the Committee Chair on his or her performance and identifying areas of strength and opportunities for improvement.

The Committee Chair evaluation process is usually led and carried out by the Human Resources and Governance Committee. The Chair of the Human Resources and Governance Committee will meet with the Committee Chair to review the feedback and develop recommendations if necessary.

#### 5.4.9 Committee Chair Evaluation – Areas to be Evaluated

Committee Chair evaluation is based on the Committee Chairs Position Description. Typical areas covered by Committee Chair Evaluation include evaluations of:

- a) knowledge of the Committee’s subject matter;
- b) ability to manage the Committee and its activities; and
- c) effectiveness of the relationship with the Board, Board Chair and management in relation to Committee matters.

#### 5.4.10 Director Evaluation – Goal

The objective of individual Director evaluation is to improve the overall performance of the Board by assisting individual Directors to build on their strengths and assess their need for continuing professional development in connection with their role on TransLink Board.

Director evaluation is based on the expectations of Directors as set out in the Directors’ Charter of Expectations and modern best practices. Typical areas covered by Director evaluation are as follows:

- a) understanding of TransLink’s business – e.g., services, products, stakeholders, clients;
- b) understanding of TransLink’s strategic direction and goals;
- c) appropriate disclosure of conflicts of interests;
- d) confidentiality;
- e) preparation for meetings;
- f) participation in meetings;
- g) communication style;
- h) interaction with fellow board members;
- i) approach to problem solving and judgment;
- j) ability to see things from many perspectives and to understand the impact of decisions on TransLink’s internal and external environments (e.g., employees, stakeholders, community);
- k) quality of contribution to Board deliberations;
- l) ability to act in the best interests of TransLink (e.g., rather than his or her best interests or in the best interests of a special interest group or consistency, even if designated as “representative” Director);
- m) understanding of the Board’s governance role (e.g., as distinct from management); and
- n) support for Board decisions once decisions are made.



## 5.5 CEO EVALUATION

The evaluation of the CEO is one the most important responsibilities of the Board. The evaluation process provides a formal opportunity for the Board and CEO to have a constructive discussion regarding the performance of TransLink and the CEO's leadership of TransLink.

The Human Resources and Governance Committee ("HRGC") provides a leadership role in carrying out the evaluation process although the Board is involved in approving CEO objectives and reviewing the final evaluation.

The main objectives of the CEO evaluation process are:

- a) appropriate assessment and reward of the CEO's performance;
- b) linkage of the CEO's performance to TransLink's goals;
- c) CEO growth and professional development; and
- d) strengthening Board/CEO relations.

### 5.5.1 Benchmarks

The following documents constitute the benchmarks against which the review takes place:

- a) a written statement of the CEO's personal goals for the year under review; these goals are agreed to by the CEO and the Board in each year for the following fiscal year;
- b) TransLink's performance measured against:
  - i) The Corporate Strategy; and
  - ii) The annual operating and capital plans as contained in the Business Plan;
- c) CEO Position Description; and
- d) the CEO's employment agreement.

### 5.5.2 The Process

The HRGC is charged with leading and implementing the CEO evaluation.

In October of each year, the HRGC will review, and the Board will approve, the CEO's objectives for the following fiscal year.

In November of each year, the CEO will provide a self-appraisal rating his or her performance against the previously agreed upon objectives for the year just ending and the Strategic and Business plans.

The CEO's self-appraisal will be in written form and will be presented to the HRGC Chair in December.

The HRGC Chair will obtain input from Board members as to the CEO's performance. This will be consolidated and discussed with the HRGC and the Board.

The HRGC will engage a third-party advisor to obtain feedback from the CEO's direct reports and to provide the opportunity for coaching based on the feedback received.

Following discussion by the Board, the Board Chair or HRGC Committee Chair (or both) will meet with the CEO to provide the CEO with a summary of the Board's evaluation.

The CEO may provide a written response to the review to the Board through the HRGC or Board Chair.

### **5.5.3 CEO Compensation**

Based on the discussions with the Board as to the CEO's performance, the HRGC will recommend to the Board the CEO's compensation for the following fiscal year, within the bounds of the Executive Compensation Plan approved by the Mayors' Council (or as otherwise permitted by the SCBCTA Act).

## **5.6 MANAGEMENT SUCCESSION PLANNING**

### **5.6.1 Introduction**

The development and execution of the management succession and development plans involves the Board, the Human Resources and Governance Committee (“HRGC”) and the CEO.

The management succession planning process is designed to assure the Board that, when necessary, TransLink’s Officer and other key management positions can be filled by competent people. The process is designed to ensure there are a range of options available to the Board and a broad diverse base of skills within the organization from which TransLink can choose its future leaders.

The Board considers succession planning to be an ongoing process providing longevity for TransLink through the continual development, encouragement and assessment of leadership talent at all levels of the organization.

### **5.6.2 Duties and Responsibilities**

The duties and responsibilities in the succession planning process are shared among Board, the HRGC and the CEO.

#### **5.6.2.1 Board**

The Board is responsible for:

- a) approving the succession plan for the CEO;
- b) in the case of Officers and other key positions within TransLink, ensuring plans are in place for management succession and development;
- c) ensuring that criteria and processes for recognition, promotion, development and appointment of Officers and other key management positions are consistent with the future leadership requirements of TransLink;
- d) ensuring it receives appropriate briefings and acquires sufficient knowledge and potential successors to make an informed decision on future appointments; and
- e) ensuring that the plans for recruiting, retaining and developing personnel for key positions within TransLink are appropriate to meet TransLink’s future human resources needs.

#### **5.6.2.2 Human Resources and Governance Committee**

The HRGC:

- a) reviews the CEO’s management succession plan;
- b) receives periodic updates as well as an annual report on the plan and forwards it to the Board with appropriate comment;

- c) reviews and discusses with the CEO, the processes and outcomes associated with the recognition, promotion, appointment and development of TransLink's Officers and other key management positions;
- d) ensures the succession plan includes a process that would respond to an emergency situation which required an immediate replacement of the incumbent CEO; and
- e) reviews and discusses with the CEO, the processes and outcomes associated with the recruitment, retention and development of personnel to fill key staff positions within TransLink to meet TransLink's future needs.

### **5.6.2.3 CEO**

The CEO:

- a) takes the lead in establishing the internal processes for identifying and developing TransLink's leaders and keeping the Board informed and involved;
- b) works with the Board, the HRGC and management to design TransLink's leadership development processes;
- c) evaluates the leading candidates for promotion;
- d) provides periodic updates to the HRGC and the Board on the mechanisms that build leadership talent and succession capability in TransLink, including leadership competency frameworks; management development training; job changes; as well as assessment of the most likely successors for the top positions in TransLink;
- e) ensures TransLink has appropriate criteria and processes in place to hire, promote, transfer, and retain employees to meet the future needs of TransLink, and that such policies and processes are consistent with the policies of TransLink;
- f) ensures there is a clear understanding of the management succession and development plan by all management and staff; and
- g) reviews the plan each year with the HRGC and the Board.

### **5.6.3 Process**

The process for management succession and development that require approval or special briefing are determined by the Board on recommendation of the HRGC.

## 5.7 REQUISITIONING AND SIGNING AUTHORITY

### 5.7.1 Introduction

Pursuant to the SCBCTA Act, the Board may enter into contracts and other arrangements and delegate its authority to a person employed by TransLink or to a subsidiary. The purpose of this policy is to clarify the Board's delegation of authority with respect to expenditures and commitments on behalf of TransLink.

### 5.7.2 Board Approval Required – Capital Projects and Real Estate

Very large capital projects, such as bridge replacement or rapid transit line projects will be subject to project specific governance structures and approval processes.

The following authorizations are required for other TransLink capital Projects:

Capital Expenditure Approval Controls				
Item		Capital Management Committee	Executive Capital Oversight Group	Board (through Finance & Audit Cmtee)
10 Year Capital Program		Prepare and Recommend	Review and Recommend	Review and Approve
Annual Capital Budget with Project Categorizations		Prepare and Recommend	Review and Recommend	Review and Approve
Categories 1 and 2: Routine Maintenance; Low Profile Projects	Approval-in-Principle (AIP) to include in Budget	Prepare and Recommend	Review and Recommend	Review and Approve
	Specific Project Approval (SPA) to initiate project	Review and Approve	Provide Quarterly Oversight	Receive in Quarterly Report
	Any exceptions during delivery	Review and Approve	Provide Quarterly Oversight	Receive in Quarterly Report

Category 3: Moderate Profile Projects	Approval-in-Principle (AIP) to include in Budget	Prepare and Recommend	Review and Recommend	Review and Approve
	Specific Project Approval (SPA) to initiate project	Review and Approve	Provide Quarterly Oversight	Receive in Quarterly Report
	Low risk exceptions (minor relative variance in approved scope/schedule/budget/risk)	Review and Approve	Provide Quarterly Oversight	Receive in Quarterly Report
	Higher risk exceptions (significant relative variance in approved scope/schedule/budget/risk)	Review and Recommend	Review and Approve	Receive in Quarterly Report
Category 4: High Profile Projects	Approval-in-Principle (AIP) to include in Budget	Prepare and Recommend	Review and Recommend	Review and Approve
	Specific Project Approval (SPA) to initiate project	Review and Recommend	Review and Approve	Receive in Quarterly Report
	Low risk exceptions (minor relative variance in approved scope/schedule/budget/risk)	Review and Approve	Provide Quarterly Oversight	Receive in Quarterly Report
	Higher risk exceptions (significant relative variance in approved scope/schedule/budget/risk)	Review and Recommend	Review and Recommend	Review and Approve
In-Year Ad Hoc Requests: for Projects Not in Capital Budget	Categories 1 to 3: Approval-In-Principle and Specific Project Approval	Review and Recommend	Review and Approve	Receive in Quarterly Report
	Category 4: Approval-In-Principle and Specific Project Approval	Review and Recommend	Review and Recommend	Review and Approve

The following authorizations for real estate acquisitions and dispositions are required:

		Extended Executive	Finance and Audit Committee	Board
Real Estate Strategy - Approval-In-Principle		Review	Review	Approve
Specific Acquisition/Disposition	• \$10 M or greater	Review	Review	Approve
	• \$5 M - \$10 M	Review	Approve	N/A
	• \$0 - \$5M	Vice President, Strategic Sourcing and Real Estate - Approve	N/A	N/A

Under s. 226 of the SCBCTA Act, TransLink or its subsidiary must not sell a major facility or major asset unless the Mayors' Council has been given notice of the intended sale and the Mayors' Council does not object to the sale, in accordance with the provisions of s. 226.

### 5.7.3 Delegated Authority for Expenditures – Requisitioning Authority

The CEO is authorized to delegate requisitioning authority through corporate policy to staff positions for transactions and expenditures arising from departmental responsibilities and within constraints of operational, departmental or project budgets, as the case may be, as the CEO considers necessary and appropriate.

Persons delegated requisitioning authority do not have the authority to enter into legally binding commitments on behalf of TransLink unless such persons have also been delegated signing authority.

### 5.7.4 Execution of Documents / Signing Officers

The CEO is authorized to delegate signing authority to staff positions through corporate policy in a manner that matches signing authority with the appropriate level of authority or departmental responsibility, including based on contract types or transactions covering routine business, as the CEO considers necessary and appropriate, while fostering and maintaining good internal controls.

The Corporate Secretary, or the Assistant Corporate Secretary in his or her absence, is authorized to affix the corporate seal to documents required to be signed under seal.

### 5.7.5 Exceptions to Delegation

The authority delegated to Signing Officers does not extend to the following commitments, which must be reviewed and approved by the Board:

- a) commitments which are precedent-setting, involve sensitive issues, or involve a significant public service commitment;
- b) transit service operating agreements (including for custom transit services and operating agreements with subsidiaries) and agreements for special transit services (such as Bowen Island Service); and
- c) any contract that Board requests be brought before the Board for approval.

#### **5.7.6 Restrictions on Exercise of Authority**

Signing Officers and persons having requisitioning authority may only exercise their authority provided that:

- a) requisite external and internal approvals have been obtained;
- b) funds required to meet contractual obligations are properly available or appropriated; and
- c) any other corporate contracting requirements have been satisfied.

Signing Officers and persons having requisitions authority may temporarily delegate such authority to those persons appointed in an acting capacity during their absence.

#### **5.7.7 Segregation of Duties**

The execution of contracts must be adequately segregated from requisitioning and payment approval.

#### **5.7.8 Corporate Policies and Procedures**

The CEO is responsible for establishing corporate policies delegating requisitioning authority and signing authority to staff positions and otherwise supplementing this policy.

#### **5.7.9 CEO Delegation**

The CEO may delegate to the CFO a power, duty or responsibility of the CEO under the policy.



## **5.8 COMMUNICATIONS**

### **5.8.1 Introduction**

The Board must pay particular attention to the fact that it operates within a highly public environment. The actions of TransLink have a significant public impact and there is a need to ensure communications with stakeholders and the public are effective and appropriate.

### **5.8.2 Review of Communications Policy**

The Board approves a communications policy for TransLink, which includes processes for the review and approval of reports and other communication or disclosure to the Mayors' Council, Government, the Minister, stakeholders, employees and the public.

### **5.8.3 External Communication to Directors**

Directors are active in the community. Therefore, it is expected that persons interested in TransLink will, from time to time, communicate their concerns and questions to Directors rather than to management. If the issue raised is operational in nature, including persons seeking to do work with TransLink, the person should be directed to take the concern to line management for response or action. If the issue is properly a Board level issue, the Director should inform the Board Chair or the CEO of such communications, so that proper action can be taken and accurate responses made by the appropriate representative of TransLink.

Directors should not under any circumstance discuss confidential TransLink matters; however, they are free to confirm matters that are within the public domain.

### **5.8.4 Communications Between Directors and Management**

Directions are provided to the CEO, Officers and other management personnel:

- a) by the Board either at Board meetings or by the Board Chair or other Board member acting on the direction of the Board; and
- b) by Committee either at Committee meetings or by the Committee Chair or other Committee member acting on the direction of the Committee.

No individual Director has authority to provide instructions to an employee of TransLink unless so authorized by direction of the Board or a Committee.

Committee Chairs will have a relationship with their Officer counterparts in relation to managing the work of the Committee as follows:

Committee	Officer Counterpart
Finance and Audit	Chief Financial Officer and Executive Vice President, Finance and Corporate Services; Vice President, Infrastructure Management and Engineering; Vice President, Financial Services
Human Resources and Governance	Vice President, Human Resources; General Counsel and Corporate Secretary
Planning and Stakeholder Relations	Vice President, Customer Communications and Public Affairs; Vice President, Transportation Planning and Policy

### 5.8.5 Spokesperson

The Board Chair is the spokesperson for the Board. Directors should not communicate to an external body on behalf of the Board or TransLink without the express prior direction from the Board Chair or Board.

## 5.9 DIRECTOR INDEMNITY AND LIABILITY INSURANCE

TransLink indemnifies Directors against certain claims and actions and provides Directors' and Officers' liability insurance.

### 5.9.1 Indemnity

The SCBCTA Act provides that TransLink may indemnify a Director or Officer against certain claims provided that the person acted honestly and in good faith with a view to the best interests of TransLink and, in the case of a criminal or administrative proceeding, the person had reasonable grounds for believing that the conduct was lawful.

### 5.9.2 Insurance

In addition to the indemnity provided by TransLink, TransLink has obtained Directors' and Officers' liability insurance, the details of which are provided on the following page. A copy of the Directors and Officers Liability Insurance Policy is available from the Corporate Secretary.

Summary of TransLink Directors and Officers Liability Insurance		
<b>Limits:</b>	\$10,000,000 including defence costs	
<b>Corporate Retention:</b>	\$100,000	
<b>Coverage:</b>	<ul style="list-style-type: none"> <li>• TransLink Directors and Officers</li> <li>• Mayors Council</li> <li>• All Subsidiaries</li> <li>• Trustees</li> <li>• Employees</li> <li>• Volunteers</li> </ul>	
<b>Key Definitions:</b>	<b>Wrongful Act</b>	Any breach of duty, neglect, error, misstatement, misleading statement, omission or any other matter claimed against the individual insured by reason or his or her serving in such insured capacity.
	<b>Loss</b>	Damage, judgments, settlements, pre-and post- judgment interest and defence costs but does not include fines or penalties, employment practices or matters uninsurable at law.
<b>Key Exclusions:</b>	<b>Conduct exclusion</b>	Self-serving and egregious conduct (profit and personal advantage, fraud)
	<b>Insured elsewhere</b>	Generally insured under other policies (bodily injury or property damage)
	<b>Not intended to be insured</b>	Insured vs. insured (company vs. Directors, Directors vs. Directors, claims related to government funding, fines or penalties)

## **5.10 DIRECTOR REMUNERATION AND EXPENSES**

### **5.10.1 Compensation**

Subject to Mayors' Council approval, and comparator organization limits set out in the SCBCTA Act, the Screening Panel may vary a recommendation made by a previous Screening Panel with respect to Director compensation.<sup>23</sup> The Board is required to incorporate the Screening Panel / Mayors' Council's decision on Director compensation into the Articles<sup>24</sup> and to set guidelines for the payment of compensation.<sup>25</sup>

Director compensation falls in the following two categories:

- a) annual retainer for Board and Committee services; and
- b) per diem amounts for attending meetings and other work performed on behalf of TransLink.

The Board Chair receives an annual retainer and does not receive per diem payments. The Board Chair is entitled to reimbursement for all reasonable expenses incurred in connection with the authorized work performed on behalf of TransLink.

#### **5.10.1.1 Annual Retainers**

- a) The Board Chair, Committee Chairs and Directors are entitled to annual retainers as set out in Section 11 of the Articles.

#### **5.10.1.2 Per Diem Fees**

In addition to the annual retainer, Directors receive per diem fees of up to \$1,200, paid in accordance with Section 11 of the Articles and the following guidelines:

- a) Directors will be paid per diem fees for attendance at Board and Committee meetings, orientation and strategy sessions, and the annual general meeting;
- b) the Board Chair or Committee Chair, as they case may be, will determine whether a meeting is a full meeting (\$1,200 fee) or a half meeting (\$600 fee). The Board or Committee Chair will also have discretion to determine that no meeting fee be payable in relation to a short meeting. In making their determination, the respective Chairs will consider the amount of preparation required and the length of the meeting;
- c) preparation, short distance travel (less than thirty-two kilometres from the meeting location), attendance at TransLink's sponsored events and other discussions/meetings with management

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<sup>23</sup> The SCBCTA Act, ss. 180, 181, 182, 184 and 185

<sup>24</sup> See s.10 of the SCBCTA Act, s.185

<sup>25</sup> The *SCBCTA Act*, s. 185

and government officials are considered to be included in the retainers and no additional fees will be paid; and

- d) when attending a meeting on TransLink business at the request of the Board Chair, Directors will be paid a per diem fee of \$1,200 for a full meeting or \$600 for a short meeting, as determined by the Board Chair. If the meeting location is outside of TransLink's service area, Directors will be paid a per diem fee for travel time of up to \$600 for travel up to four hours and \$1,200 for more than four hours.
- e) Notwithstanding the foregoing, a Director cannot earn per diem fees of more than \$1,200 in any 24-hour period.

### 5.10.2 Retainer and Per Diem Review

Pursuant to the SCBCTA Act, the Screening Panel is authorized to review Director retainers and per diem payments to ensure that the level of compensation is appropriate.

### 5.10.3 Expenses

Directors are entitled to be reimbursed for all reasonable expenses incurred in connection with authorized work performed on behalf of TransLink.

Section 11 of the Articles and the following set out the guidelines for expense reimbursement approved by the Board.

#### 5.10.3.1 Meeting Expenses

Directors are entitled to be reimbursed for reasonable expenses incurred when travelling in connection with TransLink business, in accordance with the following guidelines:

- a) **Air:** Board members are encouraged to travel economy class whenever practical. Board members may travel executive class on journeys over two hours. When time and opportunity are available Board members will take advantages of price reductions related to pre-booking flights.
- b) **Rail:** Board members may travel first class whenever appropriate, including parlour car seat and sleeping accommodation when required.
- c) **Automobile:** The mileage/kilometre rates are equivalent to those set for TransLink management employees from time to time.
- d) **Car Rental:** Car rentals must be justified in terms of economy and convenience and in light of alternative forms of transportation. Receipts for car rental must be attached to the travel expense claim for reimbursement.
- e) **Taxis, Airport Bus or Airport Limousine:** Directors will be reimbursed in full for reasonable expenses incurred. Receipts are required for fares over \$10.00.

- f) **Accommodation:** Board members may book accommodation in reasonably priced hotels/motels of their preference. Government discounts will be requested whenever these are available.
- g) **Meal Allowances:** Directors may claim either the meal allowance authorized by TransLink for senior management employees from time to time (in which case no receipts are required) or actual, reasonable expenses (in which case receipts are required).

#### 5.10.4 Professional Development

Directors are encouraged to obtain ongoing professional development by attending education meetings, conferences and/or seminars. In addition, TransLink may wish Directors to attend meetings, conferences and/or seminars in order to improve TransLink's profile or identity with a cause or position, or enhance interaction between Directors and others including government officials, transportation planners, transit users and related business or industry contracts.

A Director who attends any such meeting, conference or seminar, is entitled to be reimbursed for all reasonable costs incurred in respect of travel to and from and attendance at the event in accordance with the following guidelines:

- a) The conference, seminar or meeting must be relevant to TransLink's business;
- b) Attendance at the conference, seminar or meeting must be authorized in advance by the Board Chair; and a Director who attends a conference or seminar will provide the Board with a summary of the issues and information discussed at the event at the next regularly scheduled Board meeting.

#### 5.10.5 Social Events

Directors are not compensated for attending social events.

#### 5.10.6 Payments of Compensation

Annual retainers and per diem fees are payable in accordance with the following:

- a) Annual retainers are paid quarterly in arrears. No claim form is required.
- b) Per diem fees will be paid by direct deposit in the payroll period following the meeting, less the applicable deductions. No claim form is required. In accordance with instructions issued by Revenue Canada, the following deductions are required:
  - i) Canada Pension Plan – up to and including the month that age 70 is reached, unless there has been an election to claim Canada Pension entitlement on reaching age 60; and
  - ii) Income Tax – where the total amount to be paid during the year will exceed the amount of exemptions claimed on Form TD1.

**5.10.7 Payment of Expenses**

Claims for expenses reimbursement should be submitted at the earliest opportunity following an expenditure using the form: Directors Travel and/or Expense Claim Form.

Payment of claims for remuneration and expenses submitted by the Board Chair will be subject to approval by the Chair of the Finance and Audit Committee.

Payment of claims submitted by Directors will be subject to approval by the Board Chair.

**5.10.8 Disclosure**

As part of its annual reporting in the annual financial statements, TransLink discloses all compensation paid to individual Directors in the preceding fiscal year.

## 6.0 CORPORATE POLICIES

The following are corporate policies requiring Board of Directors' approval:

- Employee Code of Conduct
- Respectful Workplace
- Use of Assets and Technology
- Substance Abuse
- Confidentiality
- Conflict of Interest
- Capital Project Approval
- Requisitioning Authority and Signing Officers
- Environmental
- Occupational Health and Safety
- Privacy

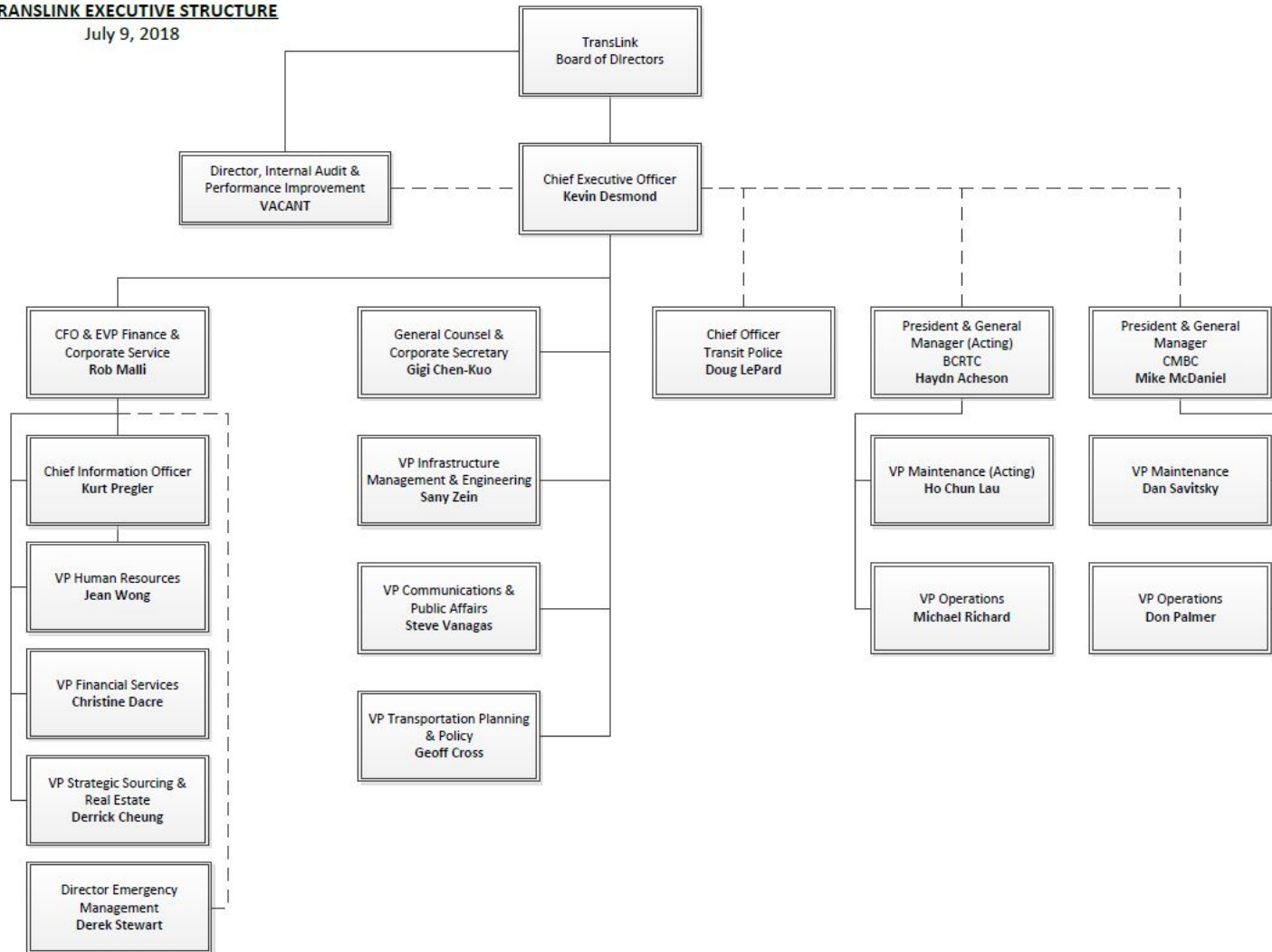


## 7.0 LEGAL FRAMEWORK

### 7.1 CORPORATE ORGANIZATION CHART

**TRANSLINK EXECUTIVE STRUCTURE**

July 9, 2018



## **7.2 SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY ACT**

The *South Coast British Columbia Transportation Authority Act* may be found at:

[http://www.bclaws.ca/EPLibraries/bclaws\\_new/document/ID/freeside/00\\_98030\\_01](http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_98030_01)

## **7.3 ARTICLES**

The Articles may be found at:

[http://www.translink.ca/-/media/Documents/about\\_translink/governance\\_and\\_board/articles/Articles\\_SCBCTA.pdf](http://www.translink.ca/-/media/Documents/about_translink/governance_and_board/articles/Articles_SCBCTA.pdf)

## **8.0 OTHER**

### **1.1 MINOR AMENDMENTS**

After consulting with the Board Chair, the Corporate Secretary may from time to time make and publish amendments to this Board Manual that are minor or administrative in nature (e.g. changes in management position titles). The Corporate Secretary may make minor/administrative corrections to approved Board or Committee minutes, provided the corrections are approved by the Board Chair or respective Committee Chair. All other amendments must be approved by the Board. The Corporate Secretary will notify the Board, at the next regularly scheduled board meeting, of any amendments made by the Corporate Secretary.

## 1.2 DEFINITIONS

In this Board Manual, unless the context otherwise requires, the following definitions apply:

- **“Appointed Director”** means a Director appointed by the Mayors’ Council.
- **“Articles”** means the Articles of TransLink, as established by the Board and amended from time to time.
- **“Annual Meeting”** means the annual meeting of TransLink held pursuant to Section 13.1 of the SCBCTA Act.
- **“Annual Report”** means the annual report for TransLink prepared in accordance with Section 13.4 of the SCBCTA Act.
- **“Board”** means TransLink’s Board of Directors.
- **“Board Skills and Experience Profile”** means the Board skills and experience profile prepared by the Board from time to time, and incorporated into the Articles and shared with the Screening Panel.
- **“Business Plan”** means TransLink’s annual operating, capital and service plans, based on the approved Corporate Strategy.
- **“CEO”** means the Chief Executive Officer of TransLink.
- **“CFO”** means the Chief Financial Officer of TransLink.
- **“Code of Conduct”** means TransLink’s Code of Conduct.
- **“Conduct Review Advisor”** means an independent contractor engaged by the Board to provide independent advice, receive disclosures and provide recommendations or directives pursuant to the Code of Conduct.
- **“Committees”** means committees of the Board.
- **“Corporate Strategy”** means the multi-year strategic platform that describes how TransLink will achieve the objectives of the Long Term Strategy and Strategic Plan.
- **“Director”** means a member of the Board, including an Appointed Director, Statutory Director or Minister-Appointed Director.
- **“Director Recruitment Profile”** means the profile of skills and experience sought in new Director candidates.
- **“Investment Plan”** means the 10-year investment plan prepared by the authority in accordance with the SCBCTA Act.
- **“Long Term Strategy”** means the 30+ year long term strategy prepared pursuant to s. 193 of the SCBCTA Act.
- **“material”** means significant or important.
- **“Mayors’ Council”** means the Mayors’ Council on Regional Transportation established under the SCBCTA Act.
- **“Minister-Appointed Director”** means a Director appointed by the Province.

- **“MRN”** means the major road network.
- **“Officers”** means the following positions: Chief Executive Officer; Chief Financial Officer and Executive Vice President, Finance and Corporate Services; Vice President, Human Resources; Vice President, Strategic Sourcing and Real Estate; Vice President, Financial Services; Vice President, Infrastructure Management and Engineering; Vice President, Transportation Planning and Policy; General Counsel and Corporate Secretary; Chief Information Officer; and any person holding the position of Vice President of TransLink.
- **“SCBCTA Act”** means the *South Coast British Columbia Transportation Authority Act*, as amended from time to time.
- **“Screening Panel”** means the screening panel established annually pursuant to the SCBCTA Act.
- **“Statutory Director”** means the Chair and Vice Chair of the Mayors’ Council, if they consent to act.
- **“Subsidiary”** means a subsidiary of TransLink.
- **“TransLink”** means the South Coast British Columbia Transportation Authority.