



MUNICIPAL PROPERTY ASSESSMENT CORPORATION

GOVERNANCE AND HUMAN RESOURCES COMMITTEE TERMS OF REFERENCE

Purpose

The purpose of the Governance and Human Resources Committee of the Board of Directors (Board) of the Municipal Property Assessment Corporation (MPAC) is to assist with Board oversight of governance issues affecting MPAC, with a view to ensuring that appropriate governance processes, Board and Committee structures, and the information that is necessary for effective direction and oversight, are in place.

Composition

1. The Governance and Human Resources Committee shall consist of a minimum of five (5) and a maximum of eight (8) directors of the Board. The Chair and Vice-Chair may (but are not required to) serve on the Governance and Human Resources Committee.
2. Members of the Governance and Human Resources Committee shall not be drawn solely from any one municipal, taxpayer or provincial representative group.
3. Each member of the Governance and Human Resources Committee shall serve at the pleasure of the Board, and only so long as the member is a Director.
4. The Governance and Human Resources Committee shall annually elect, from among its members, a Chair to preside over the meetings and fulfill the Position Description of the Governance and Human Resources Committee Chair.
5. MPAC shall provide a Corporate Secretary (Executive Director, Board Governance) to, among other responsibilities, take minutes at Governance and Human Resources Committee meetings, and shall provide any other resources to the Governance and Human Resources Committee that the Committee deems appropriate in order to fulfill the Committee's Terms of Reference.

Meetings

6. The Governance and Human Resources Committee shall meet at least four (4) times per year.
7. A majority of the members of the Governance and Human Resources Committee shall constitute a quorum for the meetings of the Governance and Human Resources Committee.
8. The Governance and Human Resources Committee shall maintain minutes of its meetings in which shall be recorded all actions taken by the Committee. Such minutes shall be forwarded to the Board and inserted in the Minute Book of MPAC.
9. Meetings of the Governance and Human Resources Committee shall be held at the Pickering Office of MPAC or at any other place in Ontario as specified in the notice calling the meeting.
10. The Governance and Human Resources Committee shall annually develop a survey on meeting effectiveness and continuing education, for completion and submission by Directors to the Executive Director, Board Governance. This survey will solicit feedback on board meeting effectiveness and areas of continuing education of interest to Directors.

Responsibilities

Governance

The Governance and Human Resources Committee shall:

11. Take a leadership role in developing MPAC's approach to Board governance.
12. Take all reasonable steps to ensure that the Board has appropriate structures and processes in place so that it can function independently of Management.
13. Take all reasonable steps to ensure that processes are in place to verify compliance with all Board governance and disclosure requirements.

14. Review every two (2) or three (3) years MPAC's Memorandum of Understanding, By-laws and the Board of Directors' Code of Conduct and Conflict of Interest Declaration recommending revisions to the Board of Directors for consideration and approval.
15. Recommend policies, processes or programs to enable the Board of Directors to fulfill its duties and obligations, including the:
 - a. Orientation of newly appointed Directors;
 - b. Ongoing development, education and training of incumbent Directors, including technology capacity for all Directors;
 - c. Roles and responsibilities of Directors; and
 - d. Remuneration of Directors.
16. Once every two (2) or three (3) years, as the Governance and Human Resources Committee decides, review and assess the Position Descriptions for the Board Chair, Vice-Chair, each Committee Chair, Board Member and the Chief Administrative Officer and, in the Committee's discretion, recommend any changes to the Board for consideration and approval.
17. Once every two (2) or three (3) years, as the Governance and Human Resources Committee decides, review and assess the Mandate for the Board and the Terms of Reference for each Board Committee and, in the Committee's discretion, recommend any changes to the Board for consideration and approval.
18. Receive regular reports from the Executive Director, Board Governance, of any minor technical amendments made to any of the Board governance documents set out herein.
19. Take all reasonable steps to ensure that MPAC's governance documents, specifically including the Board of Directors Mandate, the Board's Code of Conduct, and all other Terms of Reference, are published on MPAC's website and are made available or accessible to any stakeholder on request.
20. Review overall governance effectiveness and recommend changes as required to the Board for consideration and approval.

21. Develop a set of key governance indicators that will be embedded in a prospective Board, Self, or Peer Evaluation, and recommend to the Board for consideration and approval.

Human Resources and Performance Management

The Governance and Human Resources Committee shall:

22. After consulting with the Board Chair and individual Directors, annually review the size, composition and leadership of all Board Committees and, in the Governance and Human Resources Committee's discretion, make recommendations to the Board for consideration and approval.
23. Annually review and, in the Governance and Human Resources Committee's discretion, make recommendations to the Board for consideration and approval regarding the Chief Administrative Officer's (CAO's) short-term and long-term corporate goals and objectives and performance measurement indicators.
24. Annually
 - a. review a report on CAO compensation from Management or, in the Committee's discretion, an independent compensation consultant;
 - b. evaluate the performance of the CAO considering the Position Description and Job Profile of the CAO, and the CAO's short-term and long-term organizational goals and objectives and performance measurement indicators; and,
 - c. recommend annual CAO compensation, including a long-term incentives component determined considering MPAC's performance, the value of similar incentive awards to CAOs at comparable organizations, and the awards given to MPAC's past CAOs where relevant. Based on the evaluation, in the Committee's discretion, make recommendations to the Directors of the Board for consideration and approval. The Board shall have sole authority to determine annual CAO compensation. The Committee, in its discretion, may approve a long-term incentive award (with ratification from the Board) as may be required to comply with applicable tax laws.
25. Annually review and recommend approval by the Board of Directors, the temporary successors for the CAO in case of extended absence or disability.

26. Annually review the recommendations of the CAO concerning overall compensation and other conditions of employment of the Executive Management Group, other than the CAO, and, in the Governance and Human Resources Committee's discretion, make recommendations to the Board for consideration and approval.
27. Review and, in the Governance and Human Resources Committee's discretion, recommend to the Board for consideration and approval any significant changes to the overall compensation program and MPAC's objectives related to executive compensation.
28. Annually review the CAO and Other Executive Management Succession and Development Plans and, other than for the CAO, after consultation with the CAO, and in the Governance and Human Resources Committee's discretion, make recommendations to the Board for consideration and approval.
29. Once every two (2) or three (3) years, as the Governance and Human Resources Committee decides, review the Diversity Policy, and in the Governance and Human Resources Committee's discretion, make recommendations to the Board for consideration and approval.
30. Annually review the outputs associated with confidential employee surveys, including surveys of employee morale, MPAC culture, employee engagement, and job satisfaction. The Governance and Human Resources Committee shall report thereon to the Board.
31. Annually review MPAC's programs for, and performance of, employee hiring, training, retention and advancement.
32. Annually review MPAC's programs for, and performance of the accommodation of employees with disabilities and pay equity.
33. Annually review MPAC's programs for, and performance of labour relations, and collective bargaining.
34. Oversee the development of a governance evaluation tool, by an independent third party, which might include both qualitative and quantitative indicators.

35. Oversee the development of a form, by an independent third party, detailing the dimensions of leadership important to the Board when evaluating the performance of the Chair, Vice-Chair and Committee Chairs.
36. Every 18 months, conduct a competency analysis of incumbent Directors, to identify any critical deficiencies in the skills, experience and other qualities necessary to complement MPAC's strategic direction and balance the overall composition of the Board.
37. When, or as vacancies on the Board arise, conduct a competency gap analysis to assist in identifying prospective Directors.

Other Responsibilities

38. The Governance and Human Resources Committee shall annually review the Board Remuneration and Expense Policy and the internal controls associated with it over compliance, documented by Management and tested by Internal Audit Services.

The Governance and Human Resources Committee shall review any material change(s) to the Board Remuneration and Expense Policy at its next regularly scheduled meeting, and recommend such change(s) to the Board for consideration and approval. Any administrative change(s) only to this policy shall be implemented immediately, summarized, and reported annually to the Governance and Human Resources Committee for information.

39. With the Board Chair, the Governance and Human Resources Committee shall respond to Director conflict of interest situations.
40. The Governance and Human Resources Committee may be delegated other responsibilities by the Board.

Resources

41. Members of the Executive or senior Management may be asked to attend meetings of the Governance and Human Resources Committee as the Committee deems appropriate.

42. The Governance and Human Resources Committee shall review the need for any resources beyond those identified above. Such additional resources shall be provided by MPAC as deemed appropriate by the Governance and Human Resources Committee in fulfilling these Terms of Reference.

Committee Operations

The Governance and Human Resources Committee shall:

43. Evaluate at least every two (2) or three (3) years the adequacy of these Terms of Reference and recommend any proposed changes to the Board of Directors for consideration and approval.
44. Prepare annually a Governance and Human Resources Committee Work Plan to ensure that the foregoing responsibilities and priorities are scheduled and fully addressed. The Work Plan shall be presented to the Board for consideration and approval.
45. Review, at least annually its compliance with these Terms of Reference, and evaluate its overall effectiveness and shall report thereon to the Board.
46. Following each Governance and Human Resources Committee meeting, the Governance and Human Resources Committee Chair shall report to the Board on the activities, findings, due diligence, and any recommendations of the Governance and Human Resources Committee.

Procedures

47. Subject to any restrictions imposed by the Board or MPAC's By-laws, the Governance and Human Resources Committee may periodically fix its own rules of procedure.
48. The Governance and Human Resources Committee shall meet in separate, non-management, Closed sessions with internal personnel or outside advisors, as needed or appropriate.
49. The Governance and Human Resources Committee shall meet in separate, non-management, In Camera sessions at each regularly scheduled meeting.

50. The Governance and Human Resources Committee shall have sole authority to retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities.
51. The Governance and Human Resources Committee shall receive adequate funding from MPAC for independent advisors and ordinary administrative expenses that are needed or appropriate for the Committee to carry out its duties.
52. The Governance and Human Resources Committee shall, in consultation with the Board Chair, retain, oversee, compensate and terminate, as appropriate, independent advisors to assist any individual Governance and Human Resources Committee member as necessary.
53. The Governance and Human Resources Committee shall carry out any other appropriate duties and responsibilities assigned by the Board.

To honour the spirit and intent of applicable law as it evolves, the authority to make minor technical amendments to these Terms of Reference is delegated to the Executive Director, Board Governance, who shall summarize and report any minor amendments to the Governance and Human Resources Committee annually for information. The Governance and Human Resources Committee shall review any material change(s) to these Terms of Reference at its next regularly scheduled meeting, and recommend such change(s) to the Board for consideration and approval.

For Reference:

Closed session: A session with Board members only and internal personnel or outside advisors, as needed or appropriate.

In Camera session: A session with Board members only.

A **material** change to a governance document is a substantive or fundamental change. It includes, but is not limited to: a proposed change to a role, right, responsibility, or reporting relationship.

An **administrative** change to a governance document is non-substantive. It includes, but is not limited to: a definition, the use of adjectives, an elaboration, a footnote, the use of examples, consolidation of an administrative change in another document for consistency, or the use of technical or clarifying language.

An administrative change does not fundamentally alter any existing role, right, responsibility or reporting relationship.

HISTORY

Board Received Date: December 12-13, 2018 (Administrative Amendments)

Committee Review Date: November 6, 2018

Board Approval Dates: June 11, 2015 | September 24, 2014