

HOA Policy on Policies

Policy Number: No. 1
Date of Inception: December 2013
Date of Last Update: December 2013
Date of Next Review: December 2018

Background:

The Board of Directors believes that there is a need for a formal approach to policies, including establishing a procedure for the creation and regular review of policies.

Policy:

To be a policy of the board, the item in question must have the following characteristics:

- be duly passed by the Board of Directors;
- establish a rule or convention of general application, not related to a “one-off” event, or to a reaction to a specific problem or set of circumstances unless such reaction has a long-term effect which merits the establishment of a policy;
- be a rule or convention of general application governing the Board, directors and its processes, the democratic process of the company and the role of and involvement of members and delegates with the company, the CEO and any other Officer reviewed directly by the Board, any matter involving the board exercising its role in managing and supervising the management of the company as provided in the *Not for Profit Corporations Act, Ontario 2010*, as amended and any other matter with respect to which the board determines on an ad hoc basis that it is in the best interests of the company to enact a policy; and
- be identified in the motion as a “policy” of the Board.

The policy must be summarized substantially in the same format as this Policy on Policies.

Procedure:

- 1) A Policy to be a ‘Policy’ of the Board must be moved, seconded and carried by the Board of Directors of as a ‘policy of the Board’ and must then be included in the appropriate location in the Board Manual
- 2) All policies must be reviewed by the Board of Directors or a committee of the Board of Directors or by some other group, or persons if so indicated in the Policy itself, no less frequently than every five years from the date of the last review;
- 3) Unless otherwise designated the ‘committee’ which shall review policies shall be the Governance Committee of the Board; and
- 4) That in conducting its review of policies, the Governance Committee shall ensure that where appropriate in the case of any policy which requires management involvement or implementation, where substantive changes may or are proposed to be made, such policy or proposed changes as the case may be, be vetted by the relevant manager or managers prior to coming to the committee for review

HOA Board Expense Reimbursement Policy

Policy No: No. 2
Date of Inception: December 2013
Date of last review: December 2013
Date of next Review: December 2018

Objective:

The objective is to define and allow for reimbursement of reasonable expenses incurred by Directors of HOA on a fair basis. The policy is designed to rely on the goodwill and discretion of the Director, while at the same time allowing HOA to meet its stewardship obligations as institution.

Background:

The Board of Directors of HOA oversees the management of HOA. Section 4.20 of the HOA By-law No. 2 requires that Directors and officers shall serve without payment of any kind. However, they have the right to be paid for travelling or other expenses while acting for the Corporation, as long as the expenses are reasonable. The Board must authorize these expenses, and the expenses must comply with any guidelines and limits set by the Board.

Policy:

HOA reimburses Directors for reasonable expenses while acting on HOA business.

Procedure:

General

- a) Expenses submitted should be reasonable and appropriate, and personally incurred in relation to fulfilling the Director responsibilities while on the Board.
- b) The claimant will not request reimbursement on behalf of another individual nor claim expenses which have been or will be covered by another source.
- c) Expenses will be supported by receipts.
- d) Travel and accommodation outside of regular board or committee meetings arrangements are to be approved by the President before incurring any expenses.
- e) Meal expenses and accommodation required by the Director while on authorized HOA business outside of Board or Committee meetings are reimbursed by HOA.

Expense Allowances for Board or Committee Meetings

- a) The expense allowance for Board Directors attending a Board meeting, Executive or any other Committee meeting is set at \$ 25.00 per meeting to a maximum of \$75.
- b) Expense claims over \$75 must be supported by receipts and submitted to the Chair for approval.
- c) No expense allowance will be paid for conference call meetings or for committee meetings held directly before or after a Board meeting.

- d) No expense allowance will be paid for any Board member taking minutes at any Board or Committee meeting.
- e) No expense allowance will be paid for any authorized Board member to sign cheques.

Expense allowances will not require receipts for reimbursement.

Transportation

Outside of regular Board or Committee meetings, transportation expenses will be reimbursed on the following basis.

- a) Mileage for use of personal vehicles on HOA business is reimbursed at the same rate as is set from time to time for employees of HOA. Currently, that rate is set at \$ 0.52 per km. It will be reviewed on a regular basis, but at least once per annum.
- b) Business requiring other travel arrangements, such as air or rail, is by the most economical /most convenient means with due regard to economics.

Reimbursement

Reimbursement of expenses is claimed quarterly using the standard expense claim form available from the Executive Assistant to the CEO.

The Executive Assistant to the CEO reviews the expense claim for reasonableness and accuracy and obtains approval for payment from the President of the Board.

Payments will be remitted at the end of each quarter within 30 days of each quarter end.

Reimbursements of Board and Committee Meeting expense allowances will be done on the basis of director participation in the various meetings without individual submission of expense claims.

HOA Board Mandate Policy

Policy No: No. 3
Date of Inception: December 2013
Date of Last review: December 2013
Date of Next review: December 2018

Background:

The legal responsibilities and obligations of Directors have their roots in:

Legal documents that establish and empower HOA, including:

- *The Corporations Act of Ontario* (the “Act”) and associated regulations
- Incorporation documents and By-Laws of HOA made pursuant to the *Act*
- The Declaration of Trust
- Policies established by the Board of Directors
- Common Law duties and responsibilities applicable to corporate directors.

As a general premise, there are no conflicts between the empowering documents and common law requirements. This policy focuses on the generic responsibilities of Directors, and specific requirements which can be found in the wording of the Act, the By-laws or other specified documents.

Policy:

Directors are “fiduciaries” of the organization they serve and are expected to fully participate in orientation and development opportunities. They have an obligation to act honestly and in good faith with a view to the best interests of HOA, and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In particular:

Providing Stewardship

Directors have a role of stewardship of HOA. Stewardship means that a Director should exercise leadership visibly and be assertive when necessary. Stewardship also requires vision and forward thinking, particularly in areas such as strategic planning and identifying areas of risk.

Fiduciary Duties

Directors are elected by the membership. Once elected, their primary fiduciary duty is to act in good faith and with a view to the best interests of HOA, not any particular member or group of members. This means:

- acting in the best interests of current and future members
- maintaining the confidentiality of information obtained as a Director
- disclosing information that would be important for the board to know in making its decisions
- disclosing conflicts of interest
- complying with the Act and any associated regulations

- taking positive and proactive steps to protect the interests of HOA
- bringing an independence of mind to their Director duties
- working to build trust and co-operation among members and between the board and stakeholders.

Individual Directors may bring specific knowledge of a specific area or cultural/sectoral dimension that, when shared appropriately, can be valuable to the board in making its decisions. Nonetheless, a Director must ultimately vote on an issue based on his or her perspective in furthering the best interests of HOA.

Acting with Care, Diligence and Skill

Directors must devote sufficient time and attention to the affairs of HOA so that they are in a position to exercise informed judgment.

Directors must use all of their skills and experience in carrying out their duties. A Director has a common law duty to exercise the level of care, scrutiny and supervision that a prudent person (taking into account such person's level of skill, knowledge and education) would exercise in comparable circumstances.

Exercising Sound Business Judgment

Directors must exercise sound business judgment and act reasonably and in good faith, without a conflict of interest.

Consistent with the requirements of due diligence, Directors ensure that:

- adequate information is available, agendas and background documents are provided prior to meetings
- they attend meetings and ask questions with independent minds
- they establish the appropriate committees to ensure that certain matters receive an in-depth and expert examination that would be difficult for an entire board to conduct
- objections to board motions are recorded in the official minutes; otherwise it is deemed that a Director is in agreement with the motion.
- Directors who are absent from a board meeting will, by virtue of the Act, be deemed to have consented to or acquiesced in a decision taken at that meeting unless the absent Director, upon becoming aware of the decision, indicates his/her dissent by delivering notice of that dissent to HOA within seven days, or requesting that his/her dissent be placed in the minutes of the meeting. Notwithstanding having recorded a dissent, Directors speak with "one voice."

Respecting and Contributing to the Values of HOA

Directors abide by, respect, and contribute to the fulfillment of the By-Laws, objects, mission, vision and values of HOA. They conduct themselves in a manner befitting HOA and promote HOA, its purpose and values among Members, stakeholders, and the community.

Respecting and Abiding by Laws, Regulations, and HOA By-Laws and Policies

Directors respect and abide by legal and regulatory requirements and the policies of HOA, such as they exist at present and may, from time to time, be agreed by the board. This includes taking care to ensure that their conduct cannot be interpreted as being in contravention of applicable laws and regulations.

Acting for HOA as a Whole

Directors act for HOA as a whole rather than for:

- a Director's own personal interest
- groups whose positions a Director might favour.

Speaking with One Voice

Directors support the decisions of the Board of Directors. After the board has reached a recorded decision, Directors speak to the CEO and to members with a "single voice" and refrain from all public criticism of the board's decision.

Directors exercise power collectively through resolutions of the board under the authority of HOA's articles of incorporation and by-laws. Unless given specifically delegated authority, a Director has no individual authority to act on behalf of HOA.

Conduct of Board/Director

Policy Number: No. 4

Date of Inception: December 2013

Date of Last Update: December 2013

Date of Next Review: December 2018

Background:

The Board of Directors of HOA oversees the management of HOA. It ensures that management operates in accordance with codes of conduct and procedures to ensure that staff and HOA discharge their fiduciary duties with the utmost good faith, to the highest standard and with a view to the best interests of HOA. Given the different roles played by the Board, Directors and staff, codes of conduct must be in place and appropriate for each. As fiduciaries of HOA the Board of Directors and each Director collectively and individually commit themselves to upholding the highest standards of conduct in serving the best interests of HOA. That is the purpose and background to this policy.

Policy:

The Board of Directors and each Director of HOA commits himself or herself to:

- 1) Discharge his or her duty in good faith, competently, diligently, in accordance with best practices applicable to directors and with a view to the best interests of HOA;
- 2) Hold the highest level of integrity as our standard of conduct;
- 3) Ensure that HOA complies both with the spirit and the intent of applicable laws, including those intended to promote good corporate citizenship and accountability;
- 4) Ensure that HOA conducts itself in the communities it serves as a good corporate citizen;
- 5) To promote, support and encourage by example management practices which reinforce our mission and core values, equitable employment practices, anti-harassment policies, ethical practices and dealings; and
- 6) To conduct our dealings with and on behalf of HOA observing the highest standard of ethics and in a manner to avoid possible conflicts of interests.

Procedure:

- 1) Any allegations of conduct unbecoming a Director of HOA pursuant to this policy may be referred to the Board of Directors for appropriate action.
- 2) Any allegation made under 1 shall be considered by an ad hoc Directors Committee of three directors (including the Chair) established for the purpose, which shall be chaired by the Chair of the Board unless the subject matter of the allegation involves the Chair, in which case he or she shall not be on the committee and shall be substituted for by the Vice-Chair who shall Chair the committee.
- 3) The Directors Committee shall meet in-camera, shall hear any evidence which it deems appropriate, including the evidence of any advisors it chooses to consult and shall give the

affected director the opportunity to be heard and to examine evidence produced before it prior to making any decision or rendering any judgment.

- 4) The Directors Committee may make any recommendation it deems to be reasonable in the circumstances up to and including dismissal from the Board.
- 5) The Board of Directors shall consider any recommendations of the Directors Committee in camera and may make a decision with respect to disciplinary action where appropriate.
- 6) Any Director against whom a finding may be made is entitled to a hearing before the full board before any finding is made; and
- 7) Where the Directors Committee proposes in its recommendation to dismiss the Director from the Board, it must be made in the context of a recommendation to be endorsed by the Board of Directors, having given the Director the opportunity to be heard as required by relevant legislation, to have the members under the Corporations Act remove the Director from office at a meeting specially called for the purpose or at the next regularly scheduled meeting of Members which meeting shall be deemed to be a special meeting called for the purpose.

Cross Reference: Conflict of Interest Policy No. 5

HOA Conflict of Interest & Confidentiality Policy

Policy No: No. 5
Date of Inception: December 2013
Date of Last update: April 2016
Date of Next review: December 2018

Background:

A conflict of interest is a set of circumstances that creates a risk that judgement or actions regarding a primary interest (i.e. HOA's interests) will be unduly influenced by a secondary interest (i.e. a Director's personal/family or professional interests outside of HOA).

A Director, Officer or staff member's fiduciary duty to HOA carries with it an obligation to avoid situations in which their personal interests could conflict with the best interests of HOA.

Policy:

1) In discharging their duty to avoid, disclose and not to benefit from conflicts of interest between their duty to HOA and their own interest, Directors and Officers of HOA must:

- a) Disclose any conflict of interest and put the best interests of HOA first:
They must give the highest priority to the interests of HOA and disclose any conflict of interest between their personal interests and those of HOA.

If a Director or Officer has a loyalty to other individuals, groups or entities that would impair his or her judgment on a decision within his or her sole or shared authority, they must disclose this potential conflict to the Chair and ask for direction. This disclosure is made whether or not the Act, Regulations or HOA's other policies and procedures would require the disclosure in the specific circumstances.

- b) Not accept commissions:
If any personal reward or benefit is offered to a Director or Officer by any supplier of goods or services to HOA or a Member, they must decline the offer immediately and advise the Chair of the offer at the earliest practicable opportunity.
- c) Political support:
Since HOA's membership encompasses the entire community, it does not endorse any one candidate or political party. Directors and Officers maintain an attitude of strict impartiality at public gatherings at which they are representing HOA. HOA will, in turn, respect the right of Directors and Officers to absolute privacy with regard to personal political activity, and will not attempt to influence or discourage any such activity, as long as it is not detrimental to HOA.

HOA funds, goods or services, may not be used as contributions to political parties or their candidates. HOA facilities may not be made available to candidates or campaigns, except as specifically recommended by the CEO or the Chair and approved by the board. Notwithstanding the above, it is permissible for HOA to purchase tickets for, and for officers to attend, public events sponsored by persons holding political office or their parties/riding associations, even if a sponsoring political party is required by law to report the ticket price, or any portion thereof, as a political donation by HOA. Such attendances must be balanced amongst the active political parties of the day in a manner at least proportionate to their representation in the legislature.

- d) Using HOA assets for personal use:
Directors and Officers are not permitted, either during or after their service with HOA, to use for their own purposes or those of their relatives or friends anything entrusted to them to use on behalf of HOA or affiliated organization. This includes land, buildings, equipment, services of employees, money and confidential information. The fact that the use may not result in any loss to HOA is irrelevant.
- e) Public communications:
When communicating publicly on matters that involve HOA business, the Chair, or another person authorized by the Chair, speaks for the board.

A Director or Officer, when dealing with anyone outside HOA, including public officials, takes care not to compromise the integrity or damage the reputation of any outside individual, business, or government body, or that of HOA. As a general rule, senior management will communicate HOA's position on public policy or industry issues.

Directors and Officers separate their personal roles from their HOA positions when communicating on matters not involving HOA business. If publicly introduced at public gatherings, Directors may allow his or her connection to HOA to be identified, if the identification is part of a general curriculum vitae and the context of the event is such that it is obvious that the views expressed by the Director do not represent the views of HOA.

- f) Contracting with suppliers:
Authorized HOA officers may enter into a contract on behalf of HOA with a supplier of goods or services, provided that the contract is in the best interests of HOA.

No Director or Officer will attempt in any way to persuade or influence a supplier to accept less than the contract price in order to ensure that the supplier will be considered for, or awarded, future contracts.

- g) Trading in units:
HOA Directors and Officers shall not buy or sell units in developments that HOA is supporting except for their own personal residence, either personally or through a business where the Director is an owner, unless the transaction has been disclosed to the HOA Board and has been pre-approved by the HOA Board.

- 2) In discharging their duty to maintain the confidentiality of HOA's information, Directors and Officers shall comply with the following:

- a) General duty to maintain confidentiality:
Every director and officer, unless otherwise specifically granted permission by the HOA Board to disclose the information, keeps confidential all information respecting HOA's business and members' transactions.

In respect of information pertaining to members' transactions with HOA, an Officer may, in addition to any specific consent granted by the member, subject to Personal Information Protection and Electronic Documentation Act (PIPEDA) and HOA's privacy code requirements, disclose such information in the following circumstances:

- i) To a person acting in a confidential or professional relationship to HOA;
- ii) To a credit grantor or to a reporting agency, if the disclosure is for the purpose of determining the credit worthiness of the member;
- iii) To the regulator or deposit insurer for HOA;
- iv) To protect the interests of HOA; or
- v) To any person entitled to the information by force of law.

Where any confidential information of any kind is disclosed under any circumstances, an Officer or Director has a duty to advise the Chair of the Board and the CEO forthwith. All items discussed at Board meetings are confidential and such matters are not to be made available to persons other than those persons at HOA who need to know, unless the Chair has specifically designated the item as non-confidential.

b) Compliance with privacy law and HOA's privacy code:

The duty of Directors and Officers to maintain confidentiality includes a commitment to comply with PIPEDA and the specific requirements arising out of that law and the privacy code of HOA.

The Board is responsible to ensure that a privacy policy is in place for directors and employees of HOA and that the policy is in compliance with privacy legislation.

3) In discharging their duties, Directors of HOA have the right to Independent Advice. Directors are expected to increase their understanding about HOA business through exposure to issues, training, and seeking and receiving legal advice as required.

The Board and/or individual Directors can obtain independent advice about any legal, risk management, accounting or other technical issues facing the Board of Directors at the expense of HOA, with the prior approval of the Board.

4) Duty to Comply and Disclose:

- a) All Directors and Officers of HOA are required to comply with the duties and obligations as described above.
- b) If a Director or Officer is in doubt about the application of this policy in any given circumstances, he or she should discuss the matter with the Chair of the Board.
- c) On an annual basis following HOA's annual general meeting (and as required by circumstances from time to time) each director and officer of HOA declares his/her economic interests and the economic interests of his/her spouse and minor, dependent children by completing a conflict of interest disclosure form, in the form prescribed by the Board of Directors from time to time.

5) Officers

- a) HOA's Chief Executive Officer, and HOA's Mortgage Manager are 'officers' for the purpose of this policy.

Procedure:

Contravention of this Policy:

- a) HOA treats any contravention of this policy as a serious matter. However, any suspected or alleged contravention will be investigated in a manner that is fair to the Director or Officer, and treated with the utmost confidentiality.
- b) If a Director or Officer becomes aware, or has reasonable grounds to suspect, that a contravention of this policy has occurred or is about to occur, he or she will promptly advise the Chair of the Board for further investigation.
- c) If a contravention occurs, to ensure confidentiality and impartiality, the person making the accusation should not confront the person accused of the contravention.
- d) If a Director or Officer believes that his or her own actions have, or may have, contravened this policy, he or she should advise the Chair of the Board.

- e) Directors and Officers who fail to fulfill their duties and obligations as described in this policy are subject to a review process and possible sanctions up to and including removal from office or legal proceedings.
- f) In the event of a contravention of this policy that is either:
 - i) a misappropriation or misdirection of funds, securities or other property of HOA; or
 - ii) a contravention of the Act, the Regulations or HOA's by-laws by the board, a Director, a committee member, an Officer, or the senior management employee,The person discovering the alleged contravention notifies HOA's Audit Committee and the Audit Committee deals with the alleged contravention.

Cross Reference: Conduct of Board/Director Policy No. 4

HOA Director Indemnification Policy

Policy No. **No. 6**
Date of Inception: **December 2013**
Date of Last Review: **December 2013**
Date of Next Review: **December 2018**

Background:

Directors provide volunteer time and resources to the Board of Directors of HOA and in oversight of the management of HOA. In this regard, so long as they act honestly, in good faith and with a view to the best interests of HOA, they should receive the best protection from potential liability which HOA can provide:

Policy:

Directors of HOA are entitled to the full protection permitted under the *Act*, against personal liability. In addition to assisting Directors in being duly diligent, HOA will provide Directors with:

- advance notice of meetings and agenda items; and
- maintenance of complete corporate records, including minutes for all board and committee meetings.

Also, HOA shall provide Directors with:

- personal indemnification on the basis permitted by the applicable acts and HOA's by-laws and (in addition to the foregoing) as authorized by the Board of Directors from time to time;
- "Directors' and Officers' liability insurance" under policies pursuant to coverage that is consistent with best practices with similar not-for-profit organizations, with the actual level of insurance being in the absolute discretion of the board.

Procedure:

The form of indemnity and the type and extent of Directors and Officers liability insurance coverage is reviewed by the Audit Committee on an annual basis.

Cross Reference: Canada Not-for-profit Corporations Act - S.C. 2009, c. 23 (Section 151)

HOA Director Development Policy

Policy No.	No. 7
Date of Inception:	December 2013
Date of Last Review:	December 2013
Date of next Review:	December 2018

Background:

The board recognizes that investing in ongoing Director development is an important component of ensuring continually effective governance at HOA. As such, the board is committed to providing all Directors with access to training and development opportunities.

The Board acknowledges that new Directors require orientation programs that will bring them up-to-speed as quickly as possible and enable them to function effectively as Directors of HOA at the earliest possible time. As such, the board is committed to providing new Directors with an orientation program.

Policy:

1. As part of their duties and obligations, Directors are expected to participate fully in orientation and development opportunities. In particular, it is expected that all Directors will attend an orientation program within three months of joining the board of HOA.
2. There are two aspects to Director development. One is the provision of regular, periodic development opportunities for the full board. The other is the availability of development opportunities tailored to the specific needs of individual Directors.
3. Any individual development opportunities will be approved by the Executive Committee on a case-by-case basis.
4. The Governance Committee will review the effectiveness of Director development on an annual basis.

There is an expectation that the board will devote at least one day per year to ongoing development for the full board, based on an agenda to be developed by the Executive Committee.

5. The specific development events will be scheduled in advance and it is expected that all Directors will attend. The Executive Committee will be responsible for ensuring the development events occur.
6. It is the responsibility of Directors to determine their individual development needs with information and support provided by the Chair and the CEO.
7. The cost of participating in personal development projects and educational courses authorized by the Executive Committee may be paid by HOA in part or in full.

Orientation of New Directors:

8. The objective of the orientation program is to bring new Directors up to speed as quickly as possible after their election to the board.

9. The Executive Committee, with the assistance of the CEO, is responsible for developing and maintaining a orientation program that will be a mandatory requirement for all Directors. The program will be delivered within the first three months of new Directors assuming their positions.
10. The orientation program should be comprehensive and will involve presentations by and meetings with senior management. It will include materials on the real estate development industry.

HOA Board Committees Policy

Policy No: No. 8

Date of Inception: December 2013

Date of Last Review: December 2013

Date of Next Review: December 2018

Background:

A formal committee structure exists to support and expedite the work of the Board of Directors. Committees of the board are empowered to review matters requiring specialized expertise, issue formal recommendations, and in some cases, make decisions on behalf of the board. This allows HOA's Board of Directors to optimize its time, and achieve greater depth in its deliberations than would otherwise be possible.

In reviewing committee recommendations, the board's role is to ensure the soundness of the recommendations without re-doing the work of the committee.

Policy:

The Board of Directors has established by resolution the following four standing committees:

- A. Audit Committee;
- B. Governance Committee;
- C. Executive Committee; and
- D. Membership Committee.

Other standing or ad hoc committees may be formed as appropriate.

The Mandate and Terms of Reference for each committee are developed for approval by the Board of Directors, and incorporated into HOA's governance policies.

Procedure:

1. While the Board of Directors sets out the general criteria for the recruitment and selection of new Directors, standing committees may set forth additional criteria for committee participation.
2. The process for appointing Directors to the standing committees begins with each elected Director completing a "Preference Sheet" which indicates his/her first, second and third choices, as well as whether he/she wishes to serve as a committee chair. These "Preference Sheets" are submitted in confidence to the Chair and the CEO, who review the requests and recommends to the Governance Committee the slate of Committees. The Governance Committee reviews this information, makes any necessary adjustments and issues formal recommendations for committee appointments to the Board of Directors.
3. The appointment of standing committee members and Chairs takes place in accordance with approved board policy at a board meeting as soon as practical after the Annual General Meeting and Election of Directors. Standing committee members are appointed on an annual basis, with each committee consisting of a minimum of three directors. The Chair of each Committee is recommended by the Governance Committee and approved by the Board at the first scheduled meeting of the board following the Annual General Meeting.

4. A committee may declare a committee member's position vacant if the member fails to attend two consecutive committee meetings without reasonable excuse, is frequently absent from regular Board or committee meetings, or does not perform any of the duties required of a committee member. A committee will declare a committee member's position vacant if that member no longer meets the requirements for service on the Committee.
5. Standing committees meet as often as required to fulfill their mandates, and attend to the specific responsibilities outlined in their respective Terms of Reference. At a minimum, each standing committee meets four times per year.
6. Unless otherwise detailed in a committee's individual Terms of Reference, committee meetings are held at the request of the committee chair, provided 48 hours' notice is given. A committee meeting may also be held at the request of any two members of that committee.
7. A committee's business may only be transacted at a meeting in which a quorum of the committee is present, or by a resolution in writing signed by all committee members. A majority of the committee members constitutes a quorum.
8. A committee's Terms of Reference reflects various responsibilities, namely; to review; monitor;; report; recommend; In addition to ensuring that any additional communication or reporting requirements outlined in a committee's Terms of Reference are met, committee chairs are responsible for:
 - a) ensuring that the board is aware of the committee's deliberations, decisions and/or actions, by providing the board of Directors with a timely report after each committee meeting;
 - b) ensuring that accurate minutes of every committee meeting are maintained and available to the Board; and
 - c) reporting to the board of Directors during the Board's regular meetings, as per the regular committee Reports item on the Board's agenda.
9. Policy No. 11 applies with appropriate change to committee meetings unless the meeting is called pursuant to section 6 of this police where the material should be delivered no later than 24 hours before the meeting.

A. Audit Committee Mandate

As required by HOA bylaws and *the Act*, the Audit Committee is responsible for:

- a) reviewing the financial statements, internal controls, accounting policies and reporting procedures of HOA;
- b) ensuring the integrity of financial reporting;
- c) providing oversight over the external audit processes;
- d) managing the audit relationship with external auditors;
- e) reviewing the delegation of authority within HOA;
- f) reviewing and recommending to the Board the Credit and Policy annually, and monitoring compliance with this policy;
- g) reviewing and recommending to the board the Internal Control Policies for HOA;
- h) monitoring compliance with HOA's Internal Control Policies; and
- i) risk management of HOA.

B. Governance Committee Mandate

HOA's Governance Committee is a committee of the Board of Directors. It is responsible for ensuring the effective governance of HOA, and for ensuring that a spirit of trust, teamwork, transparency, and professionalism characterizes its governance processes. More specifically, it is responsible for:

- a) Creating and maintaining a healthy governance culture within the organization, so that HOA members are assured of both appropriate representation and of governance structures, policies and procedures that reflect the industry's current best practices;
- b) Conducting an annual review of HOA's Governance Policy as it relates to member needs and issuing related recommendations to the Board of Directors;
- c) Enhancing Board performance by establishing procedures for the recruitment, evaluation and election of Directors;
- d) Overseeing the development and implementation of orientation procedures for new Directors, and evaluating their effectiveness;
- e) Assessing the effectiveness of the Board, Board Committees and Committee Chairs;
- f) Monitoring adherence of HOA's directors, officers and employees to the Code of Conduct;
- g) Conflict of Interest - Review the adequacy of and monitor compliance with the Board policy on identifying and resolving conflicts of interest, and restricting the use of confidential information; and
- h) Overseeing the funding for development of Directors, and evaluating the effectiveness of development initiatives.

C. Executive Committee Mandate

HOA's Executive Committee is a committee of the Board of Directors and is responsible for:

- Ensuring that policy guidelines and systems are in place to ensure the establishment and implementation of strategic plans appropriate to achieve the HOA Mission;
- Recommending to the Board the agenda and format of the Annual Strategic Planning Session.
- Acting on behalf of the Board where Board decisions are required between Board meetings and it is not practicable to keep the item until the next regularly scheduled Board meeting;
- Reviewing the compensation and benefits programs for the CEO and other staff of HOA and recommending same to the board for their consideration; and
- Any other matter which needs to be considered and is not otherwise specifically within the mandate respectively of the Audit Committee, Governance Committee or Membership Committee.

Cross Reference: Policy No. 11

HOA Policy on Role of Chairs

Policy No: No. 9
Date of inception: December 2013
Date of last review: December 2013
Date of next review: December 2018

Background:

The work of the board of HOA is fulfilled by having a robust committee structure with an active and engaged Chairperson of the Board as well as Chairs of standing and ad hoc committees of the board.

Policy

I. Chairperson

A. Accountability

The Chair of the board is accountable to the Board of Directors for the fulfillment of the responsibilities of the office of Chair as outlined in this policy.

B. Role and Responsibilities

The Chair leads the board in establishing effective corporate governance processes and practices, and ensures efficient and effective Board meetings.

The responsibilities of the Chair of the board include, but are not limited to:

- a) Assuming principal responsibility to oversee the operation and functioning of the Board of Directors;
- b) Providing overall leadership to the board, without limiting the principle of collective responsibility and the ability of the board to function as a unit;
- c) Fulfilling their board leadership responsibilities in a manner that ensures the board is able to function independently of management. This includes ensuring that the appropriate procedures are in place for the board to meet regularly “In Camera”, and to allow for Directors to engage outside advisors at the expense of HOA in appropriate circumstances, subject to recommendation of the Governance Committee and the approval of the board;
- d) Setting board agendas, in consultation with the CEO including any items requested by a director, that are based on the responsibilities of the board and reflect current priorities;
- e) Chairing board meetings effectively, including ensuring that appropriate briefing materials are delivered in a timely fashion, encouraging full participation and discussion by individual Directors, stimulating debate, facilitating consensus, and ensuring that clarity regarding decisions is reached and duly recorded;

- f) Requesting that another Director, chair a particular meeting, or a particular agenda item should the Chair determine that due to a potential conflict of interest, they would not be the most appropriate Chair of that particular meeting or agenda item, or if the Chair wishes to participate in the discussion, he or she may appoint a meeting Chair to preside at a given meeting or portion thereof;
- g) Ensuring compliance with the governance policies of the board regarding conduct of board meetings, managing and reporting information and other policies related to the conduct of the board's business;
- h) Taking a leadership role in ensuring effective communication and relationships between HOA, members, stakeholders and the community in which HOA provides its services, and reporting to the members on the activities of HOA through the annual report at the Annual General Meeting of members and the annual and special membership meetings;
- i) Ensuring an effective and productive working relationship between the board and management, including acting as the Board's on-going liaison with the CEO;
- j) In conjunction with the CEO, serving as a representative of HOA in dealings with federal and provincial governments and community representatives and agencies, the membership, the real estate development industry and the general public;
- k) In consultation with the CEO, receiving and responding to any questions or complaints from members or external sources on the operation, strategic direction or management of HOA;
- l) Be the public face and primary spokesperson for HOA; and
- m) Assist the CEO in public and government meetings or other events.

C. Term Limit

On an annual basis, the board will elect a Chair, balancing the benefits of experience and leadership continuity with the need to refresh leadership and provide opportunities for emerging skills.

II. Committee Chair

A. Accountability

Each Committee Chair is accountable to the Board of Directors for the fulfillment of their responsibilities as outlined in this policy.

B. Role and Responsibilities

Committee Chairs lead their respective committees to fulfill their mandates and Terms of Reference as described in the board policy "Committees of the Board".

The responsibilities of a Committee Chair include:

- a) Assuming principal responsibility for the effective operation and functioning of the Committee.
- b) Providing leadership to the Committee without limiting the principle of collective responsibility and the ability of the Committee to function as a unit.

- c) Consulting with Committee members and the CEO to set agendas that are based on the Committee's responsibilities and reflect current priorities of the Committee.
- d) Chairing Committee meetings effectively including ensuring that appropriate briefing materials are delivered in a timely fashion, encouraging full participation and discussion by committee members, stimulating debate, facilitating consensus, and ensuring that clarity regarding decisions is reached and duly recorded.
- e) Providing a regular summary report on Committee activities to the Board of Directors, that reports on the fulfillment by the Committee of its mandate and Terms of Reference and focuses on the provision of key information and issues that the Board requires in order to fulfill its overall governance responsibilities.
- f) Ensuring compliance with board policies regarding conduct of board meetings, managing and reporting information and other policies related to the conduct of the Committee's business.
- g) Ensuring an effective productive working relationship between the Committee and management.

Board and Committee Minutes

Policy No: No. 10
Date of Inception: December 2013
Date of Last Update: December 2013
Date of Next Review: December 2018

Background:

The Ontario *Not-for-Profit Corporations Act*, 2010, as amended, requires HOA to keep books containing minutes of the meetings of the members, directors and the executive committee, which are to be open to inspection during HOA's normal business hours by its directors. Only the minutes of members must be made open to inspection by members during HOA's normal business hours. There is no requirement in the Act that board minutes be provided to members. HOA's by-laws are consistent with these statutory provisions. The Board of Directors of HOA sees it as desirable to have a policy governing the keeping of minutes of meetings of the Board of Directors of HOA and of its committees and the accessibility thereto by directors and by members.

Policy:

Minutes shall be kept of all meetings of the Board of Directors or of its committees. These minutes shall include a record (i.e. an entry indicating that a subject has been discussed) that various items have been discussed and a record of any decision made by the board or made by a committee to be recommended to the board for approval.

Any decisions which are made should be in resolution format indicating a mover, a seconder, the nature (i.e. action intended) of the resolution and that the motion carried or failed to carry. If there were any abstentions or votes against where the director abstained or voted against and asked that their abstention or negative vote be recorded, this should be recorded in the minutes.

In-camera minutes may be maintained confidentially and separately from the main minutes, but any decision items from in-camera meetings need to be reported as decisions to be recorded in the minutes of the meeting or the next regular meeting of the board after the in-camera meeting. In-camera minutes may be reported in a manner so as to not compromise any ongoing need for confidentiality.

Directors and members have the right to review all minutes, other than in-camera minutes, during regular business hours of HOA.

Board Materials Policy

Policy No: No. 11
Date of Inception: December 2013
Date of Last update: December 2013
Date of Next Review: December 2018

Background:

The Board of directors oversees the management of HOA. Directors are expected to act honestly and in good faith with a view to the best interests of the corporation. They must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. They are expected to come to meetings fully conversant of the pre-meeting materials. As a result it is seen as desirable to have a policy set out the expectations with respect to materials to be delivered to directors prior to the meeting and the manner in which those materials should be delivered.

Policy:

It is the policy of HOA that board materials (meaning the notice and agenda of the meeting, minutes of past board and committee meetings, any management updates, project reports, risk assessments, project evaluations or other presentations etc.) shall be delivered to Directors no later than 7 calendar days prior to any board meeting. The standard for delivery of board materials is that they shall be delivered in a paper format in a package where the pages and items are sequentially numbered in a manner which is consistent with the notice and agenda for the meeting. A director who wishes to only receive the board materials in an electronic fashion may indicate his or her desire which will be accommodated and no paper copy of the board materials will be provided to him or her. Electronic delivery must also be done no later than 7 calendar days prior to any board meeting. In the event that materials are received later than the times set out in this policy, a special motion of directors shall be needed to have the material considered at the board meeting, otherwise they will be considered at the next board meeting. The special motion to be successful must receive the support of at least 75% of those voting on the motion.

Nothing herein restricts the ability of management to deliver written updates to any board meeting, including on the day of the board meeting itself, which update material is with respect to a written report which has already been provided to the board in writing and consistent with this policy (i.e. that the report itself which is being updated was delivered no later than 7 calendar days prior to the meeting). Where it is known at the time that the material is delivered in accordance with this policy but there will be an update to the material, this should be indicated in the appropriate place in the agenda.

Procedure:

The procedure is included in the Policy description.

HOA Board Meeting Protocol

Policy No: No. 12
Date of Inception: December 2013
Date of Last Review: December 2013
Date of Next Review: December 2018

Background:

Meetings of the Board of Directors are an essential part of HOA's governance processes. The Board of Directors meets as necessary to effectively fulfill its governance responsibilities. The board uses a policy governance model of leadership that is informed by, and committed to principles of transparency, integrity, honesty, good faith and respect for others.

Policy:

1. To the greatest extent possible, and to foster team building, the board determines its own meeting practices, protocols and procedures with a view to ensuring that effective, professional and efficient board meetings are conducted.
2. Those practices, protocols and procedures include, but are not limited to:
 - a) coming to meetings fully conversant of the pre-meeting materials;
 - b) arriving at the appointed time and staying until the end;
 - c) disclosing any perceived conflicts of interests at the outset of a discussion;
 - d) actively participating in each discussion;
 - e) not repeating points of view that others have already made, other than to acknowledge agreement;
 - f) allowing others to speak without interruption;
 - g) expressing dissent in a respectful manner;
 - h) treating guests with respect and allowing them to speak;
 - i) keeping comments brief and respecting the timeframes outlined in the agenda;
 - j) avoiding sidebar conversations or caucus meetings; or
 - k) not use electronic devices other than to follow the agenda or access relevant material to the meeting.
3. While the board makes every effort to manage and control its own meeting processes, in the event that a meeting situation arises that cannot be resolved through established board practices, protocols or procedures, the board will use Roberts Rules of Order to address that situation. It is a goal of HOA that there should be no need to resort to Roberts Rules of Order.

4. Meetings of the board will be held “in person”, unless the Chair determines that a meeting via telephonic or electronic means is necessary. The telephonic or electronic means shall permit all participants to communicate adequately with each other during the meeting.
5. Serving as resources to the board, the following individuals may attend the regular meetings of the Board of Directors:
 - a) CEO;
 - b) External legal counsel; or
 - c) External auditors (as requested by the Chair of the Audit Committee or by the external auditor).
6. HOA’s by-laws provide that meetings of the board are held within Ontario.
7. It is required by law that accurate minutes of all board and Committee meetings be maintained. These minutes are the formal record of the board’s decisions and serve as proof that HOA has exercised an appropriate level of due diligence. From a liability perspective, the protection of the board and of individual Directors relies on demonstrable due diligence in the fulfillment of their governance obligations.
8. The minutes of all Board of Directors and Committee meetings are maintained in the Office of the External Legal Counsel. For confidentiality purposes, the minutes of all “in camera” sessions are maintained in a separate file by the Corporate Secretary, with limited access.
9. HOA’s external auditors and regulators have full access to the minutes of all board, Committee and “in camera” meetings. As a courtesy, the External Legal Counsel informs the CEO and Board Chair when access to “in camera” minutes has been requested, and the circumstances under which this access will be granted.
10. An “in camera” meeting is one in which the board meets without any management personnel present and follows the principles below:
 - a) The Chair is responsible for managing the “in camera” process.
 - b) Any Director may request an “in camera” meeting, however one will be held immediately prior to or following each board meeting.
 - c) The purpose of an “in camera” meeting is never for the purpose of discussing business or operational issues that are within management’s scope of responsibility. It is the responsibility of the Chair or Vice President, to advise Directors when the discussion violates these guidelines.
 - d) “In camera” meetings may be used to discuss or review:
 - i. The performance of the Board of Directors.
 - ii. The performance of individual Directors.
 - iii. Legal or compliance issues, or the integrity of the Corporation’s financial condition. In these instances, the external auditors, the CEO and/or the External Legal Counsel may be present at the request of the Chair.

- iv. Highly sensitive or confidential matters, or discussions that determine whether a particular matter is the responsibility of the board or the CEO.
 - v. The compensation or performance of the CEO.
 - vi. The performance of an individual director, for the purpose of improving how the director functions.
 - vii. Any legal or compliance issues, or the integrity of the Corporation's financial condition.
 - viii. Any other governance matter that the chair decides needs to be addressed "in camera".
- e) When an "in camera" meeting is held, the CEO will be advised of the general purpose of the meeting, where appropriate. Where the purpose is the performance or remuneration of the CEO, the results of the "in camera" session are communicated to the CEO through the board, by the Board Chair.

Procedure:

To ensure its effectiveness as a board, at the conclusion of each meeting the Chair conducts a de-briefing of the performance of the meeting as a whole. Directors are encouraged to express views on what worked and what did not, including how the meeting could have been more effective and efficient. The minutes will reflect the outcome and the Chair and the CEO will take items under advisement to ensure improvement at future meetings.

HOA Board Political Advocacy Policy

Policy Number: No. 13
Date of Inception: February 2015
Date of Last Update: February 2015
Date of Next Review: February 2020

Background:

Home Ownership Alternatives (HOA) is a non-partisan organization. However, it is recognized that the social economy is influenced by government and politics. In order to advance its ends it is, therefore, necessary from time to time to inform and influence political parties, elected individuals, individuals who are interested in being elected and/or governments and government officials.

HOA representatives for this policy: Chief Executive Officer, Mortgage Manager, President

Policy:

Without prior approval of the Executive, HOA as an organization or any representative of the organization on behalf of the organization shall not make a donation either in cash or kind to an individual or political party to further an election or other activity that further the interests of a party or member of a political party.

HOA may participate in advocacy efforts in its own right to promote public policy in its interests or those of its members.

HOA may participate in advocacy efforts sponsored by national, provincial or local associations of co-operatives, housing organizations and/or social policy groups which could further the ends of HOA.

HOA may organize non-partisan events where its representatives may interact with government officials and/or elected individuals.

Procedure:

In all advocacy endeavours HOA will ensure that the requirements under any Lobby legislation are met including registering as a lobbyist, if required.

All advocacy endeavours to advance HOA's interests under this policy which require the expenditure of funds must be approved by the Executive Committee in advance and reported to the next Board meeting.

All advocacy endeavours to advance HOA's interests under this policy should be reported to the Board in accordance with the Policy on Management Reports to the Board

Advocacy Endeavours:

HOA may inform or influence political parties, elected individuals, individuals who are interested in being elected and/or governments and government officials by holding meetings, writing briefs, being a signature to others' briefs, and/or making deputations.

Subject to the prior approval of the Executive Committee, HOA may have an individual, representative of a party or government official speak and/or participate in any of its events.

Policy on the Delegation of the Power to Manage by the Board of Directors to the CEO

Policy Number:	No. 14
Date of Inception:	February 2015
Date of Last Update:	February 2015
Date of Next Review:	February 2020

Definitions:

“**Act**” means Ontario’s *Not-for-profit Corporations Act*, S.O. 2010, c. 15 (to be in force sometime in 2016), as amended from time to time, which is the statute that will govern HOA once in force.

“**Board**” means the Board of Directors of HOA.

“**CEO**” means the Chief Executive Officer of HOA.

“**President**” means the President and Chair of HOA and the Board of Directors.

Background:

This policy provides for the Board of Directors’ delegation of the power to manage to the CEO of HOA.

The Board of a not-for-profit corporation is responsible for the oversight of the management of the corporation (s. 21 of the *Act*). Generally, this means that the Board is responsible for supervising senior management, providing strategic planning to the corporation, and developing and implementing corporate policy. Board members must be (or at least must become) knowledgeable about the business and financial affairs of the corporation. Appropriate delegation of authority or power to manage is fundamental to the effective and efficient management and operation of the corporation.

In discharging its mandate to manage the corporation’s affairs, the Board must comply with the objectives of the corporation as stated in the letters patent or articles of incorporation and bylaws. The board must also comply with the relevant provisions of the corporation’s statute under which the corporation is incorporated and the rules established under the common law governing directors’ duties.

The key link between the Board and management is the CEO, who is chosen and appointed by the Board. The powers exercised by the CEO, and through him or her, by senior management, are powers delegated by the Board to the CEO (s. 42(1) of the *Act*).

Policy:

1. On becoming Chief Executive Officer of HOA, a person enters into a contract with HOA which, among other things,
 - a. sets out the scope of authority of the CEO;
 - b. articulates the nature of the delegation of powers by the Board to the CEO;

- c. may be amended from time to time with the mutual consent of the Board and the CEO, subject to the right of the Board to define or alter the scope of authority of the CEO from time to time; and
 - d. includes the CEO's undertaking to use his/her best efforts in any situation to maintain and develop good and harmonious relations with members of HOA and to provide the best possible service to its members and stakeholders or both, where applicable, and to the public at large.
2. The Board may delegate certain functions to the CEO, but must maintain a supervisory role.
 3. The Board is responsible for regularly reviewing the CEO's performance of the Board's delegated tasks.

Procedure:

1. The committee charged with the selection of the CEO will ensure that, before hiring the CEO, the terms and conditions of a contract with the CEO are negotiated in accordance with this policy.
2. The contract will be signed before the appointment of the CEO becomes effective.
3. The Board shall approve the "scope of authority" of the CEO, as defined in the contract, before the Board signs the contract on behalf of HOA.

Cross Reference: