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ITEM 1

To: Corporate Governance Committee

From: Mayor David Miller, Chair of the Corporate Governance Committee

Date: June 9, 2009

Subject: Amendment to Corporate Governance Committee Terms of Reference

At the meeting of the Board of Directors of Build Toronto Inc. on Monday May 11, 2009, the Board adopted the terms of reference for the Corporate Governance Committee.

The terms of reference for the Corporate Governance Committee provide that the Committee is to recommend changes to the structure and terms of reference of committees as required, and that the Chair of the Committee shall determine the membership of the Corporate Governance Committee from time to time. I recommend the Corporate Governance Committee recommend that the Board:

1. amend the mandate of the Corporate Governance Committee by adding:
 - (i) Review with management and recommend to the Board human resources policies, including policies on recruitment, employee development, employee relations, succession, health and safety, conflict of interest and codes of conduct, and any policy changes required.
 - (ii) Review with management and recommend to the Board the compensation structure, benefits program and performance management process for employees, and changes required from time to time.
 - (iii) Review issues arising in relation to labour relations, conflict of interest policies and codes of conduct, and advise management or make recommendations to the Board as appropriate.
2. adopt the revised terms of reference for the Corporate Governance Committee as attached.

For the information of the Committee, Blake Hutcheson, Ucal Powell and the Chair of the Board will serve as members of the Committee. In a separate report, Stuart Lazier is being recommended to serve on the Real Estate Investment & Development Committee.

Mayor David Miller
Chair of the Corporate Governance Committee

Attachment: Corporate Governance Committee Terms of Reference (Revised June 15, 2009)

**Build Toronto
Corporate Governance Committee
Terms of Reference
(Revised June 15, 2009)**

Requirement:

The Shareholder Direction from the City of Toronto requires that the Board of Directors establish a Corporate Governance Committee as follows:

“The Board shall establish a Corporate Governance Committee. The Mayor or the director that is the Mayor’s designate shall be the Chair of the Corporate Governance Committee and shall determine the membership of the Committee. The Corporate Governance Committee shall have the responsibility of recruiting and recommending to the Board the appointment of the CEO, shall evaluate the performance of the CEO and recommend any actions concerning the employment of the CEO to the Board. In addition, the mandate of the Committee shall include recommending to the Board any changes to Build Toronto’s constating documents or by-laws and any structural changes.”

In addition, the Shareholder Direction requires that the Board not delegate decision-making to any committee unless all members of the committee are current Board members and that the Board shall not delegate to a committee the power to commit Build Toronto resources unless the Board has stipulated in its by-laws monetary limits on the corporate resources that may be committed by the committee.

The *Business Corporations Act* (Ontario) permits the Board to establish any committees it requires to conduct the business and affairs of the Board, but the Board may not delegate to a committee the appointment of the Chief Executive Officer.

Mandate:

The Corporate Governance Committee shall have the following authority and responsibilities:

- (a) Recruit and recommend to the Board the appointment of the Chief Executive Officer and the terms of employment.
- (b) Establish performance criteria, evaluate the performance of the CEO and recommend any actions concerning the employment of the CEO to the Board.
- (c) Review with management and recommend to the Board human resources policies, including policies on recruitment, employee development, employee relations, succession, health and safety, conflict of interest and codes of conduct, and any policy changes required.
- (d) Review with management and recommend to the Board compensation structures, benefits program and performance management process for employees, and changes required from time to time.
- (e) Review issues arising in relation to labour relations, conflict of interest policies and codes of conduct, and advise management or make recommendations to the Board as appropriate.

- (f) Recommend to the Board the committee structure, committee terms of reference, and membership of committees and any changes required on an on-going basis.
- (g) Develop and recommend to the Board and oversee a periodic self-evaluation process of the Board and its committees.
- (h) Recommend to the Board for shareholder approval all corporate by-laws and any amendments required.
- (i) Recommend to the Board for Shareholder approval any Articles of Amendment.
- (j) Review the need for any changes in the corporate structure including the creation of any subsidiaries, if permitted by law, and recommend to the Board the structure and shareholder directions for such subsidiaries.

Committee Composition and Meetings:

The Corporate Governance Committee shall be chaired by the Mayor of the City of Toronto or his designate serving on the Board if the Mayor is not currently serving as a Board director.

The Chair of the Committee shall determine the membership of the Corporate Governance Committee from time to time, with the requirement that all members are current Board directors.

The Committee shall meet at the determination of the Chair, but not less frequently than once annually. After each meeting, the Committee shall report its actions and recommendations to the Board.

The Committee shall have the authority to retain any outside expertise, advisors, counsel or search firms required to undertake its duties within budgetary limits. The Committee shall have authority to approve fees and retention terms for such resources.