

Appendix C.

Key Terms for Unanimous Member Agreement

'CSWB Organization'

- A. Name of Corporation:** 'CSWB Organization' To be determined by City Council after further information is available (a supplementary report will be provided which includes a name recommendation to be determined at a June 20 session)
- B. Mandate of 'CSWB Organization':** To be determined by City Council after further information is available (a supplementary report will be provided which includes a mandate recommendation to be determined at a June 20 session)
- C. Relationship to the City**
- The CSWB organization shall operate separately and independently from the City and does not have the capacity to act as an agent of the City unless the City provides express written permission to do so. Employees of the CSWB organization are not employees of the City and the CSWB organization shall be free to manage its own workforce.
- D. Size and Make -Up of Board of Directors:** The Board of Directors shall consist of a minimum of nine (9) and a maximum of thirteen (13) and shall be constituted as follows:
- a. Seven (7) to twelve (12) voting directors as nominated by the CSWB Organization's Governance and Nominating committee (the 'Committee Nominees'); and
 - b. One (1) non-voting director appointment nominated by Council (the 'Council Designate')
One (1) non-voting director appointment allocated by the Minister of Corrections, Policing and Public Safety
- E. Board of Directors Appointment Process.** The board of Directors shall be appointed as follows:
- a. At each annual meeting of 'CSWB Organization,' 'CSWB Organization's Governance and Nominating Committee shall propose a slate of Committee Nominees to Council equal to the number of positions that will be coming vacant on the Board of Directors
 - b. Council shall consider the slate of Committee Nominees provided by the Governance and Nominating Committee pursuant to section E (a) herein and may appoint the slate of Committee Nominees to the Board of Directors or to direct the Governance and Nominating Committee put forward an alternative slate of Committee Nominees

- c. In the event that Council directs the Governance and Nominating Committee to put forward an alternative slate of committee Nominees pursuant to section E (b) herein, the Governance and Nomination Committee shall repeat the process set forth in sections E (a) and E (b) until Council has appointed a slate of Committee Nominees to the Board of Directors.
- d. At each annual meeting where the Minister of [dept] Designate's position on the Board will be coming vacant, the Minister of [dept] may advise Council of the Minister of [dept] Designate and Council shall appoint the Minister of [dept] Designate to the Board of Directors.
- e. At each annual meeting where the Council Designates' position on the Board of Directors will be coming vacant, Council may appoint the Mayor or such other individual or their respective designate to the Board of Directors.

F. Term. All directors, save and except for the inaugural directors appointed pursuant to section E in this document, shall hold office for a term of three (3) years

G. Matters for City Approval. Subject to the items specified in this section, the business and affairs of CSWB Organization shall be exclusively managed by the Board of Directors which shall at all times act independently of the City with the full authority to make strategic business decisions. CSWB Organization shall not take any of the following actions without the prior approval of the City:

- a. The merger, amalgamation, continuance, reorganization or consolidation of CSWB Organization or the approval of any plan of arrangement, whether statutory or otherwise;
- b. The taking or instituting of proceedings for the winding-up, re-organization or dissolution of CSWB Organization;
- c. The issuance of any memberships in the capital of CSWB Organization or any securities, rights, warrants or options convertible into or exchangeable for or carrying the right to subscribe for memberships in the capital of CSWB Organization;
- d. The conversion, reclassification, subdivision, consolidation, exchange, re-designation or any other change to any of the memberships in the capital of CSWB organization
- e. The redemption or purchase by CSWB organization of its issued memberships or securities convertible into memberships or cancellation of the subscription rights in respect of its shares or securities convertible into its memberships;
- f. The borrowing of money or the issuing any debt obligation unless provided for in the annual budget approved for such fiscal year or amending, varying or altering the terms of any debt obligation;
- g. Seeking financial support or any changes to legislation or regulation from any Government Authority other than the City that is outside of the normal course of business of CSWB organization and would compete with or be contrary to other City initiatives;
- h. Making representation, warranties or promises of any financial incentives or similar inducements that are binding on the City;

- i. The appointment or any change in the Auditor;
- j. Any change in the fiscal year end of CSWB Organization
- k. Any change in the accounting principles applied by CSWB organization in the preparation of its financial statements;
- l. Making or holding investments outside of Canada;
- m. Any material change in the business of CSWB organization
- n. Creating, amending, or repealing any of CSWB Organizations by-laws;
- o. The sale, lease, exchange or other disposition of all or substantially all of the assets or undertaking of CSWB organization; and
- p. Any transaction or series of related transactions that are outside of the normal course of business of CSWB Organization and involve an expenditure of an amount exceeding \$500,000.00, unless such transaction or series of related transactions have been approved in the annual budget for such fiscal year

H. Decisions of City. Where City approval is required pursuant to section G of this document, the chairperson of the Board of Directors shall make a written request to Council which includes all information necessary for Council to make an informed decision. All requests pursuant to this section H shall include all supporting information and shall be provided to the City Manager, who shall bring the matter forward to Executive Committee for consideration.

I. Reporting Requirements

a. Semi-Annual Reports. Within forty-five (45) days after the end of each semi-annual period, the Board of Directors shall prepare a report (on a consistent basis with the previous fiscal period) which shall be submitted by the corporate secretary of the Board of Directors to the City Manager, who shall bring the matter forward to Executive Committee as an information item for City Council. The report will include, in respect of the immediately preceding fiscal period:

- i. Unaudited Financial Statements;
- ii. Explanations, notes, and information as is required to explain and account for any variances between the actual results from operations and the budgeted amounts previously approved, including any material variances in the projected ability of any business activity to meet or continue to meet CSWB organizations objectives; and
- iii. Information that is likely to materially affect the City.

b. Annual Report and Annual Membership Meeting.

- i. Within ninety (90) days after the end of each fiscal year, the Board of Directors shall prepare an annual report which shall be submitted by the corporate secretary of the Board of Directors to the City Manager, who shall bring the matter forward to Executive Committee for Council approval. The Annual Report shall contain the following items:

1. Any revisions to long term strategic plans or capital asset plans;
2. An operating and capital budget for the next fiscal year and an operating and capital budget projection for subsequent fiscal years contemplated in the current strategic or capital asset plans;
3. Audited financial statements prepared in accordance with generally accepted accounting principles; and
4. Accomplishments during the fiscal year along with explanations, notes and information as is required to explain and account for any variances between the actual results and the strategic plans or capital asset plans.

ii. In conjunction with the Annual Report, CSWB Organization shall conduct its annual general meeting which will:

1. elect the Board of Directors;
2. appoint the Auditor
3. approve the financial statements; and
4. consider any other resolutions that may be brought forward.

c. Publicly Available Procedures for Conducting Business at Meetings.

Section 55.1 of *The Cities Act* requires that Council shall ensure that all controlled corporations have publicly available written procedures for conducting business at meetings. CSWB Organization shall cause such procedures to be prepared within 30 days of adopting its bylaws (the procedures may be included as part of the bylaws), shall post these procedures on a corporate website if one is created for the CSWB Organization and shall provide the procedures to the City Clerk who shall be entitled to post them publicly.

*In addition to the above key terms, the UMA for the CSWB organization shall include all terms customarily included and consistent with the City's UMAs with its other controlled corporations, including terms related to: interpretation, process for removal of directors, conflict of interest and dispute resolution.