

2.1 INTRODUCTION

TI Corp is governed by the *Transportation Investment Act* which sets out that the corporation is to be managed by a board of directors.

2.1.1 Composition and Board Organization

The board is to consist of no more than 7 directors appointed by the board of directors of the corporation's shareholder, BC Transportation Financing Authority.⁶ A person may be appointed as a director for a term of up to 3 years and may be reappointed for additional terms.⁷

The Board may establish committees of the board and may, by resolution, generally delegate any power or duty of the board to Board committees.⁸ The responsibilities of those committees are set forth in terms of reference applicable to such committees and appended to this Board manual, when applicable.

2.1.2 Key Areas of Governance Responsibility^{vi}

- **Oversight and monitoring in the public interest** – by overseeing organizational performance and ensuring the activities of the organization align with the mandate.
- **Developing the organization's capacity and culture** – by, together with the CEO, building a common understanding of an organizational culture and philosophy that will best support the organization's mandate.
- **Effective leadership** – by ensuring the organization's senior leadership has what it needs to succeed.
- **External context and perspective** – by providing a variety of perspectives and insights to the work of the organization

2.1.3 Three Modes of Governance^{vii}

There are three modes of governance: fiduciary, strategic and generative which govern three different types of conversations that need to happen at the board table. These conversations become tools that help board members to become empowered to make the right types of decisions, harness the collective wisdom of the board and improve board performance.

⁶ Section 24.3(2) *Transportation Investment Act*

⁷ Section 24.31 *Transportation Investment Act*

⁸ Section 24.3(4)-(5) *Transportation Investment Act*. Note: the only powers that may not be delegated are: the power to establish committees; the power to pass resolutions respecting board procedures and the power to delegate.

	FIDUCIARY	STRATEGIC	GENERATIVE
Function	Legal, operational and oversight duties	Develop a plan to meet the organizational mandate	Align behaviours, practices and actions with the mandate
Driver	Internal governance policies and meeting public sector compliance requirements	Analysis of trends as well as evaluating strengths and opportunities	Reflection on values culture and commitment to the core mandate
Key questions	<i>Can we afford it? Is it legal? Are we doing it right? Is this within our mandate?</i>	<i>Is this the best way to achieve our goal? What external factors may influence the outcomes of our strategy?</i>	<i>Are we asking the right questions? What assumptions are we making about our mandate?</i>

2.1.4 Duties and Responsibilities

The Board has a fiduciary duty to act in the best interests of the corporation and must manage the affairs of the corporation or supervise the management of those affairs. The Board may pass the resolutions it considers necessary or advisable for the management and conduct of the affairs of the corporation and the exercise of the powers and duties of the Board.⁹

The Board must carry out its responsibilities honestly and in good faith, and in doing so must exercise due care and diligence.

Board members must collectively govern TI Corp in a manner consistent with its mandate and policy directions.^{viii}

TI Corp’s mandate is derived from^{ix}:

- Enabling legislation, namely the *Transportation Investment Act*,
- Letter of Direction – from the Minister of Transportation and Infrastructure
- As well as any:
 - Directive letters;
 - Service level agreements, including the Master Major Project Delivery Agreement; and
 - Memoranda of understanding.

The Board is to interpret the Corporation’s mandate as set out by the Shareholder, provide strategic direction to the Corporation’s Management, approve the direction of the business, and oversee and report on the progress of the Corporation in meeting its objectives.

⁹ Section 24.34(1)-(2) *Transportation Investment Act*

General responsibilities include:

- (a) Managing Board matters: oversee Board and committee composition, Board process and guidelines, and approve Corporation policies.
- (b) Shareholder Mandate/Direction: oversee Management's implementation of shareholder direction,
- (c) Human Resources: selection, appointment, compensation review, and evaluation of, the CEO; approve acceptance of outside directorships by the CEO; and ensure Management succession planning program and development.
- (d) Strategy and Plans: review and approve the Corporation's strategic initiatives, annual business plan and budget, and ensure consistency with Shareholder direction.
- (e) Financial and Corporate Issues: review financial, accounting and internal control systems to ensure that appropriate risk management systems, corporate insurance policies, codes of conduct and conflict of interest guidelines, are in place.
- (f) Reporting and Communications: accountability to the Shareholder and compliance with any reporting requirements of the Government of BC.

Specific accountabilities include:

- (a) Review and approve all project information, including scope, schedule and budget, prior to any submissions to Treasury Board.
- (b) Ensure Management identifies the principal risks of the Corporation's business and implements appropriate systems to manage these risks.
- (c) Review quarterly financial results, at both the project and corporate levels, and approve annual audited financial statements.
- (d) Approve list of officers for banking resolutions.
- (e) Ensure the Corporation has in place effective communications processes with the Shareholder and other key stakeholders and review and approve any suggested changes to the Master Major Project Delivery Agreement among the Corporation, BCTFA and the Ministry of Transportation and Infrastructure.
- (f) Oversee the Corporation's progress in meeting its corporate goals.

2.2 GENERAL OBLIGATIONS OF THE BOARD OF DIRECTORS

The Board has a fiduciary duty to act in the best interests of the corporation and must manage the affairs of the corporation or supervise the management of those affairs and

- may exercise the powers conferred on it under the *Transportation Investment Act*;
- may exercise the powers of the corporation on behalf of the corporation; and,
- must supervise the delegation of any of its powers and duties.¹⁰

The Board is responsible for directing Management to ensure legal requirements have been met, and documents and records have been properly prepared, approved and maintained.

¹⁰ Section 24.34(1) *Transportation Investment Act*