

## **CAPITAL PROJECTS COMMITTEE TERMS OF REFERENCE**

### **1. CREATION**

There shall be a committee, to be known as the Capital Projects Committee (the Committee”), of the Board of Directors of the Bank of Canada.

### **2. MEMBERSHIP**

The Committee shall be comprised of not less than three (3) directors (the “members”) appointed under Section 9 of the *Bank of Canada Act*.

The Chair of the Committee shall be designated by the Board from among the members. The Board may remove or replace any member at any time. A member shall hold office until the Board member resigns, is replaced or removed or ceases to be a director, whichever first occurs.

The Governor, Senior Deputy Governor and Lead Director shall receive notice of, and shall be entitled to attend, meetings of the Committee. The Committee may meet in camera at its discretion.

All decisions of the Board regarding membership and Chair of this Committee, contemplated in this Section, shall be made annually by the Board having regard to the recommendation of the Corporate Governance Committee.

Attendance by non-members is not ordinarily expected. All Board members will receive the meeting documentation.

### **3. MEETINGS**

The Committee shall convene at such times and places designated by its Chair or whenever a meeting is requested by a member. A minimum of forty-eight (48) hours written notice of each meeting shall be given to each member. Unless otherwise designated by the Chair, all meetings of the Committee shall take place at the head office of the Bank.

The Committee shall meet as often as it deems appropriate to fulfill its mandate.

A quorum at a meeting shall consist of a majority of members. Members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at that meeting.

The Committee may, on the request of its Chair, make decisions via a consent resolution which shall be executed by all voting members of the Committee and be deemed a decision of the Committee having full effect with respect to the subject matter.

In the event of the absence of the Chair or at the request of the Chair, a meeting shall be chaired by such person as may be designated by the Chair in advance of such meeting or in the absence of such delegation, by such person as may be agreed at the meeting.

The Corporate Secretary or an Assistant Secretary of the Bank shall act as Secretary to the Committee.

The Minutes of the Committee meetings shall be duly entered in the books of the Bank. Such books shall remain in the custody of the Corporate Secretary of the Bank.

#### **4. DUTIES AND RESPONSIBILITIES OF THE CHAIR**

The Chair is responsible for:

- 4.1 Convening Committee meetings and designating the times and places of those meetings.
- 4.2 Ensuring Committee meetings are duly convened and that quorum is present when required.
- 4.3 Working with management on the development of agendas and related materials for the Committee meetings.
- 4.4 Ensuring Committee meetings are conducted in an efficient, effective and focused manner.
- 4.5 Ensuring the Committee has sufficient information to permit it to properly make decisions when decisions are required.
- 4.6 Providing leadership to the Committee and assisting it in reviewing and monitoring its responsibilities.

#### **5. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

As permitted by and in accordance with the requirements of the Bank, the Committee shall have the following duties and responsibilities:

- 5.1 Review regular reports from management, and make recommendations to the Board, with respect to projects under Committee oversight, including the Head Office Facilities Renewal Projects (“Projects”).

- 5.2 At least annually determine the projects or initiatives to be identified appropriate for Committee oversight, utilizing but not limited to the following criteria:
- (i) size of the total project budget greater than \$5 million;
  - (ii) strategic importance of the project to meet the Bank's Medium-Term Plan desired outcomes;
  - (iii) project risks, including execution risk; or
  - (iv) scope of project (Bank-wide, multi-year, multi-plan).

A program (a grouping of related projects) that meets any of the above criteria may also receive oversight from the Committee irrespective of its individual projects meeting any of the criteria.

- 5.3 In connection with each Project, the Committee shall receive regular reports from management containing such information it deems relevant to fulfill its mandate, including but not limited to information concerning:
- (i) project governance, including, without limit, project structure, staffing and overall management;
  - (ii) project timetable, critical path events and progress to completion;
  - (iii) major project milestones, including variance analysis and mitigation strategies;
  - (iv) key issues or disputes and proposed mitigation strategies, and
  - (v) project budget updates, showing actual expenditures versus budget, use of contingencies and projected final expenditures.
- 5.4 Following the completion of each Project, the Committee shall conduct a post-completion review of each Project and may request such information and analysis from management with respect to that review as it deems necessary.
- 5.5 Report to the Board on a regular basis concerning each Project.
- 5.6 Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time within its mandate.
- 5.7 As necessary, meet separately with senior management, employees or independent advisers in respect of matters pertaining to a Project.
- 5.8 Review its terms of reference on an annual basis and recommend any changes to the Corporate Governance Committee.
- 5.9 The Committee may retain such experts or consultants as it deems appropriate to fulfill its mandate, but any expenditure in excess of \$25,000 in that respect, will be submitted to the Board for approval.

## **6. COMMITTEE TIMETABLE**

The major activities of the Committee will be outlined in an annual work plan.