



SHAREHOLDER'S LETTER OF EXPECTATIONS

BETWEEN

**THE MINISTER OF AGRICULTURE AND LANDS
(AS REPRESENTATIVE OF THE SHAREHOLDER,
THE GOVERNMENT OF BRITISH COLUMBIA)**

AND

**THE CHAIR OF LAND AND WATER BRITISH COLUMBIA INC.
(AS REPRESENTATIVE OF THE CORPORATION)**

PURPOSE

This Shareholder's Letter of Expectations between the Shareholder and the Corporation is an agreement on the respective roles and responsibilities of each, and serves as the basis of agreement between the Shareholder and the Corporation on corporate mandate including high-level performance expectations, public policy issues and strategic priorities. It will be updated as required. The Shareholder's Letter of Expectations should inform the development of the Corporation's Service Plan (if required) and Annual Service Plan Report. The Letter applies to the Shareholder and the Corporation. This Letter does not create any legal or binding obligations on the part of the Shareholder or the Corporation but rather is intended to define and promote a positive and co-operative working relationship.

On June 16, 2005, a reorganization of government was announced that will result in a reorganization of the functions performed by the Corporation, and the allocation of staff and resources into a number of Ministries of government. The Shareholder has appointed a new Board of Directors to oversee the orderly wind up of the Corporation.

The Parties hereby specifically agree that:

CORPORATION ACCOUNTABILITIES

In responding to government's performance expectations and the general and specific frameworks and direction of the Shareholder, the Corporation will:

- conduct its affairs to achieve its mandate and the performance expectations and objectives of the Shareholder, including establishing and implementing corporate strategies, policies, programs, plans and financial outcomes that are consistent with the Shareholder's general direction and consistent with principles of efficiency, effectiveness, and customer service;
- prepare an Annual Service Plan Report that details progress toward achieving the goals set out in its Service Plans and activities undertaken consistent with shareholder direction;
- display all annual Statement of Financial Information schedules prepared under the *Financial Information Act* in an easily accessible location (some of this information is included in Annual Reports and does not need to be otherwise displayed);
- conduct its operations and financial activities in a manner consistent with the legislative, regulatory and policy framework established by the Shareholder;
- develop and implement strategies to manage risks;
- provide the Shareholder with reports and other information that would enable the Shareholder to carry out its responsibilities; and,
- provide information to the Shareholder if the Corporation is unable to meet the objectives and targets identified for it by the Shareholder.

In addition, the Shareholder directs the Corporation to take the following specific actions:

- recommend to the Minister responsible, the allocation of staff, functions and resources of Land and Water British Columbia Inc., pursuant to the restructuring of government as directed by the Shareholder;
- oversee the negotiations to transfer staff, functions and resources noted above to receiving Ministries to ensure that the future responsibilities for staff and resources are identified by July 29, 2005;
- oversee the management of operational and human resources issues prior to the wind-up and eventual elimination of the Corporation; and,
- ensure the Corporation is wound up and eliminated by March 31, 2006, subject to assessment and recommendation from the Board to the Shareholder as to requirements to maintain the Corporation in order to deal with any outstanding litigation or other matters.

SHAREHOLDER'S RESPONSIBILITIES

The Shareholder is responsible for the legislative, regulatory and public policy framework in which Crown corporations operate. In order to meet these responsibilities and support achievement of government's performance expectations, the Shareholder will:

- establish, review, revise and communicate Crown corporations' mandates;
- establish the overall and Crown-specific financial frameworks under which Crown corporations operate (borrowing, investment, and payment to the Shareholder);
- issue performance management guidelines, including guidelines for service planning and annual reports (<http://www.gov.bc.ca/cas/rpts/>);
- provide strategic input and advice to Crown corporations in the development of their Service Plans and Annual Reports;
- provide broad policy direction and confirmation of general frameworks/principles to Crown corporations, within which the Crown corporations may establish and apply specific policies/processes;
- advise Crown corporations of government's priorities, strategic decisions and public policy and performance objectives and expectations that may impact Crown corporations; and,
- issue directives or orders or sponsor submissions on behalf of Crown corporations that may be required to seek decisions or policy direction by the Executive Council or its committees, in order to facilitate Crown corporations fulfilling their mandates and achieving the performance targets outlined in Crown corporations' Service Plans.

Specific to the Corporation, the Shareholder:

- directs the Corporation to proceed with the orderly wind-up of its affairs;
- will consider whether the Corporation will continue to be required to prepare a Service Plan given the above direction to wind up the corporation; and,
- confirms the role of the Minister of Finance as fiscal agent to the Corporation during the wind-up of activities.

AREAS OF SHARED ACCOUNTABILITY:

Communications

It is agreed by both the Shareholder and the Corporation that, to ensure effective and efficient day-to-day communications and relationship building, officials representing both parties will be tasked with implementing the contents of this Letter and keeping the Minister responsible and the Board of Directors informed of progress in a timely fashion.

Reporting

The Shareholder will provide the Corporation with a financial reporting calendar and details of performance reporting requirements (<http://www.gov.bc.ca/cas>). The Corporation agrees that it will meet these financial and performance reporting requirements. If government determines that changes to the reporting requirements are necessary, the Shareholder will communicate these to the Corporation.

It is agreed by both the Shareholder and the Corporation that there will be advance discussion and review of key strategic documents such as Quarterly Financial Reports and Annual Reports. These discussions will be completed sufficiently in advance of deadlines to ensure effective and timely input by the Shareholder.

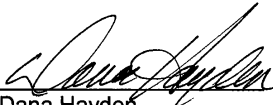
In addition to these financial and performance reporting requirements, the Corporation agrees to provide information to the Shareholder related to risks and opportunities anticipated in achieving financial forecasts.

The Shareholder and the Corporation agree that, as a matter of course, each will advise the other in a timely manner of any issues that may materially impact the business of the Corporation or the interests of the Shareholder.

Review and Revision of this Letter

In addition to coordinating the overall process for preparing this Letter on behalf of the Shareholder, the Crown Agencies Secretariat is accountable for undertaking reviews of this Letter and monitoring its implementation. If deemed necessary by either party, the Shareholder and the Corporation will discuss any issues and may agree to amend this letter.


Honourable Pat Bell
Minister of Agriculture and Lands


Dana Hayden
Chair of the Board

July 14, 2005
Date

July 14, 2005
Date

pc: see attached list

Distribution List

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