



SHAREHOLDER'S LETTER OF EXPECTATIONS

BETWEEN

**THE MINISTER OF COMMUNITY, ABORIGINAL AND WOMEN'S SERVICES
(AS REPRESENTATIVE OF THE SHAREHOLDER, THE GOVERNMENT OF
BRITISH COLUMBIA)**

AND

**THE CHAIR OF THE PROVINCIAL CAPITAL COMMISSION
(AS REPRESENTATIVE OF THE PROVINCIAL CAPITAL CORPORATION)**

PURPOSE

This Shareholder's Letter of Expectations between the Shareholder and Corporation is an agreement of 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 priorities¹. It will be reviewed annually and updated as required. The Shareholder's Letter of Expectations should inform the development of the Corporation's Service Plans and Annual Service Plan Reports. The Letter applies to the Shareholder, the Corporation and its subsidiaries. This Letter does

¹ The Province of British Columbia's *Governance Framework for Crown Corporations* (http://www.gov.bc.ca/cas/down/govframe_redraft.pdf) establishes guiding principles for the governance of Crown corporations. The Governance Framework also identifies roles and responsibilities for the Shareholder and Crown corporations and provides for a Shareholder's Letter of Expectations (Letter) to be jointly developed

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.

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, consumer choice and customer service;
- prepare Service Plans with clearly articulated goals, objectives, strategies and performance measures and targets, and annual reports that detail progress toward achieving those goals;
- 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 mitigate risks identified in the Service Plan, particularly the cost of capital and financial viability of the Corporation;
- 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 targets identified in its Service Plan.

In addition the Shareholder confirms the Corporation's vision "To connect and celebrate the Capital with every British Columbian" and directs the Corporation to:

- report to Cabinet by March 31, 2004 on its proposed action plans to advance its mission including an assessment of its major property holdings.

SHAREHOLDER 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;
- advise Crown corporations of government's priorities, strategic decisions and public policy and performance objectives and expectations that may impact the Crown corporation; 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.

During the term of this Letter, the Shareholder anticipates providing policy direction in a number of areas that will affect all Crown corporations, including:

- Capital Asset Management Framework;
- CEO and executive compensation;
- enterprise risk management;
- zoning and land use;
- property taxation;
- First Nations and treaty mandates;
- climate change;
- donations; and
- environmental remediation.

The Shareholder will also, on a continuing basis, monitor the achievement of the goals, objectives and targets identified in the Corporation's Service Plans.

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, that 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.

Reporting:

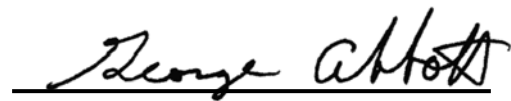
The Shareholder and the Corporation are committed to enhanced transparency and accountability to the public. The Shareholder has put in place a public reporting structure set out in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and the *Financial Information Act*. 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.

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.

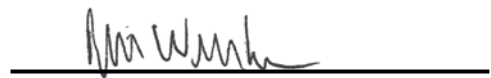
The Shareholder and the Corporation agree, that as a matter of course, each will advise in a timely manner of any issues that may materially impact the business of the Corporation or the interests of the Shareholder.

Review and Revision of this Letter:

In addition to co-ordinating 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. It is noted that this Letter can, if necessary, be modified if deemed necessary by one or both parties.



Honourable George Abbott
Minister of Community, Aboriginal
and Women's Services



Bill Wellburn, Chair of the Board
Provincial Capital Commission

- cc. Honourable Gordon Campbell
Premier
- Ken Dobell
Deputy Minister and Cabinet Secretary
Office of the Premier
- Dana Hayden
Deputy Minister and Chief Executive Officer
Crown Agencies Secretariat