



**BRITISH  
COLUMBIA**

The Best Place on Earth

**SHAREHOLDER'S LETTER OF EXPECTATIONS**

**BETWEEN**

**THE MINISTER OF TOURISM, SPORT AND THE ARTS  
(AS REPRESENTATIVE OF THE SHAREHOLDER,  
THE GOVERNMENT OF BRITISH COLUMBIA)**

**AND**

**THE CHAIR OF THE B.C. PAVILION CORPORATION  
(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<sup>1</sup>. It will be reviewed annually and updated as required. The Shareholder's Letter of Expectations is the basis for the development of the Corporation's Service Plans and Annual Service Plan Reports. 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.

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<sup>1</sup> The Province of British Columbia's Crown Agency Accountability System (CAAS) ([http://www.gov.bc.ca/cas/attachments/shareholder's\\_expectations\\_manual\\_2006.pdf](http://www.gov.bc.ca/cas/attachments/shareholder's_expectations_manual_2006.pdf)) establishes guiding principles for the governance of Crown corporations. The CAAS 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.

## **CORPORATION ACCOUNTABILITIES**

Government has provided the following mandate direction to B.C. Pavilion Corporation (PavCo):

- To generate economic and community benefit for the people of British Columbia through prudent management of public facilities

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

- comply with the Shareholder's requirements to make the public sector carbon neutral by 2010, including: accurately defining, measuring, reporting on and verifying the greenhouse gas emissions from the Corporation's operations; implementing aggressive measures to reduce those emissions and reporting on these reduction measures and reduction plans; and offsetting any remaining emissions through investments in the Pacific Carbon Trust, which will invest in greenhouse gas reduction projects outside of the Corporation's scope of operations;
- encourage staff involvement in developing ideas and new solutions to meet government's climate change objectives, including energy conservation programs and fleet and traffic management initiatives, and report on results achieved;
- 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 Service Plans with clearly articulated goals, objectives, strategies and performance measures and targets, and Annual Reports that detail progress toward achieving those goals, and post both documents on its website;
- display all annual Statement of Financial Information schedules prepared under the *Financial Information Act* in an easily accessible location on its website (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 identified in the Service Plan;
- provide the Shareholder with reports and other information that would enable the Shareholder to carry out its responsibilities; and
- provide information to the Shareholder immediately if the Corporation is unable to meet the targets identified in its Service Plan.

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

- prepare an updated sales and marketing plan with performance measures for the expanded Vancouver Convention & Exhibition Centre that supports tripling non-resident delegate days by 2015;
- seek input from the BC Olympic Games Secretariat on co-marketing opportunities that leverage their activities leading up to the 2010 Olympic and Paralympic Games;

- implement the Shareholder's direction with respect to a new corporate and governance model for the expanded Vancouver Convention & Exhibition Centre;
- implement the Shareholder's direction for the retention and refurbishing of BC Place Stadium;
- continue to explore options and maximize private sector revenue for the public facilities owned/managed by the Corporation and minimize reliance on government funding;
- support the Shareholder's ActNow BC initiative by implementing practices which promote a healthy lifestyle, physical activity, and healthy food choices;
- in support of good communication, the Board will provide opportunities to engage the Minister of Tourism, Sport and the Arts in dialogue throughout the year; and
- provide the Minister of Tourism, Sport and the Arts with a copy of the annual performance expectations for the Chief Executive Officer.

## **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/publications/index.html>);
- 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 the 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;

The Shareholder has developed policies for ministries and Crown corporations for Capital Asset Management (<http://www.fin.gov.bc.ca/tbs/camf.htm>) and Board remuneration policies for Crown agencies (<http://www.gov.bc.ca/cas/publications/index.html>). The shareholder has also issued Best Practice Guidelines for board governance and disclosure (<http://www.lcs.gov.bc.ca/brdo/governance/index.asp>). During the term of this Letter, the Shareholder may provide policy direction to the Crown agency sector, and will communicate any such direction, including implementation expectations, to Crown corporations as decisions are made.

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

Specific to the Corporation, the Shareholder:

- approves the Corporation's mandate to generate economic and community benefit for the people of British Columbia through prudent management of public facilities;
- continues the Corporation as an agent of the Crown;
- confirms the role of the Minister of Finance as fiscal agent to the Corporation, providing the Corporation with access to government financing and banking services;
- will review and approve the Corporation's updated sales and marketing plan;
- will provide specific direction to the Corporation for a new corporate and governance model for the expanded Vancouver Convention & Exhibition Centre;
- will provide specific direction to the Corporation throughout the retention process and refurbishment of the BC Place Stadium;
- through the Minister of Tourism, Sport and the Arts, will participate in regular dialogue with the Board throughout the year.

## **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 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 has provided the Corporation with a reporting calendar which sets out financial and performance reporting requirements (<http://www.gov.bc.ca/cas/publications/index.html>). 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 Service Plans, 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.

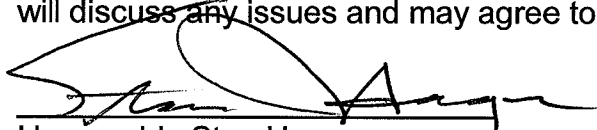
In addition to these financial and performance reporting requirements, the Corporation agrees to provide information to the Shareholder related to risks and opportunities anticipated in achieving financial forecasts.

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.

It is agreed that the Corporation will post the most recent signed copy of the Shareholder Letter of Expectations on its website. Crown Agencies Secretariat will also post a signed copy of the Letter on its website.

### Review and Revision of this Letter

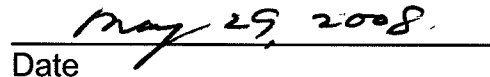
The Minister of Tourism, Sport and the Arts is accountable for undertaking reviews of this Letter and monitoring its implementation. The Crown Agencies Secretariat is responsible for co-ordinating the overall process for preparing Shareholder's Letters of Expectation, and may assist the Minister in undertaking 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 Stan Hagen  
Minister of Tourism, Sport and the Arts

  
David Podmore  
Chair, BC Pavilion Corporation

APR 30 2008

Date

  
Date

- cc. Honourable Gordon Campbell  
Premier
- Jessica McDonald  
Deputy Minister to the Premier and Cabinet Secretary
- Chris Trumpy  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance
- Molly Harrington  
Assistant Deputy Minister and  
Chief Executive Officer  
Crown Agencies Secretariat
- Bruce Okabe  
Deputy Minister  
Ministry of Tourism, Sport and the Arts
- Warren Buckley  
President and CEO  
BC Pavilion Corporation