



# Terms of Reference for Human Resources Committee<sup>1</sup>

## A. OVERALL FUNCTIONAL RESPONSIBILITIES OF THE COMMITTEE

1. The Human Resources Committee (the “Committee”) shall assist the Board of Directors (the “Board”) in fulfilling its obligations and oversight responsibility for people strategies, including the following areas of functional responsibilities:
  - a) Recruitment, appointment, goal setting, performance management & succession planning for CEO;
  - b) Structure of executive responsibilities and executive succession planning;
  - c) In and out of scope compensation and benefit packages, including performance compensation;
  - d) Key frameworks and policies related to people management such as talent management, succession planning and performance management; and
  - e) Monitoring the corporation’s health, safety and workplace environmental practices.

## B. FUNCTIONAL RESPONSIBILITIES AND AUTHORITY OF THE COMMITTEE

The Committee shall have the following authority with respect to its areas of functional responsibility:

1. Executive Management Structure, Appointment, Performance Management & Succession Planning:
  - a) Review and make recommendations to the Board respecting appropriate structuring of executive roles and responsibilities.
  - b) Review and make recommendations to the Board respecting the position description for the CEO. Monitor and report to the Board on position descriptions for executive management.
  - c) Review and make recommendations to the Board respecting the succession plan for the CEO. Review and report to the Board on the succession plan for executive management. Consult with the Audit and Finance Committee on the succession plan for the CFO.

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<sup>1</sup> Approved by ISC Board of Directors December 16, 2010  
Approved by ISC Board of Directors November 1, 2007  
Approved and recommended by ISC Governance Committee September 13, 2007 and October 22, 2007.  
Approved and recommended by ISC Human Resources Committee September 6, 2007 and October 19, 2007.

- d) Review and make recommendations to the Board respecting the recruitment and appointment of the CEO by the Board with the approval of CIC.
- e) Develop, in collaboration with the CEO and the Board, the CEO annual goals and performance objectives and, in collaboration with the Board, annually evaluate the CEO performance in light of these goals and objectives.
- f) Monitor and report to the Board on the appointment of executive officers, other than the CEO.

2. Compensation and Benefits Programs:

- a) Review and make recommendations to the Board respecting the Crown Sector Executive compensation and benefits structure, considering management's input, in order for the Board to provide input to Crown Investments Corporation ("CIC").
- b) Review and recommend to the Board for approval:
  - (i) annual corporate performance targets for executive management and out-of-scope short term incentive payments; and
  - (ii) the annual application of performance and other executive and out-of-scope compensation adjustments; and
  - (iii) out-of-scope classification and compensation systems, excluding those of executive.
- c) Review and make recommendations to the Board respecting alternative forms of performance compensation, for recommendation to CIC.
- d) Review and make recommendations to the Board on collective bargaining mandates for recommendation to CIC.
- e) Review and make recommendations to the Board for approval on tentative settlements that fall within the approved collective bargaining mandate.
- f) Recommend to the Board for approval final settlements that fall within the approved collective bargaining mandate.
- g) Review and recommend to the Board for approval:
  - (i) the benefits programs for all employees; and
  - (ii) non-compensation programs that provide significant financial benefit and/or are of a sensitive nature.
- h) Annually review the Corporation's administration of compensation and benefits programs for all employees to ensure conformity with approved policies.

- i) Monitor the Corporation's human resource policies around non-compensation programs that provide nominal financial benefit and/or are of an administrative nature.

3. Human Resource Frameworks, Strategies and Policies:

a) Annually review the Corporation's:

- (i) succession planning framework;
- (ii) employee training and development strategies;
- (iii) performance management framework; and
- (iv) administration of key human resources policies and programs;

and report to the Board.

b) Monitor the Corporation's human resource policies around:

- (i) encouraging and developing a respectful workplace; and
- (ii) health, safety, and workplace environmental practices, including compliance with current requirements.

c) Monitor the Corporation's:

- (i) employee attraction and retention strategies;
- (ii) organizational design and structure;
- (iii) talent management framework and strategies;
- (iv) healthy workplace culture strategies;
- (v) other people practices and strategies;

and report to the Board.

d) Monitor the integrity of the CEO and other Executive Officers and the integrity of all other employees of the Corporation and report exceptions to the Board.

e) Monitor and review quarterly the Corporation's performance on Balanced Scorecard people measures and report to the Board.

4. Other:

- a) Annually review the Committee's Terms of Reference and recommend appropriate changes to the Governance Committee.

- b) Annually review the Committee's performance.
- c) Keep informed and report to the Board on trends, emerging issues, best practices, and proposed legislation relevant to strategic people practices and human resource and healthy workplace strategies, including health, safety and workplace environmental matters.
- d) In conjunction with the Chair of the Board and the President & CEO of the Corporation, review and respond to any relevant legislation, report, position paper, or other developments on matters related to the mandate of the Committee in general and the duties and responsibilities of the Board, the Committee and Members in particular.
- e) Assist and deliver to the Board on any other task assigned by the Board from time to time.

### **C. DELEGATION**

The Committee may delegate any of its responsibilities and authority to a subcommittee comprised of one or more Committee Members. The Committee remains accountable for the work and decisions of any subcommittee to which the Committee has delegated decision-making authority.

### **D. MEETINGS**

The Committee shall meet at least four times per year.

### **E. MANAGEMENT'S AUTHORITY**

Management shall assist the Committee in fulfilling its obligations and oversight responsibility by developing, recommending and/or reporting on the Committee's areas of functional responsibility.

### **F. COMMITTEE COMPOSITION CRITERIA**

1. The Committee shall be comprised of a minimum of three and maximum of five Members.
2. Every Committee Member must be a director of the Corporation.
3. Members of the Committee should, collectively, have the following skills and attributes:
  - a) Human resources and labour relations expertise combined with a progressive approach and perspective to effective people practices;
  - b) Previous executive and leadership expertise;

- c) Knowledge of or ability to identify potential legal issues related to people practices, labour relations, and workplace environment, health and safety matters; and
  - d) Knowledge or understanding of the public sector and related regulatory and governance environments.
4. The Chair of the Board is an ex officio member of the Committee.
  5. The Corporate Secretary to the Board shall be an employee of the Crown Investments Corporation and will not be a director of the Corporation.

## **G. GENERAL**

The Committee shall be bound by the terms of the Board's *Governance Guidelines of ISC Board of Directors & Board Committees*.