

## **Terms of Reference for the Human Resources Committee**

### **Purpose**

The human resources committee assists the board in:

- ensuring the commission has an effective organizational structure and competitive human resources and compensation policies and practices
- ensuring appropriate processes are in place for the selection (except for the chair and CEO and vice chair), evaluation, compensation, and succession of senior management
- evaluating and determining compensation for the chair and CEO
- such other related initiatives as may be necessary or desirable to enhance board performance

### **Composition and operations**

The committee consists of at least three independent commissioners. The committee meets at least three times a year, and otherwise as necessary. The committee operates under the Terms of Reference for Board Committees and these Terms of Reference.

### **Duties and responsibilities**

The committee has the following specific responsibilities:

#### ***Policies and compensation***

Review annually the commission's organizational structure, compensation philosophy, performance management system and human resources policies, and recommend to the board any necessary changes. Review the annual adjustments to compensation proposed by management and, if satisfied, recommend approval to the board. Compensation adjustments may be subject to restrictions imposed by government directives.

#### ***Executive director appointment***

Advise the chair and CEO, who establishes and leads the process for identifying, recruiting, and appointing the executive director. With input from the board, assist the chair and CEO in:

- developing criteria to be met by candidates
- reviewing and assessing qualifications of candidates and recommending a candidate to the board

#### ***Executive resignations***

If appropriate, conduct exit interviews of individuals leaving executive (except for the chair and CEO and vice chair) positions.

#### ***Succession planning***

Annually review management's succession and development plans for executives and senior managers, and report to the board.

#### ***Evaluation and compensation of the chair***

Lead the annual evaluation for the chair and CEO. In particular, under the leadership of the chair of the committee:

- develop a preliminary assessment of performance based on the results of the evaluation questionnaires and input from independent commissioners
- review the preliminary performance assessment with the chair and CEO
- finalize the performance assessment, and review any significant changes with the independent commissioners and the chair and CEO
- develop jointly with the chair and CEO, and with input from independent commissioners, goals and objectives for the chair and CEO for the ensuing year

Considering the chair and CEO's performance and data from comparable organizations, review and annually recommend to the independent commissioners the proposed compensation changes for the chair and CEO, if any.

#### ***Evaluation and compensation of executives***

Review mid-year, in consultation with the chair and CEO, for each executive, their performance against objectives.

Review annually, in consultation with the chair and CEO, for each executive:

- the performance evaluation
- the proposed compensation changes, if any

#### ***Evaluation and compensation of senior managers***

Review mid-year, in consultation with the chair and CEO and executive director, for each senior manager, their performance against objectives.

Review annually, in consultation with the chair and CEO and the executive director, for each senior manager:

- the performance evaluation
- the proposed compensation changes, if any

#### ***Compensation of independent commissioners***

Review annually the compensation policy for independent commissioners, using data from comparable organizations, and make appropriate recommendations to the board.

#### ***Reporting on performance***

Ensure the board receives an annual report:

- from the chair and CEO, regarding the performance of the other executives
- from the executive director, regarding the performance of the senior managers

#### ***Mandate review and self-evaluation***

On an annual basis, review these Terms of Reference and evaluate the committee's performance against them. Report the results of the review and self-evaluation, and make appropriate recommendations to the governance committee.