



## Human Resources and Compensation Committee Terms of Reference

### A) PURPOSE

The purpose of the Human Resources and Compensation Committee (the "Committee") is to review, report and, where appropriate, approve or provide recommendations to the Board regarding human resources and compensation<sup>1</sup> matters including but not limited to Health & Safety issues, management succession, recruitment, compensation, development, retention, proposals for the compensation of the President and Chief Executive Officer, as well as other significant human resource policies.

For the purposes hereof, "Senior Management" means the President and Chief Executive Officer, all Senior Vice-Presidents, Vice-Presidents, and Officers of the Corporation and the Presidents of wholly-owned subsidiaries of the Corporation.

For the purposes hereof, "Pension Plans" refers to the Defined Benefit and Defined Contribution Segments of both the Registered Pension Plan and the Supplemental Retirement Arrangement, as well as the Voluntary Savings Plan.

### B) DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board assigns to the Committee the following duties and responsibilities to be performed by the Committee on behalf of the Board:

#### HUMAN RESOURCES

- 1) Review and recommend any major organization structure changes;
- 2) Recommend major Human Resources and Occupational Health and Safety policies;
- 3) Receive reports on any pertinent Human Resources risks facing the Corporation, including Occupational Health and Safety risks, and work with Management to ensure that such risks are effectively managed.
- 4) Review and monitor the effectiveness of management systems in place within the Corporation to ensure compliance with Occupational Health and Safety policies;

#### COMPENSATION POLICIES, PROGRAMS, PLANS AND BENEFITS

- 5) Review and recommend to the Board compensation and active and retired employee benefit policies, including incentives, pension benefit policies, and cost sharing policies;
- 6) Approve and report to the Board on the annual compensation budget, including broad-based incentive programs and salary range adjustments;

<sup>1</sup> The compensation for the Chair, the Directors, and the President & Chief Executive Officer is fixed by the Governor in Council.



- 7) Review and recommend to the Board any exception or deviation from the Corporation's approved compensation and benefits policies;
- 8) In conjunction with the Pension Committee, review and recommend to the Board the Pension Plans' design, post-retirement pension benefit policies and any amendments thereto;

#### **CEO JOB DESCRIPTION, OBJECTIVES, PERFORMANCE AND COMPENSATION**

- 9) Annually review and recommend to the Board the goals and objectives of the President and Chief Executive Officer;
- 10) Annually review and recommend to the Board the performance evaluation and compensation of the President and Chief Executive Officer;

#### **SENIOR MANAGEMENT APPOINTMENTS AND COMPENSATION**

- 11) Review and recommend to the Board the appointments, promotions, and terminations of members of Senior Management, with the exception of the Vice-President, Pension Fund and Chief Investment Officer and the Corporate Auditor. Any appointments, promotions or terminations made by the President and Chief Executive Officer, in consultation with the Chair of the Board and the Chair of the Committee, before a scheduled meeting will be presented to the Board for ratification;
- 12) Review and recommend to the Board the total compensation philosophy and market position of total direct compensation, benefits, and perquisites for Senior Management;
- 13) Approve and report to the Board annual compensation and benefits for Senior Management within the Corporation's approved compensation and benefits policies;

#### **SUCCESSION PLANNING**

- 14) Annually review and recommend to the Board the Corporation's Senior Management succession plans and process; such succession plans to include the President and Chief Executive Officer's plans for appointment, training, assessing and motivating members of Senior Management;

#### **GENERAL**

- 15) Meetings of the Committee:
  - a) meet regularly, not less than three times a year, and at such other times as may be requested by the Chair of the Committee;
  - b) the Chair of the Committee shall set the agenda and the annual Timeline ("Workplan") which shall then be circulated among the Committee members. Ordinarily the Chair of the Committee will set the agenda in consultation with the Chief People and Safety Officer; and
  - c) the President and Chief Executive Officer and the Chief People and Safety Officer shall have direct access to the Committee and shall receive notice of and may attend all meetings of the Committee, except where the Committee meets in camera with members of Senior Management or only with members of the Committee;



- 16) Oversee the selection of and terms of reference of any outside consultants retained to advise the Committee on Senior Management compensation programs and annually review their performance;
- 17) Periodically review these terms of reference to ensure they continue to be appropriate and, as deemed necessary, make recommendations to the Board for improvement;
- 18) Perform such other functions as assigned by law, the Corporation's By-laws, or the Board.

Effective: 20 August 2020