

# PSPP CORPORATION BOARD OF DIRECTORS

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## Governance and Human Resources Committee

### Terms of Reference

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The PSPP Corporation Board of Directors (the Board) established a Governance and Human Resources Committee (GHRC). The GHRC assists the Board with ensuring policies and processes are in place to support good governance of the Board, its committees and PSPP Corporation. The GHRC also assists the Board with its oversight responsibilities respecting human resources processes for the CEO and the Corporation.

The GHRC is a standing committee of the Board and reports to the Board.

### 1. Responsibilities

The GHRC shall prepare an annual GHRC Activities Schedule to ensure that the following responsibilities are scheduled and fully addressed. The Activities Schedule shall be presented to the Board annually for review.

#### 1.1 Governance

- a) Review governance policies and procedures of the Board at least once every three years.
- b) Review the Board skills matrix and establish a process for completion of the skills matrix by the Board.
- c) Review bylaws of the Corporation at least once every three years.
- d) Establish and administer a process for assessing the effectiveness of the Board and its committees including an annual performance review process.
- e) Review opportunities for Board training.
- f) Upon the request from a Director, assist in the resolution of any issues relating to the Board Chair.
- g) Assist in the resolution of any issues related to Board conduct, as necessary.
- h) Oversee corporate governance practices of the Corporation.
- i) Review project management for relocation of Corporation office, including location selection.
- j) Monitor best practices and developments in corporate and pension governance.
- k) Review, at least annually, these Terms of Reference.
- l) Advise and make recommendations to the Board, for direction or final approval by the Board, regarding:
  - The establishment and amendment of governance policies and procedures for the Board, its committees and as applicable, the Corporation.
  - Board conduct or the establishment of Board conduct guidelines.
  - The establishment and amendment of a Board skills matrix.
  - The bylaws governing the general conduct and operation of the business of the Corporation.
  - Amendments to these Terms of Reference.
- m) Fulfill such other governance duties as may be assigned to the GHRC by the Board.

#### 1.2 Human Resources

- a) Review and ensure the CEO's annual performance objectives are consistent with the Corporation's mandate.
- b) Conduct mid-year and year-end performance evaluations of the CEO against annual performance objectives, and the Corporation's strategic and business plans.
- c) Review compensation, employment and benefits arrangements for the CEO.

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- d) Review the succession plan for the CEO and the CEO's succession plan for other key positions, including a contingency plan for unexpected departure, illness, disability or retirement.
- e) Review a recruitment strategy for the CEO and other key positions as needed.
- f) Review the position description and job profile for the CEO.
- g) Review personal development plans of the CEO.
- h) Review and approve material organization and structural changes.
- i) Periodically review and monitor Corporation human resources policies and procedures to ensure compliance with applicable legislation.
- j) Review and approve mandates for the negotiation of collective agreements as applicable.
- k) Report to the Board on any major human resource issues.
- l) Act as a liaison between the CEO and the Board respecting human resource issues.
- m) Advise and make recommendations to the Board, for direction or final approval by the Board, regarding:
  - The annual performance objectives of the CEO.
  - The annual performance evaluation of the CEO.
  - The hiring and appointment, and termination or suspension of the CEO or other key staff.
  - Employment contracts and total compensation packages for the CEO and other key staff, including but not limited to base salary, benefits, bonus/variable pay, etc.
  - A succession plan and contingency plan for the CEO.
  - Position description and job profile for the CEO.
  - The appointment of external GHRC members, as necessary.
- n) Fulfill such other human resources duties as may be assigned to the GHRC by the Board.

## 2. GHRC Chair and Vice-Chair

The GHRC shall designate a Chair and Vice-Chair. Unless otherwise stated, the term of office for the Chair and Vice-Chair shall be three years. Where practical, and at the discretion of the GHRC, the Chair and Vice-Chair may rotate between a Director appointed by an employee sponsor organization and a Director appointed by an employer sponsor organization.

### 2.1. Duties of the GHRC Chair

- a) Provide leadership to enhance the GHRC's effectiveness by:
  - ensuring its responsibilities are understood and respected by GHRC members; and
  - overseeing the discharge of GHRC responsibilities.
- b) Carry out the GHRC's Activities Schedule.
- c) Set meeting dates and the agenda for each meeting.
- d) Preside over the GHRC meeting.
- e) Provide verbal reports to the Board.
- f) Review the minutes of the GHRC meeting.
- g) Assist, at the request of the Code Administrator, with responding to reports of a code of conduct and/or conflict of interest breach.
- h) Participate in the recruitment and selection of external GHRC members, as necessary.

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In the absence of the Chair, the Vice-Chair shall assume the duties of the Chair.

### **3. External Resources**

In instances where the GHRC deems it necessary to obtain the advice of external advisors to carry out its responsibilities, the GHRC may recommend to the Board that the Corporation engage the necessary advisors.

### **4. Composition**

The Board shall appoint the members of the GHRC. The GHRC shall consist of four Directors from the Board, including two Directors appointed by an employer sponsor organization and two Directors appointed by an employee sponsor organization. The Board may also appoint external members as necessary for the GHRC to carry out its responsibilities. The GHRC shall be supported by designated staff of PSPP Corporation.

### **5. Meetings**

The GHRC shall be responsible for scheduling meetings and may meet as frequently as required but no less than three times per calendar year. Each GHRC meeting shall include an in-camera session.

GHRC business shall be conducted separate from Board business. A separate meeting package shall be prepared for the GHRC, and GHRC meetings shall be recorded in separate minutes. The GHRC shall maintain minutes of its meetings, which shall record all decisions and actions taken by the GHRC. GHRC minutes shall be approved by the GHRC.

The GHRC may establish rules governing the conduct of GHRC meetings. The GHRC shall generally follow the rules of order of the Board unless the GHRC has otherwise established its own rules.

### **6. Quorum and Voting**

A majority of GHRC members, providing the majority includes at least as many Directors as external members, constitutes quorum. GHRC members may make recommendations, put forward motions and vote on GHRC business. The GHRC shall reach a decision by a majority vote of its members present. In the event of a tie vote, the motion shall be brought forward to the Board for final decision, unless the GHRC members in attendance at the meeting unanimously agree that the motion does not need to be brought forward to the Board for decision.

Directors of PSPP Corporation, who are not GHRC members and on providing notice to the GHRC Chair, may attend any meeting of the GHRC as a non-voting participant.

### **7. Reporting**

Following each GHRC meeting, the GHRC shall report its activities, discussions and recommendations to the Board by distributing the minutes of its meetings once reviewed by the Chair. The Chair may be asked to provide a verbal report at the Board's next scheduled meeting.

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## **8. Compensation**

GHRC members shall be compensated in accordance with the Director Remuneration policy, as amended from time to time by the PSPP Sponsor Board.

## **9. Review**

The GHRC shall review these Terms of Reference annually.

Approved by the Board: April 9, 2019