

HUMAN RESOURCES COMMITTEE CHARTER

FCC Board of Directors

Last reviewed: December 9, 2020 (Board Minute No.20/21:09:03)

OVERALL RESPONSIBILITIES

The Human Resources Committee of the Board of Directors has the mandate to assist the Board in fulfilling its oversight responsibilities with respect to all human resources matters of the corporation.

RESPONSIBILITIES AND DUTIES

The Board assigns to the Human Resources Committee the following duties and responsibilities to be performed by the committee on behalf of the Board under the following broad categories:

- A. Human resources policies/plan
- B. Chief Executive Officer – selection, goal setting and performance review
- C. Senior management – succession planning
- D. Pension plans

A. Human resources policies/plan

Responsibility:

The Human Resources Committee is responsible to review and, where required, make recommendations to the Board respecting human resource policies, workforce plan and initiatives and the corporation's general compensation philosophy as requested from time to time by management or the Board.

Duties:

- At least every two years, review and recommend to the Board the annual strategic human resources plan of the corporation. Specifically, this is the consolidated workforce plan.
- Review the corporation's diversity and inclusion strategy on an annual basis.
- Review the employee engagement survey results, report on and, where appropriate, make recommendations to the Board.
- Oversee any significant or material changes to the corporation's compensation philosophies and overall compensation framework as a result of the annual market review and industry practices, and ensure such philosophies and framework are appropriate relative to business performance, risk profile, and mandate of the corporation.
- Review the compensation policies, programs and plans established by management to ensure they promote the achievement of the corporation's objectives and the overall mandate of the corporation and confirm same or, where major corporate policies are involved, make recommendations to the Board.
- Review management's assessment of significant human resource risks and effectiveness of related internal controls and satisfy itself that the risks are appropriately identified, assessed and managed in a manner consistent with the risk programs in the corporation and with the sustainable achievement of the corporation's business objectives.
- Review and evaluate, to the extent possible, the corporation's culture of partnership and 100% accountability and the corporation's leadership development strategies.

B. Chief Executive Officer – selection, goal setting and performance review

Responsibility:

The Human Resources Committee is responsible for advising the Board on the appropriate selection criteria, accountability profile, performance review and non-cash compensation for the President and CEO.

Duties:

- Identify the skills and characteristics essential to the position of the CEO, and recommend, maintain and update the skills, competency and accountability profile for the position.
- Establish and use a process to create the CEO's strategic, annual business and individual performance

goals and measures. This should include financial and client satisfaction results, execution of risk appetite and controls, strategy execution and employee engagement and talent management. Performance is assessed against these goals and measures and in accordance with the standards and guidelines set by the Privy Council Office.

- Provide guidance on issues of succession planning with respect to the CEO.
- Review from time to time the CEO perquisites and make recommendations to the Board as the committee deems advisable.
- Monitor and assess the “tone at the top” set by the CEO through his or her business ethics, conduct and integrity.

C. Senior management – succession planning

Responsibility:

The Human Resources Committee is responsible for overseeing the corporation’s strategies and policies specifically relating to the senior officers of the corporation. “Senior officers” is defined as the executives who report directly to the CEO.

Duties:

- Oversee the corporation’s management succession plan framework, including plans for training and development of senior management and contingency preparedness, and report the plan to the Board.
- Oversee the appointment of senior officers by the CEO.
- Review the executive perquisites program in respect of senior management and make recommendations.
- Review the total compensation paid to each member of the Enterprise Management Team on an annual basis.

D. Pension plans

Responsibility:

On behalf of the Board, the Human Resources Committee is responsible for overseeing the operation of the corporation’s pension plans.

Duties:

- On recommendation of management or the Pension Management Committee, review and make recommendations to the Board concerning the governance structure, policies and procedures for the corporation’s pension plan, including all Supplementary Executive Retirement Plans and proposed changes to the design of the plan or funding.
- Review management’s recommended asset investment strategy of the pension plan.
- Report on the performance and funded status as appropriate of the pension plan to the Board no less than annually.

MEMBERSHIP AND MEETINGS

1. **Membership:** The committee is comprised of a minimum of four members, all of whom must be free from any business or other relationship that could impair, or be perceived to impair, the exercise of independent judgment. Members should consult with the Corporate Secretary to discuss and clarify any potential areas of conflict of interest.
2. **Skills and experience:** Committee members should have the skills and experience to fulfil their responsibilities or be ready and willing to obtain them through appropriate information and training.
3. **Appointment:** The committee Chair and members of the committee are appointed on the recommendation of the Corporate Governance Committee and the Board Chairperson, and serve at the pleasure of the Board until replaced. Any member of the committee may act as committee Chair, but cannot also be the Board Chairperson or CEO. The committee secretary is the Corporate Secretary or designate, who need not be a director. If the position of committee Chair is vacant or if the Chair is absent or unable to act, the Board Chairperson may designate, or the committee may elect, an acting committee Chair for the meeting.
4. **Reporting to Board:** At the first meeting of the Board following each committee meeting, the committee Chair reports on the activities and findings of the committee and, where applicable, presents the committee's recommendation(s) to the Board for approval.
5. **Advisers:** Where the committee believes there are skills and experience required of its members that

cannot sufficiently be provided by them, the committee may supplement its capacity through the appointment of an adviser. An adviser participates at the pleasure of the committee. An adviser is not a member of the committee, but has the ability to fully participate in the discussion. An adviser cannot be an employee of the corporation and has no right to vote. The corporation may provide remuneration and may agree to indemnify the adviser as the committee recommends and the Board approves, in consultation with the corporation and its legal advisers. Nothing in this paragraph will be interpreted as precluding the committee, at any time or from time to time, from engaging internal or external consultants to assist the committee in carrying out its duties.

6. **Quorum:** A quorum consists of three committee members, not including any adviser(s). In the case of a tied vote, the committee Chair has, in addition to the Chair’s original vote, a deciding vote.
7. **Meetings:** The committee meets at least four times each year. Meetings are held at the call of the committee Chair and committee members are given at least 48 hours’ notice of a meeting.
8. **In-camera:** At each meeting, the committee meets separately in-camera, with or without any other meeting participant such as senior management representatives or an adviser, to discuss the relationship between them and any problems or issues related to fulfillment of the committee’s responsibilities and duties.
9. **Conduct of meetings:** Meetings may be held in person or by teleconference, video conference or other electronic means.
10. **Agenda and materials:** The committee Chair establishes agendas in consultation with management and ensures materials are circulated to members in sufficient time for review before the meeting.
11. **Information needs:** The committee should have access to accurate, relevant and timely financial and non-financial information, industry and other external data to determine industry benchmarks and best practices, and other comparative information that is prepared on a consistent basis.
12. **Governance:** On an annual basis, the committee:
 - reviews and assesses the adequacy of this charter and make recommendations to the Corporate Governance Committee with respect to any proposed changes for approval by the Board
 - outlines a schedule of activities and agendas (workplan) for its meetings
 - assesses and confirms that all responsibilities outlined in this charter and the workplan have been carried out

History:

Enacted May 29, 2002	Minute No. 02/03:01:08
Revised May 30, 2006	Minute No. 06/07:01:13:02
Revised October 22, 2008	Minute No. 08/09:03:05:01
Revised December 10, 2008	Minute No. 08/09:04:02:01
Revised June 1, 2011	Minute No. 11/12:01:09:03
Revised August 21, 2013	Minute No. 13/14:02:03
Revised December 10, 2014	Minute No. 14/15:05:10:03
Revised December 9, 2015	Minute No. 15/16:04:10
Reviewed December 7, 2016	Minute No. 15/16:04:10
Reviewed (no changes) October 18, 2017	Minute No. 17/18:03:08
Reviewed (no changes) December 12, 2018	Minute No. 18/19:04:08
Reviewed December 11, 2019	Minute No. 19/20:05:09
Reviewed December 9, 2020	Minute No. 20/21:09:03