

## APPENDIX B – HUMAN RESOURCES AND GOVERNANCE COMMITTEE TERMS OF REFERENCE

### 1. INTRODUCTION

The purpose of the Human Resources and Governance Committee (the 'HRG Committee') is to:

- (a) Assist the Board in fulfilling its obligations relating to human resource and compensation matters;  
and
- (b) Provide a focus on governance that will enhance the performance of the Company.

### 2. COMPOSITION AND OPERATIONS

- The HRG Committee will be composed of not fewer than three, and not more than five, directors.
- The HRG Committee will meet at least four times each year.
- The Secretary to the HRG Committee will be the Corporate Secretary or his/her delegate.

### 3. DUTIES AND RESPONSIBILITIES

#### Human Resources

All duties and responsibilities of the HRG Committee set out below are subject to the powers and duties of the Board. Unless otherwise specified or appropriate, the HRG Committee will (i) initially develop; and (ii) thereafter on an annual basis review and approve and/or recommend that the Board approve, the following matters:

- The Company's compensation philosophy, strategy and guidelines.
- The terms of employment for the CEO.
- The CEO's annual performance plan. The Board Chair and Chairs of the HRG and the ARM Committees will undertake the CEO performance evaluation.
- The CEO's compensation, including, where applicable, holdback, benefit and pension plans.
- Review any significant outside commitments which the CEO is considering before the commitment is made annually and on an on-going basis. This includes commitments to act as a director or trustee of for-profit and not-for-profit organizations.
- In consultation with the CEO:

- ◆ Management team<sup>2</sup> resources, including recruitment and training programs, to ensure a sufficient Management development and succession plan is in place to provide qualified Management for succession to executive positions at Infrastructure BC.
- ◆ Outside commitments by Vice-Presidents.
- ◆ The appointment of, and compensation for, Vice-Presidents (including, where applicable, holdback, benefit and pension plans). External reviews of executive and staff compensation will be conducted at the discretion of the Board.
- ◆ Major changes in the organizational structure, or Vice-Presidents of the Company, as proposed by the CEO, on an ad hoc basis.
- ◆ The development of, or amendments to, the post-employment restrictions contained within the Ethics and Conduct Policy. Reductions to, or waiving of, restrictions may be considered on an ad hoc basis.
- ◆ Review of employee satisfaction/workplace engagement survey results.

### **Governance**

All duties and responsibilities of the Committee set out below are subject to the powers and duties of the Board. Unless otherwise specified or appropriate, the HRG Committee will (i) initially develop; and (ii) thereafter on an annual basis review and approve and/or recommend that the Board approve, the following matters:

- An experience and skills composition plan for the Board that sets out the desired experience and skills for Board directors, taking into consideration the Board's short-term needs and long-term plans.
- An orientation plan for new directors.
- A plan for ongoing development of existing directors that includes review of business cases and procurement options analysis, and relevant and emerging topics.
- The Board Manual outlining the policies and procedures by which the Board operates and the terms of reference for the Board, the Board Chair, Board committees, directors and the CEO.
- In consultation with the Board Chair, the needs of the Board in terms of the frequency and location of Board and Committee meetings, meeting agendas, discussion papers, reports and information and the conduct of meetings.

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<sup>2</sup> Those executives reporting directly to the CEO.

- Provisions that enable the Board committee to engage separate independent counsel in appropriate circumstances to provide independent advice to ensure that the Board committee's interests are protected.
- Any reports on corporate governance that may be required or considered advisable and, if approved, oversee any actions necessary to implement such recommendations from the reports.
- At the request of the Board or the Board Chair, undertake such other corporate governance initiatives as may be necessary or desirable to contribute to the success of Infrastructure BC.
- The HRG Committee's terms of reference.

#### 4. ACCOUNTABILITIES

The HRG Committee will report its discussions to the Board by oral or written report at the next Board meeting.

## 5. HRG COMMITTEE TIMETABLE

The timetable outlines the HRG Committee's schedule of activities.

HUMAN RESOURCES	Quarter Ending			
	Mar	Jun	Sept	Dec
Scheduled HRG Committee meeting	May	Sept	Nov	Mar
i) Compensation philosophy, strategy and guidelines		√		
ii) CEO terms of employment				√
iii) CEO performance evaluation				√
iv) CEO annual performance plan				√
v) CEO compensation				√
vi) CEO and VPs outside commitments			√	
vii) Management succession and development plans			√	
viii) Appointment of Management			√	
ix) Management performance evaluations				√
x) Executive and Staff Compensation Review (as required)			√	

xi) Employee satisfaction survey	√			
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	Quarter Ending			
GOVERNANCE	Mar	Jun	Sept	Dec
Scheduled HRG Committee meetings	May	Sept	Nov	Mar
i) Board experience and skills composition plan and candidates	√			
ii) New director orientation		√		
iii) Existing director development (includes formalizing board education topics for the year)		√		
iv) Board manual		√		
v) Board meetings and materials		√		
vi) Provisions for independent counsel for HRG Committee		√		
vii) HRG Committee terms of reference		√		