

Human Resources Committee Terms of Reference

(Last updated ● September 2024)

1. **Mandate**

The mandate of the Human Resources Committee (the *committee*) is the oversight of the human resources strategy and related compensation policies, declaration of compliance, programs, and procedures of the Bereavement Authority of Ontario (BAO).

2. **Membership**

The members of the committee will be appointed by the Board of Directors. Committee members will be appointed annually, and each committee member will remain on the committee until their successor is duly appointed or upon their earlier resignation or removal in accordance with these Terms of Reference.

The committee will be composed of not fewer than three directors. The Board Chair shall also be a non-voting *ex-officio* member of the committee. Whenever there is a vacancy on the committee, the remaining members may exercise all of its powers if a quorum remains in office.

When the committee addresses matters related to Human Resources, the Board Chair will sit as an *ex-officio*, non-voting member. However, when the committee is dealing with the evaluation and compensation of the CEO/Registrar, the Board Chair will have full voting rights and will serve as the principal lead for the process.

The Board of Directors will select one individual to sit as the chair of the committee.

3. **Eligibility**

Members of the Board of Directors are eligible to sit on the committee.

4. **Terms of Service**

Committee members are appointed by the Board of Directors for a one-year term.

5. **Roles and Responsibilities**

In performing their duties, the members of the committee will:

- a) *CEO/Registrar Matters*

- Review the process for the annual performance evaluation of the CEO/Registrar, which may include tools or external services;
- Review the assessment form;
- Help ensure the CEO/Registrar has a fair and productive evaluation for the purposes of improving their capability and awareness; and help ensure an overall positive impact to the organization;
- Provide recommendations for changes to the CEO/Registrar job description;
- Provide recommendations for incentive pay and/or changes to salary;
- Review and recommend to the Board for approval any employment contracts or other hiring, termination, or retirement packages to be entered into with the CEO/Registrar and any material changes and all arrangements that take effect upon the cessation of employment of the CEO/Registrar; and
- Report and recommend to the Board the outcome of the CEO's annual performance evaluation and compensation review.
- The Chair of the Board shall lead the CEO/Registrar evaluation process. The evaluation is guided by the legislation, regulations, approval of annual performance objectives, and Key Performance Indicators (KPIs)
- The evaluation process will be guided by the BAO by-law, internal documentation, annual corporate objectives, Strategic Plan performance objectives, and Key Performance Indicators (KPIs) as determined/approved by the Board, as well as other factors that may be relevant.

b) Executive Leadership Designated Team Matters

- Review the performance goals and objectives of the CEO/Registrar's Executive Leadership Team as designated by the CEO/Registrar and other key employees of the BAO as the committee or the Board may determine (collectively, the *Designated Employees*);
- Review annually the report of the CEO/Registrar's evaluation of the performance of the Designated Employees;
- Review and report to the Board annually on the competitiveness and appropriateness of the compensation packages of the Designated Employees;
- Review the CEO/Registrar's recommendations with respect to, and approve, the compensation payable to the Designated Employees; and
- Review and recommend to the Board for approval any employment contracts or

other hiring, termination, or retirement packages to be entered into with the Designated Employees and any material changes and all arrangements that take effect upon the cessation of employment of the Designated Employees. The CEO/Registrar will advise the committee on any termination packages, and financial and legal impacts of hiring, termination, or retirement decisions.

c) Compensation Policies and Plans

- Review and recommend to the Board for approval management compensation policies and plans and any material new incentive compensation plans, benefit plans, or retirement plans of the BAO, and recommend to the Board for approval, or if so, authorized in the applicable policy or plan, approve amendments to any such policies, plans, and awards;
- Oversee, review, and recommend to the Board for approval any compensation framework required to be submitted, established, or approved from time to time under laws applicable to the BAO and any related changes or required disclosures;
- Oversee, review, and recommend to the Board for approval the design of any new pension or retirement plans; and,
- Review at least annually the alignment of BAO's human resources and compensation programs and plans, including incentive compensation programs, with (i) BAO's strategies, operating model, and risk profile, (ii) the corporate scorecard for BAO and other incentive compensation performance measures, (iii) overall BAO performance, (iv) risk management principles and (v) compliance with all required legislation and regulations.

d) Succession Planning and Workforce Development

- Review and recommend to the Board for approval succession plans for the CEO/Registrar and associated contingency preparedness, including in the event of a crisis or the unexpected temporary or permanent departure of the CEO/Registrar;
- Review, in coordination with the CEO/Registrar, the succession plans and development programs for the Designated Employees and associated contingency preparedness, including in the event of a crisis or the unexpected departure of a Designated Employee; and,
- Oversee and review management's strategy, policies, plans, and principles for the performance management and career development of the Designated Employees and other high-potential employees for designated leadership positions.

e) Workplace Conduct, Culture and Safety

- Review the Company's overall human resources strategy and related compensation policies and programs and their effectiveness;
- Review and approve the codes of conduct applicable to employees and Designated Employees and whistleblower policy;
- Monitor reports made pursuant to the whistleblower policy;
- Oversee and assess the integrity of the CEO/Registrar and the Designated Employees, including the contribution of such individuals to creating a culture of integrity and responsible stewardship throughout;
- Review BAO's workplace equity, diversity, and inclusion plans;
- Review the results of employee engagement evaluations; and
- Monitor and report on regrettable turnover annually to foster a culture of performance.

6. Meetings

The Committee Chair, in consultation with the other committee members, shall determine the schedule and frequency of meetings of the committee. Meetings of the committee shall be held at such times and places (whether in person, telephonically and/or other communications medium) as the chair may determine. To the extent possible, advance notice of each meeting will be given to each committee member unless all committee members are present and waive notice, or if those absent waive notice before or after a meeting. Committee members also will meet upon the request of the Board of Directors.

A quorum of the majority of committee members is required to execute the business of the committee. Each voting committee member has one vote. Where there is a tied vote, the Committee Chair will not be entitled to cast the deciding vote.

When the committee addresses matters related to Human Resources, the Board Chair will sit as an ex-officio, non-voting member. However, when the committee is dealing with the evaluation and compensation of the CEO/Registrar, the Board Chair will have full voting rights and will serve as the principal lead for the process.

The committee will meet at each meeting of the committee without management present to discuss confidential matters, unless otherwise directed by the Committee Chair.

7. Reporting

The Committee Chair shall provide a report to the Board of Directors on the committee's

activities since the last Board of Directors meeting.

8. Communications Protocol

Unless approved by the Board of Directors, members of the committee will not communicate the activities or decisions of the committee publicly.

All committee members will have open access to BAO's senior management for relevant information.

The committee will meet at each meeting of the committee without management present to discuss confidential matters, unless otherwise by the Committee Chair.

9. Access to BAO Staff Resources

The Chair and committee will be supported by one or more designated BAO staff members.

10. Expenses

Expenses incurred by the committee will be reimbursed according to the BAO's Expense Policy and Remuneration Policy.

Requests for any additional resources required to support the committee must be submitted to the BAO Board in writing.

11. Amendment, Modification or Variation

These Terms of Reference may be amended, varied, or modified after consultation by committee members and approval of the Board of Directors.

Best efforts will be made to review these Terms of Reference on an annual basis, typically at the first committee meeting of each year.