

HUMAN RESOURCES & COMPENSATION COMMITTEE TERMS OF REFERENCE

PURPOSE

The purpose of the Human Resources & Compensation Committee is to enable the Board of Directors to fulfill its governance responsibilities related to ensuring that WorkSafeNB has human resources strategies and policies in place that create high performance teams that are competent, engaged and empowered to achieve WorkSafeNB's strategic goals, meet applicable requirements set by government and stakeholders, and meet the test of public scrutiny

DUTIES AND RESPONSIBILITIES

The Human Resources & Compensation Committee has the following responsibilities:

Human Resources Function Oversight

The Committee:

- Recommends to the Board of Directors a Human Resources strategy that supports high performance teams that are competent, engaged and empowered to achieve WorkSafeNB's strategic goals;
- Reports to the BOD on progress in implementing the human resources strategy;
- Monitors and reviews significant human resources practices and policies including those related to compensation, benefits, culture, talent management, succession planning, performance management, code of ethics, and employee health, safety, and wellness to ensure alignment with the strategic direction of the organization and evolving HR trends and best practices; and
- Reviews the annual Human Resources business plan.

Compensation

The Committee:

- Reviews and recommends to the BOD a corporate compensation philosophy;
- Reviews human resources policies and practices related to employee compensation, benefits, rewards, and recognition to ensure they meet the organizational goals of fiscal responsibility, stakeholder accountability, and the attraction and retention of high performance team members; and
- Reviews and recommends to the BOD compensation for the President & CEO including: salary, perquisites, benefits, and other remuneration.

Labour Relations

The Committee:

- Reviews strategies for negotiating the renewal of collective agreements;
- Recommends to the BOD the mandate within which management will negotiate an agreement with bargaining units; and
- Makes recommendation to the BOD on the approval of collective agreements.

Organizational Structure

The Committee:

- Reviews any significant change to the organizational structure recommended by the President & CEO, and makes recommendations to the BOD on those changes.

Other Duties

The Human Resources & Compensation Committee shall evaluate both the Committee's and individual members' performance on a regular basis.

COMPOSITION

The Board of Directors will select and appoint members of the Human Resources & Compensation Committee. Appointments shall be made for up to two years and are renewable. All efforts shall be made to ensure that the member's terms, both primary and alternate, are staggered so as to ensure continuity of experience on the Committee. The Human Resources & Compensation Committee Chairperson presides over the committee meetings and reports committee actions to the Board of Directors.

The Human Resources & Compensation Committee membership shall consist of:

- A Human Resources & Compensation Committee Chairperson selected by the full Board who shall be a voting member of the Board of Directors but will not have voting authority at the Human Resources & Compensation Committee,
- The President & Chief Executive Officer of WorkSafeNB, who shall be a non-voting member of the Committee;
- A Board Member representative of employers and selected by the employer representatives on the Board who shall be a primary member of the Human Resources & Compensation Committee and who has voting authority;
- A Board Member representative of workers and selected by the worker representatives on the Board who shall be a primary member of the Human Resources & Compensation Committee and who has voting authority;
- A Board Member representative of employers and selected by the employer representatives on the Board who shall be an alternate member of the Human Resources & Compensation Committee and who shall have voting authority in the absence of the primary employer representative on the Human Resources & Compensation Committee;

- A Board Member representative of workers and selected by the worker representatives on the Board who shall be an alternate member of the Human Resources & Compensation Committee and who shall have voting authority in the absence of the primary worker representative on the Human Resources & Compensation Committee.

Human resources experience in a high performing organization is preferred for committee members.

The Director, Human Resources, will attend the committee meetings as an advisor to the Committee. The Human Resources Committee may engage an independent consultant to assist them with their duties.

PROCEDURES

- **Meeting Frequency:** The Human Resources & Compensation Committee shall meet at least twice per calendar year or more frequently as the committee deems necessary.
- **Convening a Meeting:** The Human Resources Committee Chairperson, in consultation with the two primary Committee members, will ordinarily convene any Committee meeting though any two members (the Chairperson or either of the two primary members) can require that a meeting be convened.
- **Meeting Quorum:** One voting member, either the primary or alternate member, representing employers, and one voting member, either the primary or alternate member, representing workers shall, with the Human Resources Committee Chairperson, constitute a quorum.
- **Minutes:** Minutes shall be prepared by a recording secretary and presented to the Human Resources & Compensation Committee Chairperson in accordance with applicable Board policy and procedure.

OVERSIGHT OF EXECUTIVE LEADERSHIP

Human Resources Committee shall oversee the Executive Leadership Team through its direction to the President & CEO.

VOTING

The Human Resources Committee shall make all reasonable efforts to render decisions on a consensus basis. Where a consensus is not possible between voting members, primary or alternate as required, and there is a tie vote at the committee, the matter shall be forwarded to the full Board of Directors for debate and resolution.

OPERATIONAL PRINCIPLES

The Human Resources & Compensation Committee shall adhere to the following operational principles:

1. **Work plan:** The Human Resources & Compensation Committee Chairperson, in consultation with the Board Chairperson and senior management, shall establish a work plan annually to ensure that the Committee responsibilities are scheduled to specific meeting agendas and dates.

2. **Meeting agenda:** The Human Resources & Compensation Committee Chairperson shall establish meeting agendas in consultation with Human Resources & Compensation Committee members and senior management.
3. **Information requirements:** The Human Resources & Compensation Committee shall establish and communicate its information requirements, which shall include the nature, extent and timing of required information. Information shall be provided to the Human Resources & Compensation Committee at least one week prior to the meeting.
4. **Preparation and attendance:** The Human Resources & Compensation Committee members have an obligation to prepare for and participate in Human Resources & Compensation Committee meetings.
5. **Conflict(s) of interest:** It is the Human Resources & Compensation Committee member's responsibility to disclose a conflict of interest or the appearance of a conflict of interest to the Committee. If there is any question as to whether Committee member(s) should recuse themselves from a vote, the Committee shall determine whether the member should recuse himself or herself.

ACCOUNTABILITY

The Human Resources & Compensation Committee shall cause a record of the committee meeting to be provided to the Board of Directors at the next Board meeting following the Human Resources & Compensation Committee meeting.