

Terms of Reference for the Human Resources Committee

Policy Type: Governance Process

Policy Number: #126

Date Approved: Oct 7, 2019

Date Amended: Feb 24, 2020

1. Purpose

The purpose of the Human Resources Committee (the “HR Committee”) is to assist the Board in fulfilling its responsibility to:

- 1.1. Understand the key human resource factors and compensation risks relative to VAA objectives;
- 1.2. Oversee the organizational structure and culture of the VAA to fulfill its responsibility for establishing performance and succession plans for the President and CEO, excluded staff and other key employees of VAA, and where necessary, oversee career development of those persons;
- 1.3. Establish and administer a performance evaluation process for the President and CEO to evaluate accomplishments and work in progress relative to objectives, goals and key performance indicators established by the Board;
- 1.4. Establish and administer a competitive plan of compensation for the President and CEO in order to retain, inspire and motivate;
- 1.5. Establish and oversee a succession plan for the President and CEO, combined with integration of a competitive plan of compensation to attract successors; and
- 1.6. Oversee and assess competitive compensation plans for excluded staff and other key employees to retain, inspire, motivate and to support succession within these positions.

Composition and Operations

- 1.7. The HR Committee shall be composed of no less than three (3) members from the Board, one of whom is the Board Chair. Other members of the HR Committee shall offer a combination of experience in executive corporate management and executive-level human resource management, and when deemed necessary by the HR Committee Chair, the HR Committee may include up to an additional two (2) Board members offering complementary skillsets as determined and assessed by the HR Committee Chair.
- 1.8. The President and CEO will be a non-voting member of the HR Committee, will be given notice of each HR Committee meeting and may attend any HR Committee meeting without invitation except for an “in camera” meeting.
- 1.9. The HR Committee has the right to meet in camera without the President and CEO present.
- 1.10. The HR Committee shall meet at minimum twice a year. Meetings will be at the call of the HR Committee Chair.
- 1.11. The HR Committee Chair shall designate a representative to record decisions and recommendations made at the HR Committee meetings.
- 1.12. The HR Committee will conduct its tasks and activities in accordance with the schedule set out in Addendum “A” to this policy.
- 1.13. The HR Committee Chair will advise the President and CEO when the HR Committee wishes to use management and staff of the VAA as committee support. It will be the responsibility of the President and CEO to designate management and staff for committee assistance.
- 1.14. From time to time as deemed necessary, the HR Committee shall consult or retain independent advisors and, when necessary, obtain third party consultative reports and benchmark resource information about human resources and compensation matters.

2. Duties and Responsibilities

- 2.1. Subject to the powers and duties of the Board and in accordance with Addendum “A attached hereto, the HR Committee shall:
 - 2.1.1. Establish the performance evaluation process and protocols for the role of the President and CEO in order to evaluate the accomplishments and work in progress of the President and CEO relative to objectives, goals and other key performance indicators established by the Board from time to time;
 - 2.1.2. Oversee the performance evaluation process for the President and CEO;
 - 2.1.3. Receive and review performance self-evaluation reports from the President and CEO;
 - 2.1.4. Review and recommend to the Board the compensation philosophy and guidelines for the President and CEO, including base salary, incentive awards, perquisites, benefits and other forms of remuneration to ensure market competitiveness;
 - 2.1.5. Review and recommend to the Board the pension plan for the President and CEO, including any supplemental plans to ensure overall market competitiveness of the pension plans and compliance with government authorities and generally accepted accounting principles;
 - 2.1.6. Recommend to the Board the President and CEO’s compensation philosophy and guidelines for excluded staff;
 - 2.1.7. Review the President and CEO’s proposals for excluded staff compensation and benefit plan models to ensure that the plan(s) are competitive to market to retain, inspire, and motivate;

- 2.1.8. Review with the President and CEO excluded staff pension plans and any supplemental plans to ensure overall competitiveness to retain, inspire and motivate;
- 2.1.9. Receive and review reports from the President and CEO on succession plans for excluded staff and key employees, including specific career development plans and assessment reports on career development initiatives in progress;
- 2.1.10. Review an emergency succession plan for the President and CEO;
- 2.1.11. Ensure and confirm to the Board a succession plan for the President and CEO;
- 2.1.12. When necessary, establish the process and conduct the recruitment of a successor President and CEO;
- 2.1.13. Review the organizational structure and any material changes or amendments proposed by the President and CEO for efficacy, promotion of succession planning and career development;
- 2.1.14. Recommend to the Board material changes and amendments to the organizational structure;
- 2.1.15. Review Board compensation in association with general and specific industry benchmarks;
- 2.1.16. Recommend Board compensation to the Board jointly with the Finance and Audit Committee;
- 2.1.17. Liaise with the Governance Committee about Board composition and recommend to the Board, jointly with the Governance Committee, assessment reviews of the Board skillset as may be required from time to time;

- 2.1.18. Review third party compensation consultative reports and other benchmark resource information for reliability and relevancy and seek updates or new reports when necessary;
- 2.1.19. Review the organization's Enterprise Risk Management Program Register and its applicability to those risks which fall within the mandate and responsibility of the HR Committee;
- 2.1.20. Review with the President and CEO any substantial outside commitments that the President and CEO is considering before the commitment is made and to recommend such commitment to the Board for approval. This includes commitments to act as director or trustee of for-profit, not-for-profit, aviation related and/or government organizations; and
- 2.1.21. Review with the President and CEO the status of existing outside commitments and ongoing relevancy and benefit to the organization and operations of VAA.

3. Accountability

- 3.1. The HR Committee will report its discussions to the Board by distributing the minutes of its meetings and, where appropriate, by oral report at the next meeting of the Board of every major matter considered since the HR Committee's last meeting.
- 3.2. The HR Committee will review and recommend changes to its terms of reference and review Board policies pertaining to human resources policies and procedures in accordance with Addendum "A".

ADDENDUM “A”

HUMAN RESOURCES COMMITTEE – TERMS OF REFERENCE SCHEDULE

Last updated: February 24, 2020

NOTE: All meetings to be in-camera unless otherwise noted

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Board of Directors												
Board Chair appoints Human Resources Committee Members	X											
Year-end Board Evaluation survey to be consolidated, for review by Committee	X											
Elect Human Resources Committee Vice-Chair		X										
Review Consolidated Board Evaluation Survey results, for approval by the Board	X											
Review policies from other Boards relating to Terms of Reference for Human Resources Committee [every three years]						X depends on meeting timing						
For budgetary purposes, review and recommend Board compensation for upcoming year -- for recommendation to Governance Committee											X	
Review Human Resources Committee Schedule											X	
Board year-end evaluation survey released, for completion by the Board												X
CEO year-end evaluation survey released, for completion by the Board												X
CEO Performance												
CEO year-end evaluation survey to be consolidated, for review and scoring by Committee, then presentation to the Board Chair	X											
CEO to present upcoming year’s annual objectives, goals and key performance indicators for upcoming year to the Committee, for recommendation to the Board	X											
Recommend CEO Accomplishments Against Goals and Conformity on Board Policy Report for Board information and approval	X											
Board Chair / Committee Chair to meet with CEO to deliver results of Board evaluation and compensation			X depends on meeting timing									
Review CEO’s outside commitments / seek approval for new commitments						X depends on meeting timing						
CEO to present current year’s CEO Accomplishments Against Goals and Conformity on Board Policy Report, to Committee and to the Board												X

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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Compensation												
CEO to recommend compensation and benefits for Management, for recommendation to the joint In Camera Human Resources Committee and In Camera Audit and Finance Committee			X depends on meeting timing									
Compensation and Benefits for CEO (SERP – STIP and LTIP) using CEO evaluation results and benchmarked adjustments, for recommendation to the In Camera Audit and Finance Committee			X depends on meeting timing									
CEO report regarding compensation / benefits plans for excluded staff			X depends on meeting timing									
Oversight review of SERP (STIP and LTIP) structures, CRA compliance and generally accepted accounting principles, presented to Board Chair			X depends on meeting timing									
Review third-party compensation and benchmark reports and surveys, for possible updates / changes [every two years]			X depends on meeting timing									
If required, obtain updated third-party compensation and benchmarks report, and make recommended changes or amendments to In Camera Board of Directors [every two years]						X depends on meeting timing						
For budgetary purposes, review and recommend compensation and benefits budget for CEO and excluded staff for upcoming year to the In Camera Audit and Finance Committee										X depends on meeting timing		
Organizational and Succession Planning												
Organizational update, succession planning and career development – update from CEO, for review by Committee and for the information of the Board						X depends on meeting timing						
Review succession planning and most recent organizational chart for organization as a whole and for personnel career development, and recommend changes						X depends on meeting timing						
Receive assessment report on career development initiatives for excluded staff and key personnel, for review by Committee and for the information of the Board						X depends on meeting timing						
Review CEO Emergency Succession Plan						X depends on meeting timing						
Review Employee Survey results presented by CEO, for presentation to the Board												X