

HUMAN RESOURCES COMMITTEE CHARTER

FCC Board of Directors

Last revised: December 8, 2021 (Board Minute No.21/22:05:10)

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 direction, policies, workforce plans and initiatives and the corporation's general compensation philosophy as requested from time to time by management or the Board.

Duties:

- Review and recommend to the Board the annual strategic human resources plan of the corporation no less than every two years. Specifically, this is the consolidated workforce plan.
- Review the corporation's Diversity, Equity and Inclusion strategy no less than every three years.
- 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 and evaluate FCC's culture of committed partnerships and 100% accountability no less than every three years.
- Review management's identification and assessment of significant human resources risks and monitor related metrics on an ongoing basis.

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 CEO perquisites: (1) on appointment, and (2) during the CEO's term if the need arises. Make recommendations to the Board as the committee deems advisable.

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 are defined as the executives who report directly to the CEO.

Duties:

- Review the corporation's management succession plan framework annually, including contingency preparedness, and report the plan to the Board.
- Review the total cash compensation paid to each member of the Enterprise Management Team, including perquisites, 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 composition will be considered and confirmed by the Corporate Governance Committee based on the number of directors at the time of committee renewal. All directors must be independent of management of the corporation and 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 a majority of the members present at a meeting, 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:** 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 (every two years)
 - outlines a schedule of activities and agendas (workplan) for its meetings (annually)
 - assesses and confirms that all responsibilities outlined in this charter and the workplan have been carried out (annually)

History:

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