

TERMS OF REFERENCE HUMAN RESOURCES COMMITTEE

(Approved July 29, 2016; Amended December 6, 2017, December 12, 2018)

A. PURPOSE

The Human Resources Committee (the **Committee**) is a standing committee established by the Board (the **Board**) of Alberta Health Services (**AHS**). The purpose of the Committee is to consider, monitor, oversee, and make recommendations to the Board related to AHS' human resources management, strategy and planning, compensation philosophy, workforce engagement, President and Chief Executive Officer (the **CEO**) selection and compensation and succession planning for the CEO and all executive positions that report directly to the CEO and any other person so designated by the CEO or the Board ("**Senior Executives**").

B. SCOPE

1. Committee Approval and Recommendations

The Committee may consider and provide feedback relating to matters forwarded by management or the Board, or on its own initiative, and:

- (a) may approve matters which are administrative and non-substantive in nature such as those customarily made to: confirm the accuracy and completeness of the Committee's own minutes; conduct all or a portion of the Committee meeting *in camera*; and approve the Committee's meeting agenda and changes to the agenda;
- (b) may refer matters to another committee of the Board for further consideration; and
- (c) may make recommendations for approval to the Board on matters of a substantive nature.

2. Human Resource Vision and Strategy

The Committee shall:

- (a) oversee and review annually the implementation of AHS' workforce strategy to ensure it aligns with the vision, mission, and values, of AHS;

- (b) review and recommend to the Board for approval, any significant changes to the workforce strategy;
- (c) review information relating to the adequacy and appropriateness of resources, including financial, capital, human and other resources, that are or should be available for human resources and workforce activities at AHS;
- (d) determine the overall strategic approach to compensation and make recommendations to the Board for approval;
- (e) annually review AHS' overall employee compensation philosophy, as well as compensation and benefit plans and programs for employees, in relation to the strategic approach referred to in paragraph (d) and the vision, mission and values of AHS;
- (f) consider and recommend to the Board for approval, any changes to AHS' employee compensation or benefits plans involving any annual change in cost to AHS in excess of the CEO's delegated authority;
- (g) annually review the status of the AHS employee pension plan and results for AHS within the context of the overall compensation philosophy;
- (h) consider and make recommendations to the Board for approval relating to any significant changes to, initiations of, terminations of, or conversions to AHS' employee pension plan;
- (i) review human resource performance indicators and accomplishment reports;
- (j) monitor AHS' compliance with strategic directions and policies related to the human resources management, strategy and planning;
- (k) review Internal Audit and other reports addressing AHS' compliance with human resources policies and processes and applicable legislation, including occupational and environmental health and safety legislation, regulations, standards, and governmental directives;
- (l) consider and make recommendations to the Board for approval of the guiding principles and negotiating strategy of any collective agreement, and for applicable terms and conditions of employment for exempt staff; and
- (m) make recommendations to the Board for approval of: collective agreements which are valued in excess of the CEO's delegated authority.

3. CEO and Senior Executives

The Committee shall:

- (a) make recommendations to the Board for approval for the establishment of, or any significant changes to, policies outlining principles and guidelines relating to:
 - (i) recruiting and selecting the CEO;
 - (ii) processes by which to monitor and evaluate the CEO; and
 - (iii) succession planning for CEO and Senior Executives.
- (b) establish and oversee, as required, a recruitment committee for the CEO, and define the recruitment committee's terms of reference;
- (c) in accordance with any policies, review and recommend to the Board for approval, goals and objectives relevant to the CEO's compensation, conduct an annual review and assessment of the CEO's performance against these goals and objectives, including soliciting feedback from all the committees of the Board relating to the CEO, and make recommendations to the Board for approval relating to the CEO's compensation;
- (d) review, at least annually, the CEO's assessment of the performance of Senior Executives;
- (e) review and recommend to the Board for approval annual performance targets and the maximum total annual compensation for Senior Executives;
- (f) review and deliver to the Board, the achievement of annual performance targets and total compensation and benefits of the Senior Executives;
- (g) review and make recommendation to the Board regarding succession plans for the CEO; and
- (h) review for information management's succession plans for Senior Executives other than the CEO.

4. Organizational Structure

The Committee shall:

- (a) review the overall organization structure; and
- (b) review proposals from the CEO in determining the organizational structure

for Senior Executives.

5. Human Resources Risk Management

The Committee shall:

- (a) participate with management to identify significant enterprise risks related to human resources and AHS' workforce, including occupational health and safety risks and workforce engagement risks;
- (b) monitor management's efforts to mitigate potential human resources and workforce capital risks and management's response to these risks if they materialize;
- (c) monitor AHS' occupational health and safety performance; and
- (d) monitor workforce engagement.

6. Governance Responsibilities

The Committee shall:

- (a) evaluate, on an annual basis, its performance and review its Terms of Reference and shall, as it considers appropriate, propose any changes to the Governance Committee for recommendation for approval by the Board, as required;
- (b) ensure adequate resources and support are in place to enable the Committee to fulfill its duties effectively and efficiently; and
- (c) fulfill such other duties as may be assigned to the Committee by the Board.

C. MEMBERSHIP

1. Members

The Committee comprises:

- (a) a minimum of two members of the Board (Members) appointed to the Committee by the Chair of the Board, each of whom shall have voting rights;
- (b) any other individuals who are not Members, appointed by the Board, whose voting status shall be determined at the time of appointment;

- (c) the Chair of the Board shall be an *ex officio* member of the Committee and shall have full voting rights; and
- (d) the CEO shall be a non-voting *ex officio* member and all other Members not appointed by the Chair of the Board shall be non-voting members of the Committee. The CEO may appoint another individual to attend a Committee meeting as an *ex officio* non-voting Committee member in his or her absence.

2. Term of Office

The terms of individuals appointed by the Board under paragraph C.1.(b) shall be determined at the time of appointment.

3. Committee Chair and Vice Chair

The Chair of the Board shall appoint a Committee chair and a vice chair from among the voting members of the Committee. In the absence of the Committee chair, the vice chair shall chair the meeting.

4. Vacancies

The Chair of the Board may appoint a successor to serve for the balance of a vacated Committee member's term.

5. Advisors

The Committee may request the participation of advisors from time to time, including but not limited to AHS' employees, management, or external consultants, to provide advice or information to the Committee or to its members independently, with respect to any matter before or related to the Committee, at AHS' expense.

D. MEETINGS

1. Confidentiality

The nature and subject of discussions and deliberations on matters before the Committee are confidential until such time as an item is approved by the Board and released publicly.

2. Frequency

The Committee shall meet at least four times each year at the call of the Committee chair, or at the discretion of the Chair of the Board.

3. Quorum

A majority of Committee members entitled to vote shall constitute a quorum. Committee members may participate in person or by any other method that permits them to hear and participate in the meeting.

4. Notice

Notice of the time and place of every meeting of the Committee shall be given electronically, by postal service, or as agreed to by the Committee members, at least seven days in advance of a meeting. In the event the Committee chair or Chair of the Board determines an urgent requirement to meet, notice of the time and place of the meeting may be given electronically or by telephone at least 24 hours in advance. Notice may be waived by a Committee member, including by unanimous consent of all Committee members. Attendance of a Committee member at a meeting is a waiver of the notice of the meeting, except where the Committee member attends for the express purpose of objecting to the transaction of any business on the grounds that the Committee member was not given adequate notice of the meeting.

5. Report and Recommendations

Subject to confidentiality requirements, the Committee shall submit an overview report on the business conducted at each meeting, and shall make recommendations, if appropriate, to the Board at its next public meeting.

6. Minutes

The Corporate Secretary or such other person acceptable to the Committee shall act as recording secretary to attend at every Committee meeting to take minutes. Minutes shall be approved by the Committee at its next meeting.

7. *In camera* Discussions

The Committee shall meet *in camera* with management in separate sessions to discuss any matters that should be discussed privately with the Committee.

8. Rules of Order

Unless provided otherwise in the AHS Amended General Bylaws or these Terms of Reference, Committee business and conduct of the Committee members shall follow Robert's Rules of Order as may be modified by the Committee chair.