

HUMAN RESOURCES & COMPENSATION COMMITTEE TERMS OF REFERENCE

I. PURPOSE

The Human Resources & Compensation Committee (the “Committee”) of the Vancouver Island Health Authority (“Island Health”) Board of Directors (the “Board”) assists the Board in review and oversight of the following areas within the appropriate legislative framework:

- CEO evaluation, compensation and succession planning
- Material changes in organizational structure
- Organizational code of conduct and ethics framework
- Human resources planning and policy
- Labour relations developments
- Occupational health & safety policies and reporting

II. COMPOSITION AND OPERATIONS

- A. The Committee shall be composed of not fewer than three directors each of whom shall be independent of Management.
- B. The majority of Committee members is familiar with best practices in human resources; including, but not limited to executive compensation, human resource planning, labour relations, recruitment and evaluation.
- C. The Committee shall operate in a manner that is consistent with the Committee Guidelines outlined in the Board Manual.
- D. The Committee makes recommendations and does not act on behalf of the Board unless specific delegated authorities have been given.
- E. The Committee shall review its Terms of Reference annually to ensure they meet the needs of the Board. Any proposed revisions shall be recommended to the Governance and Engagement Committee of the Board
- F. The Committee shall meet at least five times per year.

III. DUTIES AND RESPONSIBILITIES

A. Legislative Framework

- i) *Public Sector Employers Act*

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The purposes of the *Public Sector Employers Act (BC)* are

- a) to ensure the coordination of human resource and labour relations policies and practices among public sector employers, and
- b) to improve communication and coordination between public sector employers and representatives of public sector employees.

ii) The Public Sector Employers' Council ("PSEC")

PSEC was created under the *Public Sector Employers Act (BC)* with the following functions:

- a) to set and coordinate strategic directions in human resource management and labour relations,
- b) to advise the government on human resource issues in the public sector, and
- c) to provide a forum to enable public sector employers to plan solutions to human resources issues, consistent with cost efficient and effective delivery of services in the public sector. In addition, it is a function of PSEC to enable representatives of public sector employees to consult with public sector employers on policy issues that directly affect the employees.

iii) Health Employers Association of BC ("HEABC")

Under the *Public Sector Employers Act (BC)*, HEABC coordinates compensation, benefits administration, human resource practices and collective bargaining on behalf of the province's health authorities.

iv) WorkSafeBC

Occupational health & safety regulations, policies, guidelines and standards contain legal requirements that Island Health must meet under the inspection jurisdiction of WorkSafeBC.

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B. CEO Evaluation

- i) Review and recommend to the Board, as appropriate, the CEO evaluation process.
- ii) Lead and oversee the implementation of the CEO evaluation process.
- iii) Review and recommend to the Board, as appropriate, the CEO's annual goals and objectives.
- iv) Review with the CEO prior to any decision being made, any significant outside personal commitments being considered by the CEO. This includes commitments to act as a director or trustee of for-profit and not-for-profit organizations.

C. CEO and Senior Leadership Compensation

- i) Review and recommend to the Board, as appropriate, the compensation philosophy and guidelines for the CEO.
- ii) Review and recommend to the Board, as appropriate, CEO compensation including salary; incentive awards; perquisites; benefits; and any other compensation.
- iii) Receive for information the compensation plan for senior leadership reporting directly to the CEO.
- iv) Ensure the compensation philosophy and guidelines are in keeping with all legislative and government requirements.

D. CEO and Senior Leadership Succession Planning

- i) Review and recommend to the Board, as appropriate, a succession plan to deal with a planned or unplanned departure of the CEO.
- ii) Annually review succession plans for senior leadership reporting directly to the CEO prior to presentation of those plans to the Board.

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E. Organizational Structure

Review any significant changes to organizational structure recommended by the CEO and make recommendations, if appropriate, to the Board.

F. Organizational Code of Conduct and Ethics Framework

Periodically review and assist as requested by Management in the development and oversight of an organizational code of conduct and ethics framework.

G. Human Resource Planning and Policy

- i) Periodically review Island Health's significant human resources policies for consistency with Island Health's vision, purpose and values.
- ii) Review the results of any surveys to measure employee engagement, and confirm appropriate follow-up is taken by Management.
- iii) Receive information relating to best practices in human resource issues as relevant to the Committee and within the legislative framework.
- iv) Receive and review on a semi-annual basis, a report on human resources' performance indicators as prepared by Management.
- v) Receive for information certain matters related to Excluded/Non Contract employees such as material changes to the annual compensation philosophy; new benefit programs or material changes to existing programs; and terms and conditions of employment including, but not limited to employment contracts for senior leadership reporting to the CEO.

H. Labour Relations

- i) Receive information and updates relating to current labour relations matters.
- ii) Liaise with PSEC and HEABC as required on matters related labour relations and collective agreements.

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I. WorkSafe BC

Receive and review a report on WorkSafe BC compliance and ensure any and all necessary actions have been taken to address any penalties.

J. Risk Management

Review and assess enterprise level or strategic risks within the Committee's areas of responsibility using the enterprise risk management framework and provide recommendations to the Board.

IV. ACCOUNTABILITY

The Committee shall report its discussions to the Board by maintaining minutes of its meetings and providing a detailed written report including any recommendations for approval at the next Board meeting.

V. COMMITTEE CALENDAR

The Committee's workplan of activities is outlined in an annual planning calendar.