

## GOVERNANCE AND HUMAN RESOURCES COMMITTEE CHARTER

APPROVED BY THE BOARD OF DIRECTORS ON MARCH 7, 2019

### PURPOSE

1. The Governance and Human Resources Committee (the Committee) of Defence Construction (1951) Limited (DCC or the Corporation) is a committee of the Board of Directors (Board) with specific responsibility for assisting the Board in its oversight duties by:

### GOVERNANCE

- 1.1 Evaluating and recommending to the Board corporate governance practices applicable to the corporation;
- 1.2 Ensuring that DCC management has established appropriate policies and procedures relating to DCC's Code of Business Conduct, that they follow appropriate and best practices, respect the spirit and intent of relevant Government guidance and initiatives, and comply with applicable legislation;

### HUMAN RESOURCES

- 1.3 Ensuring that DCC's Human Resources (HR) policies are sound, that they follow appropriate Government of Canada guidance and comply with applicable legislation;

### NOMINATIONS

- 1.4 Participating in the process of Order in Council appointments or re-appointments for the Corporation, as appropriate;

### OTHER

- 1.5 Other functions as are assigned to it by the Board.

### COMMITTEE MEMBERSHIP AND COMPOSITION

2. The Board will appoint three or more members to serve on the Committee. One member shall be designated by the Chair of the Board as the Chair of the Committee. The Chair of the Board may remove or replace any member at any time.
3. DCC's President and CEO shall be an *ex officio* member of this Committee and shall be recused from discussions and voting pertaining to that position's performance, evaluation, and compensation.
4. With the approval of the Board, the Committee may engage professional advisors to support the Committee work and such support shall be at the expense of the Corporation.
5. DCC's Corporate Secretary shall be Secretary to the Committee.

### MEETINGS

6. The Committee shall meet as required, in person or by teleconference, to fulfill its mandate. Notice of meetings, agendas and background information, as necessary, shall be provided to all members of the Committee in advance of each meeting. Special meetings may be called by any Committee member. DCC management may request a meeting.
7. A quorum for meetings of the Committee shall be a majority of its members.

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8. The Chair of the Committee shall preside at all meetings of the Committee, unless not present, in which case the members of the Committee will designate from among the members present the Chair for the purposes of that meeting.
9. The Committee may seek any information it requires from other parties, such as any Officer or employee of the Corporation or any external parties, and may invite other members of the Board or other parties to attend all or part of meetings of the Committee, as required.
10. The Committee may hold *in camera* sessions at its discretion.
11. Minutes of the meetings will be recorded and maintained by DCC's Corporate Secretary and circulated to all members of the Committee and/or Board as required.

### DUTIES AND RESPONSIBILITIES

12. In addition to other duties and responsibilities delegated to it by the Board from time to time, the Committee will have the authority and responsibility for the following duties:

#### GOVERNANCE

- 12.1 Provide assistance to the Board in the review and consideration of best practices, trends and issues in corporate governance practices, in particular related to Government of Canada guidance or recommended practices or policies for Federal Crown Corporations;
- 12.2 Review the Corporate Governance Framework on an annual basis, and if necessary, propose revisions for Board approval from time to time;
- 12.3 Review DCC's By-Laws at least once every five years, and recommend any amendments to the Board for approval;
- 12.4 Review the Charter of the Board and the Charters of all Committees of the Board at least once every three years, and recommend any amendments to the Board for approval;
- 12.5 Review the corporate governance section for inclusion in DCC's Annual Reports and make recommendations to the Board as to any amendments thereto;
- 12.6 Establish and maintain a Board Assessment or Evaluation process to assess, in particular, the effectiveness of the Board as a whole, its committees, and the contribution of individual directors (including the competencies and skills that each individual director is expected to bring to the Board). Administer this process, including any proposed revisions to the questions, as appropriate. In consultation with the Chair of the Board, the Chair of this Committee is to analyse the results and provide a report on this assessment to the Board;
- 12.7 Ensure that new Board members receive appropriate orientation and that continuing Board members have access to appropriate continuing education opportunities. Track and report to the Board on such activities as they occur;
- 12.8 Ensure that the Board has the necessary structure to function effectively and independently of management. Rely on DCC Management to provide Committee with timely information, including successes and challenges;
- 12.9 Review the Board's Code of Conduct at least once every three years, and, if appropriate, propose revisions for Board approval from time to time;

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- 12.10 Review DCC's Code of Business Conduct for employees at least once every three years and, if appropriate, propose revisions for Board approval; and annually review the statistics and matters related thereto, as part of DCC's Integrity Management Framework;
- 12.11 Discuss and make recommendations, as appropriate, to the Board regarding DCC's Annual Public Meeting;
- 12.12 Review and approve the Board's expenses annually;

#### HUMAN RESOURCES

- 12.13 Advise on the strategic alignment of HR policies and practices with Corporate objectives;
- 12.14 Review and recommendation for Board approval, the HR Strategic Plan, once every five years; and, on an annual basis, review the status of key HR objectives, plans and workforce requirements, and monitor the implementation of same;
- 12.15 Ensure DCC has appropriate HR strategies, policies and practices in place with respect to employees, including senior management, in particular those related to: Recruitment and retention; Diversity; Healthy Workplace, including Mental Health; Training and Development; Total Compensation; Performance Evaluations; Travel, Hospitality, Conference and Events Expenditures;
- 12.16 Ensure, on behalf of the Board, DCC's compliance with the reporting requirements under applicable legislation, for example: employment equity, diversity, official languages, accessibility, and *Public Servants Disclosure Protection Act*;
- 12.17 Review, and make recommendations, as appropriate, to the Board, succession plans for executive management and critical positions on an annual basis;
- 12.18 Review and make recommendations, as appropriate, to the Board, any change in DCC's organizational chart which results in a significant change in responsibilities of any member of DCC's Executive Management Group, such as a transfer, removal or addition of activities;
- 12.19 Review the compensation budget for employees and senior management and make recommendations to the Board, as appropriate, on an annual basis;
- 12.20 Support the Chair of the Board in the application of the Privy Council Office's Performance Management Program for Chief Executive Officers of Crown Corporation Guidelines;
- 12.21 In consultation with the President and CEO, review and recommend to the Board for approval the President and CEO's proposals and recommendations related to DCC's Corporate Officers such as:
  - Appointment and reappointment
  - Compensation
  - Promotion

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### NOMINATIONS

- 12.22 Maintain relevant corporate documents and provide advice and make recommendations to the Board for amendments thereto, where necessary, including the following:
- Chair of the Board Selection Criteria
  - President and CEO Selection Criteria
  - Board Director Profile
- 12.23 Participate in the Governor in Council Appointment Process, as required.

### **REPORTING**

13. The Committee will report its activities to the Board in a timely manner and seek guidance from the Board on matters relating to the work of the Committee.

### **RESOURCES**

14. DCC Management will make available to the Committee those resources needed to carry out its mandate.

### **CHARTER APPROVAL**

15. Through the Governance and Human Resources Committee, the Board will review this Charter at least once every three years and, if required, revise this Charter from time to time.
16. This Charter was approved by the Board of Directors at the meeting held March 7, 2019.