



GOVERNANCE AND HUMAN RESOURCES COMMITTEE CHARTER

APPROVED BY THE BOARD OF DIRECTORS ON MARCH 11, 2015

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;
- 1.3 Leading the Board in its review and assessment of the Board's performance;

HUMAN RESOURCES

- 1.4 Ensuring that DCC's core human resources policies are sound, that they follow appropriate Government of Canada guidance and comply with applicable legislation;
- 1.5 Ensuring appropriate human resources processes are in place relating to Officers of the Corporation;

NOMINATIONS

- 1.6 Participating in the process of Order in Council appointments or re-appointments for the Corporation;
- 1.7 Ensuring that the Board member composition and competency is appropriate; and

OTHER

- 1.8 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.

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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.
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 invite other members of the Board or other parties, such as DCC employees or Officers of the Corporation, to attend all or part of meetings of the Committee to assist and advise the Committee, as required.
10. The Committee shall hold *in camera* sessions at each meeting.
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 developments in corporate governance practices, in particular related to Government of Canada guidance or recommended practices or policies;
- 12.2 Review DCC's By-Laws at least once every five years, and recommend any amendments to the Board for approval;
- 12.3 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;
- 12.4 Review the statement of corporate governance principles and practices annually for inclusion in DCC's Annual Report and make recommendations to the Board any amendments thereto;
- 12.5 Establish and maintain a Board Assessment 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 at least once every two years. 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;

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- 12.6 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;
- 12.7 Ensure that the Board has the necessary structure to function effectively and independently of management;
- 12.8 Annually review DCC's Code of Business Conduct statistics and matters related thereto, as part of DCC's Integrity Management Framework;
- 12.9 Confirm that the Senior Officer report prepared in accordance with the *Public Servants Disclosure Protection Act* has been submitted to the Public Sector Integrity Commissioner;

HUMAN RESOURCES

- 12.10 Ensure DCC has appropriate HR policies in place, in particular those policies related to:
 - Recruitment and retention
 - Travel and hospitality expenses
 - Diversity
 - Official languages
- 12.11 Review, comment and report annually to the Board on DCC's executive management succession planning and processes;
- 12.12 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;
- 12.13 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
 - Any major organizational reporting structure changes

NOMINATIONS

- 12.14 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
- 12.15 Participate in the Government of Canada selection process and provide recommendations on the appointment or reappointment of the Chair and of the President and CEO, as well as of members of the Board, where and when appropriate and/or as requested.

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.

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RESOURCES

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

CHARTER APPROVAL

15. This Charter was approved by the Governance and Human Resources Committee at the meeting held January 30, 2015.