

---

**New Brunswick Investment Management Corporation (NBIMC)**  
**Terms of Reference – Human Resources and Compensation Committee**

## **1. Introduction and Purpose**

---

The New Brunswick Investment Management Corporation Act (the “Act”) provides that:

- ▶ The remuneration of the President is to be established by the by-laws of the Corporation (s. 12(4))
- ▶ The employees of the Corporation are to be appointed in accordance with the staff requirements and the mode of appointment established by the by-laws (s. 13(1))
- ▶ The remuneration and other conditions of employment of the employees of the Corporation are to be established by the by-laws of the Corporation (s. 13(2)), and
- ▶ The Public Service Superannuation Act applies to employees of the Corporation (s. 13(3)).

Section 23(1) provides that “The Corporation may, subject to the approval of the Lieutenant-Governor in Council, make by-laws for the control and management of the business and affairs of the Corporation.”

The Board of Directors of the NBIMC has established the Human Resources and Compensation Committee (HRCC) to assist the Board in fulfilling its obligations relating to the compensation of Management and Directors, leadership succession and human resources policies and practices to attain the NBIMC’s strategic goals and to perform other human resources related duties set out herein or as otherwise determined by the Board from time to time.

These terms of reference are designed to articulate and clarify the delegated responsibilities of the HRCC.

## **2. Duties and Responsibilities**

---

Subject to the powers and duties of the Board, and to the requirements of the New Brunswick Investment Management Corporation Act (the “Act”), the Human Resources and Compensation Committee will perform the following duties in relation to the NBIMC, as may be appropriate in the context:

### **2.1 Evaluation of the President**

The HRCC will:

- (a) Require that a Performance Evaluation Process for the President be completed by the Directors semi-annually in September and in April of each fiscal year.

- (b) Review and recommend to the Board for approval the President's goals and objectives annually, developed by the President with input from the Board Chair and the HRCC
- (c) Review and recommend the proposed salary adjustment and Incentive Compensation Award for the President annually taking into consideration the results of the Performance Evaluation for the President
- (d) Review with the President any significant outside board commitments that the President is considering before the commitment is made. This does not include commitments to act as a director or trustee of not-for-profit organizations or charitable causes.

## **2.2 Compensation and Employee Benefits**

Bearing in mind the NBIMC's business objectives, operations and risks, the HRCC will review and recommend to the Board:

- (a) Any changes to the compensation philosophy and framework for the NBIMC
- (b) Any changes to the compensation ranges for all positions
- (c) Any changes to the incentive compensation plans for employees
- (d) The President's proposed annual salary and benefits expenses in the annual budget and the year-end Incentive Compensation pool for all employees
- (e) Material\* changes to employee benefits or employee travel and expenses policies, and
- (f) Directors and Officers' compensation disclosure in the Annual Report.

The HRCC will also receive reports from Management annually as to other changes made to employee benefits or employee travel and expense policies.

## **2.3 Severance**

The HRCC will review and approve all severance arrangements for Officers or members of Management reporting directly to the President.

## **2.4 Code of Business Conduct and Ethics**

The HRCC will investigate and recommend a resolution to the Board of any issues or concerns referred to it by the Governance Committee (as the point of entry for any complaints or concerns) arising from complaints under the Code of Business Conduct and Ethics that may relate to personnel matters or internal controls relating to human resources policies or benefits. Depending upon the nature of the complaint, the HRCC may also delegate the investigation and resolution of the complaint to Senior Management.

## **2.5 Organizational Structure**

The HRCC will review and recommend to the Board, when warranted:

---

\* Material for these purposes means any change that produces a change in the relevant costs that exceeds the lower of 10% of current costs and \$200,000, as well as any change of strategic importance to the organization.

- (a) Major changes in the organizational structure of Management
- (b) Position descriptions for Senior Management (Vice-Presidents and above)
- (c) Appointment of Officers.

## **2.6 Leadership Development and Succession**

The HRCC will, annually and before the President's discussion of those plans with the Board, review the President's succession plans for Officers or members of Management reporting directly to the President, including emergency replacement plans, President recruitment guidelines, specific development plans and career planning for potential successors.

The HRCC will also review the President's succession plans for other "mission critical" positions within the organization.

## **2.7 Human Resources Planning and Policies**

The HRCC will:

- (a) review and approve material<sup>1\*</sup> changes to Human Resources Policies
- (b) receive reports from Management annually as to other changes made to Human Resources Policies
- (c) ensure that Management has appropriate long range human resources plans, strategies and policies in place to attract and retain talented employees, including recruitment, training, performance management and related matters; an annual report on the organization's long range human resources plans, strategies and policies will be also be provided to the Board by the President

## **2.8 Compliance Monitoring**

The HRCC will annually review a report from the President on the NBIMC's performance and compliance under applicable employment legislation, including but not limited to employee safety.

## **2.9 Risk Management**

The HRCC provides oversight of the Corporation's risk management systems relating to the identification, evaluation, management and monitoring of risks relating to the organization's:

- ▶ leadership, performance and integrity of the President of the Corporation
- ▶ ability to attract and retain qualified and motivated people at all levels of the organization
- ▶ leadership development and succession
- ▶ credibility and reputation for prudence and sound business practices (in human resources matters).

---

\* Material for these purposes means any change that produces a change in the relevant costs that exceeds the lower of 10% of current costs and \$200,000, as well as any change of strategic importance to the organization.

## **2.10 Annual Committee Objectives**

In consultation with the Board Chair, formulate annual objectives for the HRCC for each fiscal year and annually review progress against them at the April committee meeting.

## **2.11 Other**

The HRCC will carry out such other duties as may be determined by the Board from time to time.

The HRCC may retain consultants to provide advice regarding compensation or human resources issues at the NBIMC's expense.

The HRCC retains the opportunity to undertake exit interviews with the President or members of Management reporting directly to the President.

In co-ordination with the Governance Committee, the HRCC shall annually review and assess the adequacy of its mandate in relation to evolving best practices and evaluate its effectiveness in fulfilling its mandate.

## **3. Committee Membership**

The Human Resources and Compensation Committee shall be composed of not fewer than three Directors. If possible, at least one member of the HRCC will have executive compensation experience. All committee members shall be independent of management of the Corporation.

The Board, after reviewing the Board Chair's recommendation, will appoint a chairperson for the Committee.

A quorum for the transaction of business at a meeting of the HRCC will be a majority of Directors appointed to the Committee. The Committee Chair will vote on matters requiring a decision, and will cast the deciding vote in the event of a tie.

Any Director who is a member of the HRCC may be removed and replaced at any time at the pleasure of the Board.

The Board Chair will be an ex officio member of the HRCC.

Board members who are not committee members may attend HRCC meetings but will not have the right of vote on matters requiring decisions.

## **4. Committee Meetings**

The Human Resources and Compensation Committee shall meet at least quarterly, with additional meetings at the discretion of the Committee Chair or at the request of a majority of the committee members.

External human resources consultant(s) may be invited to make presentations to the Committee as appropriate.

#### **5. Accountability**

The Human Resources and Compensation Committee shall prepare a written report of its discussions and decisions for inclusion in the Board's meeting package.

#### **6. Committee Timetable**

The timetable on the following pages outlines the Human Resources and Compensation Committee's annual schedule of activities.