



## HUMAN RESOURCES COMMITTEE CHARTER

### 1. **Mandate**

1.1 The mandate of the Human Resources Committee (the “**Committee**”) is to assist the Board of Directors (the “**Board**”) of Canada Mortgage and Housing Corporation (“**CMHC**” or the “**Corporation**”) in fulfilling its responsibilities with respect to the effective implementation and application of sound human resources policies.

### 2. **Composition and Appointment**

#### 2.1 *Composition*

- (a) The Committee shall be comprised of at least three members of the Board. All Committee members shall be members of the Board. The Committee shall not include the President.
- (b) Committee membership will be reviewed annually by the Corporate Governance and Nominating Committee to ensure the Committee as a whole includes members with the experience and expertise required to fulfill the Committee’s mandate.

#### 2.2 *Appointment*

- (a) The Board, upon recommendation of the Corporate Governance and Nominating Committee, shall appoint Committee members and the Chair of the Committee.

### 3. **Meetings**

#### 3.1 *Timing*

- (a) The Committee shall hold at least two regularly-scheduled meetings per year.
- (b) The Chair of the Committee, or two members of the Committee, may convene additional meetings.

#### 3.2 *Quorum*

- (a) Two directors shall constitute a quorum of the Committee. In the case of a conflict of interest or lack of quorum, the Chair of the Committee shall identify, subject to approval by the Chair of the Board, or in the Committee Chair’s absence, the Chair of the Board shall identify an alternate member of the Board to stand in the place of the absent Committee member for the purposes of that particular matter or meeting and that alternate member shall be entitled to vote in respect of the matter or at the meeting in question.

### 3.3 *Notice and Attendance*

- (a) The President will attend the meetings, unless otherwise requested.

### 3.4 *In Camera Meetings*

- (a) The Committee may meet separately at each regularly-scheduled meeting with selected members of management as considered necessary by the Committee. Any member of the Committee may request that any meeting, or a part thereof, be held without management present.

### 3.5 *Chair of the Committee*

- (a) The Chair of the Committee shall preside over all Committee meetings.
- (b) In addition, the Chair of the Committee shall:
  - (i) Coordinate the Committee's compliance with this mandate as set forth in this Charter; and
  - (ii) Work with management to develop the Committee's meeting agendas and annual work plan.
- (c) The Chair of the Committee may vote on any matter requiring a vote and shall be entitled to cast a second vote in the case of a tie.
- (d) In the event of the absence or incapacity of the Chair of the Committee, the Board Chair will designate a different member of the Committee to act as Committee Chair on an interim basis.

### 3.6 *Secretary*

- (a) The Corporate Secretary or, in the absence of the Corporate Secretary, the Assistant Corporate Secretary of the Corporation shall act as the Secretary of the Committee.

## 4. **Authority**

4.1 The Committee has the authority to conduct or authorize a review of, or investigations into, any matters within the scope of its mandate. Without limiting the foregoing, it has the authority to:

- (a) Retain outside legal counsel, consultants or other advisors, on behalf of and at the cost of the Corporation, as the Committee deems necessary, to advise the Committee or to assist in the conduct of an investigation or fulfilling its responsibilities set out in this Charter;
- (b) Require any information relevant to its mandate from (i) any officer or employee of the Corporation and (ii) any party external to the Corporation which is answerable to the Corporation;

- (c) Obtain full, free, and unrestricted access to the officers of the Corporation and to inside and outside counsel of the Corporation, as necessary and relevant to the Committee's mandate;
- (d) Obtain access to continuing education programs to assist the Committee in fulfilling its responsibilities, and the Corporation shall provide appropriate funding for such programs; and
- (e) Request the input of other Board committees on any aspect of the Committee's mandate.

## **5. Duties and Responsibilities**

The Committee will carry out the following duties and responsibilities, as well as any other activities related to its mandate that are requested by the Board from time to time:

### **5.1 *Human Resources Policy Framework***

- (a) Advise on the strategic alignment of human resources policies and practices with corporate and strategic objectives, corporate performance, and human resources risks;
- (b) Review and recommend to the Board for approval, the policy framework governing all human resources matters;
- (c) Review annually the overall effectiveness of the Corporation's talent management strategy, and recommend to the Board actions as appropriate;
- (d) Ensure that adequate policies and processes are in place to identify, assess and manage human resources risks, engaging the Risk Management Committee as appropriate; and
- (e) Review the performance management process and evaluate its effectiveness.

### **5.2 *Compensation Policies, Programs and Plans***

- (a) Review and make recommendations to the Board regarding the annual total compensation plan for the Corporation;
- (b) Review and make recommendations to the Board regarding the Pension Plan design, Pension Plan Rules, and any amendments thereto; and
- (c) Review and make recommendations to the Board regarding the policies governing the administration of the Pension Plan Rules and corporate and employee contribution rates.

### **5.3 *Corporate Incentive Award***

- (a) In collaboration with the Corporate Governance and Nominating Committee, annually review and recommend to the Board for approval:

- (i) The corporate priority objectives matrix used to establish the corporate incentive awards; and
- (ii) The corporate incentive award percentage based on the Corporation's performance against objectives.

#### 5.4 *Appointments, Succession Planning and Remuneration of Executive Officers*

- (a) Review and recommend to the Board remuneration scales (and ranges) and other benefits for the Executive Officers and the Vice-President, Audit and Evaluation;
- (b) Review and recommend to the Board the appointment and dismissal of the Executive Officers and the Vice-President, Audit and Evaluation, in consultation, as may be required, with the Audit and Risk Management Committees, with respect to the positions of Vice-President, Audit and Evaluation and Chief Risk Officer respectively; and
- (c) Review regular reporting from the President on the evaluation, development and succession of the Executive Officers and the Vice-President, Audit and Evaluation, also in consultation with other Committees, as appropriate.

#### 5.5 *Management Effectiveness*

- (a) Review and regularly update, as required, a "skills matrix" for management.
- (b) Review and regularly update, as required, a process to evaluate annually management performance, with performance evaluations to include, in consultation with the Risk Management Committee, regulatory risk findings.

### 6. **Accountability**

#### 6.1 The Chair of the Committee will:

- (a) Regularly report to the Board on its activities and the issues it has considered, and with such recommendations as are deemed appropriate;
- (b) Review and reassess the adequacy of these terms of reference as set out in this Charter at least annually and recommend any changes, in consultation with the Corporate Governance and Nominating Committee, and the Board for approval; and
- (c) Conduct an annual evaluation of the Committee to assess its contribution and its effectiveness in fulfilling its mandate, and submit a report to the Board.