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# Human Resources Committee Charter

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## Audience:

All Directors of Coast Capital Savings Federal Credit Union (“Coast Capital”)

Version	Approved by	Date
1.00	Board of Directors	February 29, 2012
1.01	Board of Directors	October 1, 2014
1.02	Board of Directors	October 1, 2015
1.03	Board of Directors	September 28, 2016
1.04	Board of Directors	September 27, 2017
1.05	Board of Directors	September 26, 2018
1.06	Board of Directors	June, 2019
1.07	Board of Directors	October 17, 2019
1.08	Board of Directors	May 14, 2020
1.09	Board of Directors	September 17, 2021
1.10	Board of Directors	June 8, 2022
1.11	Board of Directors	June 6, 2023
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Property of Coast Capital Savings Federal Credit Union  
Owner: Chief Legal, Regulatory & Corporate Affairs Officer  
Prepared by: Legal Department

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# 1. About the Charter

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**Purpose** The Board of Directors of Coast Capital Savings Federal Credit Union (“Coast Capital”) (the “Board”) has delegated to the Human Resources Committee (the “Committee”) the responsibilities and authority outlined in this Charter.

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**Role of Committee** The Committee is responsible for:  
Providing a forum for ‘big picture’ oversight of the Human Resources Strategy as it underpins the People side of Coast Capital’s corporate strategy.

- Reviewing, recommending or approving, as required, the appointment, compensation, evaluation, succession planning and, if necessary, termination of the Chief Executive Officer (the “CEO”) and, where appropriate, members of the Executive Committee (“ExCo”).

Establishing appropriate standards of business conduct and ethical behavior for Coast Capital, its directors, officers and employees, ensuring monitoring and compliance with those standards, and promoting the ongoing education and enhancement of those standards.  
Fulfilling the legal requirement of having a conduct review committee and performing all the duties required of such a committee in the *Bank Act* and regulations.

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# 2. Composition

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**Election** The Committee members are elected by the Board at the first meeting of the Board following each Annual General Meeting (the “AGM”), and otherwise as required.

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**Number** The Committee has at least three members.

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**Qualifications**

- All members of the Committee must be independent directors, as defined in the Coast Capital Savings Federal Credit Union Rules (the “Rules”) and the independence standards established by the Board.
- At least one member of the Committee must have relevant experience related to human resources and executive compensation, which may include, without limitation, experience in human resources management, or as a chief executive officer.

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**Chair** The Committee elects the Chair by a majority of the Committee at the first meeting of the Committee following the AGM, and otherwise as required.



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## 3. Responsibilities

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### Strategy

1. Monitor the development and provide oversight of the Human Resources Strategy as it underpins the People side of Coast Capital's corporate strategy.
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### Compensation Policy and Structure

2. Review and recommend to the Board the Compensation Policy, including the Compensation Philosophy and guiding design principles for Production Based Commission Plans, ensure adequate policies and procedures are in place for its implementation.
3. Annually review and recommend to the Board the proposed plan metrics (including threshold targets and maximums) for the annual Executive and Non-Executive Short Term Incentive Plans (the "STIP") and the Executive Long Term Incentive Plan (the "LTIP").
4. Every two years, obtain input from an external compensation consultant on the salary levels of Executives and Material Risk Takers.
5. Quarterly review reporting on any metrics included in the STIP and LTIP.
6. Review and recommend to the Board the annual STIP and LTIP results and each of the total STIP and LTIP payouts for the organization.
7. Annually review and recommend to the Board the annual targeted payouts for production-based commission plans (as part of the annual AOP process).
8. Report as required, any deviations from approved production based commission plan design or variance to amounts approved in the annual AOP process.
9. Review and approve any special bonuses or incentive plans outside of the annual STIP and LTIP programs exceeding the CEO's authority.
10. Review and approve employee benefits programs providing for preferred terms and conditions on loans and other financial services, and any significant changes thereto.
11. Satisfy itself that risks associated with human resources and compensation, in particular with respect to the design of the performance component of the compensation of the CEO and ExCo, are appropriately identified, assessed and managed, seeking the advice of the Chief Risk Officer (the "CRO").
12. Review input annually from the CRO and the Risk Review Committee (the "RRC") on Coast Capital performance against the Risk Appetite Statement, adherence to the FSB Principles for Sound



Compensation Practices, as well as ensuring that compensation practices align with OSFI Culture and Behavior Risk Guidelines. The Committee may use these inputs, amongst other things, as part of the compensation process.

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**Succession and Talent Management**

13. Approve and oversee the succession planning and leadership development initiatives of the CEO, ExCo, and other critical positions, including the heads of the oversight functions (CRO, Chief Compliance Officer<sup>1</sup> (“the CCO”), the Chief Financial Officer (the “CFO”) and the Chief Internal Auditor<sup>2</sup> (the “CIA”) upon consultation with the RRC or the Audit & Finance Committee (the “AFC”) as appropriate.
  14. Ensure that future vulnerabilities to the organization are identified with respect to staff and skills requirements.
  15. Develop and review at least annually for Board approval, the Future CEO Development profile as a guide to succession planning and leadership development.
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**Employee Engagement**

16. Annually review the employee engagement survey methodology and results and the ensuing action plans developed by management.
  17. Review, at least annually or as necessary, insight derived from exit interviews of management.
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**Compliance and Disclosure**

18. Review an annual compliance report from management regarding obligations with respect to employee benefits, and funding obligations and compliance with the terms of pension plans and group RRSPs.
  19. Approve any disclosure in relation to human resources practices and executive compensation before public disclosure.
  20. At least every three years, confirm that Coast Capital has a Senior Management approved policy on background checks for directors and senior management.
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**President & CEO**

21. Recommend to the Board the appointment and termination of the CEO.
22. Every three years, review and recommend to the Board, updates to the CEO Job Description.
23. Every three years, review and recommend to the Board, the CEO Leave of Absence, Transition & Onboarding Playbook.

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<sup>1</sup> The Chief Compliance Officer is the Chief Risk Officer.

<sup>2</sup> The Chief Internal Auditor is the Vice-President, Internal Audit



24. At least every three years, review the CEO Contract to ensure it remains current with best practice and market conditions, and recommend any changes to the Board.
25. Develop and recommend to the Board an appropriate evaluation process for the CEO's performance.
26. Annually develop, in consultation with the CEO and the Board, the annual goals, objectives, STIP and LTIP, and competencies for their performance, for approval by the Board.
27. Monitor the CEO's performance relative to the goals and objectives.
28. Evaluate the CEO's performance through conducting:
  - a) A mid-year evaluation of performance relative to the STIP goals.
  - b) An annual evaluation, in consultation with the Board, of the CEO's performance measured against the annual goals and objectives, and provide the performance evaluation results to the Board Chair.
29. Annually set development plans for the CEO based on their performance evaluation and the future needs of the organization.
30. Recommend to the Board the annual CEO compensation package, including STIP and LTIP plans.
31. Review the CEO's STIP and LTIP results and recommend the CEO payout to the Board.

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**Executive  
Committee**

32. Upon the recommendation of the CEO:
  - a) Confirm the appointment and termination of members of ExCo except for roles addressed in (b); and
  - b) Provide input to the RRC and AFC on the appointment and termination of heads of oversight functions where the RRC Charter or AFC Charter govern the appointment or termination; and
  - c) Review and recommend to the Board proposed changes to the organization of ExCo prior to implementation.
33. Ensure that the CEO has an adequate process in place to evaluate individual ExCo members and review the CEO's performance evaluations for individual ExCo members.
34. Review and approve the form and content of the compensation of ExCo and the CIA, including benefits and perquisites, LTIP and STIP, after considering the performance reviews and recommendations of the CEO, and the performance reviews of the RRC and AFC as applicable for the heads of the oversight functions, and market conditions.
35. Review ExCo's STIP and LTIP results and recommend the ExCo payout to the Board.



36. Review and approve the retirement and severance arrangements of departing members of ExCo.
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**Conflicts of Interest & Code of Conduct**

37. Establish and review, at intervals of not more than two (2) years, written policies and procedures relating to:
    - a) The prevention and resolution of conflicts of interest.
    - b) Techniques for the identification of potential conflict of interest situations and for restricting the use of confidential information.
  38. Annually review and recommend to the Board for approval the Code of Conduct and Business Ethics Corporate Policy.
  39. Every three years, in conjunction with the Governance and Nominations Committee, review the Directors Code of Conduct and Conflict of Interest Policy.
  40. Review quarterly reporting of non-compliance and/or infractions of policies and procedures relating to the approved standards of business conduct and ethical behavior and relevant standards and regulations.
  41. Seek assurance that all policies and procedures adopted by the Committee are communicated to all persons responsible for their implementation.
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**Director Conduct**

42. In the second quarter of the calendar year, review the forms and policies that directors are required to sign on an annual basis and recommend changes to the Board as necessary.
43. In the third quarter of the calendar year, ensure that all directors formally acknowledge the Director's Acknowledgement and the policies referred to therein by signing and returning that document to the Chief People Officer ("CPO").
44. Review the actions of any director and make a determination that the director:
  - a) Breached or violated the Rules, Director Code of Conduct & Conflict of Interest Policy, or any other codes and policies as that



director may become subject to as a director of Coast Capital from time to time.

- b) Breaching the confidentiality of any proceedings, deliberations, or information of the Board.
  - c) Failed to meet the standards for directors set out in the Directors Code of Conduct & Conflict of Interest Policy.
  - d) As a candidate for election as a director, violated the Campaign Regulations or the Rules.
45. Where a determination made under paragraph 44 of this Charter, refer the matter to the Board for consideration.
46. Ensure that:
- a) The handling of Director conduct issues complies with the Policies and Procedures Relating to Director Review.
  - b) The Office of the Superintendent of Financial Institutions (“OSFI”) receives information as it requires concerning director conduct.
47. Report to the Governance & Nominations Committee the number of non-independent directors as defined by s. 13.6 of the rules and the Director Independence Policy.
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**Related Party Transactions**

- 48. At least every two years, review and approve the Related Party Transactions Policy, including materiality criteria for related party transactions.
  - 49. Annually review the procedures established by management for complying with Part XI: Self-Dealing of the Bank Act and their effectiveness.
  - 50. Approve related party transactions that require the Committee’s approval pursuant to the Related Party Transactions Policy.
  - 51. Report to the Board after each meeting of the Committee on the matters reviewed by the Committee concerning related party transactions, including the particulars of all Committee approved related party transactions.
  - 52. Recommend to the Board the report to OSFI, due within 90 days of the end of each fiscal year, on the activities of the Committee in carrying out its responsibilities under subsection 195(3) of the Bank Act.
  - 53. Review quarterly a summary of directors’ expenses as they relate to potential conflicts of interest or payments to related party corporations.
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- General**
54. At least every three years, review, recommend and approve, as required, the Board policies for which the Committee has oversight as per the Corporate Documents Governance Framework.
  55. Annually review the Committee to assess its contribution and effectiveness in fulfilling its duties as set out in this Charter.
  56. Annually review this Charter, and the Rolling Agenda, and recommend changes to this Charter to the Governance & Nominations Committee as necessary.
  57. Perform such other functions and tasks as may be legally required or delegated to the Committee by the Board.
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## 4. Meetings

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- Meeting Schedule**
- The Committee meets at least once in each quarter, and otherwise meets at the call of the Committee Chair.
- Where the Chief Internal Auditor<sup>3</sup> (the “CIA”) or the External Auditors have made a report or have a duty or function in relation to which the Committee has called a meeting, the CIA or the External Auditors, as the case may be, shall receive notice of the meeting and have a right to attend and be heard at the meeting.
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- Quorum**
- A majority of Committee members constitutes quorum.
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- Agenda**
- The Committee Chair, in consultation with the CPO and other resources, develops a twelve-month Rolling Agenda and an agenda for each Committee meeting.
- The Committee members receive the meeting agenda and supporting materials in advance of each meeting of the Committee. The agenda of each meeting shall include provision for an *in camera* session with the CPO, the CEO, and any other selected members of management as considered necessary.
- The agenda of each meeting shall include provision for an *in camera* session with independent directors only.
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- Minutes**
- The Assistant Corporate Secretary maintains and keeps minutes of all meetings of the Committee.
- The Assistant Corporate Secretary prepares the minutes for review by the Committee Chair and the CPO. The Committee approves the minutes and provides a copy to the Board.

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<sup>3</sup> The Chief Internal Auditor is the Vice-President, Internal Audit



## 5. Resources

### Authority

The Committee may:  
 Engage internal and external resources as needed to assist in the execution of its responsibilities.  
 Invite to its meetings any director, member of management, and other persons it deems appropriate in order to carry out its responsibilities and may exclude from its meetings any persons it deems inappropriate in order to carry out its responsibilities.  
 Initiate an investigation as required, and report findings and recommend appropriate remedies to the Board as necessary.  
 Request a special meeting of the Board if any matter brought to the Committee's attention requires such action.  
 The Committee pre-approves any services provided to Coast Capital or its subsidiaries by a compensation consultant engaged by the Committee.

### Lead Executive

The Lead Executive to the Committee is the CPO.

### Other Resources

Additional resources to the Committee include the CEO, Chief Legal, Regulatory and Corporate Affairs Officer, CRO, CIA, Assistant Corporate Secretary, and other internal resources, as required.  
 The Committee may engage, under its sole authority, independent counsel, consultants, and advisors, as needed, and has the sole responsibility to the Board for approving the fees, terms and conditions, and termination of any such engagement.

## 6. Charter Governance

Role	Responsibilities	Cycle
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Review and approve this Charter and any amendments.</li> </ul>	Annually
<b>Governance &amp; Nominations Committee</b>	<ul style="list-style-type: none"> <li>Review and recommend this Charter and any amendments to the Board of Directors.</li> </ul>	Annually
<b>Human Resources Committee</b>	<ul style="list-style-type: none"> <li>Review and recommend this Charter and any amendments to the Governance &amp; Nominations Committee.</li> </ul>	Annually
<b>Chief Legal, Regulatory &amp;</b>	<ul style="list-style-type: none"> <li>Owns this Charter.</li> <li>Review and recommend this charter and amendments to the Human Resources Committee.</li> </ul>	Annually



Role	Responsibilities	Cycle
Corporate Affairs Officer		
VP, Enterprise & Operational Risk Management	<ul style="list-style-type: none"> <li>Provide review, advisory and effective challenge of the Charter and related internal controls.</li> </ul>	Annually
Enterprise Risk Management	<ul style="list-style-type: none"> <li>Ensures the review and approval of the Charter complies with the <a href="#">Corporate Document Governance Framework</a>.</li> </ul>	Annually
Internal Audit	<ul style="list-style-type: none"> <li>Review this Mandate when updates resolve an Internal Audit or OSFI finding. At all times, Internal Audit takes precautions to maintain its independence.</li> </ul>	Annually

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**Next Review Date**

Human Resources Committee: May 2024  
 Governance & Nominations Committee: May 2024  
 Board of Directors: June 2024

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**Related Documents**

**Mandates and Charters**

- Board of Directors Mandate
- Committee Chair Charter
- Director Mandate

**Frameworks and Policies**

- Code of Conduct and Business Ethics Corporate Policy
- Director Independence Policy

**Other**

- Coast Capital Savings Federal Credit Union Rules
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