

# Human Resources Committee Mandate VIA Rail Canada Inc.

## 1. PURPOSE

The Board of Directors (“Board”) has delegated to the Human Resources Committee the responsibility for oversight and monitoring of the following:

- 1.1 the performance evaluation and compensation of the President & Chief Executive Officer;
- 1.2 the performance evaluation and compensation of Executive Officers;
- 1.3 the design and implementation of employee compensation, incentives, benefits and retirement plans;
- 1.4 the effectiveness of the organizational structure;
- 1.5 the design and implementation of management’s development and succession plans;
- 1.6 the management of employee and labour relations, including negotiation mandates for unionized employees;
- 1.7 the occupational health & safety framework;
- 1.8 the design and implementation of the human resources strategic plan; and
- 1.9 the risk identification, evaluation and treatment related to each topic listed above.

## 2. COMPOSITION

- 2.1 The Committee shall be appointed by the Board and consist of at least three (3) directors of the Corporation.
- 2.2 The Chairperson of the Committee shall be appointed by the Chairperson of the Board.
- 2.3 Each member of the Committee shall be literate in human resources matters, or shall become so within a reasonable period of time after appointment to the Committee. “Literate in human resources matters” shall mean the ability to understand the impact and value of human resources matters such as compensation and employee benefits, employee relations and negotiation, organizational behavior and management development that present a breadth and

level of complexity relating to human resources issues that are generally comparable to the breadth and level of complexity that can reasonably be expected to be raised by the Corporation's operations.

- 2.4 The Chairperson of the Committee and at least one other member of the Committee shall have personnel or human resources management experience or knowledge.
- 2.5 The Chairperson of the Board and the President & Chief Executive Officer are ex officio members of the Committee and may attend Committee meetings at their discretion.
- 2.6 The membership of the Committee as well as the chairmanship shall be reviewed from time to time at the discretion of the Chairperson of the Board.

### 3. OPERATING PRINCIPLES AND PROCEDURES

- 3.1 **Chairmanship:** The Chairperson of the Committee shall preside at all meetings of the Committee.
- 3.2 **Absence of Chairperson of the Committee:** Should the Chairperson be absent or unable or refuse or fail to act, the members present may choose a chairperson from among their number unless the Chairperson has already appointed one of the directors to act as the chairperson for this specific meeting.
- 3.3 **Quorum:** A majority of members of the Committee shall constitute a quorum.

In the event any Committee member declares a conflict of interest with regards to any one or more matters under consideration by the Committee, such Committee member will not attend that portion of the meeting dealing with such matter(s) and the foregoing quorum requirement will be reduced by one (1) with regards to any decision or recommendation made with respect to such matter(s).

- 3.4 **Voting:** A matter to be recommended for approval at a meeting of the Committee shall be decided by consensus. If no consensus is reached in the opinion of the Chairperson of the Committee, the Chairperson of the Committee may call for a vote and such matter shall then be decided by a majority of the votes cast. In the event of an equality of votes, the members shall attempt to resolve the matter by further discussion; however, in the absence of agreement, the Chairperson of the Committee has a second vote.
- 3.5 **Frequency of Meetings:** The Committee shall meet at least four times annually, or more as required.
- 3.6 **In camera session:** At each Committee meeting, the Chairperson of the Committee shall determine if an in camera session is necessary.

- 3.7 Supplemental Attendees:** Any person who may possess information that would be useful to the Committee in carrying out its duties may be invited by the Chairperson of the Committee to attend any meeting of the Committee.
- 3.8 Reporting:** The Chairperson of the Committee shall report on its activities to the Board after each Committee meeting.
- 3.9 Review of Mandate:** The Committee shall review and assess annually the adequacy of its mandate in collaboration with the Chairperson of the Board, the President & Chief Executive Officer and the Corporate Secretary.
- 3.10 Self-assessment:** The Committee shall regularly conduct a self-assessment of its performance and the Chairperson of the Committee shall discuss the results with the Chairperson of the Board.
- 3.11 Outside Advisors:** Subject to approval of the Chairperson of the Board and the Corporate Secretary, the Committee has the authority to engage outside advisors including, but not limited to, legal counsels, consultants and other experts, as needed, to review any matter under its responsibility.
- 3.12 Workplan:** The Committee shall, in consultation with management, develop an annual workplan responsive to the Committee's responsibilities and duties.

#### **4. RESPONSIBILITIES AND DUTIES**

##### **4.1 President & Chief Executive Officer**

The Human Resources Committee shall review and recommend for approval to the Board:

- a) the President & Chief Executive Officer's annual objectives for submission to the Minister of Transport;
- b) the President & Chief Executive Officer's performance against its annual objectives , the annual performance incentive payout and the in range salary increase recommendation, in accordance with the standards and guidelines set by the Privy Council Office, for submission to the Minister of Transport; and
- c) the President & Chief Executive Officer's benefits and any modifications to such benefits.

##### **4.2 Executive Officers**

The Human Resources Committee shall review and recommend for approval to the Board:

- a) the appointment, terms and conditions of employment and termination of Executive Officers; and
- b) the Executive Officers' compensation framework, including salary ranges, incentive compensation, benefits plans and severance terms and conditions.

The Human Resources Committee shall review and assess:

- a) the Executive Officers' development plans; and
- b) the Executive Officers' individual objectives and performance against objectives.

#### **4.3 Employee Compensation & Benefits**

The Human Resources Committee shall review and recommend for approval to the Board:

- a) the labour relations negotiation mandates;
- b) the design of compensation, benefits, incentive and retirement plans and any material changes thereof;
- c) the performance measures and targets for the performance incentive program;
- d) the performance measures achieved as well as the incentive budget based on the Corporation's performance against objectives; and
- e) the annual salary budget and salary range adjustment for management and professionals.

The Human Resources Committee shall review and assess:

- a) the effectiveness of the performance management process; and
- b) the compensation policies, programs and plans to ensure that it promotes the achievement of the Corporation's objectives.

#### **4.4 Organizational Structure**

The Human Resources Committee shall recommend for approval to the Board any major changes in the organizational structure of management as proposed by the President & Chief Executive Officer.

#### **4.5 Management Development & Succession**

The Human Resources Committee shall review and assess:

- a) the succession plans for the Executive Officers, including the President & Chief Executive Officer, and succession plans for all critical and key positions;
- b) the development plans, talent retention and career development strategies for potential successors;
- c) the reports on management development and training programs; and
- d) the plan and processes in place to identify, develop and retain qualified talents.

#### **4.6 Employee Relations**

The Human Resources Committee shall review and assess:

- a) the reports on the results of employee engagement levels within the Corporation; and
- b) the reports on the relationship and proactive labour environment being developed with the unions, and examine all other material labour relations questions submitted to it.

#### **4.7 Occupational Health & Safety**

The Human Resources Committee shall review and assess the Corporation's occupational health and safety strategy and plan elaborated by management to promote the prevention of injury and illness and to ensure that programs are in place to minimize the health and safety risks in the workplace.

#### **4.8 Human Resources Strategic Plan**

The Human Resources Committee shall review and assess the long term strategies, including key Human Resources objectives, plans and workforce requirements, to enhance the Corporation's workforce and Human Resources function, having in mind strategic alignment with corporate objectives, and monitor the implementation of same.

#### **4.9 Risk Assessment**

The Human Resources Committee shall periodically review, identify, evaluate and assess the treatment of risks to which the Human Resources function is exposed, and provide its input to the Board, including risks relating to:

- a) employee attraction and retention;

- b)** employee engagement and performance;
- c)** succession planning and talent management;
- d)** labour relations matters;
- e)** occupational health and safety matters; and
- f)** any other risk related to Human Resources that may arise from time to time.