

## GOVERNANCE AND HUMAN RESOURCES COMMITTEE CHARTER

**APPROVED BY THE BOARD OF DIRECTORS ON MARCH 23, 2010**

### **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 Leading the Board in its annual review and assessment of the Board's performance;
- 1.3 Ensuring that DCC management has established appropriate policies and procedures relating to DCC's Code of Business Conduct;

#### Human Resources

- 1.4 Ensuring that DCC's core human resources policies are sound and appropriate for the Corporation;
- 1.5 Ensuring appropriate human resources processes are in place relating to Officers of the Corporation;

#### Nominations

- 1.6 Participating in the process of all 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. 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.
4. DCC's Corporate Secretary shall be Secretary to the Committee.

**GOVERNANCE AND HUMAN RESOURCES COMMITTEE CHARTER****MEETINGS**

5. 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 meeting may be called by any Committee member or by DCC management, as necessary.
6. A quorum for meetings of the Committee shall be a majority of its members.
7. 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.
8. 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.
9. 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.
10. The Committee shall hold *in camera* sessions at each meeting, as appropriate, with the President and CEO and non-members of the Committee attending these sessions only upon invitation of the Committee.
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 Regularly review DCC's By-Laws and make recommendations to the Board for amendments and updates;
- 12.3 Regularly review the Charters of the Board and of all Committees of the Board and recommend any amendments to the Board for approval;
- 12.4 Annually review and recommend to the Board the statement of corporate governance principles and practices for inclusion in DCC's Annual Report;
- 12.5 Establish and maintain a Board Assessment process, in particular, assess, at least annually, 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) utilizing this process and, in consultation with the Chair of the Board, analyse the results and provide a report on this assessment to the Board;

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- 12.6 Regularly report on the orientation and continuing education activities of Board members;
- 12.7 Develop and recommend to the Board for approval and periodically review structures and procedures designed to ensure that the Board can function effectively and independently of management;
- 12.8 Annually review DCC's Code of Business Conduct and matters related thereto;
- 12.9 Review the Senior Officer annual report prepared in accordance with the *Public Servants Disclosure Protection Act* prior to its submission to the Public Sector Integrity Commissioner;

Human Resources

- 12.10 Review and recommend to the Board for approval DCC's core human resources policies and monitor the implementation thereof including those policies related to:
  - Recruitment and retention
  - Travel and hospitality
  - Diversity
  - Official languages
- 12.11 Review, comment and report annually to the Board on the DCC's executive management succession planning and processes;
- 12.12 Regarding the annual performance review of the President and CEO, the Chair of the Board will adhere to the Privy Council Office's Performance Management Program Guidelines and consult the Committee and Board as appropriate;
- 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 Profile
- 12.15 Participate in the selection process and provide recommendations on appointment or reappointment of the Chair and of the President and CEO as well as of members of the Board, where appropriate and as requested.

**REPORTING**

- 13. The Committee will report to the Board at the next Board meeting scheduled after the Committee meeting, or more frequently as circumstances require, on its past and current activities, the costs incurred in administering the Committee process and the Committee's future plans, priorities and requirements. The Committee will also seek or receive any guidance or direction that may be required with respect to governance, human resources, Board appointment issues, or on any other matters relating to the work of the Committee.

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**RESOURCES AND AUTHORITY OF THE COMMITTEE**

14. Management will make available to the Committee those resources needed to carry out its mandate including staff assistance and funding for expenses.

**CHARTER APPROVAL**

15. This Charter was approved by the Board of Directors at the meeting held March 23, 2010.