

## Terms of Reference Governance, Human Resource & Compensation Committee

BC Assessment is a Crown Corporation established in 1974 and governed by the *Assessment Authority Act*. BC Assessment is accountable to the Provincial Government, its sole shareholder. BC Assessment was created for the purpose of establishing and maintaining an independent and uniform property assessment system throughout British Columbia. BC Assessment operates in accordance with the *Assessment Authority Act* and the *Assessment Act* to fulfill its mandate and, as a public body, has a responsibility to maximize its value to the shareholder and the citizens of British Columbia.

These Terms of Reference establish the Committee's governance framework and duties and responsibilities in fulfilling its oversight role in the public interest for the benefit of the citizens of British Columbia.

### 1. Purpose

The Governance, Human Resource & Compensation Committee (the "Committee") is responsible for ensuring that BC Assessment and its Board of Directors ("the Board") develop and implement an effective approach to corporate governance to enable the business and affairs of the organization to be carried out, directed, and managed with the objective of ensuring compliance with governance practices, sound ethical principles, and government direction. The Committee is further responsible for assisting the Board in ensuring that BC Assessment's long term 'People Strategy' includes the appropriate human resource strategies, practices and business requirements that:

- Attract, retain and motivate high calibre and engaged staff so as to encourage optimal performance and achievement of BC Assessment's strategic plan and statutory mandate, including the recruitment and evaluation of the President & Chief Executive Officer (CEO);
- Are consistent with BC Assessment's human resource needs;
- Motivate management to pursue BC Assessment's statutory mandate and organizational success consistent with government direction and policy; and
- Establish a compensation framework that responds to individual competence and performance.

## **2. Accountability**

The Chair of the Committee will report to the Board at each Board meeting on the matters before the Committee. Minutes of the Committee's meetings will be made available to all Directors through the Board Portal once approved by the Committee.

## **3. Composition**

The Committee will be comprised of no less than three members. Those members should be familiar with best practices in corporate governance, have significant prior Board experience, be familiar with good practices in human resources, including executive compensation, human resources planning, labour relations, recruitment and evaluation.

The Chair of the Committee is appointed by the Board on recommendation of the Board Chair, following appropriate consultation, including with the President & CEO and Board Vice-Chair.

Members of the Committee will be appointed by the Board Chair. Members of the Committee may be removed by the Board Chair. Committee Chairs may be removed by the Board, following recommendation of the Board Chair.

The Vice President, People and Corporate Secretary will provide staff support to the Committee.

## **4. Orientation**

The Corporate Secretary, in collaboration with the Chair of the Committee, will make arrangements for an orientation process for all new Governance, Human Resource & Compensation Committee members.

## **5. Meetings**

A quorum for any meeting of the Committee will be at least half of the members of the Committee.

Meetings will be held at the call of the Chair in accordance with the Committee Timetable that appears in **Appendix A**. Notice of a meeting may be given verbally or in writing (including electronically). Attendance at meetings is permitted either in-person (when offered) and remotely (digitally as available).

The CEO, Vice President, People and Corporate Secretary may attend all meetings of the Committee.

There will be a recording secretary for all Committee meetings.

## **6. Independent Advice**

The Committee may at any time, through the Corporate Secretary and following approval of the Board Chair, engage independent consultants to assist the Committee with its duties. Without limiting the foregoing, the Committee may, if deemed advisable, periodically appoint an independent consultant to advise on BC Assessment's Management Compensation Plan.

## **7. Duties and Responsibilities**

The Committee has the following duties and responsibilities:

### **7.1 Governance Framework**

The Committee ensures that the appropriate governance principles, structures, and procedures are in place to allow the Board to function effectively. The Committee:

- At least biennially, reviews BC Assessment's governance framework, including the Governance Manual, and advises the Board on recommended changes, best practices and current issues;
- Biennially reviews and recommends changes to the Terms of Reference for each Committee and the Board of Directors to ensure consistency, appropriateness, that the scope of responsibilities of the Board are addressed;
- Biennially reviews and recommends changes to the Terms of Reference for the Corporate Secretary and the CEO;
- Annually prepares and recommends for approval by the Board the future year's Board and Committee Work Plan and Board Education Plan;
- Oversees BC Assessment's ethics framework and annually reviews that framework to ensure that it remains current and appropriate;
- Ensures that the Board has a good understanding of the entities within government that participate in the governance of BC Assessment; and Monitors changes to legislation, government policy, and/or strategic direction (including the Mandate Letter) that affect the duties and responsibilities of the Board.

### **7.2 Meeting Preparation and Procedure**

On an ongoing basis, the Committee reviews and recommends to the Board changes to the procedures for meetings including:

- Board website and information management issues;

- The quality and content of meeting material provided; and
- Tools and options to ensure efficient, outcome-driven meetings.

### 7.3 Board and Director Evaluation

The Committee recommends to the Board the process for the annual review of the Board of Directors, the Committees, the Board Chair, Committee Chairs, and Directors.

The Committee supports and assists the Corporate Secretary to administer the annual review process.

The Committee biennially reviews its Terms of Reference to ensure that they continue to meet best practice and the needs of the Board.

As part of the annual Board evaluation process the Committee will assess its performance in carrying out its duties.

### 7.4 Board Composition and Succession Planning

The Committee:

- Through the Competency Matrix, identifies the ideal skills, qualifications, experience, and background required of the Board as a whole based on the strategic opportunities and challenges of BC Assessment and the Board's leadership requirements to develop the Board Competency Matrix;
- Having regard to the outcomes of the Board evaluation process, periodically updates and reviews the Board Competency Matrix and makes recommendations in relation to upcoming vacancies;
- Through the Board Chair, consults with the CEO, Crown Agencies and Board Resourcing Office (CABRO) and other relevant parties as to the Position Description used to fill any vacancy;
- Through the Board Chair, provides the government, through CABRO, the competencies required in a new Director to fill a vacancy; and
- Through the Board Chair, works proactively with the Responsible Minister to ensure an appropriate succession plan for the Board.

### 7.5 Orientation and Professional Development

The Committee develops, approves, and oversees a comprehensive orientation program for new Directors.

The Governance Committee will monitor emerging best practices, trends, and strategic direction and will support and encourage Board professional development opportunities that are consistent with corporate direction and gaps identified in the Board evaluation process.

#### 7.6 Director Compensation

The Committee reviews the processes for Director remuneration and expense reimbursement.

The Committee reviews the classification of the Board under Treasury Board directives, and makes recommendations to the Board on any changes that should be discussed with government.

#### 7.7 People Strategy & Risk Oversight

The Committee oversees BC Assessment's long term People Strategy, which aims to attract and retain the right staff to enable BC Assessment to continue to meet its mandate and the expectations of its customers. The Committee also oversees any risks associated with the People Strategy.

#### 7.8 Employment of the Chief Executive Officer

The Committee makes recommendations to the Board on all aspects of the employment of the CEO. The Committee:

- Recommends to the Board the process to be undertaken to recruit the CEO including the composition of the search committee;
- Through the Board Chair, liaises with the Public Sector Employers Council (PSEC) Secretariat and the Minister/Ministry Responsible regarding the parameters of the CEO's employment terms;
- Reviews and recommends to the Board annual compensation for the CEO, including: salary, re-earnable incentive awards, perquisites, benefits, and other remuneration;
- Reviews and recommends the CEO's annual Performance and Development Plan to the Board;
- Recommends the CEO evaluation process to the Board, and leads and oversees the implementation of that evaluation process; and
- Reviews and recommends the CEO's performance evaluation, including receiving the self-evaluation of CEO's performance against previous years' Performance and Development Plan to the Board.

### 7.9 Evaluation of Corporate Secretary

The Committee makes recommendations to the Board on certain aspects of the evaluation of the Corporate Secretary. The Committee:

- Reviews and recommends the Corporate Secretary's annual Performance and Development Plan to the Board;
- Recommends the Corporate Secretary evaluation process to the Board, and leads and oversees the implementation of that evaluation process; and
- Reviews and recommends the Corporate Secretary's performance evaluation, including receiving the self-evaluation of Corporate Secretary's performance against previous years' Performance and Development Plan to the Board.

### 7.10 Employment of Executive and Management

The Board has delegated to the CEO the responsibility for the employment of all other Executive and Management positions in the organization, and provides oversight to the CEO in exercising those responsibilities.

The Committee reviews the terms and conditions of employment and severance arrangements for Executive positions as set by the CEO.

### 7.11 Executive and Management Compensation

The Committee:

- Reviews and recommends to the Board the compensation philosophy and guidelines for the CEO and Executive and Management, including: salary, incentive awards, perquisites, benefits and other remuneration;
- Ensures that the compensation philosophy is in keeping with PSEC guidelines and government direction and links compensation to short-term and long-term performance, aligned with BC Assessment's mandate and corporate strategy;
- Through the Vice President People, works with PSEC and the Ministry Responsible to develop a compensation plan for the Executive and Management of the organisation; and
- Reviews the annual compensation for the Executive including salary, re-earnable incentive awards, perquisites, benefits and other remuneration as set by the CEO.

## 7.12 Employment of non-management staff and Labour relations

The Committee:

- Ensures the bargaining strategy for non-management staff supports BC Assessment's vision, mission, values and corporate strategy and is consistent with the government-approved mandate;
- Recommends to the Board the general terms upon which management will be authorized to negotiate collective agreements;
- Through the Vice President of People, liaises with PSEC as required on matters related to labour relations and collective agreements; and
- Provides oversight to the CEO in his or her responsibility for hiring and setting the terms and conditions of employment for all non-management staff at BC Assessment.

## 7.13 Succession Planning

The Committee:

- Annually reviews succession plan to deal with planned or unplanned departure of the CEO and recommends to the Board material changes to succession plan;
- Provides overall guidance, context and oversight to the CEO in their responsibility for succession planning for the organization; and
- Annually reviews and verifies for completeness, succession and development plans for the Executive, with the CEO.

## 7.14 Organizational Structure

The Committee reviews any significant changes to organizational structure recommended by the CEO and makes recommendations on these changes to the Board.

## 7.15 Human Resource Policies

The Committee reviews any Board level human resource policies for consistency with the organization's vision, mission, values and strategy, and makes recommendations, as appropriate, to the Board. In particular, the Committee ensures that Standards of Conduct Policy defines the expected standards of behaviour for BC Assessment employees, board members and contractors and, that those expectations are consistent with government direction.

## 7.16 Communication and Disclosure

The Committee is responsible for ensuring support for the Board's commitment to transparency and continuous disclosure. The Committee:

- Oversees any material regarding BC Assessment's governance practices that are to be included in any public report;
- Ensures that BC Assessment's Governance Manual is published on the Board website;
- Ensures Director remuneration is disclosed to government and Director remuneration and attendance information is disclosed on the public website;
- Periodically assesses the organization's communication to stakeholders and the public with respect to its policies and practices in the area of corporate governance and recommends changes to the Board; and
- Approves the public disclosure of any information relating to human resources, including public disclosure of Executive compensation.



### Appendix A: Committee Timetable

The below timetable reflects key items for consideration by the Committee that arise on an annual basis. Actual meeting agendas may vary as isolated matters arise. The actual Committee work plan is reviewed and determined on an annual basis<sup>1</sup>.

AREA OF RESPONSIBILITY		B/C/I	Q1	Q2	Q3	Q4
<b>Section 7.1 – Governance Framework</b>						
	Changes to BC Assessment’s Ethics Framework (annually)	B	Apr			
	Changes to the Terms of Reference for the Corporate Secretary and CEO (biennially)	B	Apr			
	Changes to the Governance Manual (biennially)	B	Jun			
	Terms of Reference for the Board and Committees (biennially)	B	Jun			
	Governance Committee Terms of Reference (biennially)	B			Nov	
	Report on Board Education	I	Apr			
	Board Education Plan	B			Nov	
	Board and Committee Work Plan	B			Nov	

<sup>1</sup> B: Committee recommends to the Board for approval  
C: Only approval of the Committee is required  
I: Information/ Discussion



AREA OF RESPONSIBILITY		B/C/I	Q1	Q2	Q3	Q4
<b>Section 7.2 - Meeting Preparation and Procedure</b>						
	Changes to Meeting Procedure and Preparation	B	Apr			
<b>Section 7.3 - Board and Director Evaluation</b>						
	Annual Board and Committee Evaluation Process for the current	B	Apr			
	Governance Committee Terms of Reference (biennially)	B			Nov	
	Assess performance in carrying out Committee duties	I	Jun			
<b>Section 7.4 - Board Composition and Succession Planning</b>						
	Reviews the results of Board evaluation and recommends to the Board any changes to the Board Competency Matrix (periodically)					
<b>Section 7.5 - Orientation and Professional Development</b>						



AREA OF RESPONSIBILITY		B/C/I	Q1	Q2	Q3	Q4
	Monitors emerging best practices, trends, and strategic direction (periodically)					
<b>Section 7.6 – Director Compensation</b>						
	Reviews the processes for Director remuneration, expense reimbursement and classification of the Board under Treasury Board directives (periodically)					
<b>Section 7.7 – People Strategy &amp; Risk Oversight</b>						
	Reviews Bi-Annual People Strategy Report	I	Apr		Nov	
	Reviews year-end People Metrics	I	Apr			
<b>Section 7.8 – Employment of CEO</b>						
	Reviews and recommends for approval by the Board the annual compensation for the CEO	B	Jun			
	Reviews and recommends for approval by the Board the CEO's performance evaluation	B				

AREA OF RESPONSIBILITY		B/C/I	Q1	Q2	Q3	Q4
	CEO Performance: <ul style="list-style-type: none"> <li>• Receives CEO's self evaluation against previous years' PDP (I) – including confirmation activities substantially completed</li> <li>• Reviews and recommends for approval by the Board the current year CEO Performance Development Plan (B)</li> <li>• Reviews and recommends for approval by the Board the current year CEO's evaluation process (B)</li> <li>• Facilitates Board Survey of CEO's previous years' performance (I)</li> </ul>	I/B	Apr			
	CEO's performance evaluation	B	Jun			
	CEO Recruitment Process (biennially)	B	Apr			
<b>Section 7.9 – Evaluation of the Corporate Secretary</b>						
	Corporate Secretary Performance: <ul style="list-style-type: none"> <li>• Receives Corporate Secretary's self evaluation against previous years' PDP (I) - - including confirmation activities substantially completed</li> <li>• Current year Corporate Secretary Performance Development Plan (B)</li> <li>• Facilitates Board Survey of Corporate Secretary's previous years' performance (I)</li> </ul>	I/B	Apr			
	Corporate Secretary's performance evaluation	B	Jun			



AREA OF RESPONSIBILITY		B/C/I	Q1	Q2	Q3	Q4
<b>Section 7.10 – Employment of Executive and Management</b>						
	Terms and conditions of employment and severance arrangements for Executive positions as set by the CEO (as required)	I				
<b>Section 7.11 – Executive and Management Compensation</b>						
	Annual compensation for the Executive including salary, re-earnable incentive awards, perquisites, benefits and other remuneration as set by the CEO	I	Apr			
	Compensation Philosophy for CEO, Executive and Management (as required)	B				
<b>Section 7.12 – Employment of non-management staff and Labour relations</b>						
	Bargaining Plan (as required)	B				
	Setting terms and conditions of employment for non-management staff (as required)	I				
<b>Section 7.13 – Succession Planning</b>						



AREA OF RESPONSIBILITY		B/C/I	Q1	Q2	Q3	Q4
	Reviews succession plan for the CEO and recommends material changes (if any)	I/B	Apr			
	Reviews and verifies for completeness the succession for Executive positions	I	Apr			
<b>Section 7.14 - Organizational Structure</b>						
	Changes to organizational structure (as required)	B				
<b>Section 7.15 - Human Resource Policies</b>						
	Board Human Resource Policies (as required, based on policy renewal dates)	B				
<b>Section 7.16 - Communication and Disclosure</b>						
	Previous year's Board Remuneration Disclosure	B	Jun			
	Human resources public disclosure, including approving previous years Statement of Executive Compensation	C	Jun			