

# Human Resources Committee Mandate

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# 1 Introduction

## 1.1 Intent

The Board of Directors (the “Board”) of Tru Cooperative Bank (“Tru” or the “Cooperative Bank”) has delegated to the Human Resources Committee (the “Committee”) the responsibilities and authority outlined in this Mandate. The Committee exists to:

1.1.1 Assist the Board with all matters relating to human resources.

1.1.2 Ensure sound human resources policies and practices are in place and are consistent with the Cooperative Bank’s values, vision, risk appetite and strategic plan.

## 1.2 Review cycle

The Committee will review this Mandate at least annually.

# 2 Committee Composition and Procedures

## 2.1 Appointment and composition

The Committee consists of not less than three (3) members. Committee members are appointed annually by the Board. The Committee Chair is appointed by the Board Chair from among Committee members.

All Committee members must be independent Directors, as defined in the Board’s Director Independence Policy and in accordance with the Cooperative Bank’s Bylaws and applicable legislation and regulation.

The Board Chair, if not a member, is an ex-officio member of the Committee without voting rights or quorum status.

## 2.2 Meetings

The Committee meets at least quarterly with additional meetings scheduled as needed. Committee members receive reasonable notice of meetings by telephone or electronic communication.

The Committee may request any officer, employee, or advisor of the Cooperative Bank to attend a meeting, but only members of the Committee have the right to attend and vote. Written resolutions signed by all voting members are valid as if passed at a meeting.

In-camera sessions may be held, with or without management present.

## **2.3 Quorum**

Subject to the *Bank Act*, a majority of Committee members shall constitute quorum.

## **2.4 Accountability**

The Committee is accountable to the Board.

Except where the Board has authorized the Committee to act by resolution or through the Committee's Mandate, the Committee has no authority to direct management or to commit Tru.

## **2.5 Support**

The CEO and Chief People and Culture Officer will provide support to the Committee.

The Corporate Secretary or their designate will be secretary.

The Committee will be provided the resources necessary to carry out its responsibilities, including the authorization to engage independent counsel and other advisors, subject to the approval of the Board Chair.

# **3 Duties and responsibilities**

## **3.1 CEO oversight**

The Committee's duties and responsibilities related to overseeing the CEO include:

- 3.1.1 Semi-annually, reviewing progress towards corporate goals and objectives, and the related CEO's performance.
- 3.1.2 Annually reviewing the CEO's performance.
- 3.1.3 Annually recommending Board approval of the form and approach to the annual CEO evaluation process and overseeing implementation of the process.
- 3.1.4 Annually reviewing and recommending Board approval for CEO compensation, including salary, incentive awards, perquisites, benefits, and other remuneration.
- 3.1.5 Annually reviewing and approving the executive severance guideline.
- 3.1.6 Annually identifying CEO development plans and opportunities.
- 3.1.7 Annually reviewing succession planning for the CEO's position.
- 3.1.8 As necessary, leading the search for a CEO.

- 3.1.9 As necessary, reviewing and recommending Board approval of the terms and conditions of the CEO's employment contract.
- 3.1.10 Biennially reviewing the CEO Success Profile and CEO Succession and Leadership Assessment.
- 3.1.11 Reviewing and monitoring the CEO's oversight of culture at Tru.

## **3.2 Executive team and heads of independent oversight functions**

The Committee's duties and responsibilities related to overseeing the executive team, including the heads of independent oversight functions:

- 3.2.1 As necessary, reviewing all perspective executive team, including the heads of independent oversight functions, appointments and dismissals.
- 3.2.2 Annually reviewing executive team career progress and leadership development.
- 3.2.3 Annually reviewing and recommending for Board approval executive team, including the heads of independent oversight functions, compensation, including salary, incentive awards, perquisites, benefits, and other remuneration, as well as the compensation for any employee of the Cooperative Bank whose total direct target compensation exceeds the materiality threshold determined by the Committee.
- 3.2.4 Annually reviewing executive team succession and development plans before the CEO's discussion of those plans with the Board.
- 3.2.5 Reviewing the performance of the executive team, including the heads of independent oversight functions

## **3.3 Total rewards oversight**

The Committee's duties and responsibilities related to overseeing the Cooperative Bank's total rewards program include:

- 3.3.1 Annually reviewing all material compensation and/or incentive programs to ensure they fall within the Board-approved risk appetite and ensuring they are aligned with the Cooperative Bank's strategic plan.
- 3.3.2 Annually receiving assurance from management that employees' salaries, benefits, incentive pay, employment practices and wellbeing are adequately addressed and measured.
- 3.3.3 Annually approving short-term incentive program ("STIP") objectives.

- 3.3.4 Annually reviewing and recommending Board approval of the proposed employee merit budget and STIP payouts.
- 3.3.5 Annually approving long-term incentive program (“LTIP”) objectives.
- 3.3.6 Annually reviewing and recommending Board approval for LTIP payouts.
- 3.3.7 Annually reviewing and recommending Board approval of the annual salary budget assumptions and parameters.
- 3.3.8 Biennially engaging an external consultant to advise and assist in preparing a recommendation for Board approval on the executive compensation program for the CEO and executive team.

### **3.4 Additional responsibilities**

Other Committee duties and responsibilities include:

- 3.4.1 Reviewing applicable Board human resources-related policies and recommending amendments as appropriate.
- 3.4.2 Reviewing the results of organizational health surveys.
- 3.4.3 Staying informed of changes to legislation, regulation and best practices in human resources, compensation, and pension issues.
- 3.4.4 Receiving an annual update on labour relations.
- 3.4.5 Reviewing Tru’s equity, diversity and inclusion data and any other relevant information or reports prepared by management.
- 3.4.6 Other related responsibilities as assigned by the Board.

## **4 Other functions**

### **4.1 Reporting**

The Corporate Secretary or their designate will prepare draft minutes for review by the Committee Chair. Minutes are approved by the Committee and provided to the Board.

### **4.2 Policy review**

The Committee’s work plan outlines the policies and related documents it must review, along with the frequency of each review.