Human Resources Committee Charter

1 Committee purpose

The Board of Directors (the "Board") of First West Credit Union ("First West" or the "Credit Union") has delegated to the Human Resources Committee (the "Committee") the duties and authority as outlined in this Charter. The Committee exists to:

- assist the Board with all matters relating to human resources
- ensure sound human resources policies and practices are in place and are consistent with First West's values, vision, risk appetite and strategic plan

2 Appointment and composition

The Committee consists of not less than three members. Committee members and the Committee Chair are appointed by the Board on the recommendation of the Board Chair.

Committee members serve one-year terms.

The Board Chair, if not a member, is an ex-officio member of the Committee and in that instance is not counted in establishing quorum and does not vote.

3 Meetings

The Committee meets four times a year, or more often as required. Only members of the Committee have the right to attend and vote at Committee meetings.

The Committee may request any officer, employee, or advisor of the Credit Union to attend a meeting.

4 Quorum

Quorum is a majority of the Committee members.

5 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 Charter, the Committee has no authority to direct management or to commit First West.

6 Support

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

The Corporate Secretary or their designate will be secretary to the Committee.

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.

7 Duties and Responsibilities

7.1 Chief Executive Officer oversight

The Committee's duties and responsibilities related to overseeing the Chief Executive Officer include:

- annually discussing with the CEO, the CEO's prospective annual goals
- annually reviewing and recommending Board approval of the CEO's annual goals
- at mid-year, reviewing the CEO's progress toward goals and adjustments to goals
- annually discussing and reviewing the CEO's performance, including discussing and reviewing multi-source feedback and other reports (if any)
- annually recommending Board approval of the form and approach to the annual CEO evaluation process and overseeing implementation of the process
- annually reviewing and recommending Board approval for CEO compensation, including salary, incentive awards, perquisites, benefits and other remuneration
- annually identifying CEO development plans and opportunities
- annually reviewing succession planning for the CEO's position
- Biennially reviewing the CEO Success Profile and CEO Succession & Leadership Assessment
- Reviewing and monitoring the CEO's oversight of the culture at First West
- as necessary, leading the search for a CEO

- as necessary, reviewing and recommending Board approval of the terms and conditions of the CEO’s employment contract

7.2 Executive team and senior management oversight

The Committee’s duties and responsibilities related to overseeing the executive team and members of senior management with oversight responsibilities include:

- as necessary, reviewing all executive team and members of senior management with oversight responsibilities appointments and dismissals, including appointments and dismissals other Board committees review and recommend for Board approval (e.g. CRO, CFO, Head of Internal Audit)
- annually discussing executive team career progress and leadership development
- annually reviewing and verifying for completeness executive team succession plans before the CEO’s discussion of those plans with the Board
- reviewing the performance of the executive team and members of senior management with oversight responsibilities, including those reviewed by other committees (e.g. CRO, CFO, Head of Internal Audit)

7.3 Total rewards oversight

The Committee’s duties and responsibilities related to overseeing the Credit Union’s total rewards program include:

- annually reviewing the credit union’s annual short term incentive program and executive long term incentive plan to ensure they fall within the Board-approved risk appetite and ensuring they are aligned with the Credit Union’s strategic plan
- annually receiving assurance from management that employees’ salaries, benefits, incentive pay, employment practices and wellbeing are adequately addressed and measured
- annually approving short-term incentive program (STIP) objectives
- annually reviewing and recommending Board approval of STIP payouts
- annually approving long-term incentive program (LTIP) objectives
- annually reviewing and recommending Board approval for LTIP payouts
- annually reviewing and recommending Board approval of the annual salary budget assumptions and parameters including the proposed employee merit budget
- 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, including salary, incentive awards, perquisites, benefits and other remuneration

7.4 Other responsibilities

Other Committee duties and responsibilities include:

- reviewing applicable Board human resources-related policies and recommending amendments as appropriate
- reviewing the results of organizational health surveys
- staying informed of changes to legislation, regulation and best practices in human resources, compensation and pension issues
- receiving an annual update on labour relations
- reviewing First West's Equity, Inclusion, and Diversity data and any other relevant information or reports prepared by management
- other related responsibilities as assigned by the Board

8 Reporting

The Corporate Secretariat will prepare draft minutes for review by the Committee Chair. Minutes are approved by the Committee and are then provided to the Board.

Any Director may examine supporting schedules and information reviewed by the Committee upon request to the Corporate Secretary.

9 Policy responsibility

Policies and related documents the Committee is responsible for reviewing, and the frequency of review are included in the Committee work plan appended to this Charter.

10 Work plan

A timetable of the Committee's activities is reflected in the attached work plan.

11 Review Cycle

This Charter will be reviewed annually by the Committee.