

TERMS OF REFERENCE HUMAN RESOURCES COMMITTEE

A. PURPOSE

The Human Resources Committee (“**Committee**”) is a standing committee of the Board. The purpose of the Committee is to consider, monitor, oversee, and make recommendations to the Board related to AHS’ human resources management, strategy and planning, compensation philosophy, workforce engagement, CEO selection and compensation and succession planning for Senior Executives.

B. FURTHER DIRECTION

The Committee may direct any of its Members or management, to perform any responsibilities of the Committee itself. This direction will include a reporting accountability back to the Committee.

C. SCOPE

1. Recommendations for Board Approval

The Committee may consider, discuss and provide feedback relating to matters brought before it by management, the Board or on its own initiative, and:

- (a) may approve matters which are administrative and non-substantive in nature such as those customarily made to: confirm the accuracy and completeness of the Committee’s own minutes; conduct all or a portion of the Committee meetings *in camera*; appoint a vice chair for the Committee; and approve the Committee’s meeting agenda and changes to the agenda;
- (b) may refer matters to another committee for that committee’s further consideration; and
- (c) may recommend a particular course of action relating to matters that are substantive in nature, to the Board for the Board’s further consideration or approval, but may not itself approve matters which are substantive in nature or require Board approval.

2. Human Resource Vision and Strategy

The Committee shall:

- (a) consider and monitor the implementation of AHS' workforce strategy, including the framework for workforce optimization that align with the vision, mission, and values, of AHS, at least annually;
- (b) review and, if appropriate, recommend to the Board for approval, any significant changes to the workforce strategy;
- (c) monitor AHS' compliance with strategic directions and policies related to the human resources management, strategy and planning;
- (d) review information relating to the adequacy and appropriateness of resources, including financial, capital, human and other resources, that are or should be available for human resources and workforce activities at AHS;
- (e) determine the overall strategic approach to compensation and, if appropriate, make recommendations to the Board for approval;
- (f) annually review with management, AHS' overall employee compensation, philosophy as well as compensation and benefit plans and programs for employees, in relation to the vision, mission and values of AHS;
- (g) subject to anything specific in these Terms of Reference, consider and, if appropriate, recommend to the Board for approval, any changes to AHS' employee compensation or benefits plans involving an annual change in cost to AHS in excess of the CEO's delegated authority;
- (h) annually review the status of the AHS employee pension plan and results for AHS within the context of the overall compensation philosophy;
- (i) consider and, if appropriate, make recommendations to the Board for approval relating to any significant changes to, initiations of, terminations of, or conversions to AHS' employee pension plan;
- (j) quarterly review human resource performance indicators and accomplishment reports;
- (k) annually review human resources policies and processes designed to ensure compliance with the Enactments, including occupational and environmental health and safety legislation, regulations, standards, and governmental directives;
- (l) oversee AHS' compliance with human resources policies;
- (m) consider and, if appropriate, make recommendations to the Board for

approval the guiding principles and negotiating strategy of any collective agreement, and for applicable terms and conditions of employment for exempt staff; and

- (n) if appropriate, make recommendations to the Board for approval, of: collective agreements which are valued in excess of the CEO's delegated authority; and compensation of physicians and business arrangements between AHS and physicians.

3. Senior Executives

The Committee shall:

- (a) if appropriate, make recommendations to the Board for approval for the establishment of, or any significant changes to, a policy outlining principles and guidelines relating to:
 - (i) compensation of Senior Executives;
 - (ii) valuation of compensation;
 - (iii) disclosure of compensation;
 - (iv) processes by which to monitor and evaluate the CEO;
 - (v) succession planning for Senior Executives; and
 - (vi) recruiting and selecting the CEO;
- (b) establish and oversee, as required, a recruitment committee for the CEO, and define the recruitment committee's terms of reference;
- (c) utilize the policy to review and, if appropriate, recommend to the Board for approval, goals and objectives relevant to the CEO's compensation, conduct an annual review and assessment of the CEO's performance against these goals and objectives, including soliciting feedback from all the committees of the Board relating to the CEO, and, if appropriate, make recommendations to the Board for approval relating to the CEO's compensation;
- (d) provide advice and guidance to the CEO;
- (e) participate in the recruitment, compensation, retention and termination of Senior Executives;
- (f) consider and, if appropriate, recommend to the Board for approval, standardized executive employment agreements to be entered into with Senior Executives;
- (g) review, at least annually, the CEO's assessment of the performance of Senior Executives;

- (h) review and, if appropriate, recommend to the Board for approval annual performance targets, if appropriate, and the maximum total annual compensation for Senior Executives; and
- (i) prepare and deliver to the Audit and Finance Committee, the achievement of annual performance targets and total compensation and benefits of the Senior Executives.

4. Organizational Structure and Succession Planning

The Committee shall:

- (a) participate with management in determining the overall organizational structure of AHS;
- (b) periodically review and participate in determining the organizational structure for Senior Executives and other executives;
- (c) consider succession plans for the CEO; and
- (d) review management's succession plans for Senior Executives other than the CEO.

5. Human Resources Risk Management

The Committee shall:

- (a) participate with management to identify significant enterprise risks related to human resources and AHS' workforce, including occupational health and safety risks and workforce engagement risks;
- (b) monitor management's efforts to mitigate potential human resources and workforce capital risks and management's response to these risks if they materialize;
- (c) monitor AHS' occupational health and safety performance; and
- (d) monitor workforce engagement.

6. Governance Responsibilities

- (a) The Committee shall:
 - (i) evaluate, on an annual basis, its performance and review its Terms of Reference and shall, as it considers appropriate, propose any

changes to the Governance Committee for recommendation for approval by the Board, as required;

- (ii) ensure adequate resources and support are in place to enable the Committee to fulfill its duties effectively and efficiently; and
 - (iii) fulfill such other duties as may be assigned to the Committee by the Board or the Chair.
- (b) The chair of the Committee shall annually provide input to the CEO with respect to the responsibilities and performance of members of Senior Executive whose responsibilities are within the mandate of the Committee.

B. MEMBERSHIP

1. Members

The Committee shall be comprised of:

- (a) a minimum of two Members appointed to the Committee by the Board, each of whom shall have voting rights and one of whom shall be appointed by the Board as Committee chair;
- (b) the Chair of the Board shall be an *ex officio* member of the Committee and shall have full voting rights;
- (c) the Vice Chair of the Board shall be an *ex officio* member of the Committee and shall have full voting rights;
- (d) the CEO shall be an *ex officio* member of the Committee, but will not have any voting rights; and
- (e) any other individuals who are not Members, and are appointed by the Chair, whose voting status will be determined at the time of appointment.

2. Term of Office

Committee Members shall be appointed annually by the Board, as required under the General Bylaws. The terms of individuals appointed by the Chair under section B.1.(e) above, shall be determined at the time of appointment.

3. Committee Vice Chair

The Committee members shall appoint a Committee vice chair from among themselves. In the absence of the Committee chair, the vice chair shall chair the meeting.

4. Vacancies

The Chair may appoint a successor to serve for the balance of a vacated Committee member's term, or until their successor is appointed.

5. Advisors

The Committee may request the participation of advisors from time to time, including but not limited to AHS' employees, management, or external consultants, to provide advice or information to the Committee or to its members independently, with respect to any matter before or related to the Committee, at AHS' expense.

D. MEETINGS

1. Confidentiality

The nature and subject of discussions and deliberations on matters before the Committee are confidential until such time as a report is presented to the Board at a public meeting.

2. Frequency

The Committee shall meet at least four times each year at the call of the Committee chair, or at the discretion of the Chair.

3. Quorum

A majority of Committee members entitled to vote shall constitute a quorum. Committee members may participate in person or by any other method that permits them to hear and participate in the meeting.

4. Notice

Notice of the time and place of every meeting of the Committee shall be given electronically, by postal service, or as agreed to by the Committee members, at least seven days in advance of a meeting. In the event the Committee chair or Chair determines an urgent requirement to meet, notice of the time and place of the meeting may be given electronically or by telephone at least 24 hours in advance. Notice may be waived by unanimous consent of the Committee members or by the Chair. Attendance of a Committee member at a meeting is a waiver of the notice of the meeting, except where the Committee member attends for the express purpose of objecting to the transaction of any business on the grounds that the Committee member was not given adequate notice of the meeting.

5. Report and Recommendations

Subject to confidentiality requirements, the Committee shall submit an overview report on the business conducted at each meeting, and shall make recommendations, if appropriate, to the Board at its next public meeting.

6. Minutes

The Corporate Secretary, Assistant Corporate Secretary or such other person acceptable to the Committee shall act as recording secretary to attend at every Committee meeting to take minutes. Minutes shall be approved by the Committee at its next meeting. Minutes of each meeting shall be provided to all Members for information.

7. Rules of Order

Unless provided otherwise in the General Bylaws or these Terms of Reference, Committee business and conduct of the Committee members shall follow Robert's Rules of Order as may be modified by the Committee chair.

E. DEFINITIONS

Capitalized terms appearing in these Terms of Reference have the meanings ascribed to them in these Terms of Reference or in the Board approved definitions document.