

TAF'S HUMAN RESOURCES COMMITTEE

Terms of Reference

Approved by the TAF Board of Directors [November 5, 2021](#)

1. Objective of the Human Resources Committee (“HR Committee”):

The purpose of TAF’s HR Committee is to:

- a. Ensure that the Board of TAF develops and implements a senior executive compensation and review policy that balances the accountable and efficient use of financial resources with the need to provide the right incentives to attract, retain and recognize excellent performance, and supports the evaluation of the CEO’s performance; and
- b. Provide TAF’s senior management with advice related to HR matters as needed, including advancing the diversity, equity and inclusion of staff, executive, Board and Committees.

2. Governance of the HR Committee

Responsibility for development and implementation of The Atmospheric Fund’s (“TAF”) Executive Compensation and Performance Review Policy rests solely with TAF’s Board of Directors (“the Board”).

3. Delegation

The Board may appoint an HR Committee which will be a standing committee of the Board. The duties of the Board and the HR Committee are as follows:

The Board will:

- a. Appoint members of the HR Committee;
- b. Consider, and approve or reject the HR Committee’s recommendations regarding TAF’s Executive Compensation Policy; and
- c. Consider, and approve or reject the HR Committee’s recommendations regarding CEO compensation.

The HR Committee will:

- a. Develop and recommend to the Board an Executive Compensation Policy using the Total Rewards Approach set out in the Guiding Principles, and adhering to the parameters set out in the City of Toronto’s guidelines.

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- b. Ensure that the Executive Compensation Policy is implemented;
 - c. Conduct reviews of the Policy every four years and submit recommendations to the Board for approval to revise the policy as required.
 - d. Conduct annual performance reviews of the Chief Executive Officer, and recommend individual compensation levels based on the Board's approved Executive Compensation Policy; and
 - e. Provide advice, at management's request, on organizational structure, HR policies and practices, and other HR-related matters with a view to compliance, risk mitigation, and organizational effectiveness.

4. Composition of the HR Committee

- a. The HR Committee shall comprise three members, including the Chair of the Board of TAF, one citizen member of the TAF Board, and one city council member of the TAF Board.
- b. One of the members shall be appointed by the Board as Chairperson of the Committee.
- c. Members of the HR Committee shall be appointed by the Board on the recommendation of the Chair.
- d. Members of the HR Committee are appointed for four-year terms and may be reappointed by the TAF Board.

5. Conduct of the HR Committee

- a. The HR Committee will meet at least two times per year.
- b. Meetings of the Committee will consider, as necessary: any required updates to the Executive Compensation Policy, any amendments to the Committee Terms of Reference, and any requests for advice from management.
- c. The HR Committee will assess the CEO's performance annually and make recommendations to the Board including regarding compensation.
- d. The Chair, with the support of TAF staff and City staff, if required, may engage the services of an independent external consultant to support the development and implementation of TAF's Executive Compensation Policy.
- e. Meetings of the Committee will comply with open and closed meeting requirements under the City of Toronto Act, 2006 and the TAF Act, 2005.
- f. The Chair will report to the Board on behalf of the Committee.

6. Conflict of Interest

- a. Members shall familiarize themselves with the Municipal Conflict of Interest Act¹ and, to the best of their ability, will comply with its principles and provisions in order to protect the objectivity and impartiality of their judgments.

¹ *Municipal Conflict of Interest Act*, RSO 1990, c M.50.