



## BOARD OF GOVERNORS HUMAN RESOURCES AND COMPENSATION COMMITTEE TERMS OF REFERENCE

### 1. PURPOSE

The Human Resources and Compensation Committee (“Committee”) is appointed by, and has responsibility to the Board of Governors (“Board”) to assist the Board in fulfilling its fiduciary responsibilities for all matters related to the compensation of University of Lethbridge employee groups, the appointment of Senior Administrators as designated in the *Designation and Appointment of Senior Administrators Policy*, monitoring employee compensation risk management, and to perform other duties as the Board may delegate or direct from time to time. The Committee operates in accordance with the Alberta *Post-Secondary Learning Act* and the Board governing documents.

- Senior Administration, as defined in the *Designation and Appointment of Senior Administrator’s Policy*: President & Vice-Chancellor; Provost; Vice-Presidents; Deputy Provost; Vice-Provosts; Associate Vice-Presidents; Deans/University Librarian; Associate Deans/Associate Librarians; Executive Directors
- Administrative Professional Officers (APO)
- Exempt Support Staff (ESS)
- Excluded Professionals
- Bargaining Groups:
  - Alberta Union of Provincial Employees (AUPE)
  - Faculty Union (ULFA)
  - Post-Doctoral Fellows (PDF)
  - Graduate Students (ULGSA)

### 2. MEMBERSHIP

2.1 The following shall be members (voting) of the Committee:

- Chair of the Board, who shall be designated Committee Chair (*ex-officio*)
- Vice-Chair of the Board (*ex-officio*)
- Chair of the Finance Committee (*ex-officio*)
- At least three (3) other Members of the Board, who are not employees of the University of Lethbridge

Following the *Board of Governors Bylaws*, membership on committees is determined annually by recommendation from the Board Executive Committee.

2.2 The following (non-voting) shall attend meetings of the Committee:

- President & Vice-Chancellor
- Provost & Vice-President (Academic)
- Vice-President (Finance and Administration)
- Associate Vice-President (Human Resources)
- Director, Academic Employee and Labour Relations

Non-voting members and other individuals may be invited by the Committee Chair to attend all or any part of a Committee meeting to provide input or information.

**3. MEETINGS**

- 3.1 The Committee shall meet at least three (3) times per year, with additional meetings at the call of the Chair.
- 3.2 Quorum for a meeting, as defined within the *Board of Governors Bylaws (2.2.3)*, shall consist of a majority of voting members being in attendance in person, or virtually (phone or video). A meeting that starts with quorum shall be deemed to have a continuing quorum, until a quorum count is requested by a voting member. Where a quorum count is requested and there are insufficient voting members present to constitute a quorum, the meeting shall be adjourned immediately and reconvened seven days later, or at another mutually agreed upon date.

**4. RESPONSIBILITIES**

- 4.1 Approve salary ranges for the senior administration positions, other than the President, if salary ranges have been established for those positions.
- 4.2 Approve the minimum and maximum performance merit award amounts, scale and benefit compensation adjustments for the senior administrative positions as a whole.
- 4.3 Approve salary ranges, minimum and maximum performance merit award amounts, scale and benefit adjustments for the following employee groups as a whole:
  - Administrative Professional Officers
  - Excluded Professionals
  - Exempt Support Staff
- 4.4 Recommend to Executive Committee the approval of bargaining mandates, including the bargaining team in respect to all bargaining units; and recommend approval of the settlements or collective agreements with each bargaining unit.
- 4.5 Review and recommend for approval the appointment of Senior Administrators as designated within the *Designation and Appointment of Senior Administrators Policy*.
- 4.6 Receive updates on succession planning from the President and Vice-Chancellor.
- 4.7 For any midyear recommended compensation adjustments to senior administrative positions the applicable supervisor, the applicable Vice-President and the President will consult with the Chair of the Board in regards to any compensation adjustments.
- 4.8 For any midyear recommended compensation adjustments to any individual in the employee groups identified in 4.3, the applicable supervisor and the Associate Vice-President (Human Resources & Administration) will approve the compensation adjustments.
- 4.9 With respect to the President's compensation, follow the process for evaluation and determining the President's compensation, as per Appendix 1.

4.10 With respect to compensation of the positions identified in 1., other than the President, periodically review the processes of evaluation and compensation decisions employed by management.

**5. SELF-ASSESSMENT**

The Committee shall review the annual self-assessment of the performance of the Committee against their terms of reference and report their findings to the Board.

**6. TERMS OF REFERENCE REVIEW**

The Committee shall conduct an annual review of the Committee terms of reference and report their findings to the Governance Committee.

**7. REPORT TO BOARD OF GOVERNORS**

The Chair of the Committee shall provide oral or written reports of its proceedings to the Board. Minutes, supporting schedules and information of the Committee will be made available to any Board member upon request.

**8. OTHER MATTERS**

8.1 The Committee may consider any other compensation matters, which in the opinion of the Committee or at the request of the Board, would assist the Board in meeting their responsibilities.

8.2 The Committee can engage other advisers, with the Board approval and in compliance accordance with the *University's Contracts - Approval and Signing Authority Policy*, if it is deemed necessary to carry out the Committee's responsibilities. The signing authority for any such engagement is the Chair of the Board.

**Document History:**

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This process is informed by the University approved *Philosophy to Select, Evaluate & Compensate Senior Administration* as well as the *Employee Compensation Philosophy*. To ensure the Board of Governors is aware of their role and opportunity to participate in this process, this will be presented for information to the Board of Governors in the Open Session prior to the June Human Resources and Compensation Committee meeting. The Chair of the Board of Governors will highlight and encourage the Governors to participate in the annual performance review of the President by providing feedback to the Chair when the annual solicitation of comments from the University community occurs.

## **Appendix 1 - Process for Evaluation and Determining the President's Compensation**

*"The Board of Governors recognizes the important role and valuable contributions [the President] makes to the overall accomplishments of the University. Further, the University recognizes the desirability of attracting and retaining [a] high quality [President] to achieve its mandate and strategic directions. In order to achieve its goals there is a need to ensure that there are appropriate guidelines and systems in place to ensure that the University attracts, retains, rewards and motivates high performing and committed staff." (Philosophy to Select, Evaluate & Compensate Senior Administration, 1.0 Objective)*

The Chair of the Board of Governors is responsible for negotiating with the President upon approved direction from the Human Resources and Compensation Committee ("Committee"); therefore, during any items on the Committee agenda relating to the evaluation and/or compensation of the President, the Vice-Chair of the Board of Governors will take the position as Chair of the Committee.

### **Annual Evaluation and Compensation Determination**

1. The Chair of the Board of Governors and the President will meet quarterly to discuss the Presidents' progress against the Strategic Plan and the annual objectives.
2. The Chair of the Board of Governors will solicit the University community for comments in regards to the President's performance in conjunction with the senior administrators annual request. A request will also be sent to all employee groups and students as well as the Board of Governors, the Senate, the General Faculties Council and any external groups agreed to by the Chair and president for that year.
3. At the quarterly meeting, prior to the May/June Committee meeting, the President will provide a report to the Chair of the Board of Governors on their achievements during the past year in relation to the objectives. At that meeting, the President will also present their objectives for the coming year, which will be correlated to the University Strategic Plan. The President and the Chair of the Board of Governors will mutually agree on the President's objectives prior to having the objectives approved by the Committee. At that meeting the Chair of the Board of Governors will also provide the President a verbal fair summary of any comments provided within the annual review.
4. At the May/June meeting the Committee will approve the President's objectives, will have regard to the annual report on the President's achievement, and be provided any verbal fair summary of comments received through the annual performance review. The objectives will then be presented to the Board Closed session and following that, the

Chair of the Board of Governors will provide a written response to the President confirming the objectives and any feedback received.

5. At the May/June meeting the Committee may approve, subject to any applicable legislation, any annual compensation adjustments for the President including: performance merit increases, cost of living allowance increases, benefit compensation adjustments, benefit reallocations and other items that arise or may be contained within the Presidents' contract. These recommendations will take into consideration compensation adjustments to other employee groups. The merit increase (0-4%) is based on performance so discussion and final approval will be by the Compensation Committee.

#### **Reappointment or Appointment Compensation Determination**

1. In order to determine a fair and equitable compensation for the President, the Committee will obtain information from and consult with any and/or all of the following to identify appropriate comparator markets:
  - i. compensation rates and trends in the local environment and community
  - ii. 3<sup>rd</sup> party external consultant selected by the Compensation Committee
  - iii. Board Chairs at the other Alberta Universities
  - iv. other Canadian Universities
  - v. other sectors within Alberta to ascertain compensation trends
  - vi. any other source as deemed appropriate by the Compensation Committee

*“Competitive Positioning – Recommended level of [salary] in relation to the [identified comparator] markets for senior administrators to be in the range of 50 to 75 percentile of the comparator market.” (Philosophy to Select Evaluate and Compensate Senior Administration, 6.0)*

2. The Committee will deliberate on information received and subject to any applicable legislation, make a recommendation on the President's compensation. If negotiation is needed the Chair of the Board of Governors will be directed to discuss with the President the Committee's recommendation and will report back to the Committee for guidance. When agreement on the compensation has been reached, the Committee will recommend final approval of the contract to the Board of Governors Executive Committee. A report from the Acting Chair of the Compensation Committee (Vice-Chair of the Board of Governors) will be written and provided to the Board of Governors for information. This report will accompany the recommendation for appointment to the Board of Governors. The report shall contain the general terms of the arrangement, the process followed, relevant dates, the data relied on, how the data was obtained and the rationale for the decision.