

Governance, Human Resources and Compensation (GHRC) Committee Meeting Minutes

Held on Feb. 23, 2021 at 1:00 p.m. (EST)
By Videoconference

MEMBERS

A. Wong (committee chair) J. MacQuarrie (board chair) H. Ferguson
P. Tremblay V. Tathe J. Gorman

CNA

T. Weagant S. Kavanagh T. Asdrubolini
A. Anstey

1. OPENING REMARKS BY THE CHAIR

Documents Received: Feb. 23, 2021 GHRC Committee Meeting Agenda (Feb. 17, 2021); 2021 Board and Committee Work Plan (Feb. 16, 2021)

A. Wong welcomed members to the quarterly meeting. She advised that S. Travers has resigned from the GHRC committee, which would be discussed *in camera*.

There being quorum present, the meeting was called to order at 1:02 p.m. The committee adopted the agenda.

2. *IN CAMERA* SESSION

Documents Received: 2020 CNA Board and Committee Self-Assessment Results (Feb. 19, 2021); Performance Evaluation Criteria for 2021 – John Gorman (Feb. 2021); Conflict of Interest Disclosure Forms (B. Fox and M. Chatlani).

2.1 Board and Committee Performance and Effectiveness Survey Results

The committee met *in camera* without the President to consider the results of the board and committee self-assessment questionnaires (administered in Dec. 2020); to identify any issues and/or gaps in performance; and to consider actions that could make a difference to the board in the coming year. The committee agreed that many of the issues identified would be addressed as part of the governance review.

Action: The committee will prepare a summary report for review by the executive committee and board.



2.2 Conflict of Interest Disclosures (CIO)

The committee reviewed the written disclosures by B. Fox and M. Chatlani of potential conflicts of interest (COI) resulting from the annual COI acknowledgement and disclosure process. It agreed that more guidance is needed on the process/procedures used following a disclosure and to include that work as part of the governance review.

2.3 2021 CEO Performance Objectives

The committee met *in camera* with J. Gorman to review his performance expectations and objectives for 2021. The committee asked the CEO to summarize and weigh his key objectives for the year and to link the targets to the organization's scorecard.

3. CONSENT AGENDA

Documents Received: Dec. 3, 2020 GHRC Committee Meeting Minutes; CNA Membership Application (TAM International LP; McCarthy Tetrault LLP).

On motion duly made, seconded, and unanimously carried, it was resolved to approve the consent agenda in its entirety.

4. HR OVERSIGHT

Documents Received: HR Quarterly Report (Feb. 17, 2021); Management Report on 2021 Base Salary Parameters for CNA Staff (Feb. 21, 2021).

4.1 HR Quarterly Report

The GHRC committee received and queried Management's quarterly HR report. This included an update on people and workforce management; a review of COVID-19 measures to support CNA employees; evaluation and succession plans; and plans for training on diversity and inclusion.

The GHRC committee accepted the HR quarterly report.

4.2 2021 Base Salary Parameters for CNA Staff

The GHRC committee considered Management's report on base salary parameters for CNA staff. It queried research gathered by Management on projected salary increases for 2021, and accepted Management's advice that the CNA staff salary budget for 2021 not exceed 2.6%.

On motion duly made, seconded, and unanimously carried, it was resolved that the GHRC committee recommend that the CNA staff salary budget for 2021 not exceed 2.6% and that salary increases be implemented retroactively to Jan. 1, 2021 for eligible CNA staff.

5. GOVERNANCE AND COMPLIANCE OVERSIGHT

Documents Received: Report on Phase 2 Governance Review (Feb. 17, 2021); Corporate Secretary Report on 2021 Director Nomination and Election (Feb. 17, 2021).

5.1 Phase 2 Governance Review

T. Asdrubolini updated the committee on the status of the second phase of the governance review, including that the contract with Governance Solutions Inc. (GSI) had been signed; that the chairs of the board and GHRC committee, together with the CEO and corporate secretary, would be participating in a project kick-off meeting with GSI on March 1st; and that two representatives from GSI would be observing the first quarter meetings of the executive committee and board to review and analyze existing protocols and procedures.

The committee also discussed options proposed by Management to add diversity to the committee's oversight of the governance review. It considered creating a working group or expanding the committee itself, including the selection process and the possibility of including non-director members. It agreed to seek up to three or four additional volunteer board directors to participate in GHRC committee sessions on the governance review as guests, and that final selections would be made by the board and GHRC committee chairs using a diversity-focused and membership representation lens.

5.2 2021 Director Nomination and Election

The committee reviewed the corporate secretary's report on the 2021 nomination and election process. Given continued pandemic precautions and many remaining unknowns for in-person events this year, it accepted Management's advice to proceed with a virtual AGM on June 8, 2021.

The committee also reviewed and queried the 2021 nomination and election process and timeline, and confirmed the number of directors to be elected from each class of members to the board at the AGM (i.e., up to 25 director positions). Members emphasized the importance of taking proactive measures to identify and recruit diverse candidates, with a particular focus in increasing women candidates for election to CNA board in June 2021. It asked the corporate secretary to build a discussion of this approach into the 2021 process.

The committee also reviewed the terms of directors that will expire on the executive committee in June 2021, including that of the GHRC committee chair, held by, A. Wong. Given the importance of chair continuity during the governance review process, the committee nominated A. Wong for re-election, and the nomination was accepted. It agreed that the process to appoint officers of the Corporation and MAL of the executive committee would be discussed and confirmed at the GHRC committee's May 4, 2021 meeting.

On motion duly made, seconded, and unanimously carried, it was resolved that the GHRC committee recommend holding the CNA's 2021 annual general meeting of members entirely by electronic means.

6. ADJOURNMENT

There being no further business, the meeting ended at 2:39 p.m.

Chair

Secretary

Date

Date