

GHRC Committee Report

Alice Wong, Committee Chair

March. 25, 2021

PURPOSE

To report on meetings and business of the governance, human resources, and compensation (GHRC) committee; and advise of a committee member’s resignation.

CONTEXT/RATIONALE

The committee met via videoconference on Jan. 26 and Feb. 23 to review and discuss committee business. All committee members were present, except for S. Travers.

A. HR Oversight

2021 Base Salary Parameters for CNA Staff:

The GHRC committee is responsible to review and recommend the parameters/limits for CNA staff compensation and consider such factors as inflation, market conditions, and CNA financial capacity. As projections were greatly impacted due to COVID-19, the committee agreed to defer its recommendation until the first quarter of 2021.

The committee has considered and queried research gathered by Management on projected salary increases for 2021, which was secured from independent, objective sources from HR/Compensation consulting organizations and analyzed on a national and regional level to understand the organization’s market comparators. The data is summarized below for information:

Source:	Projection for 2021 as of Nov 2020	Projection for 2021 as of Jan 2021	Adjustment
WorldatWork	3.0%	3.0%	=
Conference Board of Canada	2.2%	2.2%	=
Mercer	2.4%	2.4% *	=
Willis Towers Watson	2.6%	2.6%	=
Benchmark Ottawa NFP	2.8%	2.8% **	=
Normandin Beaudry	2.6%	2.7%	↑
Korn Ferry	2.4%	2.4%	=
Average of projections	2.6%	2.6%	

*No update available until March 2021 **No update available

Based on this review, the GHRC committee recommended and the executive committee approved 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. The 2021 CNA budget salary line provides sufficient funds to cover an increase.

Quarter HR Report:

At its Feb. 23rd meeting, the GHRC committee reviewed and queried Management’s quarterly HR report, which includes a review of people and workforce management; COVID-19 measures to support CNA employees and consultant team members; evaluation and succession plans; employee benefits; and CNA actions to support the CNA’s ongoing commitment to diversity and inclusion. The GHRC committee accepted the HR quarterly report.

2021 CEO Performance Objectives:

Members reviewed and provided input and direction on the CEO’s draft performance objectives for 2021. The committee asked J. Gorman to summarize and weigh his key objectives for the year and to link the targets to the organization’s scorecard.

B. Governance and Compliance Oversight

Governance Review of Board Function, Size and Composition:

- **Consulting partner:** Under the oversight of the GHRC committee, Management has retained Governance Solutions Inc. (GSI) as our consulting partner for the governance review of board function, size and composition. GSI was selected following a request for proposal process, based on the qualifications of the consulting team; their experience in performing services for not-for-profit organizations with representative boards; the clarity and thoroughness of their proposed approach; cost (not lowest provider but within budget); and their interview presentation and responses to membership consideration follow-up questions.
- **Project kick-off:** The chairs of the board and GHRC committee, together with the CEO and corporate secretary, participated in the project kick-off meeting on March 1st. As a next step, representatives of GSI will be observing board and/or committee meetings in the first quarter of 2021 to review and analyze existing protocols and procedures.
- **Contributing to governance review:** The committee discussed the benefits that added diversity would bring to the committee’s oversight of the governance review. It is seeking up to three or four additional volunteer board directors to participate in GHRC committee ad hoc meetings and quarterly committee meeting sessions on the governance review (as non-member guests). Final selections will be made by the board and GHRC committee chairs using a diversity-focused and membership representation lens.

2021 Nominations and Elections Process: The committee reviewed the 2021 nomination and election process 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). It recommends taking a proactive approach to identify and recruit diverse candidates with a particular focus in increasing women candidates for election to CNA board in June 2021. The committee asked the corporate secretary to build a discussion of this approach into the 2021 process.

The committee was also advised that three terms will expire on the Executive Committee in June 2021, namely: Governance, Human Resources & Compensation Committee chair, A. Wong; Regulatory Affairs Advisory Committee chair, J. West; and Member at large (MAL), B. Fox. The process to appoint officers of the Corporation and MAL of the executive committee will be confirmed at the GHRC committee's May 4, 2021 meeting.

Board performance and evaluation: The committee's consideration of the annual evaluation of the board and its committees is reported separately under item 5.1 (*in camera*).

Statutory filings and compliance: The GHRC committee accepted the corporate secretary's statutory filings and compliance report. It reviewed the written disclosures by B. Fox and M. Chatlani of potential conflict 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. In the meantime, members of the board with a potential COI regarding a particular matter being considered at a meeting should declare the conflict to the chair of the meeting prior to the introduction of the agenda item; directors are welcome to participate in the discussions but will have to recuse themselves from any voting.

Other Business:

- Committee business related to the 2021 annual general meeting of members is reported separately under the consent agenda (item 2.3).
- S. Travers has resigned from the committee and advised the GHRC committee chair on Feb. 17, 2021. As committee membership exceeds the minimum of three directors (i.e., five including the board chair), the GHRC committee does not recommend filling the vacancy at this time.

C. Membership Oversight

The committee has delegated authority to accept and approve eligible organizations and/or persons who have applied for membership in the Corporation. This delegation includes reporting on membership acceptance at each regular board meeting. The following organizations and/or persons have been approved as members of the Corporation:

Organization/Person	Voting	Non-Voting	Class	Dues	Date
Centre For Probe Development and Commercialization		•	Affiliate	N/A	21 01 26
GE Hitachi Nuclear Energy	•		3F	\$2,625	21 01 26
Dunedin Energy Systems Ltd.	•		3F	\$2,625	21 01 26
TAM International LP	•		2E	\$5,250	21 02 23
McCarthy Tetrault LLP	•		5C	\$2,625	21 02 23

APPENDICES

- **Appendix A:** 2020-2021 List of CNA Directors and Committee Members and Terms