

Purpose The Equity and People Committee (EPC) supports the Board of Directors by:

- providing governance-level oversight of Vancity’s human resource and compensation strategy and policies
- leading CEO performance management and compensation activity
- assuming governance responsibility for Vancity employee pension plans.

Objectives The objectives of the EPC are to:

- ensure that Vancity employees have an optimal employee experience in a safe and respectful environment
- ensure that evaluation, compensation and succession planning for Vancity’s executive leadership is in line with Vancity’s strategic direction and values

Membership and Quorum Members of the Committee are appointed by the Board. The Board may fill a vacancy that occurs in the Committee at any time. The Committee will be comprised of not less than four (4) members of the Board. A quorum for any meeting will be a majority of members. (FIA S. 103). In the event of a tie vote, the Committee Chair will cast the deciding vote.

For continuity, when appointing members to the Committee, consideration should be given to re-appointing 1 to 2 members from the previous Committee’s composition.

If feasible, the Chair of the Board will also be a member of this Committee, but not necessarily as Chair of the Committee.

Chair and Vice Chair The Chair of the Committee will be ratified by the Committee, after it has taken into account a recommendation from the Board.

The Vice Chair of the Committee will be elected by the Committee at the first constituted meeting of the Committee following the Annual General Meeting.

Authority The Committee conducts its accountabilities on behalf of the Board and makes recommendations to the Board. The Committee has the authority to engage and retain experts, external advisors, counsel or others to advise the Committee and to determine the compensation for such advisors subject to the Board policy for engaging of independent advisors.

Responsibilities The following responsibilities are recurring activities performed by the Committee, with the understanding that the Committee may carry out additional functions as may be appropriate in response to:

- changing business, legislative, or regulatory conditions; and
- other responsibilities or duties delegated to the Committee by the Board.

List of Committee Responsibilities	
With respect to the CEO	<ul style="list-style-type: none"> • In consultation with the CEO, develop and recommend for Board approval: <ul style="list-style-type: none"> • annually, objectives for the CEO short term incentive plan (STI)

	<ul style="list-style-type: none"> • every 3 years, objectives for the CEO long term incentive plan (LTI) Objectives will be consistent with Vancity’s strategic and business plans. • Develop an annual evaluation process for the CEO, review the process annually and recommend process changes to the Board when necessary. • Annually, complete CEO performance review and determine annual merit and STI payout for Board approval. • Every 3 years at the completion of the LTI cycle, complete assessment and determine LTI payout for Board approval. • Ensure that the total rewards package for the CEO is appropriate within the industry, and that a formal analysis of the rewards package be conducted every three years. • Review and recommend to the Board the terms and conditions of any employment contract relating to the CEO upon hire or change. • Annually review the CEO succession plan, including: <ul style="list-style-type: none"> • CEO role description • Emergency/ interim CEO succession plan • Overview of key steps in succession and transition planning
<p>With respect to Executive Leadership Team positions</p>	<ul style="list-style-type: none"> • Upon the recommendation of the CEO, review and recommend for Board approval the appointment and dismissal of any member of the Executive Leadership Team, excluding the CFO and CRO. • Review and approve the compensation plans, including base salary, long and short- term incentive and benefits, for individual members of the Executive Leadership Team. • Review and approve annually, performance, succession and development plans for Executive Leadership Team. • Review and discuss with the CEO major organizational structure or executive changes, prior to implementation. • Review and approve the retirement and severance arrangements of departing members of the Executive Leadership Team. • Review/Approve senior leader base salary when it falls outside of pay band.
<p>Process for Appointing/Dismissing non-Oversight Function ELT</p>	<ul style="list-style-type: none"> • CEO to discuss with EPC, in camera, the competencies required for the role for all ELT members <ul style="list-style-type: none"> • CEO to keep EPC Chair informed through the recruitment process; • EPC Chair may participate in interview/ discussion with final candidate(s); • Upon the recommendation of the CEO and EPC, Board to approve appointment of ELT member (excluding the CFO and CRO).
<p>Compliance</p>	<ul style="list-style-type: none"> • Receive and review report from management that Vancity’s adherence to employment practices meet the statutory and regulatory requirements of employment standards, human rights and other applicable legislation. • Approve annual CEO compensation disclosure statement.

	<ul style="list-style-type: none"> ● Establish and oversee the process for the employee submission of anonymous complaints regarding breaches of the Code of Conduct. ● The Human Resource Committee Chair will inform the Chair of any other board committee, as appropriate, of breaches of the Code of Conduct that may be relevant to the mandate of that committee.
People Plan	<ul style="list-style-type: none"> ● Receive and review an annual People Plan that sets out the strategy for talent, leadership, total rewards (including Total Rewards Philosophy) and engagement. ● Regularly review progress against the People Plan. ● Review and recommend to the Board the annual corporate scorecard. ● Receive and review annually, incentive and profit share payments for all employees. ● Receive and review annually, pay equity for Vancity employees. ● With respect to labour relations, to review management's recommendations as to the mandate for any collective bargaining agreement, and recommend to the Board for approval. ● With respect to Compensation/Total Rewards Philosophy, review and recommend to the Board for approval, the Compensation Philosophy.
Pension	<ul style="list-style-type: none"> ● The Pension and Retirement Plan Governance Policy as approved by the Board is the source document for accountabilities and governance for the SMRP and Group RRSP at Vancity. This document will be reviewed every 2 years (or as needed) and recommended to the Board for approval. ● The Defined Benefit Pension Plan: Governance Policy as approved by the Board is the source document for the accountabilities and governance for the defined benefit plan at Vancity. This document will be reviewed every 2 years (or as needed) and recommended to the Board for approval. ● The following defined benefit pension plan documents will be reviewed by the EPC for recommendation to the board for approval: <ul style="list-style-type: none"> ● Defined Benefit Pension Plan: Funding Policy (every 3 years); ● Defined Benefit Pension Plan: Responsible Investing Policy (every 3 years); ● Defined Benefit Pension Plan: Statement of Investment Policies and Procedures (annually) ● Accountable for the effective governance of pension plans for the management and staff of Vancity. Approve appointment of members to the Retirement Administration Committee (RAC) and Pension Committee (PC), and annually approve both terms of references. ● Membership to both the RAC and the PC is to be defined based on skills and knowledge and unique nature of the relationship of members of the Pension Plan. A member of the plan can also be a member of the RAC. ● Receive an annual education and overview of pension plans for employees of Vancity.

	<ul style="list-style-type: none">• Receive regular reports of the performance of the employee pension plans.• Receive information about regulatory changes and/or any plan design changes requiring Board approval as outlined in the Pension Governance framework.
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Meetings

The Committee shall meet as required, but not less frequently than twice each year. Meetings are open to other Directors who are non-voting. The Committee shall determine its own procedures for the conduct of the meetings.

The Committee Chair may convene a meeting at the request of any director to consider any matter that director believes should be brought to the attention of the Committee.

Reporting

Minutes of all meetings of the Committee will be made available to the Board. The Chair will provide a report to the Board on matters not yet minuted. Supporting schedules and information reviewed by the Committee will be available for examination by any Director through the board portal.

Resources

The Committee is supported by:

- management, including the CEO, Chief Equity and People Officer, and Vice President General Counsel and Corporate Secretary
- external advisers as required.