

**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	• In consultation with the CEO, develop and recommend for Board approval:

	<ul style="list-style-type: none"> <li>• annually, objectives for the CEO short term incentive plan (STI)</li> <li>• objectives for the CEO long term incentive plan (LTI) Objectives will be consistent with Vancity’s strategic and business plans.</li> <li>• Develop an annual evaluation process for the CEO, review the process annually and recommend process changes to the Board when necessary.</li> <li>• Annually, complete CEO performance review and determine annual merit and STI and LTIP payout for Board approval.</li> <li>• At the completion of the LTI cycle, complete assessment and determine LTI payout for Board approval.</li> <li>• 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.</li> <li>• Review and recommend to the Board the terms and conditions of any employment contract relating to the CEO upon hire or change.</li> <li>• Annually review the CEO succession plan, including:             <ul style="list-style-type: none"> <li>• CEO role description (<i>every 3 years – next review in 2026</i>)</li> <li>• Emergency/ interim CEO succession plan</li> <li>• Overview of key steps in succession and transition planning</li> </ul> </li> </ul>
<p>With respect to Executive Leadership Team positions</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• For clarity, the appointment and dismissal of the CFO and CRO are conducted by the Audit Committee and Risk Committee respectively, for recommendation the Board.</li> <li>• Review and approve the compensation philosophy and framework, including base salary, long and short- term incentive and benefits, for the Executive Leadership Team.</li> <li>• Review annually, performance, succession and development plans for Executive Leadership Team.</li> <li>• Review and discuss with the CEO major organizational structure or executive changes, prior to implementation.</li> <li>• Review and approve the retirement and severance framework for departing members of the Executive Leadership Team.</li> <li>• Approve the retirement and severances for departing ELT members that are outside the approved framework.</li> <li>• Review/Approve ELT base salary when it falls outside of pay band.</li> </ul>
<p>Process for Appointing/Dismissing non-Oversight Function ELT</p>	<ul style="list-style-type: none"> <li>• CEO to keep EPC Chair and/or Board Chair informed through the recruitment or dismissal process;</li> <li>• EPC Chair and/or Board Chair may participate in interview/ discussion with final candidate(s);</li> <li>• Upon the recommendation of the CEO and EPC, Board to approve appointment of ELT member (excluding the CFO and CRO).</li> </ul>

<p>Compliance</p>	<ul style="list-style-type: none"> <li>● 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.</li> <li>● Approve annual CEO compensation disclosure statement.</li> <li>● Establish and oversee the process for the submission of complaints through our third-party system regarding breaches of the Code of Conduct.</li> <li>● The EPC 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.</li> </ul>
<p>People Plan</p>	<ul style="list-style-type: none"> <li>● Receive and review an annual People Plan that sets out the strategy to deliver on the Vancity Strategy.</li> <li>● Regularly review progress against the People Plan.</li> <li>● Review and recommend to the Board the annual organizational scorecard.</li> <li>● Provide the EPC with an overview of the distribution of the annual Profit Share and Short-Term Incentive (STI) payout made to eligible employees.</li> <li>● Receive and review annually, pay equity for Vancity employees.</li> <li>● With respect to labour relations, to review management's recommendations as to the outline for any collective bargaining agreement, and recommend to the Board for approval.</li> <li>● With respect to Compensation/Total Rewards Philosophy, review and recommend to the Board for approval every 3 year the Compensation Philosophy.</li> </ul>
<p>Pension</p>	<ul style="list-style-type: none"> <li>● 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.</li> <li>● The Vancity Defined Benefit Pension Plan: Governance Policy as approved by the Board is the source document for the accountabilities and governance for the Vancity defined benefit plan. This document will be reviewed every 2 years (or as needed) and recommended to the Board for approval.</li> <li>● The following Vancity defined benefit pension plan documents will be reviewed by the EPC for recommendation to the board for approval:             <ul style="list-style-type: none"> <li>● Defined Benefit Pension Plan: Funding Policy (every 3 years);</li> <li>● Defined Benefit Pension Plan: Responsible Investing Policy (every 3 years);</li> <li>● Defined Benefit Pension Plan: Statement of Investment Policies and Procedures (annually)</li> </ul> </li> <li>● 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.</li> </ul>

	<ul style="list-style-type: none"><li>• 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.</li><li>• Receive an annual education and overview of pension plans for employees of Vancity.</li><li>• Receive regular reports of the investment performance of the employee pension plans.</li><li>• Receive information about regulatory changes and/or any plan design changes requiring Board approval as outlined in the Pension Governance framework.</li></ul>
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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 People Officer, and the Corporate Secretary
- external advisers as required.

**Attachment**

Appendix A: Annual Calendar of Committee Reports

**APPENDIX A: ANNUAL CALENDAR OF COMMITTEE REPORTS**

Report Name	Agenda*	Type**	Q1 Apr	Q2 Sept	Q3 Nov	Q4 Feb
<b>STANDING ITEMS</b>						
EP Committee Minutes	Consent	Decision	✓	✓	✓	✓
Work in Progress and Calendar of Reports	Consent	Information	✓	✓	✓	✓
Senior Management Appointments	Consent	Information	✓	✓	✓	✓
Retirement Administration Committee and Pension Committee Update • includes pension plan performance	Consent	Information	✓	✓	✓	
<b>WITH RESPECT TO CEO</b>						
Review CEO Evaluation Process	Regular	Approve any changes (B)		✓		
Finalize CEO Annual Objectives (STI) and Development Plan	Regular	Decision (B)			✓	
Finalize LTI Objectives annually	Regular	Decision (B)			2026	
CEO Payout on LTI & STI, and determining 20xx Merit	In Camera	Decision (B)				✓
Review Total Rewards for CEO annually, with formal analysis every 3 years	In Camera	Information (B)		2026		
CEO Succession Plan • Goes to Board	In Camera	Decision (B)				✓
<b>WITH RESPECT TO ELT POSITIONS</b>						
Review Executive Leadership Team Total Rewards	Regular	Information		✓		
Annual Performance, Succession and Development Plans for ELT	Regular	Information				✓
Senior Leader Pay Band ( <i>if necessary</i> )	Consent	Information	✓	✓	✓	✓
<b>COMPLIANCE</b>						
Adherence to Canadian Employment Legal Framework	Consent	Information			✓	
Approve Annual CEO Compensation Disclosure Statement • <i>This item may be approved via email between January and April</i>	Consent	Decision				✓
Process for Employee Submission of Anonymous Complaints regarding breaches of Code of Conduct	Consent	Information			As needed	
Breaches of the Code of Conduct and Employee Issues	Consent	Information	✓	✓	✓	✓

Report Name	Agenda*	Type**	Q1 Apr	Q2 Sept	Q3 Nov	Q4 Feb
<b>PEOPLE PLAN</b>						
CPO Report	Regular	Information	✓	✓	✓	✓
Profit Share and Incentive Distribution	Consent	Information	✓			
Employee Engagement Results	Regular	Information (B)			✓	
Annual Organizational Scorecard	Regular	Decision (B)			✓	
Gender and Diversity Pay Analysis	Consent	Information	✓			
<b>PENSION</b>						
RAC Terms of Reference	Consent	Decision				✓
Pension Committee Terms of Reference	Consent	Decision			✓	
Annual Overview of Retirement Programs	Regular	Information		✓		
Pension and Retirement Plan Governance Policy (SMRP and Group RRSP) • Reviewed every 2 years	Regular	Decision (B)			2026	
Defined Benefit Pension Plan: Funding Policy • Reviewed every 3 years	Consent	Decision (B)			2025	
Defined Benefit Pension Plan: Statement of Investment Policies and Procedures	Consent	Decision (B)			✓	
Defined Benefit Pension Plan: Responsible Investing Policy • Reviewed every 3 years	Consent	Decision (B)			2025	
Defined Benefit Pension Plan: Governance Policy • Reviewed every 2 years	Consent	Decision (B)			2026	
<b>COMMITTEE COMPOSITION</b>						
Equity and People Committee Terms of Reference	Consent	Decision (B)		✓		
Equity and People Committee Assessment Results (every other year – next due 2026) • Composition, training needs, self assessment	Regular	Information		✓		

\*Reports marked as Regular or Consent are used as a guideline only. The Committee Chair and/or Executive Support may change this as necessary.

\*\*Approve items marked with a “(B)” requires approval of both the EP Committee and the Board.