

## **COMPENSATION & HUMAN RESOURCES COMMITTEE**

### **CHARTER**

The purpose of the Compensation & Human Resources Committee is to assist the Board in fulfilling its duties regarding human resources, compensation matters and corporate succession planning.

#### **COMPOSITION**

The Committee shall be comprised of at least three independent directors, as defined by the Toronto Stock Exchange Guidelines and the New York Stock Exchange Regulations. Members of the Committee shall be appointed annually, following the annual general meeting of the Corporation. The Chair of the Committee is appointed each year by the Board.

#### **MEETINGS**

The Committee shall meet as deemed necessary in order to carry out its duties effectively. The quorum at any meeting of the Committee is a majority of its members. The Corporate Secretary or Assistant Corporate Secretary of the Corporation acts as the secretary of the Committee. The Chair of the Committee develops the agenda for each meeting of the Committee in consultation with the Chief Executive Officer ("CEO") of the Corporation. The agenda and the appropriate meeting materials are provided to members of the Committee on a timely basis prior to any meeting of the Committee.

#### **DUTIES AND RESPONSIBILITIES**

To carry out its responsibilities, the Committee shall:

1. Review its charter annually and recommend changes to the Board when necessary.
2. Review the Corporation's Human Resources policies and procedures with respect to human resources hiring, assessment, compensation, succession planning and labour issues and to confirm that appropriate human resources systems such as hiring policies, competency profiles, training policies and compensation structures are in place so that the Corporation can attract, motivate and retain the quality of personnel required to meet its business objectives.
3. Oversee the Material ESG Focus Area defined as 'Culture', by ensuring appropriate target setting and implementation strategies are in place and monitored on a frequent basis.
4. Oversee assessment of the Corporation's risk relating to its compensation philosophy, policies and practices: to ensure executives are not encouraged to take unnecessary or inappropriate risks and to review disclosure in these respects.
5. Annually review the individual objectives established by the CEO for each Senior Vice-President of the Corporation and the objectives which were established for the CEO.
6. Annually conduct CEO's evaluation and develop and recommend to the Board for approval the CEO's compensation, including salary, bonus, long term incentive grants and benefit plan, having previously received from the Board or a committee thereof, an assessment of the degree to which the CEO has achieved the objectives which were established for the CEO.
7. Review, with the CEO, the CEO's evaluation of the performance of the Senior Vice-Presidents of the Corporation, including an assessment by the CEO of the degree to which the Senior Vice-Presidents have achieved the individual objectives which were established

for them and the CEO's recommendations for the Senior Vice-Presidents' individual compensation, including salaries, bonuses, long term incentive grants and benefit plans.

8. Review, with the CEO, the CEO's recommendations for the overall compensation program for all other officers and employees, including salaries, bonuses, long term incentive grants, benefit plans, and any similar plans and recommend the final proposals to the Board for approval.
9. Review, with the CEO, the CEO's recommendations for the bonus plans of the Corporation including establishing the corporate objectives for bonus plans at the beginning of each year and measuring the degree of realization of same at the end of each year and recommending the total bonus pool or pools to the Board for approval.
10. Review the Corporation's management succession plan and ensure that qualified personnel are available and continually trained for succession to any key positions in the organization and report to the Board on the status of the Corporation's succession plans. The Committee should be aware of and recommend to the Board specific succession plans for the CEO and the Senior Vice-Presidents of the Corporation.
11. Annually review director compensation and recommend the same to the Board of Directors.
12. Review the Compensation & Human Resources Committee disclosure in the Information Circular and/or the Annual Report.
13. The Committee may, in appropriate circumstances, retain outside advisors, subject to advising the Chairman of the Board thereof.
14. The minutes of the Committee meetings are approved by the Committee and submitted to the Board for information purposes.

#### **ACCOUNTABILITY**

The Committee shall present a verbal or written report of its meetings, discussions and recommendations at the next scheduled meeting of the Board.

#### **TIMETABLE**

The Committee's schedule will be as follows and may be amended, from time to time, by the Chair of the Committee.

**COMPENSATION & HUMAN RESOURCES COMMITTEE  
TERMS OF REFERENCE - ACTION PLAN**

**Year End Corporate Performance Approval, Executive Compensation Direction and HR Policies and Structure recommendations**

	Jan	Feb	Aug	Nov	Dec
<b>Non-Executive Compensation</b> <ul style="list-style-type: none"> <li>Approve annual staff salary increase budget</li> <li>Review high level benchmark data analysis</li> </ul>	X			X	
<b>Executive Compensation</b> <ul style="list-style-type: none"> <li>Review compensation peer group(s) and benchmark data</li> <li>Recommend to the Board the CEO's salary increase, bonus, and annual LTI award</li> <li>Review and recommend to the Board proposed SVP and VP salary increases, bonuses and annual LTI awards</li> </ul>	X	X	X	X	
<b>CEO Performance Evaluation</b> <ul style="list-style-type: none"> <li>Finalize format and content of evaluation</li> <li>Receive the CEO's self-assessment (provided to the full Board)</li> <li>Distribute CEO Performance Assessment Questionnaire</li> <li>Review the Board's feedback on CEO</li> <li>Review for Board approval CEO personal goals for new year</li> </ul>	X X X X	X		X X	X
<b>Annual Bonus Administration (STI)</b> <ul style="list-style-type: none"> <li>Confirm annual corporate objectives, performance metrics, and performance management process for the new year</li> <li>Review forecast of the corporate performance score</li> <li>Review for Board approval the annual corporate performance score and resulting aggregate bonus pool</li> </ul>	X  X		X	X	
<b>Director Compensation</b> <ul style="list-style-type: none"> <li>Review and Recommend Director Compensation</li> </ul>				X	
<b>Equity Administration (LTI)</b> <ul style="list-style-type: none"> <li>Review current state of outstanding LTI grants (PSU multipliers)</li> <li>Confirm grant approach for the upcoming year</li> <li>Review PSU payout multiplier for grant vested Dec. 31 (approval required only if "survivor bias" discretion is used)</li> <li>Review and approve aggregate planned annual LTI awards</li> <li>Approve quarterly grant dates for the new year</li> </ul>	X X X	X		X X	
<b>HR Policies &amp; Practices</b> <ul style="list-style-type: none"> <li>Oversee assessment of risk relating to compensation philosophy, policies, and practices</li> <li>Review HR strategies and policies (including Diversity)</li> <li>Review succession and development plans for all executives</li> </ul>	X	X X X	X X	X	
<b>ESG Material Issue – Culture</b> <ul style="list-style-type: none"> <li>Review and approve targets that advance the Culture Material Issue</li> <li>Monitor performance of the "culture journey" against the stated targets.</li> </ul>	X	X	X	X	
<b>Information Circular</b> <ul style="list-style-type: none"> <li>Review outreach, institutional advisor reports, and any other governance updates</li> <li>Review draft Compensation Discussion &amp; Analysis section of the circular</li> </ul>	X X	X X	X	X	
<b>Review Committee Charter &amp; Work Plan</b>				X	
<b>Hold an in-camera session of the independent members of the Committee</b>	X	X	X	X	