

Human Resources and Compensation Committee Terms of Reference

A) PURPOSE

The purpose of the Human Resources and Compensation Committee (the "Committee") is to review, report and, where appropriate approve or provide recommendations to the Board regarding human resources and compensation¹ matters including but not limited to Health & Safety issues, management succession, recruitment, compensation, development, retention, proposals for the compensation of the President and Chief Executive Officer, as well as other significant human resource policies and labour relations issues.

For the purposes hereof, "Senior Management" means the President and Chief Executive Officer, all Senior Vice Presidents, Vice Presidents, and Officers of the Corporation and the Presidents of wholly-owned subsidiaries of the Corporation.

For the purposes hereof "Pension Plans" refers to the Defined Benefit and Defined Contribution Segments of both the Registered Pension Plan and the Supplemental Retirement Arrangement, as well as the Group RSP.

B) DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board assigns to the Committee the following duties and responsibilities to be performed by the Committee on behalf of the Board:

HUMAN RESOURCES

- 1) Review and recommend any major organizational-structure changes;
- 2) Review and recommend major Human Resources and Occupational Health and Safety policies;
- 3) Review and monitor the effectiveness of management systems in place within the Corporation to identify and manage the principle risks in respect of Occupational Health and Safety and to ensure compliance with Occupational Health and Safety policies;
- 4) Review the Corporation's strategies with respect to Labour Relations issues and recommend to the Board negotiating mandates, including budgets, for collective agreements;
- 5) Review annually with the Chief Human Resources Officer the Corporation's directed hiring process and all directed hires activities;

COMPENSATION POLICIES, PROGRAMS, PLANS AND BENEFITS

- 6) Review and recommend to the Board compensation and active and retired employee benefit policies, including incentives, pension benefit policies, and cost sharing policies, for all employees;

¹ The compensation for the Chairman, the Directors, and the President & Chief Executive Officer is fixed by the Governor in Council.



- 7) Approve and report to the Board on the annual compensation budget, including incentive programs and salary range adjustments within the Corporation's approved compensation and benefits policies, excluding Sales Incentive Plans;
- 8) Review and recommend to the Board any exception or deviation from the Corporation's approved compensation and benefits policies;
- 9) Make recommendations to the Board with respect to compensation for the Chairman and Directors.
- 10) Review and recommend to the Board the Pension Plans' design and amendments thereto;

CEO JOB DESCRIPTION, OBJECTIVES, PERFORMANCE AND COMPENSATION

- 11) Annually review and recommend to the Board the goals and objectives of the President and Chief Executive Officer;
- 12) Review the description of the duties of the President and Chief Executive Officer and recommend same for approval by the Board of Directors;
- 13) Make recommendations to the Board with respect to the performance evaluation and compensation of the President and Chief Executive Officer;

SENIOR MANAGEMENT APPOINTMENTS AND COMPENSATION

- 14) Review and recommend to the Board the appointments, promotions, and terminations of members of Senior Management, with the exception of the Vice-President, Pension Fund and Chief Investment Officer and the Corporate Auditor;
- 15) Review and recommend to the Board the total compensation philosophy and market position of total direct compensation, benefits, and perquisites for Senior Management;
- 16) Approve and report to the Board annual compensation and benefits for Senior Management within the Corporation's approved compensation and benefits policies;

SUCCESSION PLANNING

- 17) Annually review and recommend to the Board the Corporation's Senior Management succession plans and process; such succession plans to include the President and Chief Executive Officer's plans for appointment, training, assessing and motivating members of Senior Management;

GENERAL

- 18) Oversee the selection of and terms of reference of any outside consultants retained to advise the Committee on Senior Management compensation programs;
- 19) Meetings of the Committee



- a) meet regularly, not less than three times a year, and at such other times as may be requested by the Chairperson;
 - b) the Chairperson of the Committee shall set the agenda and the annual Timeline (“Workplan”) which shall then be circulated among the Committee members. Ordinarily the Chairperson will set the agenda in consultation with the Chief Human Resources Officer; and
 - c) the President and Chief Executive Officer and the Chief Human Resources Officer shall have direct access to the Committee and shall receive notice of and may attend all meetings of the Committee, except where the Committee meets in camera with members of senior management or only with members of the Committee;
- 20) periodically review these terms of reference to ensure they continue to be appropriate and, as deemed necessary, make recommendations to the Board for improvement; and
- 21) perform such other functions as assigned by law, the Corporation's By-laws, or the Board.

Effective: November 21st, 2013