



## **HUMAN RESOURCES AND COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS MANDATE**

### **PURPOSE**

The primary purpose of the human resources and compensation committee (the “committee”) of the board of directors (“board”) is to assist the board in fulfilling its oversight responsibilities for (a) human resource policies, (b) executive compensation, (c) executive succession and development, (d) pension plan governance, and (e) oversight of material risks assigned to the committee.

### **COMPOSITION**

The board shall appoint annually, from among its members, the committee and its chair. The committee shall consist of at least three members and each of whom will be independent pursuant to the standards of independence adopted by the board.

### **MEETINGS**

The committee will meet as many times as the committee considers necessary to carry out its duties.

A majority of the members of the committee shall constitute a quorum. No business may be transacted by the committee except at a meeting of its members at which a quorum of the committee is present.

The committee may invite such officers, directors and employees of the corporation as it may see fit from time to time to attend at meetings of the committee and assist thereat in the discussion and consideration of any matter.

A meeting of the committee may be convened by the chair or any other member of the committee. The secretary, who shall be appointed by the committee, shall, upon the direction of any of the foregoing, arrange a meeting of the committee. The committee shall report to the board in a timely manner with respect to each of its meetings held. This report may take the form of copies of the minutes of its meetings.

### **DUTIES AND RESPONSIBILITIES**

1. The following responsibilities of the board are delegated to the committee with the duty to report and make recommendations to the board with respect thereto:
  - (a) in consultation with management, establish the corporation’s general compensation philosophy, and oversee the development and implementation of compensation and incentive programs;

- (b) the establishment of the compensation policy and of programs and actual compensation to be paid to the executive officers and the directors of the corporation;
- (c) review and approve corporate goals and objectives relevant to the compensation of the chief executive officer, evaluation of the performance of the chief executive officer in light of those goals and objectives, and recommendation to the board of the chief executive officer's compensation based upon this evaluation;
- (d) assess the performance of other executive officers of the corporation and approve their compensation;
- (e) review and approve any equity-based compensation plans, including stock option plans, share savings plans, share purchase plans and any other incentive or compensation plans involving the issuance of securities of the corporation and the administration of such plans as may be required by such plans;
- (f) oversee the establishment of pension plans and the administration of such plans;
- (g) oversee the establishment of leadership and talent development programs designed to prepare senior personnel for future executive positions in the corporation;
- (h) oversee succession planning to deal with planned and unplanned departure of the chief executive officer, and succession planning for the other executive officers and vice-presidents of the corporation. Consult with the audit and finance committee on succession planning for the chief financial officer and controller;
- (i) review and approve a report on executive compensation for inclusion in the corporation's management proxy circular;
- (j) review and pre-approve all fees and terms of service for the corporation with any compensation consultant who also provides independent advice for the committee, including those consultants providing services to subsidiaries of the corporation. Between scheduled committee meetings, the chair of the committee, on behalf of the committee, is authorised to pre-approve any engagement fees and terms. At the next committee meeting, the chair shall report to the committee any such pre-approval given;
- (k) review significant human resources policies of the corporation;
- (l) oversee management's compliance with laws and regulations with respect to compensation and human resource matters, including the effect on the corporation of changes relating to legislation pertaining to employees (other than occupational, health and safety legislation which responsibility has been specifically delegated to the safety, health and environment committee) such as labour standards, human rights, and workers' compensation legislation;

### ***Risk Oversight***

- (m) oversee management's mitigation of material risks within the committee's mandate and as otherwise assigned;
- (n) oversee potential risks and opportunities related to the following topics, and such other topics identified by the board of directors:
  - inclusion and diversity, including our Indigenous workforce
  - pay equity
  - unions (labour relations)
  - employee engagement and corporate culture.

### ***General***

- (o) conduct any actions to oversee management respecting all other matters relating to this mandate; and
- (p) undertake such other tasks as may be directed to it from time to time by the board.

### **ORGANIZATIONAL MATTERS**

- 2. The procedures governing the committee shall, except as otherwise provided for herein, be those applicable to the board as set forth in Part 7 of the General Bylaws of the corporation.
- 3. The members and the chair of the committee shall be entitled to receive remuneration for acting in such capacity as the board may from time to time determine.
- 4. The committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of special or independent counsel or other experts or consultants, as it considers appropriate, without seeking approval of the board or management. When the committee retains or obtains advice of a compensation consultant, independent legal counsel or other adviser:
  - (a) the committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel or other adviser retained by it;
  - (b) the corporation shall provide for appropriate funding for payment of reasonable compensation, as determined by the committee, to any compensation consultant, independent legal counsel or other adviser retained by the committee; and
  - (c) before selecting any compensation consultant, independent legal counsel or other adviser, the committee must consider the adviser's independence, including:
    - (i) the provision of other services to the corporation by the entity that employs the compensation consultant, legal counsel or other adviser;

- (ii) the amount of fees received from the corporation by the employer of the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the employer;
- (iii) the policies and procedures of the employer of the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
- (iv) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the committee;
- (v) any stock of the corporation owned by the compensation consultant, legal counsel or other adviser; and
- (vi) any business or personal relationship of the compensation consultant, legal counsel or other adviser or the employer of the adviser with an executive officer of the corporation.

Nothing in these requirements shall be construed to require the committee to implement or act consistently with the advice or recommendations of any compensation adviser or to affect the ability or obligation of the committee to exercise its own judgment.

5. Any member of the committee may be removed or replaced at any time by the board and shall cease to be a member of the committee upon ceasing to be a director. The board may fill vacancies on the committee by appointment from among its members. If and whenever a vacancy shall exist on the committee, the remaining members may exercise all its powers so long as a quorum remains in office. Subject to the foregoing, each member of the committee shall remain as such until the next annual meeting of shareholders after that member's election.
6. The committee shall annually review and assess the adequacy of its mandate and recommend any proposed changes to the nominating, corporate governance and risk committee for recommendation to the board for approval.
7. The committee shall participate in an annual performance evaluation, the results of which will be reviewed by the board.
8. The committee shall perform any other activities consistent with this mandate, the corporation's governing laws and the regulations of stock exchanges, as the committee or the board considers necessary or appropriate.