

Terms of Reference for the Human Resources and Compensation Committee

I. Purposes

- A. The purpose of the Human Resources and Compensation Committee (the “Committee”) is to establish a plan of continuity for executives and other key employees, and to ensure a broad plan of executive compensation is established that is competitive and motivating in order to attract, hold and inspire the Executive Management and other key employees and to oversee compliance by Executive Management with the Corporation’s Code of Corporate Behaviour and Ethics.
- B. For the purposes hereof, “Executive Management” means all members of the Executive of the Corporation and such other officers of subsidiaries of the Corporation as may be designated by the Board.

II. Composition and Terms of Office

- A. Following each annual meeting of shareholders of the Corporation, the Board shall appoint not less than three members to the Committee. Each member of the Committee shall be independent.¹
- B. The Committee Chair shall be appointed by the Board.
- C. The Committee Chair shall:
 - (i) provide leadership to the Committee by reinforcing and monitoring the achievement of the Committee’s objectives;
 - (ii) coordinate the agenda, information packages and related events for committee meetings with the appropriate members of management; and

¹ A director is **independent** if he or she would be independent for the purposes of (i) Canadian Securities Administrators National Instrument 58-101 *Disclosure Corporate Governance Practices*; and (ii) any other applicable legislation or policy.

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- (iii) chair Committee meetings.
- D. Any Committee member may be removed or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director of the Corporation. Each member shall hold office until the close of the next annual meeting of shareholders of the Corporation or until the member resigns or is replaced, whichever first occurs.
- E. The Committee shall meet at least four times per year. Additional meetings may be held as deemed necessary by the Committee Chair or as requested by any member.
- F. A quorum for the transaction of business at all meetings of the Committee shall be a majority of the authorized number of members. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in case of an equality of votes the Chair shall have a second casting vote.
- G. The Committee may invite such directors, officers and employees of the Corporation as it may see fit from time to time to attend meetings and assist in the discussion and consideration of the business of the Committee, but without voting rights.
- H. The Committee shall keep regular minutes of proceedings and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board at such times as the Board may, from time to time, require.
- I. The Committee shall choose as its Secretary such person as it deems appropriate.
- J. The Committee shall meet in camera, without management present, at the end of each regularly scheduled Committee meeting.

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III. Duties and Responsibilities

The Committee shall:

- A. Review the organizational structure and report any significant organizational changes, along with the Committee's recommendations, to the Board.
- B. Review management's succession plans for Executive Management, including specific development plans and career planning for potential successors prior to their presentation to the Board.
- C. Review the compensation philosophy and guidelines for Executive Management and directors for recommendation to the Board for its consideration and approval.
- D. Review and recommend the compensation of each member of Executive Management, and report its conclusions to the Board for its consideration and approval.
- E. Review and make recommendations to the Board for its consideration regarding any stock option or other share-based compensation plan, pension plan or employee benefit plan to be granted to Executive Management and directors and guidelines with respect thereto.
- F. With respect to the granting of stock options, restricted share units or other share-based compensation (collectively, "Plans") to Executive Management,
 - (i) in conjunction with management, administer the Plans as determined, established and amended by the Board;
 - (ii) review management's recommendations for and approve the granting of stock options, restricted share units or other share based compensation to Executive Management and other key employees of the Corporation and its subsidiaries; and

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- (iii) suggest and review any amendments which the Committee considers necessary to any Plans and make recommendations to the Board with respect to those amendments; provided however, that all amendments to such Plans shall be subject to the consideration and approval of the Board.
- G. Within any guidelines established by the Board,
 - (i) in conjunction with management, administer the Pension Plan and Supplemental Retirement Plan (“SRP”) for Executive Management;
 - (ii) designate key employees as Executive Management for the purposes of the SRP; and
 - (iii) suggest and review any amendments which the Committee considers for the SRP and make recommendations to the Board for the consideration and approval of the Board; provided however, that all amendments to such plans be subject to the consideration and approval of the Board.
- H. Subject to the approval of the Board, review and approve benefits other than those applicable to employees generally to be granted to Executive Management including levels and types of benefits.
- I. Review and make recommendations to the Board for its consideration regarding any changes in the benefit provisions of the salaried pension plan.
- J. Consider and make recommendations to the Board for its consideration regarding all matters concerning incentive awards, perquisites and other remuneration matters with respect to Executive Management.
- K. Oversee the selection of and terms of reference for outside consultants to review the Executive Management compensation program as appropriate.

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- L. With respect to boards of directors of unrelated corporations which operate for profit and which compensate members of their boards and/or significant commitments with respect to non-profit organizations,
 - (i) establish a limit on the number of such boards on which individual members of Executive Management may participate;
 - (ii) receive notice of proposed membership by a member of Executive Management and upon consultation with the CEO have a right to object to such membership; and
 - (iii) confirm in writing, through the CEO, to such member of Executive Management that the Corporation shall not indemnify the employee nor be exposed to liability with respect to the employee's participation on for profit boards. In certain circumstances the Corporation's directors' and officers' liability insurance may cover the employee's participation on boards of non-profit organizations.
- M. Review and approve corporate goals and objectives applicable to the CEO, lead and implement the CEO's review process based on such goals and objectives and report the results of the process to the Board.
- N. Review and approve the executive compensation disclosure prior to publication in the annual management proxy circular and other applicable regulatory reports.
- O. Have such other powers and duties as delegated to it by the Board.

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IV. Accountability

- A. The Committee shall report to the Board at its next regular meeting all such action it has taken since the previous report.
- B. The Committee may retain and compensate such outside advisors as may be necessary to assist the Committee in fulfilling its responsibilities and the Corporation shall provide sufficient funding for this purpose.
- C. The Committee is authorized to request the presence at any meeting, but without voting rights, of a representative from the external advisors, senior management, legal counsel or anyone else it considers to be able contribute substantively to the subject of the meeting and assist in the discussion and consideration of the business of the Committee, including directors, officers and employees of the Corporation.

V. Committee Timetable

- A. The timetables on the following pages outline the Committee's schedule of activities during the year.