

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 proposals for the compensation of the President and Chief Executive Officer, management succession, recruitment, compensation, development, retention, significant human resource policies and labour relations issues, and the Employee Share Plan.

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

B) DUTIES AND RESPONSIBILITIES

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

Compensation Policies, Programs, Plans and Benefits:

- (1) review and recommend compensation and active and retired employee benefit policies, including incentives, pension benefit policies, and budget for all employees, with the exception of Senior Management;
- (2) review and approve any exception or deviation from the Corporation's approved compensation and benefits policies, including pension benefit policies;
- (3) make recommendations to the Board with respect to compensation for the Chairman and Directors;
- (4) review and recommend the Pension Plan(s) design and amendments thereto, which create or support the Pension Plan(s);
- (5) review and recommend cost sharing policies (excluding Pension programs) and, from time to time, recommend employer/employee contribution rates;
- (6) subject to and consistent with decisions of the Board, oversee the implementation and administration of the Employee Share Plan of the Corporation (the "Plan"), including:
 - a) review and recommend changes to the terms of the Plan and the Corporation's share capital;
 - b) oversee and receive reports from the committee of officers of the Corporation (which is established pursuant to By-law No. 4 of the Corporation) or others that administer the Plan, including reviewing any rules governing the Plan; and
 - c) monitor the operation of the Plan and assess it from time to time;

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

CEO Job Description, Objectives, Performance, and Compensation:

- (7) recommend to the Board the objectives of the President and Chief Executive Officer for the current year.
- (8) review the description of the duties of the President and Chief Executive Officer as well as the Corporate goals and objectives relevant to the President and Chief Executive Officer's compensation and recommend same for approval by the Board of Directors;
- (9) 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:

- (10) review and recommend the appointments and promotions of members of Senior Management, with the exception of the Vice-President, Pension Fund and Chief Investment Officer, proposed by the President and Chief Executive Officer;
- (11) review of total compensation philosophy and market position of total direct compensation, benefits, and perquisites for Senior Executives;
- (12) review and recommend the annual compensation and benefits for Senior Management;

Succession Planning:

- (13) review the Corporation's management succession plans and process and make recommendations to the Board in connection therewith; such succession plans to include the President and Chief Executive Officer's plans for appointment, training, assessing and motivating members of Senior Management;

Human Resources:

- (14) review and recommend any major organization structure changes including personnel changes at the Senior Management level, proposed by the President and Chief Executive Officer;
- (15) review and recommend the Corporation's strategies with respect to Labour Relations issues and recommend negotiating strategies for collective agreements;
- (16) Review and recommend major Human Resources and occupational health and safety policies from time to time as required;
- (17) 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 and related practices;
- (18) review annually with the Vice-President, Human Resources the Corporation's directed hiring process and all directed hires activities;

General

- (19) oversee the selection of and terms of reference of any outside consultants who are retained to review the Senior Management compensation programs;

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- (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;
 - (21) perform such other functions as assigned by law, the Corporation's By-laws, or the Board;
 - (22) 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 Vice-President, Human Resources;
 - c) the President and Chief Executive Officer and the Vice-President, Human Resources 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.

Revised : October 19, 2011