

HUMAN RESOURCES COMMITTEE

1. COMPOSITION

The Human Resources Committee shall be composed entirely of Directors who are “independent” (as this word is defined in the text on Board Composition). The appointment of the Chairman of the Committee shall be reconsidered every three (3) years, the first such review to be in 2006; if desired, a new Chairman of the Committee shall be recommended by the Governance Committee and appointed by the Board.

2. TERMS OF REFERENCE

The duties and responsibilities of the Committee shall include the following:

- (a) periodically review personnel policies for recruiting, developing and motivating the personnel of the Corporation and its subsidiaries;
- (b) review the total compensation practices of the Corporation and its subsidiaries and, at its March meeting, review the compensation section of the Corporation’s Management Proxy Circular;
- (c) annually review the list of objectives for the ensuing year, assess the performance and the management development for all members of the Office of the President and any other officers as may be required by the Committee and seek the Board’s approval for their total compensation;
- (d) ensure, in consultation with the Chairman of the Board, the CEO and the full Board, that succession plans are in place at senior executive levels and review such plans at regular intervals;
- (e) review the recommendation of the President and CEO for any new proposed appointment to the Office of the President and recommend approval by the Board;
- (f) at regular intervals, review the President and CEO succession plan;
- (g) review on a periodic basis the Corporation’s pension plan performance and funded status;
- (h) review recommendations regarding any other topics related to the major aspects of management of human resources, including organizational arrangements, within the Corporation and its subsidiaries;

- (i) monitor the management development programs of the Corporation and its subsidiaries;
- (j) ensure that a pension committee is established in accordance with applicable legislation and ensure that such committee reports once a year to the Committee through the Vice-President, Corporate Human Resources;
- (k) review and report to the full Board, in conjunction with the Governance Committee, with recommendations, prior to each annual shareholders' meeting, with respect to the following:
 - (i) the ethical standards of the Corporation to ensure that management has identified the values that determine acceptable behavior in the Corporation and has put in place a process that ensures these values are reflected in actions that are taken within the Corporation;
 - (ii) the periodic review of the Corporation's Code of Ethics and Business Conduct;
 - (iii) compliance under the Corporation's Code of Ethics and Business Conduct (including receiving signed declarations of the senior executives confirming their own compliance);
 - (iv) the policies and practices concerning the regular examination of officers' expenses and perquisites, including the use of Corporation assets; and
 - (v) issues regarding:
 - corporate values and ethics; and
 - corporate ethical conduct domestically and internationally;
- (l) review, in December of each year, the performance of the Chairman of the Board and make a recommendation to the Board regarding his total compensation;
- (m) as required during the year, at the discretion of the Chairman of the Committee, report to the Board of Directors with respect to the above-mentioned activities during the year with such recommendations as are deemed desirable in the circumstances.

3. ORGANIZATION AND PROCEDURES

- (a) The Committee shall meet regularly, not less than four (4) times per year, and at such other times as may be requested by the Chairman of the Committee. The President and Chief Executive Officer, the Chairman of the Board or any member of the Committee may request a meeting of the Committee. At each of the regularly scheduled meetings of the Committee, the Chairman of the Committee shall hold an in camera session of the outside (non-management) Directors.
- (b) The Chairman of the Board and the Chairman of the Committee shall, in consultation with the Vice-President, Corporate Human Resources, set the agenda, which shall then be circulated among the Committee members and all other Board members.
- (c) The President and Chief Executive Officer and the Chairman of the Board shall have direct access to the Committee and shall receive notice of and attend all meetings of the Committee, except private sessions.
- (d) The Vice-President, Corporate Human Resources, shall act as secretary of the Committee.
- (e) The Committee will annually review its own terms of reference to ensure they continue to be appropriate, assess its own performance, establish its forward agenda (a copy of which shall be provided to all Board members) and make recommendations to the Governance Committee as required.

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