

9. HUMAN RESOURCES COMMITTEE

1. COMPOSITION

The Human Resources Committee shall be composed entirely of Directors who are “independent” (as this word is defined at Tab 3, Section 1 above). 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 policies¹ 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) review on a periodic basis the Corporation’s pension plan performance and funded status;

¹ For an example of personnel policies recommended by the Committee and approved by the Board with respect to Executive Compensation see Schedule 1.

- (g) 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;
- (h) monitor the management development programs of the Corporation and its subsidiaries;
- (i) 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;
- (j) 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 included in this Handbook at Tab 15;
 - (iii) compliance under the Corporation's Code of Ethics (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;
- (k) 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;
- (l) review annually the performance of the President and CEO and make recommendations to the Board regarding his total compensation;

- (m) review and pre-approve annually the schedule of services and fees the Corporation plans to ask the compensation consultants to render in the upcoming year, as presented to the Committee by management, and ensure that the independence of the compensation consultants is maintained.
- (n) 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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SCHEDULE 1 EXECUTIVE COMPENSATION CLAWBACK POLICY

The Board may, in its sole discretion, to the full extent permitted by governing law and to the extent it determines that it is in the Corporation's best interest to do so, require the reimbursement of all or a portion of any performance-based incentive compensation awarded to an executive officer after May 7th, 2009, if:

- a) the amount of a bonus or incentive compensation was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the subject of or affected by a restatement of all or a portion of the Corporation's financial statements; and
- b) the executive officer engaged in gross negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement; and
- c) the amount of the bonus or incentive compensation that would have been awarded to or the profit realized by the executive officer had the financial results been properly reported would have been lower than the amount actually awarded or received.

For the purposes of this Policy: "**Board**" means the Board of Directors of the Corporation or, if determined by the Board, one of its committees; and " **executive officer** " means any executive officer or former executive officer of the Corporation who has been designated as such by the Board.