



## HUMAN RESOURCES AND COMPENSATION COMMITTEE CHARTER

### **PART I. COMMITTEE STRUCTURE**

#### **1. PURPOSE OF COMMITTEE**

The Human Resources and Compensation Committee is established by the Board of Directors to assist the Board in fulfilling its responsibilities relating to matters of human resources and compensation, and to establish a succession plan and development of senior management. The Committee has responsibility for evaluating and making recommendations to the Board regarding the compensation of the Company's executives and the equity-based and incentive compensation plans, policies and programs of the Company. In addition, the Committee shall produce an annual report on executive compensation for inclusion where appropriate in the Company's disclosure documents.

#### **2. COMPOSITION OF COMMITTEE**

The Committee shall consist of as many members as the Board shall determine, but in any event not fewer than three directors, provided that each member of the Committee shall be an independent director.

#### **3. APPOINTMENT AND REMOVAL OF COMMITTEE MEMBERS**

The members of the Committee shall be appointed by the Board, on the recommendation of the Chair of the Board. The members of the Committee shall be appointed annually at the meeting of the directors immediately following the annual meeting of shareholders and shall hold office until the next annual meeting or until their successors are appointed or until they cease to be directors of the Company. The Board may remove and replace any member of the Committee.

### **PART II. COMMITTEE OPERATIONS**

#### **1. VACANCIES**

Where a vacancy occurs in the membership of the Committee, it may be filled by the Board on the recommendation of the Chair of the Board, and shall be filled by the Board if the membership of the Committee is fewer than three directors.

#### **2. COMMITTEE CHAIR**

The Board shall appoint a Chair for the Committee. The Chair may be removed and replaced by the Board.

**3. ABSENCE OF CHAIR**

If the Chair is not present at a meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.

**4. SECRETARY OF COMMITTEE**

Members of the Committee shall designate from time to time a person who may, but need not be, a member of the Committee or a director, to be secretary of the Committee. The secretary shall keep minutes of the meetings of the Committee.

**5. REGULAR MEETINGS**

The Chair, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings. The Committee may, at any time, and at each regularly scheduled Committee meeting shall, meet without the presence of management or non-independent directors.

**6. SPECIAL MEETINGS**

The Chair, or any two members of the Committee, may call a special meeting of the Committee.

**7. QUORUM**

A majority of the members of the Committee present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to each other shall constitute a quorum.

**8. NOTICE OF MEETINGS**

Notice of the time and place of every meeting shall be given in writing or by e-mail or facsimile communication to each member of the Committee at least 24 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive a notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

**9. AGENDA**

The Chair shall develop and set the Committee's agenda in consultation with other members of the Committee, the Board and management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

**10. DELEGATION**

The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee, as it considers appropriate.

**11. ACCESS**

In discharging its responsibilities, the Committee shall have full access to all books, records, facilities and personnel of the Company.

**12. ATTENDANCE OF OFFICERS OR EMPLOYEES AT A MEETING**

The President and Chief Executive Officer of the Company and, at the invitation of the Chair, one or more officers or employees of the Company may, and if required by the Committee shall, attend a meeting of the Committee.

**13. PROCEDURE, RECORDS AND REPORTING**

The Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board on its activities when the Committee may deem appropriate but no later than the next meeting of the Board.

**14. OUTSIDE CONSULTANTS OR ADVISORS**

The Committee, when it considers it necessary or advisable, may retain, at the Company's expense, outside consultants or advisors to assist or advise the Committee in evaluating compensation and to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to approve the fees and other retention terms for such persons.

**PART III. MANDATE OF COMMITTEE**

**1. COMPENSATION GUIDELINES AND AGREEMENTS**

The Committee shall review and recommend to the Board a comprehensive statement of compensation philosophy, strategy and principles for the Company's executives and administer the Company's executive compensation and benefits program in accordance with the statement approved by the Board. The statement shall take into account all applicable laws, rules and guidelines regarding executive compensation and accountability.

The Committee shall also be responsible for reviewing and recommending to the Board certain matters relating to all employees, including annual salary and incentive policies and programs, and material new benefit programs or material changes to existing benefit programs.

**2. PRESIDENT AND CHIEF EXECUTIVE OFFICER EVALUATION AND COMPENSATION**

The Committee shall review annually and approve changes, as appropriate, to the position description for the President and Chief Executive Officer, setting out the President and Chief Executive Officer's authority and responsibilities.

The Committee shall review and approve corporate goals and objectives relevant to the total compensation package of the President and Chief Executive Officer, recommend a performance evaluation process for the President and Chief Executive Officer, evaluate the performance of the President and Chief Executive Officer in light of these goals and objectives and using this process, make recommendations to the Board with respect to the President and Chief Executive Officer's compensation level based on this evaluation.

In determining the long-term incentive component of the compensation of the President and Chief Executive Officer, the Committee shall consider the Company's performance and relative shareholder return, the value of similar incentive awards to president and chief executive officers at comparable companies and the awards given to the President and Chief Executive Officer in past years.

This Charter should not be construed as precluding discussion of the compensation of the President and Chief Executive Officer with the Board generally, as it is not intended to impair communication among members of the Board.

The Committee shall make recommendations for approval by the Board on the appointment of a new President and Chief Executive Officer or the dismissal of the existing President and Chief Executive Officer.

### **3. OTHER EXECUTIVE COMPENSATION AND OVERSIGHT**

In consultation with the President and Chief Executive Officer, the Committee shall oversee the evaluation of the Company's executives, other than the President and Chief Executive Officer, and shall make recommendations to the Board with respect to the total compensation package for the Company's executives, other than the President and Chief Executive Officer, and directors' compensation.

### **4. EQUITY COMPENSATION REVIEW**

The Committee shall review periodically and make recommendations to the Board regarding incentive compensation or equity plans, programs or similar arrangements that the Company establishes for, or makes available to, its employees, including the designation of the employees who may participate in such plans.

In addition, the Committee shall review periodically the extent to which these forms of compensation are meeting their intended objectives and shall make recommendations to the Board regarding modifications that will more accurately relate such compensation to employee performance.

### **5. LONG-TERM INCENTIVE PLANS**

The Committee shall administer the Stock Option Plan and the Performance Unit Program (PU) (collectively referred to as the "Plans") including the following:

- a) consider and approve the designation of employees who are to participate in the Plans and consider and approve the granting of options and units under the Plans to the participating employees;

- b) subject to the provisions of the Plans, consider and approve any amendments to the Plans as may be deemed necessary or advisable for the granting of options under the Stock Option Plan or the issue of units under PU, and for the proper administration and operation of the Plans;
- c) consider and recommend to the Board any amendments to the Plans or discontinuance or substitution thereof; and
- d) consider and approve any amendments to any agreements under the Plans for any participating employees.

## **6. MANAGEMENT RESOURCES AND PLAN FOR EXECUTIVE DEVELOPMENT**

The Committee shall review existing management resources and plans, including recruitment, training and evaluations, to ensure that qualified personnel will be available for succession to executive positions at the Company and key officer positions in its major subsidiaries. The Committee shall also periodically discuss with the President and Chief Executive Officer his or her views as to a successor in the event of the President and Chief Executive Officer's unexpected incapacity. The Committee shall report on this matter to the Board at least once a year.

## **7. HUMAN RESOURCES POLICIES**

The Committee shall review, report and where appropriate, provide recommendations to the Board on the Company's human resources policies including, without limitation, health and safety, harassment and environmental policies.

## **8. CODE OF BUSINESS AND WORKPLACE ETHICS**

The Committee shall recommend to the Board the form and content of a Code of Business and Workplace Ethics, monitor its implementation, operation and effectiveness and authorize any waiver of compliance of such Code and oversee the investigation of any alleged breach thereof.

## **9. RETIREMENT MATTERS**

The Committee shall:

- a) review and recommend for approval by the Board any material changes in the Company's retirement plans;
- b) receive and review the investment objectives and policies of the Company's retirement plans and any changes thereto;
- c) receive and review periodic reports from management committees which supervise the Company's retirement programs, including reports concerning the investment results, funding results, plan member communications and legal compliance/reporting in relation to such plans;
- d) where appropriate, give direction concerning retirement program matters to the management committees which supervise the Company's retirement programs;

- e) where appropriate, evaluate, for review by the Board, any retirement program matters that may be of concern or interest to the Board; and
- f) review and make recommendations to the Board regarding any material benefits to retiring employees outside of approved retirement and other benefit programs.

**10. COMPENSATION COMMITTEE REPORT**

The Committee shall produce the "Compensation Committee Report" on executive compensation as required to be published by applicable laws, rules and guidelines.

**11. SELF-EVALUATION**

The Committee shall conduct an annual performance self-evaluation including a review of its compliance with this Charter, in accordance with the process developed by the Corporate Governance Committee and approved by the Board, and shall report to the Board the results of the self-evaluation. The first such self-evaluation shall be completed on or before December 31, 2006.

**12. REVIEW OF DISCLOSURE**

The Committee shall review those portions of the Company's disclosure documents containing executive compensation disclosure before the Company publicly discloses this information.

**13. REVIEW OF COMMITTEE'S CHARTER**

The Committee shall assess the adequacy of this Charter on an annual basis and recommend any changes to the Board.

**14. NON-EXHAUSTIVE LIST**

The foregoing list of duties is not exhaustive and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its responsibilities.