

# Compensation Committee Charter

## **1. Purpose**

The purpose of the Compensation Committee is to:

- (a) review and approve the corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those corporate goal and objectives, and determine (or make recommendations to the Board with respect to) the CEO's compensation level based on this evaluation (See Section 8 – CEO Review Process);
- (b) make recommendations to the Board with respect to non-CEO officer extraordinary bonuses, director compensation, incentive compensation plans and equity-based plans;
- (c) review executive compensation disclosure before the Corporation publicly discloses this information; and
- (d) propose option awards and restricted share grants to the Board with the input from the CEO.

## **2. Composition and Qualification**

- (a) The Compensation Committee shall consist of a minimum of three directors.
- (b) At least a majority of the members of the Compensation Committee shall be independent directors (as defined in Section 4 of the Governance Manual).

## **3. Member Appointment and Removal**

- (a) The Compensation Committee members are appointed by the Board on the recommendation of the Governance and Nominating Committee after consultation with the Chairman and the Lead Independent Director (if any) and with consideration of the desires of individual Board members.
- (b) Consideration will be given to rotating the Compensation Committee members periodically.
- (c) The Compensation Committee Chairman is selected by the Board on the recommendation of the Governance and Nominating Committee.
- (d) The Board may at any time remove a member from the Compensation Committee.

#### **4. Meetings**

The Compensation Committee will meet at least 2 times annually, or more frequently as circumstances may warrant. The Compensation Committee may meet with, and receive reports from, management.

A quorum for the transaction of business at all meetings of the Compensation Committee shall be a majority of members.

#### **5. Position Description and Responsibilities for Chairman**

The Chairman of the Compensation Committee shall be an independent director appointed by the Board on the recommendation of the Governance and Nominating Committee on an annual basis following the election of the Directors at the Corporation's Annual General Meeting of shareholders.

The Chairman shall:

- (a) work with the Chairman of the Board and the CEO, and manage the Compensation Committee, in a manner that ensures these relationships are effective and efficient and furthers the best interests of the Corporation;
- (b) act as the principal sounding board and counsel for the directors and the CEO with respect to compensation issues;
- (c) ensure that, as appropriate, the Chairman of the Board, the Lead Independent Director (if any) and the CEO are aware of concerns of the Compensation Committee;
- (d) provide strong leadership of the Compensation Committee in reviewing and monitoring the aims, strategy, policy and directions of the Compensation Committee in order to achieve its objectives;
- (e) communicate with the Board to keep it current on all major developments involving executive compensation;
- (f) set the frequency of the Compensation Committee meetings and reviews such frequency as appropriate;
- (g) work closely with the Chairman to coordinate matters to be brought forth to Board Meetings from the Compensation Committee; and
- (h) chair and manage meetings of the Compensation Committee.

## **6. Mandate and Responsibilities**

The Compensation Committee shall review and make recommendations to the Board concerning the following:

- (a) the compensation of the CEO;
- (b) the compensation policy with respect to employees of the Corporation or any of its subsidiaries ensuring that the Corporation is in compliance with all legal compensation reporting requirements;
- (c) extraordinary bonus awards to executives under any STIP program in effect;
- (d) the succession plans and process for the CEO and executive team;
- (e) performance appraisal of the CEO;
- (f) the adequacy and form of compensation of directors, ensuring that compensation realistically reflects the responsibilities and risks involved in being an effective director;
- (g) if the Corporation or any of its subsidiaries has or adopts a pension plan, the performance of the pension plans and the pension fund managers with particular concern for:
  - (i) funding issues and the matching of assets and obligations;
  - (ii) the investment policy guidelines of the fund managers; and
  - (iii) the firm that is to be employed by the Corporation as the trustee, the actuary and the investment managers;
- (h) awards under the Corporation's Corporate Stock Option Plan;
- (i) human resources policy and strategy; and
- (j) perform any other activities consistent with this Charter and Applicable Laws as the Compensation Committee or the Board deems necessary or appropriate.

The Compensation Committee shall have the authority to delegate any of its responsibilities to subcommittees or individual members as the Compensation Committee deems appropriate.

## **7. Authority**

The Compensation Committee shall have the authority:

- (a) to engage independent counsel and other advisors including, without limitation, executive compensation consulting firms, that it considers necessary to carry out its duties;
- (b) to set and pay the compensation for any advisors employed by the Compensation Committee for the purpose of carrying out its duties; and
- (c) to set and pay the ordinary administrative expenses of the Compensation Committee that are necessary or appropriate in carrying out its duties.

**8. Reporting**

- (a) The Compensation Committee has a duty to report to the Board all matters that it considers to be important for Board consideration.
- (b) All minutes of the Compensation Committee should be attached to the Board minutes and forwarded to each member of the Board by the Secretary in a timely manner.