

## MANDATE OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

### ***Main Responsibilities of the Committee***

- Review, approve and administer the Corporation's overall compensation policies and programs, including wages policies, executive compensation components, pension plans and stock-based incentive programs, as well as hiring and termination policies and, if necessary, submit material changes to the Board for approval
- In consultation with the Lead Director, review the objectives, compensation and performance of the President and Chief Executive Officer and make recommendations to the Board in relation thereto
- Review succession planning and management development programs
- Develop and administer any diversity policy within the Corporation
- Approve the information on executive compensation included in the proxy circular

### **PURPOSE OF THE COMMITTEE**

The Human Resources and Compensation Committee (the "Committee") of Transcontinental Inc. (the "Corporation") is a committee of the Board of Directors (the "Board") that assists the Board in fulfilling its oversight obligations primarily in connection with the development and the administration of the Corporation's human resources policies and practices related to the hiring, evaluation, termination of employment and overall compensation of senior management and the review of succession planning and management development. The Committee reviews and recommends to the Board significant changes and grants under stock-based incentive plans.

### **INDEPENDENCE**

All members of the Committee shall be independent within the meaning of the applicable legislation. Unless members of the Committee waive it, the Committee shall meet "in camera" at each meeting of the Committee, without the presence of management and consultants, to enable its members to discuss openly and frankly.

### **MEMBERS OF THE COMMITTEE**

The Board shall appoint a minimum of three members to the Committee. The Board shall be under no obligation to fill a vacancy prior to the next annual meeting of shareholders. The members of the Committee shall be appointed or replaced by resolution of the Board to hold office from the date of their appointment until the next annual meeting of shareholders or until their successor is appointed. A member may be removed or replaced at any time by the Board. A member ceases to be a member of the Committee when he ceases to be a director.

### **MEETINGS**

The Committee shall establish its own procedure for the calling and holding of meetings. The Committee must however hold at least two meetings per year. Subject to the notice provisions set out in the by-laws of the Corporation, written notice shall be given at least 48 hours prior to meetings unless the members of the Committee unanimously waive the notice.

The Chair of the Board and the President and Chief Executive Officer may attend each Committee meeting at the invitation of the chair of the Committee.

Unless otherwise determined by the Board from time to time, two members of the Committee constitute a quorum for the purpose of deliberating on any matter at a meeting. In the absence of the chair of the Committee at a meeting, the

chair of the meeting shall be held by the member present who shall be chosen by a majority of the members present. During a meeting, all questions shall be decided by a majority of the votes cast by the members of the Committee.

A member of the Committee is appointed by the Board to act as chair of the Committee. The Secretary of the Committee shall be the Secretary or Assistant Secretary of the Corporation.

## **RESSOURCES AND SUPPORT**

In order to fulfill its responsibilities, the Committee shall have the resources and the authority to retain, without prior authorization of the Board and at the Corporation's expense, outside experts or consultants. Each member of the Committee shall be entitled to rely, without independent verification, on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives information or advice and on the accuracy and completeness of the information provided to the Committee by or on behalf of such persons or organizations. Any of such consultants or experts shall have the right to attend meetings of the Committee at the invitation of the chair of the Committee.

## **RESPONSIBILITIES**

The duties and responsibilities of the Committee are established by the Board and include the following:

### **1. General Responsibilities**

- (i) Review and approve, as the case may be, the Corporation's compensation and wages policies and practices and, in relation thereto, assess the competitiveness of the Corporation's compensation policies and practices and their alignment with the Corporation's objectives and report to the Board on the Committee's findings and recommend any changes that are desirable or necessary because of applicable laws or regulations;
- (ii) Establish and review, as appropriate, short-term, medium-term and long-term incentive programs, including stock-based incentive programs (other than any program applicable to directors who are not also employees of the Corporation), recommend to the Board any changes deemed desirable or necessary as a result of new laws or regulations or new market trends, while ensuring that such programs do not encourage risk taking beyond the established tolerance thresholds;
- (iii) Oversee the administration of stock-based incentive programs (other than programs applicable to directors who are not also employees of the Corporation) and recommend any grants under such programs to the Board;
- (iv) Review and approve any material changes proposed to the Corporation's pension plans and receive any actuarial valuation reports in relation to such pension plans;
- (v) Review the organizational structure of the Corporation;
- (vi) Review succession planning programs and report to the Board;
- (vii) Review the high potential executive development program;
- (viii) Adopt and administer any diversity policy and review initiatives undertaken by the Corporation to promote diversity, including statistics relating to women's representation within the Corporation and the annual and cumulative progress in achieving set objectives;
- (ix) Review the objectives and performance of the Corporation regarding health, safety and wellness and ensure that action plans are implemented, if necessary.
- (x) Review material human resources risks, including those related to internal controls and harassment, and, in relation thereto, review health, safety and wellness reports and statistics;

- (xi) Prepare a report on executive compensation to be published in the proxy circular and review, if applicable, any other material disclosure contained therein with respect to executive compensation;
- (xii) Review the mandate of the Committee as required and submit to the Board any proposed changes, if any; and
- (xiii) Perform such other duties as may from time to time be delegated by the Board.

**2. In Relation to the President and Chief Executive Officer**

- (i) Define, from time to time, the role and responsibilities of the President and Chief Executive Officer and make recommendations to the Board in relation thereto;
- (ii) When hiring a new President and Chief Executive Officer, define the objectives sought by the Corporation to fill the position, review the role and responsibilities with respect to those objectives, and, with the assistance of the Chair of the Board, approve the profile of the candidate. If a mandate is given to outside consultants, review the list of potential candidates and approve the list of finalists, participate in the final choice of the candidate and make a recommendation to the Board in relation thereto;
- (iii) Review and approve, annually and in consultation with the Lead Director, the set of objectives and criteria that are relevant to the compensation of the President and Chief Executive Officer, determine his level of compensation and make a recommendation to the Board in this regard;
- (iv) Evaluate, in collaboration with the Lead Director, the performance of the President and Chief Executive Officer with respect to his objectives; and
- (v) Review and approve any decisions regarding the departure of the President and Chief Executive Officer and his severance, if applicable, and make a recommendation to the Board in relation thereto.

**3. In Relation to Executive Officers**

- (i) Approve new candidates for positions identified by the Board as executive officers;
- (ii) Review and approve the implementation and administration of compensation and benefits programs for executive officers;
- (iii) Review and approve the hiring, compensation and terms of employment of the executive officers (other than the President and Chief Executive Officer) and family members of the controlling shareholder, if applicable;
- (iv) Review, where applicable, any policy regarding the termination of employment of executive officers and severance negotiated under an employment contract or upon termination of employment of executive officers;
- (v) Review the development programs for executive officers; and
- (vi) Establish the stock ownership guidelines for executive officers and review the level of ownership by executive officers on a regular basis.

The Committee shall report to the Board after each of its meetings.