

HUMAN RESOURCES AND COMPENSATION COMMITTEE

Terms of Reference

Last Reviewed: December 2017

PURPOSE

The purpose of the Human Resources and Compensation Committee (the "Committee") is to assist the Board of Directors (the "Board") of Stuart Olson Inc. (the "Corporation") in fulfilling its obligations relating to human resource and compensation matters.

COMPOSITION AND OPERATIONS

1. The Committee shall be composed entirely of "independent" Directors within the meaning of Section 1.4 of National Instrument 52-110 – *Audit Committees*, as amended or replaced from time to time.
2. The Committee shall meet at least twice each year and otherwise as required to fulfill its responsibilities.
3. The Committee shall be composed and operate in accordance with the *Standing Committees of the Board General Terms of Reference*, as amended from time to time. To the extent that there exists any conflict between the provisions of these Terms of Reference and the provisions of the *Standing Committees of the Board General Terms of Reference*, the provisions of these Terms of Reference shall apply.

DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee has the responsibility:

1. With respect to policy to:

- a) At such times as determined by the Committee, review and, if deemed appropriate by the Committee, recommend to the Board for approval any significant changes to the Corporation's compensation philosophy, guidelines and general plans or programs for its employees and Directors;
- b) On an annual basis, review and provide a report to the Board pertaining to the implications of the risks associated with the Corporation's compensation policies and practices;
- c) Approve any annual aggregate base salary increases for the employees of the Corporation as recommended by the Chief Executive Officer (the "CEO");
- d) Review and, if deemed appropriate by the Committee, recommend to the Board for approval the Compensation Discussion and Analysis section of the Corporation's annual proxy circular;
- e) Approve the annual aggregate bonus amounts payable to the employees of the Corporation as recommended by the CEO;
- f) At such times as determined by the Committee, review and, if deemed appropriate by the Committee, recommend to the Board for approval the form and level of compensation for Directors, Committee Members, Committee Chairs and the Chairperson of the Board; and

- g) At such times as determined by the Committee, review and, if deemed appropriate by the Committee, recommend to the Board for approval any share ownership guidelines for the Directors and senior employees of the Corporation.

2. With respect to the CEO to:

- a) At such times as determined by the Committee, review and, if deemed appropriate by the Committee, recommend to the Board for approval the position description for the CEO;
- b) On an annual basis, review and, if deemed appropriate by the Committee, recommend to the Board for approval the corporate goals and objectives for which the CEO is responsible and that are relevant to the CEO's compensation;
- c) On an annual basis, review the performance of the CEO against his or her approved goals and objectives and, if deemed appropriate by the Committee, recommend to the Board for approval any changes to the CEO's total remuneration package, including the components thereof;
- d) Review with the CEO any significant outside commitments he or she is considering before the commitment is made including, without limitation, any commitments relating to external board positions; and
- e) In the event that the Committee becomes aware of a possible vacancy in the position of the CEO, work with the Chairperson of each of the Board and its Governance and Nominating Committee to lead the selection process as to proposed candidates.

3. With respect to the Senior Executives to:

- a) On an annual basis, review with the CEO the performance of each of the Corporation's Senior Executives and, if deemed appropriate by the Committee, recommend to the Board for approval any changes to such Senior Executive's total remuneration package, including the components thereof; and
- b) Review and, if deemed appropriate by the Committee, approve any material agreements proposed to be entered into with any Senior Executive, including those agreements addressing new employment, retirement, termination of employment or other special circumstances deemed by the Committee to be material.

4. With respect to the Corporation's Executive Compensation Plans and Benefit Programs (i.e. base salary programs and annual and long-term incentive plans):

- a) Review and, if deemed appropriate by the Committee, recommend to the Board for approval any new incentive, compensation or benefit program of the Corporation;
- b) On an annual basis, review the effectiveness of any existing incentive, compensation or benefit programs of the Corporation and, if necessary, recommend to the Board for approval any significant changes thereto;
- c) Provide oversight on the benefit aspects of the Corporation's pension and retirement plans, specifically in the areas of:
 - i. any major benefit changes in the plans after consultation with the Audit Committee in respect of any significant effect such changes may have on pension financial matters;
 - ii. appointment of members to the Corporation's Pension Committee;

- iii. recommendations to the Board on any pension plan initiations, terminations or conversions; and
- iv. advice to the Board or the Governance Committee on any matters concerning pension governance.
- d) At such times as determined by the Committee, review and, if deemed appropriate by the Committee, recommend to the Board incentive awards to executives of the Corporation under such plans as recommended by the CEO; and
- e) Review with the CEO and, if deemed appropriate by the Committee, recommend to the Board the performance goals for any executive incentive plan established at the start of each plan cycle and make recommendations to the Board as to whether performance objectives have been achieved at the end of each plan cycle.

5. With respect to succession planning and organization change to:

- a) At such times as determined by the Committee, review with the CEO existing management resources and plans, including recruitment and training programs, to ensure that qualified personnel will be available for succession to executive positions in the Corporation and its key subsidiaries; and
- b) At such times as determined by the Committee, review and, if deemed appropriate by the Committee, recommend to the Board for approval the appointment of new assignments or material reassignments of existing Senior Executives as recommended by the CEO.

6. With respect to other matters:

- a) Review and, if deemed appropriate by the Committee, make recommendations to the Board on such other matters related to human resource issues that are specifically delegated to the Committee by the Board.

INDEPENDENT ADVISORS

The Committee shall have the authority to retain and terminate independent legal counsel, consultants or other advisors in order to assist it in fulfilling its responsibilities.