

**WAJAX CORPORATION**  
**HUMAN RESOURCES AND COMPENSATION COMMITTEE**  
**CHARTER**

**1. ROLE OF THE COMMITTEE**

The Human Resources and Compensation Committee of the board of directors shall have broad responsibility for overseeing the development of executive and senior management succession plans, for assisting the board in the discharge of its responsibilities relating to the development and implementation of compensation policies and programs, for promoting, supporting and monitoring improvements to the health and safety performance of the corporation, and for overseeing the sponsorship and administration of registered and non-registered pension plans maintained by the corporation and its affiliates.

**2. MEMBERSHIP**

The committee shall be comprised of three or more directors, all of whom shall be independent as determined by the board in conformity with the laws, regulations and listing requirements to which the corporation is subject. A quorum shall consist of two directors.

Members shall be appointed annually by the board, such appointments to take effect immediately following the annual meeting of the shareholders. The board shall designate one member of the committee to act as its Chair.

**3. MEETINGS**

The committee shall meet as required. It may invite such executives and managers to its meetings as it may deem desirable or appropriate, subject to the maintenance of confidentiality where required. The committee shall produce written minutes of its meetings and shall provide the board with a report of its activities and proceedings at the next regularly scheduled meeting of the board.

**4. RESOURCES AND AUTHORITY OF THE COMMITTEE**

The committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain counsel or other experts, as it deems appropriate, without seeking approval of the board or management. The committee shall have the authority to set and pay the compensation of any advisors it engages.

## 5. **DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

### ***Succession Planning and Compensation***

- a) To ensure that processes are in place to deal with the development of and succession plans for executives and senior managers and to review reports thereon annually.
- b) To consider the annual review of the CEO's performance as jointly performed by the Chair of the committee and the Chair of the Board and to subsequently review this evaluation with the full board.
- c) To oversee on behalf of the board the CEO succession planning process.
- d) To establish the corporation's general compensation philosophy and oversee the development and implementation of compensation policies and programs for executives and senior managers.
- e) To make recommendations to the board on any new equity-based compensation plan or on any material changes to existing plans.
- f) To review and recommend for board approval (i) CEO salary; (ii) the corporate goals and objectives related to annual incentive bonus compensation for the CEO; (iii) annual incentive bonus payments to the CEO; and, (iv) MTIP grants and payments to the CEO, executives and senior managers.
- g) To review and approve management recommendations related to (i) salary; (ii) the corporate goals and objectives related to annual incentive bonus compensation; and (iii) annual incentive bonus payments, for executives and senior managers who report to the CEO.
- h) To review and recommend for board approval the terms of any employment agreement for an executive or senior manager who reports to the CEO; to review and recommend for board approval any change of control or similar agreements; to approve any severance or similar termination payments proposed to be made to any current or former executive or senior manager who reports to the CEO, and to recommend for board approval any severance or termination payments proposed to be made to the CEO.
- i) To review and recommend for board approval the executive compensation disclosure to be included in the management information circular.
- j) To make recommendations to the board regarding corporate officer appointments.
- k) To provide advice in respect of general personnel policy and employee wage and benefit programs, including recommending for board approval any proposed changes to supplemental retirement plan benefits.

### ***Health and Safety***

- l) To receive periodic health and safety operational reports, review the appropriateness and effectiveness of health and safety policies and practices with management and to report to the board thereon.
- m) To perform such other functions as are assigned to it to assist the board in its oversight and monitoring of health and safety policies and practices.

### **Pension Plan Governance**

- n) In respect of the corporation's non-fiduciary role as sponsor of the registered and non-registered pension plans maintained by the corporation and its affiliates (the "**Pension Plans**"):
  - (i) To approve material changes to the corporation's policy with respect to funding of the Pension Plans;
  - (ii) To recommend for board approval any major amendments to the Pension Plans (as defined by resolution of the board from time to time), and any new pension or other retirement savings arrangements to be sponsored by the corporation or an affiliate from time to time; and
  - (iii) To delegate responsibility to approve amendments to the Pension Plan, other than those described in subparagraph (ii) above, to such management committee(s) and/or appropriate officers or employees of the corporation or its affiliates as the committee deems appropriate from time to time.
  
- o) In respect of the corporation's role as administrator of the Pension Plans (which is a fiduciary role only in relation the Pension Plans that are registered pension plans):
  - (i) To oversee the administration of the Pension Plans and the investment of the related funds;
  - (ii) To establish such management pension committee(s) as the committee deems appropriate from time to time, and to sub-delegate to such management pension committee(s) specified duties and responsibilities in relation to the administration of the Pension Plans and the investment of the related funds;
  - (iii) To appoint and replace from time to time external service providers to perform specified tasks relating to the administration of the Pension Plans and the investment of the related funds, other than the auditor of the financial statements of the Pension Plans;
  - (iv) To establish terms of reference, policies, rules and procedures pursuant to which responsibility for each task relating to the administration of the Pension Plans and the investment of the related funds is allocated among the committee, the management pension committee(s), appropriate officers or employees of the corporation or an affiliate, and external service providers (the "**Pension Governance Framework**"), and to review and confirm or amend such Pension Governance Framework on at least a triennial basis;
  - (v) To monitor on an ongoing basis the performance of the management pension committee(s), corporate officers and employees and external service providers having responsibility under the Pension Governance Framework for tasks relating to the administration of the Pension Plans and the investment of the related funds, with a view to promoting the proper administration of the Pension Plans; and
  - (vi) To report to the board on at least an annual basis with respect to the administration of the Pension Plans, the investment of the related funds, compliance with applicable legislation and other material

issues relating to the corporation's administration of the Pension Plans, and on an *ad hoc* basis as may be requested by the board.

## **6. PERSONAL LIABILITY OF COMMITTEE MEMBERS**

No member of the committee shall be liable to any person for anything done or omitted to be done in the performance of their duties under this charter, except where the act or omission was due to wilful misconduct or gross negligence on the part of the committee member against whom a claim is made. The corporation shall indemnify and save harmless the members of the committee against all costs, damages and related expenses in respect of their acts or omissions, except where the acts or omissions were due to wilful misconduct or gross negligence on the part of the committee members. For greater certainty, the corporation may discharge all or part of its indemnification obligations under this paragraph by obtaining one or more liability insurance policies through a licensed insurance company.

## **7. CHAIR POSITION DESCRIPTION**

Responsibilities of the Chair include the following:

- a.) Preside as chair at all meetings of the committee.
- b.) Facilitate the effective operation and management of, and provide leadership to, the committee.
- c.) Develop the agenda for each meeting of the committee and bring forward for consideration matters within the mandate of the committee.
- d.) Take all reasonable steps to ensure that committee decisions are implemented.
- e.) Facilitate the committee's interaction with management, the board and other committees of the board.
- f.) Report to the Board on committee activities and issues.
- g.) Evaluate, along with the Chair of the board of directors, the CEO's performance.
- h.) Perform such other duties and responsibilities as may be delegated to the Chair by the committee from time to time.

## **8. ANNUAL REVIEW**

The committee will review this charter at least annually and recommend any changes to the full board of directors.