



Mandate of the Human Resources and Governance Committee

Approved by the Board of Directors

PART A - PURPOSE AND DUTIES OF THE COMMITTEE

1. Purpose

The Human Resources and Governance Committee (the **Committee**) is responsible for assisting the Board of Directors (the **Board**) of Laurentian Bank of Canada (the **Bank**) in its oversight of human resources matters, including:

- (a) Developing and recommending to the Board compensation policies and programs;
- (b) Reviewing key talent management and succession frameworks;
- (c) Overseeing the pension plans of the Bank and participating subsidiaries;
- (d) Overseeing key culture and human resources strategies, including employee engagement, employee health and well-being, and equity, and diversity and inclusion matters; and
- (e) Assisting the Board in its oversight of governance matters.

The organization of the Committee and its authority are subject to any restrictions, limitations or requirements set out in the Bank's constituting documents, including its articles and by-laws, as well as any restrictions and limitations or requirements set out under applicable laws, including without limitation the *Bank Act* (Canada), the *Trust and Loan Companies Act* (Canada), Canadian securities laws as well as the standards, policies and guidelines of the stock exchange on which the Bank's securities are listed (collectively, the **Applicable Law**). This mandate should be read together with other Bank policies and procedures to ensure (i) an understanding of the Bank's overall governance framework and (ii) a consistent application of procedural requirements including, without limitation, the Bank's policies about whistleblower complaints.

2. Duties

In fulfilling its duties, the Committee is mindful of the importance of environmental (including climate), social and governance (ESG) principles adopted and managed by the Bank.

The Committee performs the duties set out in this mandate and such other duties as may be necessary or appropriate including:

2.1. Compensation

- 2.1.1. Reviewing and recommending to the Board the overall compensation framework (including compensation, short-, medium- and long-term incentive plans, social benefits, change of control provisions, pension plans or any similar plans, and ancillary benefits) for all officers and employees, and more particularly with regards to key members of senior management.

- 2.1.2. Reviewing and approving any ancillary or other benefits, incentive plans, change of control provisions, retirement plans or any other similar plan in accordance with its terms and conditions.
- 2.1.3. Reviewing and recommending to the Board approval of any stock option and other equity incentive plans.
- 2.1.4. Reviewing and approving individual grants made under any incentive plans in accordance with their terms and conditions.
- 2.1.5. Reviewing and approving the compensation, individual bonuses, employment conditions, as well as the material terms and conditions of compensation and other employment conditions applicable to the Bank's Vice Presidents and Senior Vice President.
- 2.1.6. Reviewing and recommending to the Board approval of the compensation, individual bonuses, employment conditions, as well as the material terms and conditions of compensation and other employment conditions applicable to the Bank's President and CEO and the executives reporting directly to the President and CEO.
- 2.1.7. Reviewing annually, with the Bank's Risk Management Committee, the compensation risks based on the compensation principles and standards of the Financial Stability Board.

2.2. Talent Management

- 2.2.1. Reviewing and recommending to the Board approval of any significant changes to the Bank's organizational structure.
- 2.2.2. Recommending to the Board approval of the Bank's appointments of the Group Head, Executive Vice President, Head of Complaints Resolution and other executives reporting directly to the President and CEO.
- 2.2.3. Reviewing and approving any terms and conditions of any agreement regarding employment termination for members of the Bank's executive committee.
- 2.2.4. Reviewing and recommending to the Board annually the objectives, performance evaluation and compensation for executives reporting directly to the President and CEO.
- 2.2.5. Reviewing the suitability, competency and qualifications of the key members of senior management and officers.
- 2.2.6. Reviewing annually and evaluating the effectiveness of the Bank's performance management process for key members of senior management and officers.
- 2.2.7. Reviewing and approving the mandate of the Chief Human Resources Officer (**CHRO**).

President and CEO

- 2.2.8. Reviewing and recommending to the Board for approval the mandate of the President and CEO.
- 2.2.9. Recommending to the Board appointment or dismissal of the President and CEO.
- 2.2.10. Reviewing and recommending to the Board annually the objectives, performance evaluation, compensation and employment terms and conditions of the President and CEO.

2.3. Succession Planning

- 2.3.1. Reviewing and recommending to the Board a succession plan for the President and CEO and other executives reporting directly to the President and CEO (including, consideration of the Bank's emergency preparation plan).
- 2.3.2. Overseeing, while also being mindful of the Bank's competitiveness and internal equity system, management's implementation of a plan to promote the hiring, retention and motivation of qualified workforce.

2.4. Pension plans

- 2.4.1. Overseeing the implementation of appropriate internal oversight systems for the proper management of pension plans.
- 2.4.2. Reviewing and approving of the design, implementation, governance rules, and terms and conditions applicable to any pension plan provided by the Bank to employees.
- 2.4.3. Reviewing and recommending to the Board approval any changes with budget impact over \$1M.
- 2.4.4. Overseeing the work of the Bank's Pension Plan Committee, in its capacity as administrator, including monitoring the administration of pension plans by receiving reports on:
 - (a) all major activities and decisions relating to the pension plans provided by the Bank;
 - (b) funding and investment policies, as well as the pension plans' actuarial valuations for funding purposes;
 - (c) the hiring or dismissal of a Bank pension plan:
 - (i) a consulting actuary;
 - (ii) one or more fund managers; or,
 - (iii) an asset custodian;
 - (d) the performance of any fund manager and of the pension plan portfolio on a quarterly basis.
- 2.4.5. Overseeing the work of the Bank's Pension Plan Committee, in its capacity as plan sponsor.

2.5. Culture and Conduct

- 2.5.1. Reviewing the strategies and organizational culture to ensure that they encourage and contribute to the safety, health and well-being of its employees and ESG principles.
- 2.5.2. Overseeing the conduct of periodic evaluations of employee engagement levels and reviewing their results.
- 2.5.3. Reviewing exit interviews for senior officers of the Bank.
- 2.5.4. Overseeing the implementation and reviewing the Bank's equity, diversity and inclusion principles.

- 2.5.5. Ensuring that the President and CEO and other senior officers create and adhere to a culture of integrity and ethical conduct at the Bank.

2.6. Policies

- 2.6.1. Reviewing, and if applicable, approving such other policies identified by the Board as reviewable or approvable by the Committee.

Corporate Governance

2.7. Board and committee composition, succession and compensation

- 2.7.1. Reviewing and recommending to the Board changes to Board size and composition.
- 2.7.2. Reviewing and recommending to the Board the appointment of directors to serve as members of each committee and committee chairs, considering committee structure and composition.
- 2.7.3. Reviewing and recommending to the Board a succession plan for the Board, as well as the Board Chair and committee chairs, including selection and screening processes to identify suitable candidates to nominate for election or appointment as directors, in adherence with the Board's equity, diversity and inclusion principles.
- 2.7.4. Reviewing and recommending to the Board director compensation every other year.
- 2.7.5. Reviewing and recommending to the Board any requirements relating to minimum Bank shareholding requirements by directors.
- 2.7.6. Reviewing and recommending frequency and scheduling of Board and committee meetings, as required.

2.8. Director orientation, education and effectiveness

- 2.8.1. Overseeing the orientation and integration of newly elected Board members, as required.
- 2.8.2. Recommending and overseeing the ongoing education program for Board members annually.
- 2.8.3. Establishing criteria to evaluate the independence of Board members and assessing each Board member's independence annually.
- 2.8.4. Recommending to the Board and overseeing the assessment process to evaluate the effectiveness of Board, committees, Board chair, committee chairs and individual Board members' performance annually.
- 2.8.5. Assessing the effectiveness and performance of the Board, its committees, the Board Chair, the committee chairs and individual directors, and reporting the results to the Board annually.

2.9. Governance oversight

- 2.9.1. Reviewing and recommending to the Board corporate governance principles and guidelines for the Bank, and assessing their effectiveness against best practices, regulatory guidance and emerging trends, as necessary.
- 2.9.2. Recommending to the Board any public disclosure of the Bank's governance practices and guidelines, including without limitation:

- (a) The Management Proxy Circular and other related forms and materials; and
 - (b) The Annual ESG Report, from a social and governance perspective.
- 2.9.3. Overseeing the effectiveness of the Bank's communications to shareholders, including measures for receiving, identifying and addressing significant feedback or concerns from shareholders.
 - 2.9.4. Overseeing and reporting to the Board as required on shareholder engagement activities, including the Annual General Meeting of shareholders, as well as the shareholder proposals and responses to such proposals to be recommended to the Board for approval.
 - 2.9.5. Reviewing and recommending to the Board the mandate of the Board annually.
 - 2.9.6. Reviewing the respective mandate of each committee annually.
 - 2.9.7. Reviewing and recommending to the Board the position descriptions for the Board chair and committee chairs annually.
 - 2.9.8. Overseeing Board structure and governance activities of the Bank's subsidiaries.
 - 2.9.9. Reviewing and overseeing ESG activities of the Bank, from a social and governance perspective.

2.10. Inclusion, Equity and Business Integrity

- 2.10.1. Ensuring that the Bank's strategies and organizational culture encourage and contribute to creating an equitable and inclusive workplace and culture.
- 2.10.2. Ensuring that the President and CEO and other key members of senior management create and adhere to a culture of integrity and ethical conduct at the Bank.
- 2.10.3. Overseeing and approving policies and procedures regarding the receipt, retention and handling of complaints received from various channels (including anonymous channels) and policies and procedures regarding ethics and conduct risk.
- 2.10.4. Reviewing and recommending to the Board for approval a Code of Conduct applicable to Board members, Bank officers and employees, and overseeing compliance with its provisions.
- 2.10.5. Overseeing the implementation and application of protocols, measures or systems for identifying and resolving conflicts of interest possibly arising from the Board.
- 2.10.6. Appointing and mandating the Evaluation Committee to oversee escalated ethics and conduct risk issues.

PART B - COMMITTEE COMPOSITION AND PROCEDURES

3. Appointment, Membership, and Independence

The Committee shall consist of no less than three directors.

Following each annual meeting of shareholders, the Board shall appoint Committee members and, from among them, the chair of the Committee (the **Committee Chair**). No Committee member can be an officer or employee of the Bank or any affiliate of the Bank.

All Committee members must meet the independence requirements under Applicable Law as well as those established by the Board.

Each member will remain a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board may fill a vacancy that occurs in the Committee at any time.

4. Compensation

Compensation for Committee members is set by the Board from time to time.

5. Meetings

The Committee meets no less than four times a year following the end of each financial quarter.

Committee meetings may also be held without notice (provided the members waive such notice) and, subject to minimum quarterly meeting requirements set out above, as often as Committee members deem appropriate and at a location determined by them.

6. Quorum

Quorum at Committee meetings is no less than a majority of the members. Where a Committee member has left for a portion of a meeting due to a conflict of interest, the member will nonetheless be considered to have been present for that meeting.

7. Chair

The Committee Chair chairs Committee meetings. In the Committee Chair's absence from a meeting, the members present may elect a chair from among themselves for the entire, or a portion of a, meeting.

8. Procedure

Procedure for Committee meetings is the same as that applied for Board meetings.

9. Powers of the Committee

The Committee may:

- (a) call a meeting of directors;
- (b) communicate or meet privately with any officer or employee of the Bank, as well as with its internal or external auditors;
- (c) invite to any Committee meeting any director, officer or employee of the Bank or such other person as it deems appropriate in order to carry out its responsibilities, and may also exclude from any Committee meeting any person it deems appropriate in order to carry out its responsibilities; and
- (d) retain the services of independent third-party advisors, subject to the requirements of applicable Bank policy regarding their retainer.

10. Secretary

The Bank's Corporate Secretary or any other officer designated by the President and CEO of the Bank carries out the corporate secretarial duties for the Committee and the Committee Chair.

11. Reporting

The Committee reports to the Board on its activities (i) verbally at any Board meeting which normally follows a Committee meeting, and (ii) through presentation to the Board, for review, of any Committee-approved minutes of a Committee meeting.

The Committee also reports on its activities annually to shareholders in the Bank's management proxy circular.

12. Delegation

The Committee may, at its discretion, designate one member, or a sub-committee comprised of several members, to review, or review further, and report back to the Committee on, any matter raised by a Committee member or during a Committee meeting.

13. Review of Mandate

The Committee reviews its mandate as required, and in any event no less than annually and recommends it for approval to the Board.