



HUMAN RESOURCES COMMITTEE MANDATE

A. PURPOSE AND DUTIES OF THE COMMITTEE

1. General Purpose

The Committee is responsible for assisting the Bank's board of directors (the "Board") in overseeing (i) compensation policies and major compensation programs, (ii) compensation risk management, (iii) key talent management strategies and practices, (iv) the compensation for the Chief Executive Officer (the "CEO") and members of the Group Executive, (v) management succession plans for executive officers, (vi) management succession plans for key senior leadership roles and (vii) the pension plans of the Bank and participating subsidiaries.

2. Human Resources

In connection with its oversight of human resources the Committee will engage in the following activities:

- a) regularly review the management succession plans for the executive officers of the Bank and its business groups;
- b) review the talent management practices for critical skills required to execute the Bank's strategic goals;
- c) review the compensation policies and major compensation programs of the Bank and certain of its subsidiaries against business objectives, operations and the risks to which the Bank and such subsidiaries are exposed;
- d) meet with the Group Chief Risk Officer to review the major compensation programs of the Bank and certain of its subsidiaries to ensure program design and payouts align with sound risk management principles and practices;
- e) at least annually, hold a joint meeting with the Risk Committee to discuss compensation risk management policies and practices, as well as other areas of shared oversight;
- f) approve an annual report on executive compensation for inclusion in the management proxy circular;
- g) annually recommend to the Board the design, payout and funding of major compensation programs;
- h) review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate on an annual basis the CEO's performance in light of those goals and objectives, and provided that the CEO may not be present during voting or deliberations on his or her compensation, review and recommend to the Board the CEO's compensation in light of this evaluation;
- i) review the performance of the members of the Group Executive, as summarized by the CEO, and recommend to the Board the compensation of the members of the Group Executive; and
- j) approve the compensation of the heads of oversight functions who are not members of the Group Executive, as recommended by the CEO.

Subject to the laws applicable to the subsidiary, the Committee may also perform for and on behalf of a subsidiary the functions of a human resources committee of the subsidiary.

3. Pensions

The Committee will review and recommend for Board approval pension plan funding and major design changes. It will also approve the asset investment strategy for the Bank's pension plan.

In respect of pension plans sponsored by the Bank and certain of its subsidiaries, the Committee will annually review reports focusing on the performance, funded status, and other relevant issues relating to these pension plans.

B. COMMITTEE COMPOSITION AND PROCEDURES

1. Composition of Committee

The Committee will be composed of five or more directors. No Committee member may be an officer or employee of the Bank or of an affiliate of the Bank. Each Committee member will be (i) unaffiliated, as determined in accordance with the regulations made

under the *Bank Act*, and (ii) independent, as determined by director independence standards adopted by the Board. Committee membership will reflect a balance of experience and expertise required to fulfill the Committee's mandate.

2. Appointment of Committee Members

The Board will appoint or reappoint the Committee members at the annual organizational meeting of the directors. In the normal course members will serve a minimum of three years. 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.

3. Committee Chair and Secretary

The Board will appoint or reappoint a Committee Chair from among the members of the Committee. If the Board fails to do so, the Committee members will make the appointment or re-appointment. In the normal course the Committee Chair will serve a minimum of three years. The Committee Chair will not be a former employee of the Bank or of an affiliate. The Secretary of the Committee need not be a director.

4. Time and Place of Meetings

Meetings may be called by any Committee member or the Chief Human Resources Officer. The Committee members will determine the time and place of and the procedure at meetings, provided that the Committee meets at least four times a year. The Committee may request any officer or employee of the Bank or the Bank's external advisors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

5. Quorum

A quorum for meetings will be three members.

6. Notice of Meetings

Notice of the time and place of each meeting will be generally given in writing or by telephone, or by electronic or other communications facilities to each Committee member at least 24 hours prior to the time fixed for such meeting; however,

- a) a member may in any manner waive notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called; and
- b) a resolution in writing signed by all the members entitled to vote on that resolution at a Committee meeting will be as valid as if it had been passed at a meeting of the Committee.

7. Reporting to the Board

The Committee will report to the Board following each meeting with respect to its activities and recommendations.

8. Access to Management and External Advisors

In fulfilling its responsibilities, the Committee will have unrestricted access to management and employees of the Bank. The Committee will select, retain, oversee, terminate and approve the fees of any external advisors that the Committee deems necessary, including any compensation consultant, to assist it in fulfilling its responsibilities. The Bank will provide appropriate funding, as determined by the Committee, for any such engagement.

The Committee may select a compensation consultant, legal counsel or other advisor to the Committee after taking into consideration all factors relevant to that person's independence from management, including those specified by the New York Stock Exchange and the NASDAQ Stock Market.

9. Private Meetings

At each regularly scheduled meeting the Committee will meet with no members of management present. From time to time, the Committee will also meet privately with the external compensation consultant with no members of management present to discuss compensation-related matters.

10. Evaluation of Effectiveness and Review of Mandate

The Committee will annually review and assess the adequacy of its mandate and evaluate its effectiveness in fulfilling its mandate.