

**MORNEAU SHEPELL INC.**  
**RISK COMMITTEE CHARTER**

The following Risk Committee charter was last revised and approved by the board of Morneau Shepell Inc. (the “**Company**”) on November 10, 2020.

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The Risk Committee (the “**Committee**”) of the Company is established by the board of directors of the Company (the “**Board**”). The primary responsibilities of the Committee are:

- (a) Overseeing the management of risk enterprise-wide, the risk management function of the Company and the development, implementation and periodic assessment of policies, processes and controls designed to identify and effectively manage the significant risks to which the Company is exposed, including strategic, operational and reputational risks (“**Principal Risks**”);
- (b) Reviewing the Principal Risks with management and assessing whether the key risks of the Company have been identified;
- (c) Regularly monitoring that the risk profile is within the agreed risk appetite of the Company;
- (d) Reviewing the Company’s compliance with its risk management policies including those relating to information technology (IT) and security policies and procedures;
- (e) Overseeing the development, implementation and periodic assessment of the policies, processes and controls for risk management in the Company’s subsidiaries and affiliates; and
- (f) Undertaking such other initiatives that may be necessary or desirable to enable the Board to provide effective risk management governance.

**Composition:**

- The Board shall elect annually from among its members a Committee to be composed of a minimum of three directors who qualify as “independent directors” within the meaning of National Instrument 52-110 and any other guidelines imposed by the Toronto Stock Exchange from time to time.
- A member of the Committee who sits on the board of directors of an affiliated entity is exempt from the requirement that he or she be independent if that member, except for being a member (or member of a board committee) of the Board and the affiliated entity, is otherwise independent of the Company and the affiliated entity, provided that:
  - (a) the member would be independent of the Company but for being an affiliated entity of the Company or any of its subsidiary entities;

- (b) the member is not an executive officer, general partner or managing member of a person or company that is an affiliated entity of the Company and has its securities trading on a marketplace;
  - (c) the member is not an immediate family member of an executive officer, general partner or managing member of a person or company that is an affiliated entity of the Company and has its securities trading on a marketplace;
  - (d) the member does not act as the chair of the Committee; and
  - (e) the boards have determined that the member is able to exercise the impartial judgement necessary for the member to fulfill his or her responsibilities as a Committee member, the appointment of the member is required by the best interests of the Company and its shareholders; and appointing such member to the Committee will not materially adversely affect the ability of the Committee to act independently.
- If a member of the Committee ceases to be independent for reasons outside that member's reasonable control, that member is exempt from the requirement to be independent for a period ending on the later of:
    - (a) the next annual meeting of the Company; and
    - (b) the date that is six months from the occurrence of the event which caused the member to not be independent,

provided that the Board has determined that appointing such member to the Committee will not materially adversely affect the ability of the Committee to act independently.

- Where the death, disability or resignation of a member of the Committee has resulted in a vacancy on the Committee that the Board is required to fill, a member appointed to fill such vacancy is exempt from the requirements to be independent for a period ending on the later of:
  - (a) the next annual meeting of the Company; and
  - (b) the date that is six months from the day the vacancy was created,

provided that the Board has determined that appointing such member to the Committee will not materially adversely affect the ability of the Committee to act independently.

**Reports:**

The Committee shall report to the Board after each of its meetings. The report may be oral and shall include matters discussed at the meeting, decisions made and recommendations to the Board.

**Responsibilities:**

The Committee is responsible for performing the duties set out below as well as any other duties that are otherwise required by applicable law or are delegated to the Committee by the Board.

### ***Oversight of Risk Management***

The Committee will oversee the development, implementation and periodic assessment of an enterprise risk management (“ERM”) program, which will involve the following components at certain stages of development:

- (a) At least annually the Committee will review management’s recommendation for the Company’s risk appetite and ERM policies and procedures and upon agreement will recommend them to the Board for approval.
- (b) At least annually, the Committee will review and if in agreement approve management’s recommendations for the following:
  - (i) Transactional risk-taking authorities delegated to management and any transactions exceeding those delegated authorities.
  - (ii) Risk management policies, to ensure they remain appropriate to effectively identify, assess and manage the Company’s Principal Risks, in consideration of the changing circumstances and in light of how the policies and practices have performed.
  - (iii) The risk limits for Principal Risks, as appropriate, delegated to management, any exposures exceeding those delegated limits and the risk response plans to manage exposures as appropriate.
  - (iv) To the extent not otherwise addressed above, the Company’s approach to identifying, assessing and managing risks and uncertainties associated with environmental and social matters (including climate-related risks) applicable to the Company and its businesses.
- (c) The Committee will review:
  - (i) Reports, presentations and other information presented by the Chief Risk Officer, General Counsel and other members of management related to the Company’s programs, procedures and controls in place to manage its Principal Risks (at least annually).
  - (ii) ERM Reports, presentations and other information related to the Company’s Principal Risk exposures and trends as identified by management and its risk profile against the risk appetite (quarterly).
  - (iii) Reports from management providing reasonable assurance that the Company’s risk management policies for Principal Risks are being complied with, and for instances where they are not being complied with, review and approve requests for exceptions or recommended remedial action plans (at least annually).
  - (iv) The risk impact of business plans and new business initiatives, including consistency with the approved risk appetite and related risk management and controls.
  - (v) Reports from management regarding emerging industry and regulatory risk management issues and the possible impact on the Company.
  - (vi) Reports from management regarding emerging risk management issues arising from and governance activities relating to environmental and social matters (including climate-related risks) applicable to the Company and its businesses.
  - (vii) Management’s assessment of IT and security risk and governance activities, including cybersecurity, emerging risks, enterprise IT services related to information security, infrastructure services and IT outsourcing and any material deficiencies.
  - (viii) Reports on selected risk topics as the Committee deems appropriate from time to time.
  - (ix) Reports on the Business Continuity Program, Disaster Recovery Program and other management reports as may be developed from time to time.

- (d) The Chair of the Committee shall, with assistance of the Chief Risk Officer, coordinate with the Chair of the Audit Committee to assist the Audit Committee in its review of the Company's risks that have been delegated to the Audit Committee in its charter. The Chair of the Committee shall also coordinate with the Chair of the Governance & Nominating Committee and the Chair of the Human Resources Committee to assist each committee with their consideration of the relationship between risk management policies and practices and corporate governance, corporate strategy and senior executive compensation.

### ***Oversight of Compliance***

The Committee will oversee the development, implementation and periodic assessment of a centralized Company compliance program, which will involve the following components at certain stages of development:

- (a) Review at least annually changes to policies or programs that provide for the monitoring of compliance with legal and regulatory requirements.
- (b) Review at least annually and approves the compliance policies and procedures.
- (c) Review at least annually the adequacy of and compliance with enterprise-wide policies for the management and mitigation of compliance risk.
- (d) Review quarterly compliance reports with respect to, among other things, compliance trends and themes on an enterprise-wide basis, regulatory reviews and the Company's compliance risks and programs.

### ***Governance of Risk Management & Compliance***

The Committee shall:

- (a) Oversee the risk management function of the Company, including reviewing and approving the mandate of the Management Risk Committee function at least annually.
- (b) Satisfy itself that the risk management function has adequate resources to perform its responsibilities. The Committee shall, at least annually, review and approve the risk management function's budget, structure, skills and resources.
- (c) At least annually, review the performance evaluation of the Chief Risk Officer and assess the effectiveness of the risk management function and Chief Risk Officer.
- (d) Ensure that independent reviews of the Management Risk Committee and the Company compliance functions, including independent reviews of the risk governance framework, are conducted as needed.
- (e) Require the Chief Risk Officer to report on any material disagreements with other members of senior management relating to the risk management of the business, and review how such matters are being addressed.

- (f) Recommend to the Board for approval the appointment and, when considered appropriate, the dismissal of the Chief Risk Officer of the Company, who shall have direct access to the Committee.
- (g) Review key risk disclosure documents received from management including the Annual Information Form and Annual Report and the risk disclosures contained in the annual consolidated financial statements.

**Committee Structure:**

- (a) The Board shall appoint one member of the Committee to act as Chair of the Committee. The Chair will appoint a secretary who will keep minutes of all meetings (the “**Secretary**”). The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.
- (b) The Committee will meet as many times as is necessary to carry out its responsibilities but in no event will the Committee meet less than quarterly. Meetings will be at the call of the Chair.
- (c) No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum provided that, if the number of members of the Committee is an even number, one half of the number of members plus one shall constitute a quorum.
- (d) Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director. Subject to the foregoing, each member of the Committee shall hold such office until the next annual meeting of shareholders after his or her election as a member of the Committee.
- (e) The time at which and the place where the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meeting shall be determined by the Committee, or otherwise determined by resolution of the Board.
- (f) If the Chair of the Committee is unavailable for a meeting, the members may appoint another member of the Committee to serve as Chair of that meeting.
- (g) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.
- (h) The Committee may invite such persons to attend meetings of the Committee as the Committee considers appropriate, except to the extent exclusion of certain persons is required pursuant to this Charter or by applicable laws.
- (i) The Committee will hold in camera session at each regularly scheduled meeting with the Chief Risk Officer, as appropriate. The Committee will hold in camera sessions at each meeting of the Committee for members only.

- (j) Minutes shall be kept of all meetings of the Committee and shall be signed by the Chair and the Secretary of the meeting. The Secretary of the Committee shall circulate the minutes of the meetings of the Committee to all members of the Board.

**Responsibilities of Committee Chair:**

The Chair of the Committee is appointed by the Board to assist the Board in fulfilling its duties effectively and efficiently. If, in any year, the Board does not appoint a Chair, the incumbent Chair will continue. The responsibilities of the Chair include:

- (a) acting as a liaison between the Committee and the Board and the President and Chief Executive Officer and other senior management of the Company;
- (b) reporting to the Board on the work of the Committee;
- (c) recommending procedures to enhance the work of the Committee; and
- (d) chair meetings of the Committee.

**Independent Advice:**

In discharging its mandate, upon approval of the Board, the Committee shall have the authority to retain and receive advice from special legal, accounting or other advisors. The costs for this independent advice will be borne by the Company.

**Annual Evaluation:**

At least annually, the Committee shall, in a manner it determines to be appropriate:

- (a) perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Charter; and
- (b) review and assess the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee determines to be appropriate.

**Limitation:**

Nothing in this Charter is intended to or shall have the effect of limiting or impairing the independent decision making authority or responsibility of any board of directors/managers of a subsidiary of the Company mandated by applicable law.