

**MORNEAU SHEPELL INC.**  
**HUMAN RESOURCES COMMITTEE CHARTER**

The following Human Resources 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 Human Resources Committee (the “**Committee**”) of the Company is established by the Company’s board (the “**Board**”). The Committee is responsible for assisting the Board in discharging the Board’s oversight responsibilities relating to the compensation, attraction and retention of key senior management with the skills and expertise needed to enable the Company to achieve its goals and strategies. The primary responsibilities of the Committee are:

- (a) Reviewing and recommending to the Board the compensation payable (including appropriate performance incentives) to the Chief Executive Officer (the “**CEO**”) and Executive Vice-Presidents, who are direct reports to the CEO (“**Executive Management**”);
- (b) evaluating the performance and compensation of the Chief Executive Officer (CEO) and other members of Executive Management;
- (c) reviewing and evaluating the administration of the Company’s performance management and compensation plans, policies and programs;
- (d) overseeing the Company’s talent management program relating to Executive Management, including with respect to succession planning for the CEO; and
- (e) reviewing executive and director compensation disclosure to be made in the Company’s management information circular prepared in connection with the Company’s annual meeting of shareholders and other public disclosure, as appropriate.

**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 – Audit Committees and any other guidelines imposed by the Toronto Stock Exchange from time to time.

**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.

**CEO and Executive Management Performance and Compensation**

- (a) Compensation & Performance:
  - (i) in consultation with management, establish and review the Company's compensation management philosophy for the CEO and Executive Management, which encourages the Company's long-term financial success;
  - (ii) oversee and review annually the competitiveness and appropriateness of the compensation packages of the CEO and other members of Executive Management and the structure and implementation of compensation programs for the CEO and other members of Executive Management and in conducting such review consider:
    - (A) compensation packages for the prior year;
    - (B) performance evaluations of the CEO and each of the other member of Executive Management;
    - (C) the Company's financial and operating performance on an absolute and relative basis;
    - (D) whether the compensation packages reflect an appropriate balance between short and longer-term incentives and alignment with the interests of shareholders;
    - (E) the competitiveness of the compensation packages, including the value of similar incentive awards paid to equivalent officers and positions at an appropriate comparator group;
    - (F) incentive awards made in previous years;
    - (G) the effect of annual compensation determinations on pension entitlements;
    - (H) the alignment of the Company's compensation programs with the Company's strategic plans and risk profile and risk management principles, including that such plans do not incent risk taking, which may cause reputational; legal, financial or operational risk to the Company;
  - (iii) review and recommend to the Board for approval the corporate and individual goals and objectives relevant to the compensation of the CEO, assess the achievement of those goals and objectives and determine the compensation of the CEO based on that evaluation and an appropriate comparator group. The CEO shall not be present during any Committee deliberations or voting on the CEO's compensation.
  - (iv) in consultation with the CEO, review and approve the corporate and individual goals and objectives for each member of Executive Management relevant to the compensation of that member of Executive Management based on that evaluation and an appropriate comparator group;

- (v) Review and make recommendations to the Board, with respect to all awards concerning any element of the CEO and Executive Management's compensation programs.
- (b) Review and approve the composition and use of comparator groups used in assessing compensation payable to the CEO and other members of Executive Management.
- (c) review and approve the benefit and perquisite programs designed and developed specifically for the CEO and Executive Management.
- (d) review and recommend to the Board for approval all arrangements which take effect upon the termination of employment (i.e. severance) or upon a change of control or other similar termination payments proposed to be made to the CEO or any current or former member of Executive Management.
- (e) review and recommend to the Board for approval any new employment agreements or modifications to existing agreements for the CEO and, if the Committee determines, other members of Executive Management.
- (f) review and monitor compliance with, and recommend to the Board for approval, share ownership guidelines for the CEO and all members of Executive Management.

**Incentive Compensation and, Equity-Based Plans and Benefits**

- (a) review and make recommendations to the Board with respect to the Company's incentive and equity incentive plans, the employee share purchase plan, the Company's pension plans and any other employee incentive or security based plan that the Company implements from time to time that are subject to Board or shareholder approval.
- (b) in consultation with Management, oversee the regulatory compliance with respect to compensation matters and policies on structuring compensation programs.
- (c) establish a procedure to assess material risks arising from the Company's compensation policies and practices.
- (d) the Committee receives reports and recommendations from the Management Pension Committee that is responsible for day to day operations and administration of pension plans, regarding the design of such plans and approves any material changes to these plans.
- (e) review and recommend to the Board for approval the design and associated cost of any new pension or retirement plans, approve amendments to such plans, the design and associated cost of any pension or retirement plans, educational and other communication strategies and materials provided to employees regarding such plans and oversee the administration of benefits to employees under such plans.
- (f) review periodic reports regarding the investment of the pension and retirement plans and review and approve (a) material changes to the governance structure, policies, and processes applicable to the Company's pension and retirement plans, (b) policies and processes applicable to the appointment and removal of the investment and asset consultants, investment managers, plan actuaries, plan auditors, plan custodians and other service providers, (c) the annual pension

governance policies and processes applicable to the report, (d) the asset mix and investment strategy and material investment policies of the pension and retirement plans, (e) actuarial funding assumptions and methodologies proposed by actuaries (within applicable regulatory parameters) for the pension and retirement plans and (f) all actuarial reports and financial statements for the pension plans.

#### **Compensation Consultants and Advisors**

- (a) retain, if it deems advisable, an independent compensation consultant, legal counsel or other advisor to the Committee, other than in-house legal counsel, only after considering all factors relevant to that person's independence (including the following six factors):
  - (i) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other advisor;
  - (ii) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other advisor, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other advisor;
  - (iii) the policies and procedures of the person that employs the compensation consultant, legal counsel or other advisor that are designed to prevent conflicts of interest;
  - (iv) any business or personal relationship of the compensation consultant, legal counsel or other advisor with a member of the Committee;
  - (v) any shares of the Company owned by the compensation consultant, legal counsel or other advisor; and
  - (vi) any business or personal relationship of the compensation consultant, legal counsel, other advisor or the person employing the adviser with the CEO or any other member of Executive Management.
- (b) receive advice from legal counsel or any compensation consultant or advisor that it considers appropriate, including an advisor that is not independent, after considering the relevant independence factors.

#### **Executive Management Development and Succession Planning**

- (a) annually review and recommend the CEO succession plan to the Board for approval.
- (b) in consultation with management, establish and review, the Company's talent management philosophy for Executive Management.
- (c) review and approve the CEO's recommendations with respect to the recruitment, promotion, retention, transfer and termination of Executive Management members.
- (d) on an annual basis, review and approve the Company's succession, management development and diversity plans with respect to Executive Management.

### **Other Matters**

- (a) review and approve the annual disclosure of the Company's compensation discussion and analysis included in the management information circular prepared in connection with the annual meeting of shareholders and other public disclosure as appropriate.
- (b) review the Company's workplace diversity and inclusion plans and the results of employee engagement evaluations.

### **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) 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 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.