

## LAURENTIAN BANK OF CANADA

### MANDATE OF THE HUMAN RESOURCES AND CORPORATE GOVERNANCE COMMITTEE

#### 1. Purpose of the Human Resources and Corporate Governance Committee

The Human Resources and Corporate Governance Committee (in this mandate, also referred to as the “Committee”) has been established by the Board of Directors (the “Board”) of Laurentian Bank of Canada (the “Bank”) and is a committee that supports the Bank in carrying out its human resources and corporate governance duties.

In carrying out the governance portion of its mandate, the Committee performs the following roles (which are further detailed in Section 10 of this mandate):

- acts as the conduct review committee for the Bank;
- makes recommendations to the Board on corporate governance developments and best practices for the Bank; and
- recommends candidates to the Board for Board membership.

In carrying out the human resources portion of its mandate, the Committee performs the following roles (which are further detailed in Section 10 of this mandate):

- makes recommendations to the Board on matters of compensation, including Board compensation;
- oversees key talent management and succession frameworks;
- oversees employee pension plans;
- approves relevant portions of shareholder communications; and
- oversees key culture and human resources strategies, including employee engagement, employee health and well-being, equity, and diversity and inclusion.

Committee members are mindful of the importance of environmental, social and governance principles adopted and managed by the Bank and their application to the duties of the Committee.

The Committee reviews its mandate as required, and in any event no less than annually.

#### 2. Appointment, Membership, and Independence

The Committee consists of no less than three directors.

At the Board meeting following each annual meeting of shareholders (the “Annual Meeting”), the Board appoints 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 of its subsidiaries. In addition, all Committee members must meet the independence requirements under Canadian securities laws generally and, ultimately, as determined by the Board.

Unless they are replaced earlier by the Board, Committee members remain in office until the next Annual Meeting.

### **3. Compensation**

Compensation for Committee members is set by the Board from time to time and may consist of a base fee, deferred compensation units, or a mix of both.

### **4. 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.

### **5. Quorum**

Committee meeting quorum 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.

### **6. Chair**

The Committee Chair chairs the 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.

### **7. Procedure**

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

### **8. Powers of the Committee**

The Committee may:

- (a) call a meeting of directors;
- (b) communicate with 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) call on the services of external independent third-party advisors, subject to the requirement of applicable Bank policy regarding their retainer.

### **9. Secretary**

The Corporate Secretary of the Bank or any other officer designated by the President and Chief Executive Officer of the Bank carries out corporate secretarial duties for the Committee and the Committee Chair.

## 10. Functions

The Committee fulfills the following statutory duties and Board-delegated duties:

### 10.1. Human Resources

#### *With respect to human resources management*

- 10.1.1. Reviewing annually the performance management process for executives and senior officers of the Bank and evaluating the effectiveness of that process.
- 10.1.2. Ensuring, while also being mindful of the Bank's competitiveness and internal equity system, that management implements a plan to promote the hiring, retention and motivation of qualified personnel.
- 10.1.3. Ensuring that management conducts periodic evaluations of employee engagement levels and reviewing their results.
- 10.1.4. Ensuring that the Bank's strategies and organizational culture encourage and contribute to the safety, health and well-being of its employees and integrate environmental, social and governance principles.
- 10.1.5. Receiving periodic status reports on employee relation issues between the Bank and employees and reviewing any other employee relation issue questions submitted to it.
- 10.1.6. Periodically reviewing and, if applicable, approving amendments to the Bank's organizational structure.

#### *With respect to senior officers*

- 10.1.7. Recommending Board approval of the Bank's senior officer appointments at executive levels 1, 2 and 3 ("senior officers") and of the Bank's ombudsman.
- 10.1.8. Approving the objectives for members of the Bank's management committee and evaluating their performance.
- 10.1.9. Approving for a member of the Bank's management committee any terms and conditions of any agreement regarding employment termination.
- 10.1.10. Ensuring that management implements and periodically reviews the Bank's equity, diversity and inclusion principles, and Bank senior officer succession plans (including, if applicable the Bank's emergency preparation plan).
- 10.1.11. Ensuring that the Bank's senior officers create and adhere to a culture of integrity within the Bank.
- 10.1.12. Ensuring the suitability, competency and qualifications of the Bank's executives and senior officers.

#### *With respect to compensation*

- 10.1.13. Approving 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 the Bank's executives and senior officers.

- 10.1.14. Recommending Board approval of any stock option and other equity incentive plans (collectively, "incentive plans").
- 10.1.15. Approving individual grants made under any incentive plans in accordance with their terms and conditions.
- 10.1.16. Reviewing 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
- 10.1.17. Approving the compensation, individual bonuses and employment conditions of the Bank's executives and senior officers, as well as the material terms and conditions of compensation and other employment conditions applicable to the Bank's executives and senior officers.
- 10.1.18. Reviewing annually, with the Bank's Risk Management Committee, alignment of overall Bank compensation, performance and risk with the compensation principles and standards of the Financial Stability Board.

*With respect to pension plans*

- 10.1.19. Ensuring that management implements appropriate internal oversight systems for the proper management of pension plans.
- 10.1.20. Recommending Board approval of the design, implementation, governance rules, and terms and conditions applicable to any pension plan provided by the Bank to employees, as well as any changes to it.
- 10.1.21. Monitoring the administration of pension plans by receiving management reports that address the following:
  - (a) all major activities and decisions relating to the pension plans provided by the Bank and their financial status on a semi-annual basis;
  - (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;
    - (iii) an asset custodian; or,
    - (iv) an auditor;
  - (d) the performance of any fund manager and of the pension plan portfolio on a quarterly basis. Corporate Governance

*With respect to the President and Chief Executive Officer*

- 10.1.22. Recommending to the Board the appointment or dismissal of the President and Chief Executive Officer.
- 10.1.23. Recommending where necessary to the Board any change to the job description of the President and Chief Executive Officer.
- 10.1.24. Recommending annually to the Board the objectives, evaluation, compensation and employment terms and conditions of the President and Chief Executive Officer.
- 10.1.25. Implementing and periodically reviewing a succession plan for the President and Chief Executive Officer.
- 10.1.26. Ensuring that the President and Chief Executive Officer creates and adheres to a culture of integrity at the Bank.

*With respect to the Board and Board committees*

- 10.1.27. Recommending to the Board any necessary changes to corporate governance rules and ensuring compliance with them.
- 10.1.28. Reviewing the annual report on corporate governance and, if applicable, recommending approval by the Board.
- 10.1.29. Recommending to the Board any necessary changes to the duties of the Board.
- 10.1.30. Reviewing Board membership based on required competencies, skills, and diversity, and recommending any necessary changes to the Board resulting from the review.
- 10.1.31. Reviewing Board size and member length of term and making any necessary recommendations to the Board resulting from the review.
- 10.1.32. Recommending to the Board from time to time any changes regarding director compensation.
- 10.1.33. Recommending to the Board any requirements (or change in requirements) for or regarding minimum Bank shareholdings by directors.
- 10.1.34. Recommending to the Board any necessary changes to the job descriptions of the Board and Board committee chairs.
- 10.1.35. Recommending to the Board any necessary changes to any Board committee mandate including composition and duties.
- 10.1.36. Recommending to the Board any necessary changes to the *Directors' Code of Conduct* and ensuring their adhere to the provisions of that code.
- 10.1.37. Ensuring ongoing training for Board members.
- 10.1.38. Establishing criteria to evaluate the independence of Board members and periodically assessing each Board member's independence.
- 10.1.39. Evaluating the Board and Board members.
- 10.1.40. Ensuring the recruitment of new Board members to be submitted for election by shareholders, evaluating whether any new appointee can devote sufficient time and

resources to director duties, and making any recommendations to the Board with respect thereto.

10.1.41. Ensuring the orientation and integration of any new Board member.

*With respect to public disclosure*

10.1.42. Recommending Board approval of compensation disclosure prior to its publication in the Bank's management proxy circular.

10.1.43. Reviewing information on corporate governance prior to its publication in the Bank's management proxy circular or other document.

10.1.44. Ensuring effective communication of Bank matters to Bank shareholders and addressing any major issues shareholders may have with the Bank.

## **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. Policies**

The Committee reviews and, if applicable, approves those policies identified by the Board as reviewable or approvable by the Committee.

This mandate should be read together with other Bank policies and internal documents to ensure (i) an understanding of the Bank's overall governance framework and (ii) a consistent application of procedural requirements.

*Approved by the Board of Directors of the Bank as of August 31, 2021*