



MANDATE OF THE HUMAN RESOURCES AND CORPORATE GOVERNANCE COMMITTEE

1. Constitution

The Human Resources and Corporate Governance Committee (the “Committee”) is constituted by the Bank’s Board of Directors in order to support it in exercising its human resources and corporate governance functions.

The Committee reviews its mandate annually.

2. Appointment and Membership

The Committee consists of at least three directors.

At the Board meeting that follows the annual meeting of shareholders, the Board of Directors appoints the directors who make up the Committee and its Chair. All members of the Committee must meet the independence requirements established by the Board.

Unless they are replaced in the interim by decision of the Board, the Committee members shall remain in office until the Board meeting that follows the next annual meeting of shareholders.

3. Compensation

The Committee members receive the compensation for their services established by resolution of the Board.

4. Meetings

The Committee meets at least once every quarter.

Committee meetings may be held without notice (provided the members waive such notice) as often as the members deem appropriate and at the location determined by them.

5. Quorum

Quorum at Committee meetings shall be constituted by a majority of the members.

6. Chair

The Committee Chair, as designated by the Board of Directors, chairs the Committee meetings. In the Chair’s absence, the members present may elect a Chair pro tempore from among themselves.

7. Procedure

The procedure for Committee meetings shall be the same as that for meetings of the Board of Directors.

8. Powers of the Committee

In carrying out its mandate, if it deems appropriate, 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 and/or external auditors;
- (c) call on the services of resources external to and independent of the Bank and determine and pay the related fees in compliance with the Board's policy regarding the use of external advisors.

9. Secretary

The Secretary of the Bank or any other officer designated by the President of the Bank shall carry out the duties of the secretary with respect to the Committee's mandate and those assigned by the Committee Chair.

10. Functions

The Committee exercises the following functions delegated by the Board, as well as any other functions that may be delegated to it by the Board from time to time:

10.1 Human Resources

With respect to human resources management:

- 10.1.1 Annually review the performance management process and evaluate its effectiveness.
- 10.1.2 Ensure that Management implements a plan to promote the hiring, retention and motivation of qualified personnel, taking the Bank's competitive position into account and maintaining internal equity.
- 10.1.3 Ensure that Management conducts a periodic evaluation of the level of employee engagement and review the results of this evaluation.
- 10.1.4 Receive periodic status reports on the relations between the Bank and the employee' union, and examine all other material labour relations questions submitted to it.
- 10.1.5 Periodically review and, if applicable, approve amendments to the Bank's structure.
- 10.1.6 Approve the Human Resources management policies listed in the Appendix.

With respect to senior officers:

- 10.1.7 Recommend Board approval of appointments of senior officers at executive levels 1, 2 and 3 (“senior officers”) and of the ombudsman.
- 10.1.8 Approve the establishment of objectives for members of the Management Committee and evaluate their performance.
- 10.1.9 Approve the terms and conditions of any employment termination agreement of a member of the Management Committee.
- 10.1.10 Ensure that Management implements a succession plan for senior officers and review it periodically.
- 10.1.11 Ensure the integrity of senior officers and that they create a culture of integrity throughout the Bank.
- 10.1.12 Ensure the competence and qualification of senior officers.

With respect to compensation:

- 10.1.13 Approve the overall compensation framework (including compensation, short-, medium- and long-term incentive plans, fringe benefits, indemnification in case of a change of control, pension plans or any similar plans, and other benefits) for senior officers, with a view to furthering the Bank’s business objectives, taking into account its competitive position and maintaining internal equity.
- 10.1.14 Recommend Board approval of the terms and conditions of any stock option and incentive plans based on share value (“incentive plan”).
- 10.1.15 Approve grants made under incentive plans in accordance with their terms and conditions.
- 10.1.16 Manage all fringe benefits and incentive plans, indemnification in the event of change of control, retirement plans or any similar plans and other benefits in accordance with the powers of administration granted to the Committee under these plans.
- 10.1.17 Approve the compensation, individual bonuses and employment conditions of the members of the Management Committee, as well as the material terms and conditions of the compensation and employment conditions applicable to the Bank’s senior officers and other employees and officers.
- 10.1.18 In collaboration with the Risk Management Committee, annually review the alignment of the Bank’s compensation, performance and risk with the compensation principles and standards of the Financial Stability Board.

With respect to pension plans:

- 10.1.19 Ensure that Management implements appropriate internal oversight systems with a view to adequately manage pension plans.
- 10.1.20 Recommend Board approval of the design, implementation, governance rules, and terms and conditions applicable to any pension plan offered by the Bank, as well as any changes thereto.
- 10.1.21 Follow up on the administration of pension plans by receiving Management reports that address the following elements:
 - (a) all activities and decisions relating to the pension plans offered by the Bank and their financial situation on a semi-annual basis;
 - (b) capitalization and investment policies, as well as the pension plans' actuarial valuations for capitalization purposes;
 - (c) the hiring or dismissal, as required, of:
 - i) a consulting actuary
 - ii) one or more fund managers
 - iii) an asset custodian
 - iv) an auditor;
 - (d) the performance of fund manager(s) and of the pension plan portfolio on a quarterly basis.

10.2 Corporate Governance

With respect to the President and Chief Executive Officer:

- 10.2.1 Recommend to the Board the appointment or dismissal of the President and Chief Executive Officer.
- 10.2.2 If applicable, recommend to the Board any change to the job description of the President and Chief Executive Officer.
- 10.2.3 Annually recommend to the Board the objectives of the President and Chief Executive Officer, as well as his/her evaluation, compensation and employment conditions.
- 10.2.4 Implement a succession plan for the President and Chief Executive Officer and review it periodically.
- 10.2.5 Ensure the integrity of the President and Chief Executive Officer and that he/she creates a culture of integrity throughout the Bank.

With respect to the Board and Committees:

- 10.2.6 If applicable, recommend to the Board any changes to corporate governance rules and ensure that they are respected.
- 10.2.7 Review the annual report on corporate governance and make recommendations to the Board.
- 10.2.8 If applicable, recommend to the Board any changes to the functions of the Board of Directors.

- 10.2.9 Review the Board's membership, including taking into account the competencies and skills that it should possess, as well as the competencies and skills of each of its members and its diversity, and make recommendations to the Board with respect thereto.
- 10.2.10 Review the size of the Board and the length of its members' mandates in order to facilitate effective decision-making, and make recommendations to the Board thereon.
- 10.2.11 If applicable, recommend to the Board any changes regarding the compensation of its members.
- 10.2.12 If applicable, recommend to the Board any changes to the rules respecting minimum holding of Bank shares by directors.
- 10.2.13 If applicable, recommend to the Board any changes to the job descriptions of the Board and Committee Chairs.
- 10.2.14 If applicable, recommend to the Board the constitution of Board Committees, as well as any changes to their composition and description of their functions.
- 10.2.15 If applicable, recommend to the Board any changes to the Code of Conduct for its members and ensure that they are respected.
- 10.2.16 Ensure ongoing training for the members of the Board.
- 10.2.17 Establish criteria to evaluate the independence of Board members and periodically assess the independence of each members.
- 10.2.18 Evaluate the Board and its members.
- 10.2.19 Ensure the recruitment of new Board members to be submitted for election by shareholders, evaluate if each new nominee can devote sufficient time and resources to his/her duties as a director, and make recommendations to the Board with respect thereto.
- 10.2.20 See to the orientation and integration of new Board member.
- 10.2.21 If applicable, recommend to the Board any changes to the Board's policy regarding the use of external advisors by directors.

With respect to public disclosure:

- 10.2.22 Recommend Board approval of information on compensation in accordance with regulations prior to its disclosure by the Bank in its Management Proxy Circular.
- 10.2.23 Review information on corporate governance prior to its disclosure.
- 10.2.24 Ensure that shareholders are well informed of the Bank's state of affairs and deal with all material disagreements between the Bank and its shareholders.

11. Reporting

The Committee reports on its activities to the Board of Directors verbally at the Board meeting that normally follows the Committee meeting, and in writing at the subsequent Board meeting.

The Committee also reports yearly on its activities to shareholders during the course of the annual shareholders' meeting.

[Submitted to and approved by the Board of Directors on November 6, 2014]

APPENDIX

Policies Included in the Human Resources and Corporate Governance Committee's Framework

Employment Equity Accommodation Policy

Policy to Combat Harassment and Violence

Policy on Financial Benefits on Products Offered by the Bank

Politiques de formation et de développement (not available in English)

Performance Management Policy

Politique de remplacement du président et chef de la direction en cas d'incapacité subite ou accidentelle (not available in English)

Directors' External Advisors Services Policy

Policy Regarding Background Checks on Directors and Officers

Compensation Policy for Laurentian Bank Senior Executives

Politique de rémunération des employés des marchés des capitaux (not available in English)

Politique sur la capitalisation des régimes de retraite (not available in English)

Politique sur les comptes de dépenses des administrateurs (not available in English)