



MANDATE OF THE HUMAN RESOURCES AND CORPORATE GOVERNANCE COMMITTEE

1. Establishment

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 annual meeting of shareholders.

3. Compensation

For their services, the Committee members receive the compensation 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 from their number a Chair pro tempore.

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, the Committee, if it deems appropriate, 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; and
- (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 policy of the Board of Directors 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, with respect to the Committee's mandate, the duties of the secretary and those assigned by the Committee Chair.

10. Functions

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

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 assure itself that Management implements a plan to promote the hiring, retention and motivation of qualified personnel, taking into account the Bank's competitive position and while maintaining internal equity;
- 10.1.3 assure itself that Management implements a periodic evaluation of the employees' level of mobilization and review the results of such evaluation;
- 10.1.4 receive periodic status reports on the relations between the Bank and the employees' union and examine all other labour relations questions submitted to it;
- 10.1.5 periodically review and, if appropriate, approve the Bank's structure;
- 10.1.6 review and, if appropriate, approve the human resources management policies listed in the appendix;

With respect to senior officers:

- 10.1.7 review and, if appropriate, recommend that the Board approve appointments of senior officers of 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 assure itself that management implements a succession plan for senior officers and review it periodically;
- 10.1.11 assure itself of the integrity of senior officers and that they create a culture of integrity throughout the Bank;
- 10.1.12 assure itself of the competence and qualification of senior officers;

With respect to compensation:

- 10.1.13 review and, if appropriate, recommend to the Board changes to the overall compensation framework (including compensation, short, medium and long term incentive plans, benefits plans, 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 while maintaining internal equity;
- 10.1.14 review and, if appropriate, recommend that the Board approve 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 benefits and incentive plans, indemnification in the event of change of control and retirement plans or any similar plans 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 other employees and officers;
- 10.1.18 monitor annually, in collaboration with the Risk Management Committee, the links between the compensation, the performance and the risk and the Bank’s alignment with the remuneration standards and principles issued by the Financial Stability Board;
- 10.1.19 receive on an annual basis, the diagnosis of the links between the compensation, the performance and the risk related to the compensation program of the Bank prepared by the Senior Vice-President, Integrated Risk Management and the Senior Vice-President, Human Resources.

With respect to pension plans:

- 10.1.20 assure itself that Management implements appropriate internal oversight systems with a view to adequately manage pension plans;
- 10.1.21 review and, if applicable, recommend to the Board the approval of the implementation, conception, governance rules, terms and conditions applicable to any pension plan offered by the Bank as well as any changes thereto;
- 10.1.22 follow up on the administration of the 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 and dismissal, as required, of:
 - i) a consulting actuary
 - ii) one or more fund manager(s)
 - iii) an asset custodian
 - iv) an auditor; and
 - (d) the performance of the fund manager(s) and of the pension plan's 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 and dismissal of the President and Chief Executive Officer;
- 10.2.2 review and, if appropriate, recommend to the Board any change to the position description of the President and Chief Executive Officer;
- 10.2.3 annually review and recommend to the Board the objectives of the President and Chief Executive, 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 assure itself of 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 review and, if applicable, recommend to the Board any changes to corporate governance rules and assure itself of their respect;
- 10.2.7 review the annual report on corporate governance and make recommendations to the Board if necessary;

- 10.2.8 review and, if applicable, recommend to the Board any changes to the functions of the Board of Directors;
- 10.2.9 review the Board's membership, taking into account the competencies and skills that it should possess, as well as the competencies and skills of its members, 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 review and, if appropriate, recommend to the Board any changes regarding the compensation of its members;
- 10.2.12 review and, if appropriate, recommend to the Board any changes to the rules respecting minimum holding of Bank shares by directors;
- 10.2.13 review and, if appropriate, recommend to the Board any changes to the position descriptions of the Chairman to the Board and Chairs of a committee;
- 10.2.14 recommend to the Board the constitution of Board committees, and review and, if appropriate, recommend any changes to the committees' membership and functions;
- 10.2.15 review and, if applicable, recommend to the Board any changes to the Code of Conduct for the members of the Board and assure itself of its respect;
- 10.2.16 ensure continuing training for the members of the Board;
- 10.2.17 establish criteria to evaluate the independence of the members of the Board and assess their independence periodically;
- 10.2.18 evaluate the Board and its members;
- 10.2.19 ensure the recruitment of new Board members to be submitted to election by the shareholders, evaluate if each new nominee can devote sufficient time and resources to his/her duties as directors, and make recommendations to the Board with respect thereto;
- 10.2.20 see to the orientation and integration of new members of the Board;
- 10.2.21 review and, if appropriate, recommend to the Board any changes to the policy on the use of outside advisors by the directors;

With respect to public disclosure:

- 10.2.22 review and, if appropriate, recommend to the Board the 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 assure itself that the 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 the shareholders in the course of the annual shareholders' meeting.

[Submitted and approved by the Board of Directors on September 2, 2010]

APPENDIX

Policies included in the Human Resources and Corporate Governance Committee's framework:

Policy on Employment Equity

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)