

Human Resources Committee Terms of Reference

February 2019

1. Establishment of Committee

A committee of the Directors to be known as the Human Resources Committee (the “**Committee**”) is hereby established.

2. Purpose

The purpose of the Committee is to assist the Board of Directors of ATB Financial (the “**Board**”) in their oversight of:

- a) The appointment, performance evaluation and compensation of the Chief Executive Officer (the “**CEO**”) and other designated executive officers;
- b) Executive succession and development;
- c) Philosophy and principles for enterprise-wide compensation programs;
- d) Human resources policies and procedures; and
- e) Pension plan funding, administration and governance and major design changes.

3. Membership

a) Composition and Appointment

The Committee shall consist of not less than three directors of the Board, one of whom shall serve as the Committee Chair (the “**Chair**”). The members of the Committee and the Chair shall be appointed and removed by the Board. In the absence of the Chair, one of the other members of the Committee present shall be chosen by the Committee to preside as Chair at that meeting. Each member shall continue to be a member of the Committee until a successor is appointed, unless the member resigns, is removed or ceases to be a director.

Independence

Each member of the Committee shall meet the independence standards established by the Board.

4. Meetings

a) Procedure

Unless otherwise determined by the Board or provided in By-law No. 1, the Committee shall determine and regulate its procedures in all respects. The duties of the Chair, the Secretary of the Committee and any requirements with respect to calling of meetings, attendance at meetings, and voting shall be as set out in By-law No. 1, except as hereinafter provided.

b) Support

The Committee shall be supported by the Chief People Officer, or his or her designate.

- c) Quorum
A majority of the members of the Committee shall constitute a quorum. If a quorum cannot be obtained for any meeting, any members of the Board may, at the request of the Chair or the Chair of the Board, serve as members of the Committee for that meeting.
- d) Reporting to the Board
The Chair or his or her designate shall report to the Board on matters arising at Committee meetings and where applicable, present the Committee's recommendations to the Board for its approval.
- e) Delegation
The Committee may, from time to time, delegate to its Chair, any powers or responsibilities of the Committee itself. This delegation must include a reporting accountability back to the Committee.
- f) Access to Management and Outside Advisors
In fulfilling its responsibilities, the Committee, through the Chair, shall have unrestricted access to management and associates of ATB Financial, which will be coordinated through the Chief People Officer or the Corporate Secretary. The Committee, without consent of the Board, shall have the authority to investigate any matter with full access to the books, records, facilities, management and employees of ATB Financial and to retain external advisors to assist it in fulfilling its responsibilities. ATB Financial shall provide appropriate funding, as determined by the Committee, for the services of these advisors.
- g) In Camera Meetings
The Committee shall have regularly scheduled meetings without management present.

5. Roles and Responsibilities

The Committee shall have the responsibilities set out in Schedule "A", as well as any other matters that may be delegated to the Committee by the Board from time to time.

The Committee and each of its members shall comply with such additional requirements as are specified in the *ATB Financial Act* (the "**Act**") and *Alberta Treasury Branches Regulation* and in the by-laws and resolutions of the Board in effect from time to time.

Description of Action	Date	Owner
Recommended by the General Counsel, SVP Corporate Operations & Corporate Secretary	February , 2019	General Counsel, SVP Corporate Operations & Corporate Secretary
Recommended by Human Resources Committee	February, 2019	
Recommended by Governance & Conduct Review Committee	February, 2019	
Approved by Board of Directors	February, 2019	

Joan Hertz
Chair of the Board of Directors

Schedule “A”

Roles and Responsibilities Calendar

✓ When Performed

Roles and Responsibilities	Annually	Every 3 Years	As Required
Human Resources Policies and Talent Management			
1. Approve ATB Financial’s general compensation philosophy		✓	✓
2. Review and recommend to the Board for approval any policies in respect of any people risk identified by management			✓
3. Monitor the implementation of any policies directed at people risk, review management’s reports on the identification, assessment, monitoring and management of identified people risk and report to the Board	✓		✓
4. Oversee the continued development and implementation of key human resource strategies related to total compensation, team member engagement, talent management, diversity and labour relations, and the adequacy of resources to deliver ATB Financial’s human resource objectives	✓		✓
Appointment, Evaluation and Compensation of CEO			
5. In consultation with the Chair of the Board, establish, maintain and review the position description for the President and CEO		✓	✓
6. Recommend to the Board for recommendation to the Minister responsible for the Act (the “Minister”), the appointment of the CEO			✓
7. Recommend to the Board: (a) for recommendation to the Minister, the base salary of the CEO; and (b) for approval, such other compensation and benefits of the CEO, including but not limited to incentive compensation, awards, bonuses, perquisite allowances, and such other payments as may be appropriate (including special payments addressing retirement, termination or renewal or extension of employment)			✓

8. Approve the terms and conditions of any employment agreement with the CEO			✓
9. Recommend to the Board for approval corporate goals and objectives relevant to the performance and compensation of the CEO and evaluate the performance of the CEO relevant to those goals and objectives	✓		✓
10. Recommend to the Board for approval any remedial action involving the performance of the CEO, or the termination of the CEO (for recommendation to the Minister)			✓
11. Review the Chair’s report on the results of any assessment of the CEO made pursuant to the Directors and Senior Management Assessment Policy			✓
Appointment, Evaluation and Compensation of Senior and Designated Executives			
12. Review the appointment, reassignment, or termination of the executive direct reports of the CEO (the “ Senior Executives ”)			✓
13. Recommend to the Board for approval the designated officers of ATB Financial and the appointment, reassignment, or removal of such officers appointed to those offices (the “ Designated Executives ”)			✓
14. Review all base salary and such other compensation and benefits of Senior Executives and Designated Executives, including but not limited to incentives, compensation awards, bonuses, perquisites, allowances and such other payments as may be appropriate	✓		✓
15. Oversee the succession planning process for the CEO, Senior Executives and Designated Executives and review the related succession plans and ATB Financial’s organization structure at the executive level	✓		✓
16. Review the performance assessments submitted by the CEO with respect to the Senior Executives and Designated Executives	✓		
17. Review and approve management’s report on executive compensation disclosure	✓		
18. Approve ATB Financial’s executive severance guidelines and review the severance arrangement or payment for any designated executive that materially deviates from the guidelines			✓
Compensation Plans			

<p>19. Review and recommend to the Board for approval any new enterprise-wide incentive compensation plans including benefit plans or design change to any existing enterprise-wide incentive compensation plan or benefits plan</p>			<p>✓</p>
<p>20. Review management’s report on the aggregate amount to be paid out under enterprise-wide incentive compensation plans relative to established objectives</p>	<p>✓</p>		<p>✓</p>
<p>21. Review management’s report regarding team members whose total compensation exceeds the total compensation of any Senior Executive</p>	<p>✓</p>		
<p>22. Review management’s report regarding collective bargaining with respect to any collective agreement with unionized associates</p>			<p>✓</p>
<p>23. With respect to the Achievement Note Program:</p> <ul style="list-style-type: none"> (a) Oversee all governance related matters relating to the program, except for matters relating to valuations, accounting and tax matters; (b) Review and approve the eligibility for Senior Executives and Executive Steering Committee members; (c) Review and recommend to the Board for approval: <ul style="list-style-type: none"> a. Any changes to the authorized maximum allocation limit; and b. Material changes (if any) to disclosure documents or plan documents, including plan design. c. The Terms of Reference for the Executive Steering Committee for the Program. 	<p>✓</p>		<p>✓</p>
<p>Pension</p>			
<p>24. Review and approve the Terms of Reference for the Retirement Committee (“RC”), which may delegate the approval of non-material amendments to the Pension Plans as well as such administrative processes as may be necessary to comply with regulatory requirements</p>		<p>✓</p>	<p>✓</p>
<p>25. Review management’s reports related to ATB Financial’s</p> <ul style="list-style-type: none"> (a) duties and potential funding obligations under the Public Service Pension Plan (“PSPP”); and (b) strategies with respect to the PSPP. 	<p>✓</p>		

<p>26. Review management’s reports related to ATB Financial’s liability under each of the: (a) Notional Supplemental Plan (“NSP”); and (b) Supplemental Pension Plan (“SPP”).</p>	<p>✓</p>		
<p>27. In respect of any pension plans established by ATB Financial (“Pension Plan”): (a) review reports from management on performance, funded status, communications to Pension Plan members and other relevant issues relating to the pension plans; (b) approve the appointment of the actuary and review the report of the actuary; (c) review the appointment of the asset consultant, fund managers, record keeper and trustee*; (d) review and approve the funding policy; (e) review and approve the budget for pension related matters and training; (f) review and approve the assumptions for the actuarial valuation; (g) review the Statement of Investment Policies and Procedures and Investment Balancing Policy; (h) review and recommend for approval by the Board, the: a. Pension Risk Management Statement; and b. Investment Risk Management Policy</p>	<p>✓</p>	<p>✓ (Approve Actuary) (Review Asset Consultant) (Review Record Keeper) (Review Trustee)</p>	<p>(Review Fund Managers)</p>
<p>28. Recommend to the Board: (a) the establishment of any new pension plan; or (b) any material changes to any existing Pension Plan, the NSP or the SPP.</p>			<p>✓</p>
<p>29. Review the governance structure established by management with respect to managing the Pension Plan and recommend to the Board for approval any changes thereto</p>		<p>✓</p>	<p>✓ (Every 2 years)</p>
<p>30. Approve the asset investment strategy for the Pension Plan and, if advisable, any other matters recommended by the RC</p>	<p>✓</p>		<p>✓</p>

Legal and Regulatory Compliance			
<p>31. Oversee compliance with laws and regulations with respect to compensation and human resource matters, including the effect on ATB Financial of changes relating to legislation pertaining to employees (other than occupational health and safety legislation which is the responsibility of the Risk Committee) such as labour and employment standards, human rights and workers' compensation legislation</p>	<p>✓</p>		
Governance and General Matters			
<p>32. Evaluate and review its performance and its compliance to its terms of reference and report to the Board, through the Governance and Conduct Review Committee</p>	<p>✓</p>		
<p>33. Assess the appropriateness of its terms of reference, taking into account any applicable legislative and regulatory requirements, as well as best practices for crown corporations or financial service industry participants and report to the Board, through the Governance and Conduct Review Committee</p>	<p>✓</p>		