



## **REMUNERATION COMMITTEE CHARTER**

### **IMPORTANT NOTICE**

This charter presents the basic principles recommended by the TSO<sub>3</sub> (the Corporation) Board of Directors which must prevail in the formation and functioning of the Remuneration Committee Charter. The Board of Directors has formulated and adopted other, more specific rules under the headings:

- Charter of the Board of Directors (Schedule “D”);
- Charter of the Corporate Governance and Nominating Committee;
- Charter of the Compensation Committee;
- Charter of the Audit and Risk Management Committee (Schedule “C”);
- Employees’ Code of Ethics;
- Charter of the Scientific Committee;
- Code of Business Ethics;
- Communications and Insider Trading Policy;
- Ethical and Commercial Breach Whistle Blowing Policy;
- A statement governing the Chairman of the Board’s mandate.

Accordingly, this charter should be interpreted and applied in conjunction with the above-mentioned documents.

### **1.0 REMUNERATION COMMITTEE MISSION**

The Committee has a mandate to review and approve the objectives set for the Corporation’s senior managers, specifically the CEO. The Committee must also evaluate their performance and recommend their salaries on the basis of this evaluation. The Committee must also make recommendations to the Board on the salary incentive plans as well as any other issues expressly submitted to it by the Corporation’s Board of Directors.

### **2.0 COMPOSITION**

2.1 The Remuneration Committee comprises a minimum of three (3) members, of which a majority are outside directors.



- 2.2 The Board of Directors appoints one of the directors to chair the Committee. If the Chairman is absent from a meeting, the members present must choose another member to chair the meeting.

### **3.0 MEETINGS**

- 3.1 The Committee meetings are held on call, but at least three times a year. The Committee meetings can be called by the Committee Chairman or the Chairman of the Board of Directors.
- 3.2 The Committee's powers can be exercised by the members, during a meeting with quorum present. Quorum is at least the majority of Committee members.
- 3.3 The notice of convocation for each meeting is given to each member at least three days before the meeting.
- 3.4 The Committee must appoint a secretary who shall be secretary for all Committee meetings and keep the minutes of all Committee meetings and deliberations.
- 3.5 The Committee has the duty and authority to appoint external remunerated consultants, as necessary.

### **4.0 GENERAL MANAGEMENT RESPONSIBILITIES**

- 4.1 The Committee advises the Board of Directors on salaries for the managers and the other employees.
- 4.2 The Committee also advises the Board of Directors on short- and long-term profit-sharing plans, including benefit plans for the CEO and direct reports.
- 4.3 The Committee must examine the following issues and submit a report on its observations and recommendations to the Board of Directors:
  - a) Efficacy of the structure of the organization and planning of the management replacement ;
  - b) Corporate remuneration philosophy and total remuneration and specific plan for the management;
  - c) Choice and appointment of the chief executive officer and direct reports;
  - d) Elaboration of the general objectives they are required to attain;



- e) Elaboration of the method for evaluating attainment of the establish objectives in regard mostly with the granting of annual bonus of the Corporate managers.
  - f) Employment and termination agreements for senior managers;
  - g) Employee benefit plans for employees and managers;
  - h) Presentation of the Committee's summary report to be presented in the Corporation's annual information bulletin;
- 4.4 The Committee must review the recommendations of the management pertaining to recruitment, hiring, firing, transfers and promotions of the Corporate managers as well as the related severance allowance.
- 4.5 The Committee must perform other functions that the Board of Directors may assign it from time to time.
- 4.6 The Committee must present a report to the Board of Directors on its deliberations, the issues examined and the resulting recommendations.

## **5.0 EXAMINATION OF THE COMMITTEE'S MANDATE**

The Committee's mandate must be reviewed annually by the Board of Directors.

Revised on March 12, 2009