

CANADIAN SCHOLARSHIP TRUST FOUNDATION
CORPORATE GOVERNANCE AND HUMAN RESOURCES COMMITTEE
TERMS OF REFERENCE

1. Mandate

The Corporate Governance and Human Resources Committee is a standing committee of the board of directors of Canadian Scholarship Trust Foundation (the “Foundation”). Its mandate is (a) to ensure that the Foundation and its subsidiaries and the other entities it controls, including the plans, funds and investment vehicles it sponsors from time to time (collectively, the “CST Group”) maintain good governance practices, (b) to provide oversight in respect of human resource management and compensation policy and practices of the CST Group, and (c) other functions as may be assigned to it by the board.

2. Specific Duties

In order to discharge its mandate, the Corporate Governance and Human Resources Committee shall:

2.1 In respect of its governance responsibilities:

- (a) Regularly review selection criteria for members of the board, having regard to the mission and the strategic focus of the Foundation.
- (b) Recommend candidates for consideration as directors of the Foundation and its controlled entities based on a nomination process recommended by the committee and accepted by the board.
- (c) Provide guidance to management so that an appropriate orientation and continuing education program for directors is in place.
- (d) Regularly review the committee structure of the board and the terms of reference of board committees to ensure that they meet the needs of the Foundation, and recommend any needed changes to the committee structure or terms of reference.
- (e) Recommend the membership (including chair responsibilities) of board committees.
- (f) After consultation with board members, propose directors for appointment by the board to serve as board chair.

- (g) Review the frequency and scheduling of board and committee meetings, the nature of board agendas, and the quality, timeliness and sufficiency of information provided by management to the board and board committees.
- (h) At regular intervals determined by the committee, undertake an evaluation of the effectiveness of the board and its committees.
- (i) Take responsibility for the design of an evaluation framework for the board chair and all other directors and undertake annual evaluations in accordance with the framework.
- (j) Make recommendations in respect of other corporate governance matters that the committee deems appropriate.

2.2 In respect of its human resource management and compensation responsibilities:

- (a) Conduct an annual process in which (i) the committee appraises the performance of the Chief Executive Officer for the preceding year and makes recommendations to the board in respect of the compensation and terms and conditions of employment of the Chief Executive Officer, and (ii) the Chief Executive Officer establishes, with the approval of the board, performance objectives for the forthcoming year.
- (b) Review and report to the board in respect of succession planning for key senior management positions.
- (c) Provide oversight in respect of the senior management compensation policies and practices of the CST Group; and, on the basis of consultation with the Chief Executive Officer, make recommendations to the board in respect of the compensation of the senior officers and the terms and conditions of their employment.
- (d) Provide oversight in respect of significant benefit, pension and compensation plans, and any proposed amendments thereto, for senior officers and other employees of the CST Group.
- (e) Periodically review and monitor adherence to human resource policies including corporate codes of conduct.
- (f) Ensure that proper policies and procedures are implemented and adhered to with respect to employee treatment in accordance with legal requirements and industry standards including with respect to matters of equity and human rights.

The committee may engage independent advisors in respect of matters within its mandate if it determines that this is necessary to enable it to properly discharge its responsibilities.

3. Membership

- 3.1 The Corporate Governance and Human Resources Committee shall be comprised of the chair of the board, and at least three other directors who shall be appointed by the board annually following the election of directors.
- 3.2 A director appointed by the board shall serve as chair of the Corporate Governance and Human Resources Committee. If the chair is not present at a meeting or is unable to act as chair, a director determined by the committee shall serve as chair for the meeting in question.
- 3.3 The appointment of the committee chair will be on an annual basis. However, the normal rule will be that a committee chair will serve in the position for three successive one year terms, unless determined otherwise by the board based on an annual evaluation of the committee chair overseen by the Corporate Governance and Human Resources Committee.

4. Meetings

- 4.1 The Chief Executive Officer, at the direction of the committee chair, shall call meetings of the Corporate Governance and Human Resources Committee upon notice as required in the bylaws. The committee chair shall call a meeting if requested by the Chief Executive Officer or the chair of the board.
- 4.2 Meetings may be held in person, by telephone or videoconference hook-up, or by any individual member participating by telephone or videoconference hook-up.
- 4.3 A quorum of any meeting of the committee shall be a majority of its members and decisions taken by a majority of those present shall constitute a decision of the committee.
- 4.4 The Chief Executive Officer and the immediate past Chair of the Board shall be entitled to receive notice of, and attend, all meetings of the Corporate Governance and Human Resources Committee, unless the board chair determines that it would be appropriate for the meeting, or an item of business at the meeting, to proceed in their absence. This could occur, for example, if the item of business relates to the Chief Executive Officer's compensation or some possible conflict of interest. Neither the Chief Executive Officer nor the immediate past Chair of the Board are members of the Committee and shall not be counted for the purposes of determining whether a quorum is present.
- 4.5 Each meeting of the committee shall include a private session with only committee members present. If any material issue arises during such a session the board chair shall discuss it with the Chief Executive Officer.

5. **Reporting**

- 5.1 Minutes of meetings of the committee shall be maintained in such fashion as the committee shall direct and copies of the minutes shall be distributed to the board prior to its next regular meeting. The committee may determine that minutes of its private sessions shall not be made available to management, including management directors.
- 5.2 At each meeting of the board, the chair shall report on the work of the committee which has been undertaken since the last report.