



HUMAN RESOURCES AND SAFETY COMMITTEE TERMS OF REFERENCE

Reviewed by the Human Resources and Safety Committee – May 11, 2023
Reviewed by the Environmental, Social and Governance Committee – November 2, 2023
Approved by the Board of Directors – December 4, 2023

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1. OBJECTIVE

- 1.1 Oversee the overall employment environment of SaskEnergy.
- 1.2 Have overall responsibility for the Corporation's Human Resources strategies, compensation and succession planning to ensure that SaskEnergy is a corporate leader in the development and implementation of proactive human resource strategies.
- 1.3 Have responsibility for the performance management process for the President and Chief Executive Officer and oversight of Executive Officer performance management.
- 1.4 Oversight of the Corporation's safety performance focusing on enhancing and continually improving SaskEnergy's safety culture.

2. CONSTITUTION

- 2.1 The Committee shall be comprised of a minimum of three (3) members of the Board, the majority of members to be independent Directors of the Corporation, pursuant to the standards for independence adopted by the Board.
- 2.2 At least one member of the Committee should have a reasonable level of knowledge or experience in the following areas:
 - i) public relations and communication matters; and
 - ii) safety and occupational health matters.

In the event there is no member with reasonable knowledge or experience in those listed matters, it will be at the discretion of the Committee Chair, in conjunction with Board Chair concurrence, to select one of the Committee members to acquire such skills through applicable training and development. That Committee member shall be granted a transition period to develop such capabilities within a sensible period of time after appointment, and shall report to the Committee Chair.

- 2.3 At least one member of the Committee shall have expertise in human resources and compensation matters. In the event there is no member with expertise in human resources and compensation matters, upon adoption of the Committee's Terms of Reference or upon appointment to the Committee, one of the Committee members shall undertake to develop human resources and compensation expertise. That Committee member shall be granted a transition period to develop human resources and compensation capabilities within a reasonable period of time after appointment, and shall report same to Chair of the Committee.

- 2.4 The Committee members shall be appointed by resolution of the Board. Each member shall continue as a member until a successor is appointed, unless the member resigns, or is removed by resolution of the Board or otherwise ceases to be a member of the Board.
- 2.5 Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board, and shall be filled by the Board if the membership of the Committee is less than three (3) members as a result of the vacancy.
- 2.6 The Board, or in the event of its failure to do so, the Committee, shall appoint a Chair from among the Committee members. If the Chair of the Committee is not present at any meeting of the Committee, the Chair of the meeting shall be chosen by the Committee from among the members present.
- 2.7 The Chair presiding at any meeting of the Committee shall have a vote in all matters considered by the Committee. In the event of a tie, the motion is defeated.
- 2.8 The Secretary to the Board shall serve as Secretary to the Committee. If the Secretary is not present at any meeting of the Committee, the Committee may appoint an acting Secretary to perform the functions of the Secretary at that meeting.
- 2.9 The Committee shall assist with deliberations required for the fulfilment of the Board's mandate and those specific responsibilities and duties assigned to the Committee; however, unless specifically stated otherwise, the Committee shall act in advisory capacity only, recommending decisions to the Board for approval.

3. SCOPE, DUTIES AND RESPONSIBILITIES

The Board vests with the Human Resources and Safety Committee strategic responsibility for a broad range of employment human resource and safety issues. The Committee's primary responsibility is to ensure that, subject to Crown Investments Corporation's policy frameworks, the Corporation is a corporate leader in the development and implementation of policies for human resource strategies, compensation and succession and safety at SaskEnergy.

3.1 Human Resources:

The Committee shall have the following duties and responsibilities respecting human resources:

- 3.1.1 Review corporate reports on human resources issues and programs;

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- 3.1.2 Review and make recommendations, where appropriate, to the Board regarding human resources policies;
 - 3.1.3 Review the CEO Mandate as required, or at least every three (3) years, and recommend for approval any amendments to the Board;
 - 3.1.4 Review and recommend to the Board, the performance objectives for the President and Chief Executive Officer for the upcoming year, and monitor professional development and training for the President and Chief Executive Officer;
 - 3.1.5 Ensure that a mid-year performance review process is developed and conducted for the President and Chief Executive Officer against the approved performance objectives for the year;
 - 3.1.6 In conjunction with the Chair of the Board, undertake an annual performance review of the President and Chief Executive Officer. The review will be based on agreed upon objectives and developmental initiatives, updated each year. The Committee will share the results of the annual performance review with the Board;
 - 3.1.7 Annually monitor the Corporation's succession plan, including in respect of the President and Chief Executive Officer and Corporate Officers, and report on same to the Board. This report is to be provided in-camera by the Committee Chair, or designate, to the Board;
 - 3.1.8 Annually review the Corporation's diversity and inclusion initiatives;
 - 3.1.9 Review periodically the monitoring and enforcement of and compliance with the key HR Policies, including the Harassment Policy and the Respectful Workplace Policy;
 - 3.1.10 Review and monitor the effective management of risks specific to human resources and succession for the Corporation;
 - 3.1.11 Monitor compliance with applicable laws, regulations and review a summary of litigation including arbitrations, pertaining to human resources matters; and
 - 3.1.12 That the Committee, when necessary, will create and engage a Search Committee and act in accordance with the Subsidiary Crown Corporation Chief Executive Appointment Policy, or successor policy, in relation to the recruitment of a new President and Chief Executive Officer.
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3.2 Compensation:

The Committee shall have the following duties and responsibilities with respect to compensation:

3.2.1 Review and recommend for approval, a comprehensive statement of compensation philosophy, strategy and principles for the Corporation;

3.2.2 Executive Compensation:

- i) “Executive Officers” shall mean: President and Chief Executive Officer, and Executive Vice Presidents.
- ii) Annually review and monitor the compensation and benefit programs and policies for Executive Officers and recommend changes or new programs, where appropriate to the Board.
- iii) Annually review and monitor the administration of benefits and compensation for Executive Officers to assess compliance with approved policies.
- iv) Annually review the total compensation paid to Executive Officers for the preceding year together with a reconciliation to each Executive Officers T4 slip for the preceding year.
- v) Annually receive and review reports from the President and Chief Executive Officer on the performance targets and performance evaluation for Executive Officers.
- vi) Review the appointment, exits, transfers and promotions of Executive Officers and related severance packages as necessary.
- vii) Monitor any changes recommended by the President and Chief Executive Officer to the compensation levels for Executive Officers, other than the President and Chief Executive Officer.
- viii) Review and recommend to the Board, where appropriate, any changes to the compensation levels for the President and Chief Executive Officer.
- ix) Review and recommend to the Board the metrics for, the corporate year-end results for purposes of, and any payouts of the Salary Holdback Plan for Executive Officers.

3.2.3 Management Compensation:

- i) Annually review and monitor management compensation and benefit programs and policies, and where the annual forecast of a new program or policy or a change in program or policy will be in excess of \$500,000, recommend the changes or new program to the Board.
- ii) Monitor the administration of all management benefit and compensation plans to assess compliance with approved policies.
- iii) Review and recommend to the Board the metrics for the Salary Holdback Plan for management.

3.2.4 In-Scope Compensation:

- i) Review collective bargaining mandates as provided by Crown Investments Corporation/Shareholder.
- ii) Review and recommend to the Board tentative settlements.
- iii) Annually review the administration of all in-scope compensation and benefit plans to assess compliance with approved policies.

3.2.5 Review reports on any special compensation adjustments to employees that are outside of or in addition to those which were previously approved by the Committee;

3.2.6 Review and monitor the effective management of risks specific to compensation;

3.2.7 Review major public disclosures and shareholder communications related to compensation; and

3.2.8 Monitor compliance with applicable laws and regulations, as well as review a summary of relevant litigation matters including arbitration.

3.3 Safety:

The Committee shall have the following duties and responsibilities with respect to safety:

3.3.1 Review at least annually, monitor and report to the Board on the Corporation's compliance with current legislative, regulatory and corporate standards for safety practices and matters;

3.3.2 Make recommendations to the Board regarding the development and use of Safety Program auditing processes and review the findings of all external Safety Audits and ensure there is an appropriate course of action in place;

3.3.3 Ensure that the Corporation has in place adequate emergency response and business continuity procedures;

3.3.4 Review and report to the Board on safety and health incidents quarterly; and

3.3.5 Review and monitor the impact of proposed legislation in the area of safety and health on the operations of the Corporation, and recommend where significant, to the Board an appropriate response to the proposals.

3.4 General Governance:

The Committee shall have the following general duties and responsibilities to:

- 3.4.1 Adopt an Annual Work Plan to ensure that duties and responsibilities listed in the Terms of Reference are scheduled to be achieved;
- 3.4.2 The Chair of the Committee will provide a formal evaluation in writing on the performance of the Committee on a triennial basis;
- 3.4.3 Review annually, in conjunction with the ESG Committee, and report to the Board on the adequacy of the Committee's Terms of Reference;
- 3.4.4 Produce and provide to the Board an annual evaluation of the Committee, which evaluation shall compare the effectiveness of the Committee with the requirements of these Terms of Reference, including the Annual Work Plan;
- 3.4.5 Review and recommend to the Board for approval the human resources and compensation aspects of the Corporation's annual Corporate Plan; and
- 3.4.6 To take such other actions that may arise from time to time that may require involvement of the Committee as outlined in the Bright Line Mandate.

4. MEETINGS

- 4.1 The Committee shall meet a minimum of four (4) times a year, preferably quarterly.
- 4.2 A meeting of the Committee may be called by the Chair of the Committee, the Chair of the Board or the President and Chief Executive Officer of the Corporation or by any two (2) members of the Committee.
- 4.3 A quorum for meetings shall be three (3) directors present in person or by telephone or other telecommunications device that permits all persons participating in the meeting to speak and hear one another, and to vote.
- 4.4 Reasonable notice, preferably (7) days before the meeting, shall be given in writing, by e-mail or by facsimile communication to each member of the Committee.
- 4.5 The agenda and associated material shall be sent to each member of the Committee prior, preferably seven (7) days, to the time for such meeting.

- 4.6 A director may in any manner waive a notice of meeting, and attendance of a director at the meeting is a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not properly called.
- 4.7 The Committee shall have the right to determine who shall and shall not be present at any part of the meetings of the Committee, and may hold in-camera sessions.

5. MINUTES AND REPORTING RESPONSIBILITIES

- 5.1 An outline of material proceedings and deliberations addressed by the Committee, and all recommendations, decisions and directives of the Committee shall be recorded by the Secretary in the minutes of the meeting.
- 5.2 A draft copy of the minutes of such meeting, approved by the Committee Chair, shall be circulated to the Committee prior to the next Committee meeting where practicable, for approval by the Committee. A Committee member may request that the minutes be revised to include specific deliberations. Following approval of the minutes of the meeting by the Committee as a whole, if substantive revisions have been made to the draft minutes, the minutes approved by the Committee shall be re-circulated to the Committee.
- 5.3 Minutes shall be circulated to the Board prior to the next regular Board meeting.
- 5.4 A report of the Committee meeting shall be made at the next regular meeting of the Board. Reports to the Board may take the form of an oral or written report by the Chair of the Committee, or any other member of the Committee designated by the Committee to make the report.

6. SUPPORT TO THE COMMITTEE

- 6.1 The Committee shall identify, through the Office of the President and Chief Executive Officer, or designate, the kind and frequency of information required by the Committee.
- 6.2 The Committee shall have access to any and all books and records of the Corporation required for the execution of the Committee's obligations and, as necessary, shall discuss with appropriate corporate officers and employees, coordinated through the Office of the President and Chief Executive Officer, such records and other relevant matters.
- 6.3 The Committee shall have the authority to retain external advisors, experts or consultants, in order to properly discharge its duties and responsibilities.

7. CONFIDENTIALITY

- 7.1 All deliberations of the Committee, and all records, material and information pertaining to the Corporation obtained by a member of the Committee shall be considered confidential. Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access.