

# WESTON

GEORGE WESTON LIMITED

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## **Governance, Human Resource, Nominating and Compensation Committee**

### **Mandate**

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Approved by the Board of Directors on May 8, 2023

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**GEORGE WESTON LIMITED**  
**(the “Company”)**

**Governance, Human Resource, Nominating and Compensation Committee**

**Committee Mandate**

**1. RESPONSIBILITY**

The Governance, Human Resource, Nominating and Compensation Committee (the “Committee”) is responsible for:

- identifying candidates qualified for election or appointment to the Company’s Board of Directors (“Board”);
- determining the number of directors and composition for each of the committees of the Board;
- assisting in educating directors and assessing their performance on an ongoing basis;
- developing the Company’s approach to corporate governance and recommending to the Board corporate governance principles to be followed by the Company;
- discharging the Board’s responsibilities relating to total compensation of senior executives, including reviewing for approval to the Board the adoption of, or any material change in, any of the Company’s executive compensation plans;
- overseeing the Company’s pension and benefits program;
- overseeing the Company’s succession planning for senior executives;
- reporting to the shareholders on executive compensation; and
- performing the additional duties set out in this Mandate or otherwise delegated to the Committee by the Board.

**2. MEMBERS**

The Board must appoint a minimum of three directors to be members of the Committee. The majority of the members of the Committee shall be independent.

For the purpose of this Mandate, a director is “independent” if they would be independent within the meaning of the applicable Canadian securities laws, as the same may be amended from time to time.

**3. CHAIR**

Each year, the Board shall appoint one member to be Chair of the Committee who shall be an independent director. If, in any year, the Board does not appoint a Chair, the incumbent Chair shall continue in office until a successor is appointed. In accordance with the mandate of the Board, the Chair of the Committee shall act as Lead Director. The Board has adopted and approved a position description for the Chair which sets out their role and responsibilities.

#### 4. TENURE

Each member shall hold office until their term as a member of the Committee expires or is terminated.

#### 5. QUORUM, REMOVAL AND VACANCIES

A majority of the Committee's members shall constitute a quorum. Any member may be removed and replaced at any time by the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all powers so long as a quorum remains in office.

#### 6. DUTIES

The Committee will have the duties set out below as well as any other duties that are specifically delegated to the Committee by the Board.

##### **(a) Board Succession Plan**

The Committee shall develop and maintain as required a Board succession plan.

The Committee will consider resignations received pursuant to the Company's majority voting policy and make recommendations to the Board on whether or not such resignations should be accepted.

##### **(b) Establish and Assess Director Qualifications and Independence**

The Committee shall establish the qualification standards for directors relating to, among other things, the competencies, skills and personal qualities that should be sought in candidates for Board membership, having in mind the skills and competencies the Board as a whole should possess. The Committee shall also annually assess the competencies and skills of the Board.

The Committee shall conduct an annual assessment of the independence of each director with reference to the applicable Canadian corporate governance guidelines and securities law.

##### **(c) Identify Candidates for Nomination as a Director**

The Committee shall develop and recommend to the Board from time to time a list of candidates for Board election or appointment with a view to enhancing the independence and quality of nominees to be elected by the shareholders at the annual general meeting of shareholders, and with consideration to diversity of views, experiences, skill sets, gender, age, ethnicity, and geographic background, and to the Board's aspiration to reflect the diverse and changing demographics of the markets in which the Company operates, in accordance with the Company's Board Diversity Policy. The Committee should determine if each such candidate would be an independent director within the meaning of the relevant securities rules.

The Chair of the Committee, with the assistance of the Chairman of the Board and one or more other directors appointed by the Board, should approach candidates for Board membership, to:

- explore the candidates' interest in joining the Board and seek their consent to act as a director;
- assess the candidates' skills and competencies; and
- confirm that interested candidates understand the role of a director and the contribution a director is expected to make to the Board, including the commitment of time and energy that the Company expects of its directors.

The Committee shall from time to time consider the appropriate size of the Board with a view to facilitating proper decision-making.

**(d) Review of Annual Director Voting Results**

The Committee will review and consider the voting results for each individual nominee director following the annual general meeting of shareholders. The Committee will consider any resignation submissions resulting from the voting at the annual general meeting of shareholders.

**(e) Orientation and Continuing Education of Directors**

The Committee should take steps to satisfy itself that:

- new directors are given a proper orientation to both the Company and their responsibilities and duties as directors; and
- the Company provides appropriate continuing education opportunities for directors.

**(f) Recruit Directors for Board Committees and Filling Vacancies**

The Committee will recommend to the Board those directors the Committee considers qualified for appointment to the Audit Committee, the Governance, Human Resource, Nominating and Compensation Committee, the Risk and Compliance Committee and the Pension Committee. Where a vacancy occurs at any time in the membership of any committee of the Board, the Committee will recommend to the Board a director to fill such vacancy.

**(g) Performance Assessment of the Board, Board Committees and Individual Directors**

The Committee will review on an annual basis the effectiveness and performance of the Board, and all committees of the Board.

The Committee will evaluate directors on an ongoing basis to assess their suitability for re-election.

**(h) Develop Approach to Corporate Governance**

The Committee has the authority and responsibility to review the Company's overall approach to corporate governance and to make recommendations to the Board in this regard. Among other things, the Committee has the authority and responsibility to:

- develop or review the mandates of the Board and this Committee and recommend to the Board the adoption of or amendments to the mandates;
- consider and recommend the implementation of structures and procedures to ensure that the Board can function independently of management and

without conflicts of interest, including scheduling, at regular intervals, meetings of the Board without management present;

- monitor the relationship between officers and the Board, and recommend a process whereby the directors will have access to, and have an effective relationship with, management of the Company;
- at least annually, review the equity-based holdings of the directors and senior executive officers relative to the Company's Share Ownership Policy;
- be available as a forum for addressing the concerns of individual directors;
- work with the Chairman and Chief Executive Officer ("Chairman and CEO") and other members of management to ensure that the Company has a strong corporate governance culture; and
- monitor developments in the area of corporate governance and undertake other initiatives that may be desirable to maintain high standards of corporate governance.

**(i) Code of Conduct**

The Committee shall monitor the effectiveness of the Company's code of conduct (the "Code") to confirm that it appropriately addresses, among other things, conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of the Company's assets, compliance with applicable laws and the reporting of illegal or unethical behaviour, and also establish mechanisms to facilitate the effective operation of the Code and the granting of waivers of the Code. The Committee shall consider and, if appropriate, approve any material waivers of the Code that are sought by directors or officers. It is acknowledged that the Audit Committee receives periodic reporting on any material matters arising from known or suspected violations of the Code as it relates to financial and accounting matters.

**(j) Succession Planning**

The Committee shall review the Company's organizational structure, consider succession planning for senior executives and recommend policies and principles for the selection and performance review of the senior executives, including the Chairman and CEO, as well as policies regarding the appointment, training and monitoring of other senior executives.

**(k) Incentive Compensation Plans and Equity-Based Plans**

The Committee shall:

- make recommendations to the Board with respect to adoption and amendment of executive incentive compensation plans and equity-based plans;
- approve any equity-compensation awards, including performance metrics and targets as applicable;
- approve all stock options granted under the Company's stock option plan, including the entitlement, vesting, exercise price and all other matters relating to the plan; and
- approve all incentive bonus plans, including performance metrics and targets and all awards under such plans.

**(l) Pension and Benefits**

The Committee shall:

- oversee the benefit and retirement arrangements for its employees and the administration thereof, including defined benefit registered pension plans, defined contribution registered pension plans, unregistered supplementary pension plans, capital accumulation plans, and health and welfare benefit plans for employees (collectively, the "Plans"), as well as certain trust funds that provide for the investment of defined benefit assets of the Company;
- have the authority to approve the establishment of a committee comprised of senior management representation from the Company and its subsidiaries and to delegate to such management committee such duties and responsibilities as the Committee deems necessary or desirable;
- receive reporting from management of the Company periodically, but at least annually, regarding the Plans and the administration and cost thereof.

**(m) Employment Agreements**

The Committee shall review and approve the terms of employment of senior executives.

**(n) Assessment and Compensation of the Chairman and CEO**

The Committee shall:

- together with the Chairman and CEO, develop a position description for the Chairman and CEO, setting out the Chairman and CEO's authority and responsibilities;
- review and approve the corporate goals and objectives that are relevant to the compensation of each of the Chairman and CEO; and
- evaluate the performance of each of the Chairman and CEO in meeting their respective goals and objectives.

When determining the long-term incentive component of the compensation of each of the Chairman and CEO, the Committee shall consider the Company's performance and relative shareholder return and the value of similar incentive awards granted to senior executives of comparable organizations.

**(o) Total Compensation of Senior Executives**

The Committee shall review and approve the total compensation of each of the Company's senior executives, including executive compensation programs, pension and retirement benefits, health and welfare benefits and any other perquisites granted to senior executives. The Committee will, from time to time, assess the compensation in light of the compensation paid to senior executives in comparable organizations.

**(p) Compensation of Board Members**

The Committee shall review, and recommend to the Board, the compensation to be paid to the directors and to members and chairs of Board committees.

**(q) Disclosure of Executive Compensation**

The Committee shall be responsible for reviewing all public disclosure relating to executive compensation, including the Compensation Discussion and Analysis contained in the Company's proxy circular.

**7. REPORTING**

The Committee shall report to the Board on:

- the effectiveness of the Board and all committees of the Board, other than the Governance, Human Resource, Nominating and Compensation Committee;
- the approval of stock option grants under the Company's stock option plan;
- the approval of all incentive bonus plans;
- the review and approval of the corporate goals and objectives relevant to the compensation of the Chairman and CEO;
- the approval of the compensation of the senior executives;
- the compensation to be paid to directors and to the members and chairpersons of board committees;
- the preparation of the Company's management proxy circular; and
- all other material matters dealt with by the Committee.

The Committee also observes and monitors governance and compensation matters at Loblaw and reports to the Board on same from time to time.

**8. FREQUENCY OF MEETINGS AND IN CAMERA SESSIONS**

The Committee shall meet as frequently as the Committee deems appropriate to accomplish its mandate. Following each regularly-scheduled meeting of the Committee, the Committee members shall meet in *camera*.

**9. RETENTION OF EXPERTS**

The Committee may engage such special executive compensation, legal, accounting or other experts, without Board approval and at the expense of the Company, as it considers necessary to perform its duties.

**10. REVIEW AND DISCLOSURE**

This Mandate shall be reviewed by the Committee at least annually and be recommended to the Board for consideration and approval with such amendments as the Committee proposes.

This Mandate shall also be posted on the Company's website.