

TERMS OF REFERENCE HUMAN RESOURCES COMMITTEE

1. Purpose

The purpose of the Human Resources Committee (the "Committee") is to assist the board in fulfilling its responsibilities with respect to the human resources required to achieve the corporate objectives of ATB Financial.

2. Membership

a) Composition

The Committee shall consist of no less than 3 directors, one of who shall serve as the Committee Chair (the "Chair"). The members of the Committee and the Chair shall be appointed by the Board.

b) Independence

Each member of the Committee shall meet the independence standards established by the Board. No member shall be an affiliated director as determined pursuant to the Alberta Treasury Branches Act (the "Act") or a current or former executive of ATB Financial.

c) Board Chair

The Chair of the Board shall be a member of the Committee.

3. Organization

a) Procedure

Unless otherwise determined by the Board or provided in By-law #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 #1, except as hereinafter provided.

b) Support

The Committee will be supported by the Senior Vice President, Human Resources.

c) Secretary

The Corporate Secretary, the Senior Vice President, Human Resources, either of their designates, or any other person the Committee determines, shall act as the secretary of meetings of the Committee.

d) Meeting Materials and Minutes

Minutes of meetings of the Committee shall be recorded by the secretary of that meeting and subsequently presented to the Committee for approval. All members of the Board may access any materials available to the Committee, on request to the Corporate Secretary.

- e) Quorum
The participation of one half of the members of the Committee shall constitute a quorum.
- f) Reporting
The Committee shall report at each Board meeting on its proceedings in the intervening period, including, decisions made within their authority and recommendations made to the Board. Minutes of the Committee (draft to enable timeliness) shall be provided to the Board for information.
- g) Delegation
The Committee may delegate to its Chair or the President and Chief Executive Officer (the "CEO"), any responsibilities of the Committee itself. This delegation will include a reporting accountability back to the committee.
- h) Meetings
The Committee shall meet at least once per quarter. Meetings will be scheduled in advance for each fiscal year.
- i) Access to Management and Outside Advisors
The Committee, through the Chair of the Committee, shall have unrestricted access to management of the Corporation, which will be coordinated through the SVP HR or the CEO. The Committee, with the consent of the Chair of the Board shall have the authority to retain external advisors to assist in fulfilling its responsibilities.

4. **Roles and Responsibilities**

The Committee shall have the responsibilities set out below.

- a) Human Resource Strategy
With respect to human resource strategy, the Committee shall receive annually management's report on:
 - i) The business plan including key strategies related to total compensation, associate engagement, recruitment and retention, development and training, diversity and labour relations and the adequacy of human resources to carry out ATB Financial's corporate objectives;
 - ii) The current organizational structure; and
 - iii) The Corporation's total compensation policy to ensure that the structure is competitive, and consistent with the achievement of corporate objectives.
- b) Appointment, Performance Evaluation and Compensation of the CEO
With respect to the CEO, the Committee shall:
 - i. Establish and maintain the position description for the CEO setting out his or her authority and responsibilities;
 - ii. Make recommendations to the Board for recommendation to the shareholder, on the appointment of a new CEO or termination of the employment of the existing CEO;
 - iii. Recommend to the Board for approval, annual performance targets for the CEO which are to be consistent with the goals and objectives

- of the strategic business plan;
 - iv. Review the Chair of the Boards annual assessment of the CEO's performance;
 - v. Make recommendations to the Board on the total compensation of the CEO including any changes to base salary to be recommended to the shareholder for approval and any award allocations under incentive compensation plans;
 - vi. Approve any benefits or perquisites provided to the CEO;
 - vii. In consultation with the Chair of the Board, recommend to the Board for approval, any remedial action involving the performance of the CEO; and
 - viii. Recommend to the Board for approval any agreements providing special payments to the CEO including those addressing, retirement or termination of employment.
- c) Appointment, Performance Evaluation and Compensation of Senior Executives
 With respect to Senior Executives of ATB Financial, (grades 1-3, CEO, EVP, SVP, plus the Vice President, Internal Audit and Vice President, Legal & Corporate Secretary and Chief Compliance Officer) the Committee shall:
 - i. Recommend to the Board for approval, the appointment of new Senior Executives or the reassignment or termination of existing Senior Executives;
 - ii. Recommend to the Board for approval, all base salary and incentive compensation plans as well as any agreement addressing the terms and conditions of hiring, retirement or termination of benefits provided to the Senior Executive, for execution by the CEO;
 - iii. Annually review the annual performance assessments submitted by the CEO with respect to the Senior Executives;
 - iv. Annually approve any changes to the base salary of Senior Executives recommended by the CEO and any award allocations under any incentive compensation plans; and
 - v. Annually review the succession plan for CEO, Senior Executive positions and any other executive positions the Committee determines, review the adequacy of such plans to ensure timely and effective CEO and Senior Executive continuity, and make recommendations to the Board regarding any changes to such succession plan.
- d) Compensation Plans
 With respect to any base salary and any incentive compensation plans, (other than any specific arrangements for the CEO and Senior Executives) as provided in paragraphs b) and c) above, the Committee shall:
 - i. Recommend to the Board for approval, any new incentive compensation plans or design changes to existing base salary or incentive compensation programs;
 - ii. Approve annual business targets or performance indicators for any incentive compensation plan approved by the Board;

- iii. Approve any monetary mandate for collective bargaining with unionized associates;
 - v. Annually review and report to the Board the result of any individual performance incentive plans, commissions and other structures provided eligible associates with total compensation in excess of any Senior Executive position; and
 - iv. Annually receive management's report on the aggregate amount to be paid out under incentive compensation programs to the CEO, Senior Executives, executives and other associates, relative to the target amounts established for the fiscal year.
- e) Regulatory Compliance and People Risk
The Committee shall:
- i. Annually review management's report on the corporation's compliance with employment related laws and regulations and report any material findings to the Board recommendations on any changes considered appropriate to management; and
 - ii. Review the annual report of management on the identification, assessment, monitoring and management of people risks.
- f) Pension Oversight
With respect to the pension related obligations of the Corporation the Committee shall;
- i. Annually review management's report related to ATB Financial's duties and potential funding obligations under the Public Service Pension Plan;
 - ii. Annually review managements report related to ATB Financial's duties and potential funding obligations in connection with the Supplemental Employee Retirement Plan; and
 - iii. Annually review the governance structure and responsibilities of ATB Financial with respect to the ATB Pension Plan as set out in Appendix 1 and perform the responsibilities of the Committee as set out.
- g) Governance and General Matters
With respect to governance matters and other actions not identified above, the Committee shall:
- i. Annual review and recommend to the Board for approval the appointment of the officers of Alberta Treasury Branches pursuant to section 3 of the Act and Bylaw #1;
 - ii. Provide the Board through the Governance and Conduct Review Committee with an annual assessment of its performance, the competency of its members and its compliance to its terms of reference;
 - iii. Annually 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; and

- iv. Perform such other responsibilities, as the Board shall determine by resolutions.

Approved by the Board of Directors of Alberta Treasury Branches as of May 22, 2008