

# COMPENSATION COMMITTEE

## **Purpose**

The purpose of the Compensation Committee is to discharge the responsibilities of the Board relating to compensation of CSA's Executive Leadership Team ("ELT") and report annually to the Board of Directors on such matters .

## **Composition**

The Board of Directors of CSA Group ("CSA") shall appoint at least four (4) members who are normally members of the Executive Committee of the Board, and designate one member as chairperson who reports directly to the Chair of the Board of CSA Group. The Chair of the Compensation Committee shall also be a member of the Pension Committee. The Chair of the Compensation Committee shall serve a maximum of two concurrent terms of two years each. The Chair of the Board is an *ex-officio* member of the Compensation Committee and shall be given notice of all meetings of the Committee.

## **Duties and Responsibilities**

The duties and responsibilities of the Compensation Committee are to:

- (a) Oversee and approve changes to CSA's overall ELT compensation structure, policies and programs.
- (b) Administer and make recommendations to the Board with respect to CSA's incentive-based compensation plans for the ELT.
- (c) Review and approve the total compensation of the President and CEO annually, taking into account both market competitiveness as well as the incumbent's performance. An annual performance appraisal will be provided to the Compensation Committee by the Chair of the Board.
- (d) Approve the base pay compensation of other members of the ELT taking into account the recommendations of the CEO.
- (e) Approve incentive-based objectives and awards for the ELT.
- (f) Submit the President/CEO's annual bonus objectives for advance approval by the Board of Directors.
- (g) Review and approve the design and changes to any benefit plans or "perks" pertaining to the ELT, including pensions.
- (h) Review and approve new employment agreements and severance arrangements for the ELT.
- (i) Perform such other duties and responsibilities as are consistent with the purpose of the Compensation Committee and as the Board or the Committee deems appropriate.
- (j) Report to the Board at least annually and otherwise as required by the Board from time to time on the exercise of the duties and responsibilities of the Committee.



Whenever the Compensation Committee shall exercise its authority to “approve” as contemplated herein, such approval must receive the concurrence of the Chair of the CSA Group Board of Directors. If such concurrence is not granted by the Chair of the CSA Group Board of Directors, then the Compensation Committee must seek to have the matter resolved by having it referred to the CSA Group Board of Directors.

The Compensation Committee may delegate any of the foregoing duties and responsibilities to a subcommittee of the Compensation Committee consisting of not less than two members of the committee.

The Compensation Committee will have the authority to retain, at the expense of CSA, such outside counsel, experts, and other advisors as it determines appropriate to assist it in the full performance of its functions, including authority to retain and terminate any compensation consultant used to assist the committee in the evaluation of the CEO or senior executive compensation, and to approve the consultant’s fees and other retention terms.

### **Meetings**

The Compensation Committee will meet as often as may be deemed necessary or appropriate, in its judgment, either in person or telephonically, and at such times and places as the Compensation Committee determines.

The majority of the members of the Compensation Committee constitutes a quorum.

### **Continuous Improvement**

The Compensation Committee will review its Terms of Reference annually and make recommendations for change, as appropriate, to the Board.

The Compensation Committee will receive feedback on its performance via the Chair of the Board, as and when required.

Approved by the CSA Group Board of Directors  
March 24, 2005

