TERMS OF REFERENCE
FOR
HUMAN RESOURCES COMMITTEE

A. INTERPRETATION

In these Terms of Reference,

"Act" means the *Securities Act*, R.S.A. 2000, c. S-4, as amended;

"ASC" means the Alberta Securities Commission;

"Chair" means the Chair of the ASC;

"Commission" means all of the Members, acting in a capacity comparable to that of a board of directors of a corporation;

"Independent Member" is a Member who is neither an officer nor employee of the ASC;

"Member" means a Member of the ASC appointed pursuant to the Act; and

"Senior Management" means those employees of the Commission holding the following positions: Chair, Vice-chair, CEO, Executive Director, General Counsel, Chief Accountant, Controller and Director.

B. PURPOSE

The purpose of the Human Resources Committee is to assist the Members in: (i) ensuring that Senior Management of the ASC is properly qualified and experienced and that appropriate procedures are followed for their selection, evaluation, compensation and succession; and (ii) overseeing the creation and maintenance of an effective organizational structure, human resources policies, and compensation and benefits plans for the ASC.

C. COMPOSITION AND TERM OF OFFICE

1. The Human Resources Committee is established pursuant to Article 7 of By-Law No. 1 of the ASC. The Human Resources Committee shall be comprised of not less than three Members, all of whom shall be Independent Members and one of whom shall be designated chair of the Human Resources Committee.

2. Notwithstanding paragraph C1, the Chair of the Commission shall be an ex-officio member of the Human Resources Committee.

3. The members of the Human Resources Committee shall be appointed or reappointed at the first meeting of the Members following each fiscal year end of the ASC. Where a vacancy occurs at any time in the membership of the Human Resources Committee, it may be filled by the Members of the Commission, and shall be filled by the Members if the membership is less than three as a result of the vacancy.

D. PROCEDURE

1. The time and place of meetings of the Human Resources Committee and the procedure at such meetings shall be determined from time to time by its members, provided that:

   (a) a majority of the members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other, constitutes a quorum for the transaction of business at a meeting;

   (b) the Human Resources Committee shall meet at least two times each fiscal year and shall report to the Commission on its activities following each meeting;

   (c) a meeting of the Human Resources Committee may be called by the chair of the Human Resources Committee or by the Chair of the ASC. The Human Resources Committee shall at all times have the right to determine who shall or shall not be present at any part of a meeting of the Human Resources Committee; and

   (d) notice of any meeting of the Human Resources Committee shall be given to all members of the Human Resources Committee not less than 24 hours before the meeting is to take place and in the manner specified in By-Law No. 1 for meetings of Members of the Commission.

2. The chair of the Human Resources Committee shall be appointed by the Members upon the appointment of the members of the Human Resources Committee. In the event that the chair is absent from a meeting, the members of the Human Resources Committee shall appoint a chair for that meeting.

3. Questions arising at a meeting of the Human Resources Committee shall be decided by a majority of votes. In the case of a tie vote, the chair of the Human Resources Committee shall be entitled to a second or casting vote.

4. Minutes of all meetings shall be taken by the secretary of the meeting appointed by the members of the Human Resources Committee in attendance. The secretary of the meeting may be a person other than a member of the Human Resources Committee.

E. DUTIES AND POWERS

The Members delegate to the Human Resources Committee the powers and duties to:

1. review annually management policies and actions with respect to compensation, including benefit, bonus and incentive plans, conditions and contracts of employment, hiring and termination practices relating to employees generally for the purpose of ensuring: 1) that compensation and benefit plans are competitive, soundly conceived, properly executed and maintained; and 2) that the ASC is successful in the recruitment, retention and motivation of employees;

2. review annually these terms of reference and make such recommendations to the Members as are determined appropriate;

3. review annually and recommend to the Members: 1) the salary and bonuses for Chair and Vice-chairs and 2) adjustments to salary ranges for employees of the ASC on an aggregate basis;

4. assess annually the performance of the Chair and report to the Members;

5. assess annually the performance of the Vice-chairs in consultation with the Chair and report to the Members;

6. review periodically succession planning for Senior Management; and

7. review annually and approve, where appropriate, changes to the ASC's corporate organization, human resources policies and employee benefits including pension arrangements.

F. OUTSIDE ADVISORS

The Human Resources Committee shall have the authority to engage and compensate, at the expense of the ASC, any outside advisor that the committee determines to be necessary to permit it to carry out its duties.