

REITMANS (CANADA) LIMITED
HUMAN RESOURCES AND COMPENSATION COMMITTEE CHARTER

1. ESTABLISHMENT OF COMMITTEE

1.1 Establishment of Compensation Committee Confirmed – The establishment of the human resources and compensation committee of the Board (as defined below) is hereby confirmed with the purpose, constitution and responsibilities set forth herein.

1.2 Certain Definitions – In this Charter:

- (a) “**Articles**” means the articles of amalgamation of the Corporation, as amended from time to time;
- (b) “**Audit Committee**” means the audit committee of the Board, as constituted from time to time in accordance with its charter;
- (c) “**Board**” means the board of directors of the Corporation;
- (d) “**By-laws**” means the general by-laws of the Corporation, as amended from time to time;
- (e) “**Charter**” means this written charter of the Committee and any such charter for the Committee which the Directors resolve from time to time shall be the charter of the Committee, as amended from time to time;
- (f) “**CEO**” means the Chief Executive Officer of the Corporation;
- (g) “**Committee**” means the human resources and compensation committee of the Board;
- (h) “**Corporation**” means Reitmans (Canada) Limited;
- (i) “**Director**” means a director of the Corporation;
- (j) “**Independent Director**” means a Director that is independent within the meaning of section 1.4 of National Instrument 52-110 – *Audit Committees*; and
- (k) “**President**” means the President of the Corporation.

1.3 Interpretation – The provisions of this Charter are subject to the provisions of the Articles and to the applicable provisions of applicable legislation and regulation.

2. **PURPOSE**

2.1 Purpose – Subject to the provisions of the Articles, the Committee’s purpose is to assist the oversight of the Board in respect of (i) executive and Director compensation, and (ii) the Corporation’s human resource policies and practices, as more particularly set forth in Section 7.

3. **COMMITTEE MEMBERSHIP**

3.1 Number of Members – The Committee shall consist of not fewer than three members.

3.2 Independence of Members – The Committee shall be comprised only of Independent Directors.

3.3 Appointment of Members – The members of the Committee shall be appointed by the Board. The appointment of members of the Committee shall take place at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.

3.4 Vacancy – The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors.

3.5 Removal of Members – Any member of the Committee may be removed from the Committee by a resolution of the Board.

3.6 Resignation of Member – A member of the Committee desiring to resign from the Committee shall submit a written resignation letter to the Secretary of the Corporation.

4. **COMMITTEE CHAIR**

4.1 Board to Appoint Chair – The Board shall appoint the Chair from the members of the Committee (or if they fail to do so, the members of the Committee shall appoint the Chair of the Committee from among its members).

4.2 Chair to be Appointed Annually – The designation of the Committee’s Chair shall take place at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

5. **COMMITTEE MEETINGS**

5.1 Quorum – A quorum of the Committee shall be a majority of its members.

5.2 Secretary – Subject to the Articles and the By-laws, the Chair shall designate from time to time a person who may, but need not, be a member of the Committee, to be Secretary of the Committee.

5.3 Time and Place of Meetings – The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee; provided, however, the Committee shall meet as required during the year and no less frequently than twice.

5.4 Right to Vote – Each member of the Committee shall have the right to vote on matters that come before the Committee.

5.5 Invitees – The Committee may invite Directors, officers and employees of the Corporation or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

6. **OUTSIDE ADVISORS**

6.1 Retaining and Compensating Advisors – The Committee shall have the authority to retain outside counsel and any other advisors as the Committee may deem appropriate in its discretion and to set and pay the compensation for any such advisors. The Committee shall not be required to obtain the approval of the Board in order to retain or compensate such counsel or advisors. Individual members of the Committee shall not be authorized to retain outside counsel or any other advisors at the expense of the Corporation without the prior consent of the Audit Committee.

6.2 Remuneration – Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Directors may determine from time to time.

7. **DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

7.1 Policies – The Committee shall review and make recommendations to the Board with respect to human resources and/or compensation policies and other matters as may be specifically delegated to the Committee by the Board.

7.2 Compensation of Directors – The Committee shall review and make recommendations to the Board with respect to the Directors' compensation level for services on the Board and on any committee of the Board.

7.3 Compensation of CEO and President – The Committee shall:

- (a) review and approve corporate goals and objectives relevant to CEO compensation and President compensation;
- (b) evaluate the CEO's performance and the President's performance in light of those corporate goals and objectives; and
- (c) either as a Committee or together with other Independent Directors (as directed by the Board), make recommendations to the Board with respect to the CEO's and President's compensation level (considering all elements of the compensation package) based on this evaluation.

7.4 Non-CEO Compensation Matters – The Committee shall make recommendations to the Board with respect to:

- (i) non-CEO/President executive compensation, after considering management's recommendations;
- (ii) incentive compensation plans;
- (iii) equity-based plans;
- (iv) reviewing the evaluation of the performance of the Corporation's senior executives,

in each case, with a view to determining whether it is achieving its intended objectives.

7.5 Oversight of the Pension Plans, Funding and Investments –

- (i) review periodically trends and developments related to pensions in Canada and make recommendations to the Board on all pension retirement plans of the Corporation, and on any material amendments to these plans;
- (ii) review and approve the design of the pension plans and the roles and responsibilities of stakeholders, and any material changes thereto;
- (iii) receive reports from the pension committee of the Corporation;
- (iv) monitor and review, as appropriate, the administration, funding and investment of the retirement plans of the Corporation, as well as oversee the selection of fund managers; and
- (v) receive annual financial statements of the defined benefit plans and, where required, actuarial valuations of such plans and oversee their investment criteria and performance as well as the participants' communications and education processes.

7.6 Review of Bonuses Paid – The Committee will monitor the administration of the Corporation's executive officer incentive and other compensation related plans and shall report to the Board annually on whether incentives and bonuses awarded or paid to the CEO and the President and each of the other executive officers have been awarded or paid in accordance with the applicable plans.

7.7 Executive Compensation Disclosure – The Committee shall review and recommend to the Board for approval, any public disclosure of information relating to the Corporation's executive compensation, including the disclosure to be included in the Corporation's annual management proxy circular.

7.8 Succession Planning – The Committee shall make recommendations to the Board, on an annual basis, with respect to management succession including:

- (a) policies and principles for CEO and President selection and performance review with respect to potential successors to the CEO and the President; and
- (b) policies regarding succession in the event of an emergency or the retirement of the CEO or the President.

7.9 Training and Development Program – The Committee shall oversee the policies and processes put in place by the CEO and the President to identify, develop and retain outstanding personnel.

7.10 Human Resource Culture – The Committee shall ensure a human resource culture that empowers employees, respects employee health and safety matters, and drives the organizational success of the Corporation.

7.11 Report of the Compensation Committee – The Committee shall prepare and recommend to the Board for approval, the report of the Compensation Committee to be included in the Corporation’s annual management proxy circular.

7.12 Evaluation of the Committee – Overseeing the existence of processes to annually evaluate the performance of the Committee.

8. **SUBCOMMITTEES**

8.1 Delegation to Subcommittees – The Committee may form and delegate authority to subcommittees if deemed appropriate by the Committee.

9. **REPORTING TO THE BOARD**

9.1 Regular Reporting – The Committee shall report to the Board following each meeting of the Committee or at such other times as the Chair may determine to be appropriate.

10. **CHARTER REVIEW**

10.1 Charter Review – The Committee shall review and assess the adequacy of this Charter on a regular basis and recommend to the Board any changes it deems appropriate.

Nothing contained in the above mandate is intended to transfer to the Committee the Board responsibility to ensure the Corporation’s compliance with applicable laws or regulations or to expand applicable standards of liability under statutory or regulatory requirements for the Directors or the members of the Committee.