



**WORLD COLOR**  
CORPORATE GOVERNANCE



## **WORLD COLOR PRESS INC.**

### **HUMAN RESOURCES AND COMPENSATION COMMITTEE CHARTER**

#### **PURPOSE**

The Human Resources and Compensation Committee is a standing committee appointed by the Board. The Committee shall assist the Board in discharging the Board's oversight responsibilities relating to the compensation and retention of key senior management employees, and in particular the Chief Executive Officer, with the skills and expertise needed to enable the Corporation to achieve its goals and strategies at fair and competitive compensation and appropriate performance incentives. In addition, the Committee is responsible for reviewing disclosure regarding executive compensation required under applicable rules and regulations.

#### **PROCEDURES, POWERS AND DUTIES**

In addition to the procedures and powers set out in the resolution of the Board establishing this Committee, the Committee shall have the following procedures, powers and duties:

1. General

- (a) *Composition* - Each member of the Committee shall be an "independent" director (as defined in the Categorical Standards of Independence adopted by the Board of Directors and as such term is defined from time to time under the requirements or guidelines for compensation committee service under applicable securities laws and the rules of any stock exchange on which the Corporation's securities are listed for trading).
- (b) *Separate Executive Meetings* - The Committee shall meet at least twice every year, and more often as warranted, with the Chief Executive Officer and the head of the human resources department to discuss any matters that the Committee or either of these individuals believes should be discussed privately.
- (c) *Sessions Separate from Management* - - The Committee may hold separate *in camera* sessions without Management present at the conclusion of any regularly scheduled meeting of the Committee at which members of Management are present.
- (d) *Professional Assistance* - The Committee may retain special legal, accounting, financial or other consultants to advise the Committee at the Corporation's expense including sole authority to retain and terminate any executive compensation consulting firm and to approve any such firm's fees and other retention terms.
- (e) *Reporting to the Board* - The Committee will report through the Committee Chair to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.

#### ***Compensation of Senior Officers***

2. The Committee shall annually:
  - (a) review and revise the position description of the Chief Executive Officer and recommend annual performance goals and criteria for the Chief Executive Officer, evaluate the performance of the Chief Executive Officer against such position description and applicable performance goals and criteria and set the Chief Executive Officer's level of compensation based on this evaluation;
  - (b) review the Chief Executive Officer's evaluation of the performance of the other officers of the Corporation appointed by the Board and such other employees of the Corporation or any subsidiary of the Corporation as may be identified to the Committee by the Board (collectively, the "Designated Employees") and review the Chief Executive Officer's recommendations with respect to the amount of compensation to be provided to the Designated Employees;
  - (c) review, assess the competitiveness and appropriateness of and approve the compensation package of the Chief Executive Officer and each of the Designated Employees. In conducting such review, the Committee shall consider:
    - (i) the compensation packages of the Chief Executive Officer and the Designated Employees for the prior year;
    - (ii) the Committee's evaluation of the performance of the Chief Executive Officer and the Chief Executive Officer's evaluation of the performance of the respective Designated Employees;
    - (iii) the Corporation's performance and relative shareholder return;
    - (iv) whether the compensation package reflects an appropriate balance between short and longer-term incentives to improve performance of the Corporation;
    - (v) the competitiveness of the compensation package, including the value of similar incentive awards paid to equivalent officers and positions at comparable companies; and
    - (vi) the awards given to the Chief Executive Officer and Designated Employees in previous years.
3. The Committee shall review and approve any employment contracts or arrangements with the Chief Executive Officer and each of the Designated Employees, including any retiring allowance arrangements, severance payments or any similar arrangements to take effect in the event of a termination of employment and any change of control agreements.

#### ***Compensation Policies***

4. The Committee shall review and recommend to the Board compensation policies and processes and any new incentive compensation and equity compensation plans of the

Corporation or changes to such plans and in particular, the compensation policies, processes and plans respecting the Chief Executive Officer and the Designated Employees.

5. The Committee shall administer the stock option plan of the Corporation and make recommendations respecting grants of stock options to employees and consultants, including recommending who should receive option grants and the terms thereof, the overall level of outstanding options and changes to the stock option plan.
6. The Committee shall make recommendations to the Board, if thought appropriate, regarding share ownership guidelines applicable to senior officers and monitoring share ownership relative to such guidelines.

#### ***Independence of Compensation Consultants***

7. The Committee shall assess the independence of any compensation consultant retained by the Committee and any other work performed by the compensation consultant for the Corporation shall be subject to pre-approval by the Committee.

#### ***Succession Planning***

8. The Committee shall periodically review with the Chair of the Board and the Chief Executive Officer the succession plans relating to the position of the Chief Executive Officer and other senior positions and make recommendations to the Board with respect to the selection of individuals to occupy these positions.
9. The Committee shall review plans in respect of an unexpected incapacitation of the Chief Executive Officer.

#### ***Human Resources Matters***

10. The Committee shall oversee key human resources systems and policies for the Corporation.
11. The Committee shall consider strategic human resources issues, including labour issues.
12. The Committee shall receive and consider, from time to time, information on pension benefits strategy, including design and any restructuring of the pension plans of the Corporation or its subsidiaries to improve costs or employer/employees relations;

#### ***Insider Trading***

13. The Committee shall approve and revise as necessary a policy on insider trading respecting the Corporation's securities. Such policy shall impose mandatory black-out periods during which directors and senior management of the Corporation are prohibited from trading in securities of the Corporation.

14. The Committee shall periodically review Management's systems and practices for ensuring that all directors and all officers of the Corporation who are required to do so file insider reports in connection with any trade of securities of the Corporation or any derivative transaction which results in the effective disposition of the individual's economic interest in a security of the Corporation within the shortest period of time in which such reports are required to be filed.

#### ***Reporting Requirements***

15. The Committee shall review prior to its release, disclosure respecting the compensation practices of the Corporation and the compensation awarded to certain of its executive officers, including the compensation discussion and analysis required to be disclosed in the Corporation's annual proxy circular.

#### ***General***

16. The Committee may undertake on behalf of the Board such other compensation initiatives as may be necessary or desirable to contribute to the success of the Corporation and enhance shareholder value.

#### **THIS CHARTER**

The Committee shall review and reassess the adequacy of this Charter at least annually and otherwise as it deems appropriate and recommend changes to the Board. The performance of the Committee shall be evaluated with reference to this Charter annually.

The Committee shall ensure that this Charter is disclosed on the Corporation's website and that this Charter or a summary of it which has been approved by the Committee is disclosed in accordance with all applicable securities laws or regulatory requirements.