

HUMAN RESOURCE AND COMPENSATION COMMITTEE TERMS OF REFERENCE

The primary objective of the Board Human Resource and Compensation Committee (HR&C) at Trellis Housing Finance Limited (THFL) is to assist the Board in its duty to oversee the establishment of appropriate human resources policies and strategies that provides THFL with the capability to achieve its short- and long-term objectives.

The HR Committee deals with recruitment & training of the Senior Management, remuneration, performance evaluation, succession planning and measures for effective utilization of the Human Capital of the THFL.

1.0	Composition
1.1	The HR Committee shall be appointed by the Board of Directors ("Board") from among their number and shall consist of not less than two (2) members.
1.2	The Chairman of the Committee shall be elected among the members of the Committee, who is not the Chairman of the Board and could be an independent director.
2.0	Quorum and Procedures of Meetings
2.1	Meetings shall be held not less than four (4) times in a financial year, although additional meetings may be called at any time by the Chairman's discretion.
2.2	The quorum of meeting of the Committee shall consist of not less than two (2) members.
2.3	The Company Secretary shall act as Secretary of the HR&C Committee.
2.4	The Committee may, as and when deemed necessary, invite other Board members, senior management personnel, representative(s) of the external auditors and internal auditors and external independent professional advisers to attend the meetings.
2.5	Minutes of each meeting shall be kept at the registered office and distributed to each member of the HR Committee and also to the other members of the Board. The minutes of the HR Committee meeting shall be signed by the Chairman of the said meeting or by the Chairman of the next succeeding meeting. The Chairman shall orally report on the proceedings of each HR Committee meeting to the Board at the next Board meeting following the HR Committee meeting.
3.0	Circular Resolution
	A resolution in writing signed or approved by letter, telefax or other written electronic communications by the majority of the members who are sufficient to form a quorum, shall be valid and effectual as if it had been passed at a meeting. All such resolutions shall be forwarded or otherwise delivered to the Secretaries and shall be recorded by the Secretaries in the minutes book. Any such resolution may consist of several documents in like form, each signed by one (1) or more members.
4.0	Authority/Function of HR&C
4.1	The Committee assists the Board in relation to Institute's Human Resource framework. Committee would recommend to the Executive Committee on the following: <ol style="list-style-type: none"> 1. Appointments, promotions, salary increases including performance evaluation and fixation of remuneration of the Senior Management (Secretary/COO, Executive Directors and Head of Departments)

	<ol style="list-style-type: none"> 2. Increment and promotion recommendations of THFL employees other than the senior management based on recommendation of the Secretary/COO. 3. Human Resource Policies and procedures. 4. Succession Planning of the Senior Management. 5. Any other function assigned by the Board.
<p>5.0</p>	<p>Duties and Responsibilities</p> <ol style="list-style-type: none"> i) Examine Trellis’s HR and compensation policies, with respect to the Chief Executive Officer and other key executives, and make recommendations to the Board regarding the adoption of such policies, as well as any amendments required as a result of any new laws or regulations; ii) Review and assess the competitiveness and appropriateness of and approve the compensation package of the Chief Executive Officer and of other key executives. In conducting such review, the Committee will consider: <ul style="list-style-type: none"> • the compensation packages of the Chief Executive Officer and of other key executives for the prior years • the Committee’s evaluation of the performance of the Chief Executive Officer and the Chief Executive Officer’s evaluation of the performance of the other respective key executives; • the Corporation’s performance and relative shareholder return; • whether the compensation package reflects an appropriate balance between short and longer-term incentives to improve performance of the Corporation; • whether the compensation package of the Chief Executive Officer or other key executives encourages excessive risk-taking; • the competitiveness of the compensation package, including the value of similar incentive awards paid to equivalent officers and positions at comparable companies; and • the awards granted to the Chief Executive Officer and other key executives in previous years; iii) Report the results or findings of its assessments of the competitiveness of the Corporation’s compensation policies and practices to the Board; iv) Establish and examine terms of the Employee Stock Option Plan and such other incentive plans approved by the Board, evaluate these plans and make recommendations to the Board regarding any amendments deemed necessary as a result of the enactment of any new applicable laws or regulations or resulting from new market trends; v) Monitor the administration of the Employee Stock Option Plan and such other incentive plans approved by the Board, and recommend to the Board grants of stock options other types of stock-based compensation other than grants to Directors who are not also employees of the Corporation; vi) Examine the Corporation’s director compensation policies and make recommendations to the Board regarding the adoption of such policies; vii) From time to time, as determined appropriate by the Committee, administer all policies and practices of the Corporation with respect to the indemnification of directors by the Corporation, approve all payments made pursuant to such policies and practices, and recommend to the Board the terms of the indemnification agreement to be entered into between the Corporation and each director;

	<ul style="list-style-type: none"> viii) Review and approve any employment contracts or arrangements with the Chief Executive Officer and other key executives, including any retirement 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; ix) 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 other key executives; x) Review on an annual basis the organizational structure and the succession planning program with respect to the Chief Executive Officer and other key executives; xi) Pre-approving any services (other than or in addition to compensation services) to be provided by the Corporation's compensation consultant or advisor, or any of its affiliates, to the Corporation, or to its affiliated or subsidiary entities, or to any of its directors or other key executives; xii) Review the Committee mandate on an annual basis and make recommendations to the Board regarding the adoption thereof xiii) Review the executive compensation information before it is publicly disclosed in the Corporation's management proxy circular; and xiv) Carry out any other mandates that the Board may give from time to time.
<p>6.0</p>	<p>Term of Office</p> <p>The term of office and performance of the Committee and each of its members shall be reviewed by the Board of Directors of the Company annually to determine whether the Committee and its members have carried out their duties in accordance with their Terms of Reference.</p>
<p>7.0</p>	<p>Review of the Terms of Reference</p> <p>The Committee shall review and assess the adequacy of this Terms of Reference on a periodic basis determined by the Committee or as and when necessary. Any proposed changes to the Terms of Reference shall be approved by the Board.</p>