

## **ALCAN INC. HUMAN RESOURCES COMMITTEE CHARTER**

### **I. Statement of Policy:**

The Human Resources Committee of the Board of Directors of Alcan Inc. (the "Committee") shall have the broad responsibility to review any and all personnel policy and employee relations matters and make recommendations thereon to the Board and shall provide assistance to the Board of Directors in discharging the Board's responsibilities relating to compensation of the Company's executives.

### **II. Composition and organization of the Human Resources Committee:**

The Human Resources Committee shall consist of at least three Directors, each of whom the Board of Directors has determined to be unrelated or independent in respect of the Company as contemplated by the laws, regulations and listing requirements to which the Company is subject and in accordance with the *Guidelines on the Independence of the Directors of Alcan*.

Members shall be appointed by the Board and shall serve for such term as the Board may determine.

The Human Resources Committee shall designate one Member of the Committee to act as its Chairman. The Vice President, Human Resources, of the Company shall act as secretary to the Committee.

### **III. Meetings of the Human Resources Committee:**

The Committee shall meet at least three times a year.

The Committee may invite such Members of Management to its meetings as it may deem desirable or appropriate, subject to the maintenance of confidentiality where required.

The Committee shall meet *in camera*, as necessary.

### **IV. Duties and Responsibilities of the Human Resources Committee:**

The following are the duties and responsibilities of the Committee:

1. in consultation with Management and external independent consultants, to establish the Company's general compensation philosophy and oversee the development and implementation of compensation policies and programs;
2. to review periodically the effectiveness of the Company's overall management organization structure and the Chief Executive Officer's ("CEO") proposals for changes;

3. to ensure that the Company has in place the proper human resource management processes to deal with the development and succession of senior executives; to this end the Committee reviews annually the developmental requirements for senior executives as well as their potential for appointment to the most senior positions;
4. to make recommendations to the Board on any new equity-based compensation plan, on any material change to an existing plan and/or in respect to any new or material change to the Company's short-term and long-term incentive plans and to discharge any responsibilities imposed on the Committee by any of these plans;
5. to review and approve the general compensation structures of the Company and its major subsidiaries, consisting of base salary, annual incentive (Executive Performance Award Plan) and the Long Term Incentive Program (Alcan Executive Share Option Plan and Total Shareholder Return Performance Plan) applicable to senior executive Officers, including the approval of special conditions applying to senior executive Officers such as Change of Control Agreements and Supplementary Executive Retirement Agreements;
6. to review and to approve the level and/or changes in the compensation of individual senior executive Officers (in grades 47 and above) in regard to all elements of their compensation (cash compensation, pension and benefits), taking into consideration individual performance and competitive compensation practices;
7. to review and to approve annually the corporate goals and objectives related to the compensation of the CEO and other senior executives, to evaluate the performance of the CEO in light of these goals and objectives, and the level of the different components of the CEO's compensation (base salary, annual incentives and long term incentives) based on the Board's evaluation of the CEO's performance and the competitive compensation paid to CEO in the relevant comparator group;
8. to make recommendation to the Board on appointments of Company Officers;
9. to make recommendation to the Board with respect to any severance or similar termination payments proposed to be made to any current or former senior executive Officer of the Company;
10. to review periodically trends and developments in the pension area and make recommendations to the Board on pension policy;
11. with regard to pensions in Canada, to review and to make recommendations to the Board on all amendments which are not mandated by legislation nor within the scope of pension policy approved by the Board as aforesaid nor resulting from collective agreements or acquisitions or divestitures, but which require the exercise of its judgement or discretion;
12. to make recommendations to the Board on Director compensation;
13. in the event of an impending vacancy in the office of the Chairman, to review and to recommend to the Board a nomination for appointment;

14. in the event of an impending vacancy in the office of the Chief Executive Officer, to review and to recommend to the Board a nomination for appointment;
15. to prepare and to issue an annual report of the Committee on Executive Compensation for inclusion in the Company's Management Proxy;
16. to retain and replace any independent firm to advise on executive compensation, including fixing such firm's fees and terms of retention;
17. to report to the Board of Directors after each of its meetings;
18. to prepare and to review with the Board an annual performance evaluation of the Committee and its Members, which evaluation must compare the performance of the Committee with requirements of this charter. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate;
19. to review this Charter at least annually and to recommend any changes to the full Board of Directors; and
20. any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company's compensation programs.

**V. Delegation to Sub-Committee:**

The Committee may, in its discretion and as appropriate, delegate duties and responsibilities to a Member or to a subcommittee of the Committee.

**VI. Resources and Authority of the Committee:**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain counsel or other experts, as it deems appropriate, without seeking approval of the Board or Management.