



## HUMAN RESOURCES AND COMPENSATION COMMITTEE CHARTER

### 1. ESTABLISHMENT

The Board of Directors (the “**Board**”) of Purolator Holdings Ltd. (the “**Corporation**”) has established and hereby continues the existence of a committee of the Board known as the Human Resources and Compensation Committee (the “**Committee**”).

### 2. DUTIES

The Committee is hereby directed and empowered by the Board to fulfill the following duties.

#### A. Management Structure.

- (a) **Appointment and Removal of Officers.** Recommend to the Board for approval (i) the appointment of the President & CEO and all officers of the Corporation and its subsidiaries, and (ii) the removal of the President & CEO and all officers of the Corporation and its subsidiaries.
- (b) **Officer Succession Planning.** Review the succession plan for the President and Chief Executive Officer and all senior officers of the Corporation and its subsidiaries.
- (c) **Officer Performance Evaluation.** Annually review and recommend to the Board the performance evaluation of the President & CEO and all senior officers<sup>1</sup>
- (d) **President & Chief Executive Officer Objectives.** Annually recommend to the Board for approval the President & CEO’s annual performance objectives.

#### B. Compensation.

- (a) **Compensation Philosophy.** Every three years recommend to the Board for approval a compensation philosophy for the Corporation and its subsidiaries.
- (b) **Compensation Budget.** Annually approve the compensation budget, including the salary range adjustments applicable to the employees of the Corporation and its subsidiaries.
- (c) **Structural Incentive, Benefit and Retirement Programs.** Approve the principal terms of all structural incentive,<sup>2</sup> benefit and retirement programs applicable to the employees of the Corporation’s subsidiaries.

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<sup>1</sup> Senior officers are those officers of the Corporation and its subsidiaries who report directly to the Corporation’s President and Chief Executive Officer.

- (d) **Incentive Plan Targets.** Annually recommend to the Board for approval the targets to be used under structural incentive plans and assess the extent to which those targets have been met.
- (e) **Senior Officer Compensation.** Recommend to the Board for approval the principal terms of employment for the President and Chief Executive Officer and all senior officers of the Corporation and its subsidiaries.<sup>3</sup>

### C. Pension Governance.

- (a) **Funding Policy.** Recommend to the Board for approval a funding policy for the pension and retirement plans of the Corporation's subsidiaries (the "**Pension Plans**")
- (b) **Investment Policies and Procedures.** Approve the statements of investment policies and procedures, which includes the statement of investment beliefs and guidelines, for the Pension Plans.
- (c) **Management Pension Committee.** Approve the terms of reference of the Management Pension Committee for Purolator Inc.'s Pension Plans, and appoint and remove the members of such Management Pension Committee.
- (d) **Governance and Administration Report.** Annually review a report respecting the governance and administration of the Pension Plans, which addresses, among other things, (i) a summary of the principal decisions made in respect of the Pension Plans; (ii) the financial position and solvency ratio of each of the defined benefit Pension Plans, (iii) the cash cost and expense to the Corporation of the Pension Plans, and (iv) confirmation that the Pension Plans have been administered in compliance with the applicable plan texts and legislation.
- (e) **Report to the Committee.** The Chair of the Management Pension Committee ("**MPC**") shall report on the matters considered at each MPC meeting at the next following regularly-scheduled meeting of the Human Resources and Compensation Committee.
- (f) **Governance Structure.** Recommend to the Board for approval a governance structure for the Pension Plans.
- (g) **Asset/Liability Study.** Review an asset/liability study for the defined benefit Pension Plans with a view to confirming or amending the statement of investment beliefs and guidelines.

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<sup>2</sup> Structural incentive programs consist of the Annual Incentive Plan and the Long-term Incentive Plan.

<sup>3</sup> Includes the participation by senior officers in any of the structural incentive, benefit or retirement programs approved by the Committee in accordance with section 2.B(e) as well as their salary and compensation.

- (h) **Conflicts of Interest.** Review any issues arising from the conflict of interest disclosure statements completed by the fiduciaries of the Pension Plans.
- (i) **Executive Plan Text Amendments.** Approve all changes to the text of any supplemental executive retirement or pension plan of the Corporation or its subsidiaries.

**D. Employee Relations.**

- (a) **Attraction, Development and Retention.** Review (i) the strategies employed by the Corporation's subsidiaries to attract the human resources required by the Corporation to fulfill its objectives, (ii) the practices employed by the Corporation's subsidiaries to train and develop employees (including officers), and (iii) the strategies employed by the Corporation's subsidiaries to retain employees.
- (b) **Collective Bargaining Mandates.** Approve all mandates for collective bargaining with unionized employees of the Corporation's subsidiaries.

**E. Environment, Health and Safety.**

- (a) **EHS Policies.** Recommend to the Board for approval corporate-level environment, health and safety ("EHS") policies for implementation by the Corporation's subsidiaries, including a policy on reporting significant EHS matters to the Committee and the Board (the "**Significance Policy**").
- (b) **EHS Plan.** Review the annual EHS plan for the Corporation's subsidiaries, including:
  - (i) the EHS performance targets to be achieved by the Corporation's subsidiaries;
  - (ii) the principal strategies and tactics to be employed by the Corporation's subsidiaries to achieve the EHS performance targets; and
  - (iii) the resources to be employed by the Corporation's subsidiaries in executing the annual EHS plan.
- (c) **EHS Monitoring.** Monitor the EHS performance of the Corporation's subsidiaries by reviewing:
  - (i) all significant EHS incidents (as defined in the Significance Policy);
  - (ii) all EHS incidents (whether or not significant for purposes of the Significance Policy) that required reporting to regulatory authorities;
  - (iii) the performance of the Corporation's subsidiaries against the Corporation's EHS performance targets;
  - (iv) the results of all EHS compliance audits and the corrective actions taken by the Corporation's subsidiaries; and

- (v) the report of an external consultant providing an assessment of the effectiveness of the Corporation's EHS program.

**F. Other Duties.** Without limiting any of the duties set out above, the Committee shall perform such other duties as from time to time are assigned to the Committee by the Board and accepted by the Committee in order to fulfill its oversight responsibilities.

*Effective February 15, 2018*