



## GOVERNANCE, ENVIRONMENT, HEALTH AND SAFETY 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 Governance, Environment, Health and Safety Committee (the "Committee").

### 2. DUTIES

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

#### A. Corporate Governance.

- (a) **Board Mandate.** Recommend to the Board for approval a mandate for the Board.
- (b) **Committee Charters.** Recommend to the Board for approval a charter for each committee of the Board.
- (c) **Committee Procedures.** Recommend to the Board for approval operating procedures that govern the conduct of the committees of the Board.
- (d) **Position Descriptions.** Recommend to the Board for approval a position description for the directors of the Corporation and each of the Board Chair, the President and Chief Executive Officer, and the Corporate Secretary.
- (e) **Board Effectiveness.** Review (i) the process for assessing the effectiveness of the Board and its committees, the Board Chair and the individual directors of the Corporation, and (ii) the feedback received from the assessment process.
- (f) **Director Compensation and Resources.** Review the appropriateness and adequacy of:
  - (i) the form and amount of compensation paid to the directors of the Corporation;
  - (ii) the expense reimbursement policy applicable to the directors of the Corporation;
  - (iii) the orientation offered to new directors of the Corporation;
  - (iv) the continuing education opportunities available to the directors of the Corporation; and
  - (v) the professional advice available to the directors of the Corporation to enable them to fulfill their duties.

- (g) **Delegation of Authority.** Recommend to the Board for approval a delegation of authority policy that defines the limits of the President and Chief Executive Officer's powers and authority in managing the business and affairs of the Corporation and its subsidiaries.
- (h) **Code of Conduct.** Recommend to the Board for approval a code of business conduct and ethics applicable to all of the directors, officers and employees of the Corporation and its subsidiaries.
- (a) **Certification Process.** Review the process employed to confirm compliance by the directors, officers and managers of the Corporation and its subsidiaries with the Corporation's code of business conduct and ethics.
- (b) **Governance Statement.** Review the Corporation's published corporate governance statement.
- (c) **Governance Developments.** Review developments in the area of corporate governance.

**B. 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.

**C. Risk Management.**

- (a) **Potential Legal Risks Report.** Review with the Corporation's Chief Legal Officer all potential legal risks to the Corporation or its subsidiaries which could, if they were to materialize, have a significant adverse effect on the Corporation.
- (b) **Enterprise Risk Management.** Review the principal operating, compliance and strategic risks facing the Corporation, and the actions taken to monitor and manage those risks.

**D. 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.

*Effective January 1, 2012*