



## AUDIT COMMITTEE CHARTER

### PUROLATOR HOLDINGS LTD.

#### 1. ESTABLISHMENT

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

#### 2. PURPOSE

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the financial issues, risks and related matters, as set out herein of Purolator Inc. and its subsidiaries (collectively, the “**Corporation**”), which may pose risks or opportunities to the Corporation.

#### 3. DUTIES

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

##### A. Financial Reporting

- (a) **Corporate Financial Statements.** Review the interim and annual consolidated financial statements of the Corporation (the “Corporate Financial Statements”), together with the report of the Corporation’s external auditor (the “External Auditor”) thereon, and, in this regard, review, among other things:
- (i) the accounting policies selected in preparing the Corporate Financial Statements;
  - (ii) the reasonableness of all significant estimates, accruals and reserves employed in preparing the Corporate Financial Statements.
  - (iii) the certificates of the President and Chief Executive Officer and the Chief Financial Officer in respect of the Corporate Financial Statements;
  - (iv) any unadjusted differences noted by the External Auditor in its review or audit of the Corporate Financial Statements; and
  - (v) any disagreements between the External Auditor and the Corporation’s management with respect to the Corporate Financial Statements.

If the Committee has gained reasonable assurance that the Corporate Financial Statements fairly present the financial position, results of operations and cash flows of the Corporation on a consolidated basis in accordance with International Financial Reporting Standards, recommend such Corporate Financial Statements to the Board for approval.

- (b) **Disclosure Controls and Procedures.** Review the controls and procedures employed by the management of the Corporation (collectively, “Management”) in relation to the disclosure of confidential financial information to external parties.
- (c) **Pension Plan Financial Statements.** Review the annual financial statements of the registered pension plans of Purolator Inc. (the “Pension Financial Statements”). If the Committee has gained reasonable assurance that the Pension Financial Statements have been prepared in accordance with the requirements of the *Pension Benefits Standards Act, 1985* (Canada), recommend such Pension Financial Statements to the Board for approval.

**B. External Audit**

- (a) **External Auditor Appointment.** Recommend to the Board a firm of qualified chartered accountants to be put forward by the Board for appointment by the Corporation's shareholders as the External Auditor.
- (b) **Audit Scope and Fees.** Recommend to the Board for approval:
  - (i) the scope, focus areas and materiality thresholds for the audit of the annual Corporate Financial Statements and the Pension Financial Statements; and
  - (ii) the fees to be charged by the External Auditor for the audit of the annual Corporate Financial Statements and the Pension Financial Statements, and the review of the interim Corporate Financial Statements.
- (c) **Non-Audit Services.** Pre-approve all fees for non-audit audit services to be provided by the External Auditor to the Corporation or its subsidiaries.
- (d) **External Auditor Oversight**
  - (i) Approve the External Auditor's engagement letter.
  - (ii) Review the External Auditor's written disclosure of all relationships between it and the Corporation and its related entities that may reasonably be thought to bear on the External Auditor's independence, as well as the External Auditor's written confirmation to the Committee that, in the External Auditor's professional judgment, it is independent of the Corporation.
  - (iii) Review, assess, and report any significant areas of concern to the Board on:
    - A. The performance of the engagement team, considering the opinions of Management and Internal Audit; and
    - B. The quality of the communications and interactions with the External Auditor.
  - (iv) Oversee the work of the External Auditor in preparing and issuing an auditor's report or performing other audit, review or attest services for the Corporation.
  - (v) Confirm with the External Auditor that Management has not placed any restrictions on the External Auditor with respect to the scope of its activities, its access to any required information or the reporting of its findings to the Committee.
  - (vi) Attempt to resolve any disagreements that may arise between the External Auditor and Management.
  - (vii) Discuss any observations by the External Auditor with respect to any matters that could reasonably be thought to bear on the reliability of the Corporate Financial Statements including, among other things:
    - A. the reasonableness and consistency from one year to the next of the accounting principles, policies, practices, estimates, judgments or disclosure practices employed by the Corporation;
    - B. any significant deficiencies or weaknesses in the Corporation's control environment;
    - C. any significant deviations from the annual audit plan approved by the Board; and
    - D. any significant adjustments that have been made by Management to the Corporate Financial Statements as a result of the External Auditor's audit or review activities.

- (e) **Hiring Policies.** Approve the Corporation’s hiring policies regarding partners, employees and former partners and employees of the present and former External Auditor.

**C. Internal Audit**

- (a) **Appointment and Removal.** Approve the appointment or removal of the Corporation’s Head of Internal Audit function(s).
- (b) **Remuneration.** Approve the remuneration of the Corporation’s Head of Internal Audit function(s).
- (c) **Charter and Plan.** Approve the Internal Audit Charter and Internal Audit Plan, including budget and resource schedule, for each financial year of the Corporation.
- (d) **Engagement Reviews.** Review a summary of all internal audit engagements and Management’s responses to all significant findings.
- (e) **Unrestricted Access.** Confirm Internal Audit has unrestricted access to all records, personnel, and physical properties relevant to audit engagements.
- (f) **In-camera Sessions.** Hold regular in-camera sessions with Purolator’s Head of Internal Audit without Management present to encourage open dialogue on sensitive issues.

**D. Internal Controls, Compliance and Risk Oversight**

- (a) **Internal Controls over Financial Reporting.** Review (i) any material weaknesses identified by Management in relation to the design or operation of the Corporation’s internal controls over financial reporting (“ICFR”) and Management’s actions to remediate such weaknesses, and (ii) Management’s process for assessing any required updates or changes to the Corporation’s ICFR. A “material weakness” is defined as a deficiency or combination of deficiencies in ICFR which gives rise to a reasonable possibility that a material misstatement of the Corporation’s annual or interim Financial Statements will not be prevented or detected on a timely basis.
- (b) **Financial, Accounting or Auditing Concerns.** Approve procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.
- (c) **Fraud.** Review the Corporation’s efforts to prevent, detect, and respond to fraud. This includes reviewing the results of fraud risk assessments, the effectiveness of internal controls and investigation procedures, and ensuring appropriate reporting and remediation of fraud incidents.
- (d) **Confidential Submissions Policy.** Approve a confidential submissions policy that provides for the confidential, anonymous submission by employees and third parties of the Corporation of (i) concerns regarding questionable accounting or auditing matters, and (ii) reports of alleged violations of the Corporation’s code of business conduct and ethics.
- (e) **Corporate Compliance Investigations Report.** Review a summary of all reports on a quarterly basis from employees and third parties submitted pursuant to the Corporation’s confidential submissions policy and the code of business conduct and ethics.
- (f) **Compliance.** Review a report from Management confirming compliance by the Corporation with all material financial reporting, tax and legal obligations.
- (g) **Litigation.** Review all significant legal claims against the Corporation that could have a significant effect on the financial position, results of operations or cash flows of the Corporation.

**E. Environmental Social and Governance (“ESG”) Controls and Reporting.**

- (a) **ESG Controls.** Approve the ESG reporting framework, internal controls and procedures employed by Management related to the (i) collection, disclosure, and verification of ESG data and information, and (ii) review any assurance being provided by an independent auditor or other third party with respect to ESG

disclosures, and (iii) in consultation with the Human Resources and Compensation (“HRC”) and ESG Committees, review and discuss with Management the adequacy and effectiveness of disclosure in the Corporation’s annual Sustainability Report.

- (b) **ESG Reporting.** Review a report from Management with respect to (i) alignment of the Corporation’s financial reporting and ESG disclosures, (ii) legal, regulatory, and other developments regarding ESG reporting and disclosure risks.

#### **F. Risk Management**

- (a) **Potential Legal Risks Report.** Review with the Corporation’s General Counsel all potential legal and regulatory risks to the Corporation 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. Such risks include, among others, data protection and security and ethical conduct.

#### **G. Business Plan and Financial Performance Oversight**

- (a) **Business Plan.** Review the Corporation’s business plan and provide the Board with the Committee’s assessment of (i) the reasonableness of the assumptions contained in the business plan, (ii) the degree to which the financial targets in the business plan are consistent with the Board-approved strategy for the Corporation, and (iii) any other matter which the Committee believes would be relevant to the Board’s assessment of the business plan.
- (b) **Year-to-Date.** Review the Corporation’s consolidated year-to-date financial performance, including any significant variances to the current year business plan and prior year financial performance.
- (c) **Balance-of-Year Forecast.** Review Management’s most recent financial forecast for the balance of the year, including projected earnings and cash-flows.
- (d) **Board Approved Projects.** Review updates with respect to the costs and benefits of all capital investments and/or significant projects that have been approved by the Board or otherwise designated for regular reporting to the Committee.

#### **H. Chief Financial Officer Oversight**

- (a) **Appointment and Removal.** Recommend to the Board for approval the appointment or removal of the Chief Financial Officer of the Corporation.
- (b) **Performance.** Review periodically with the President & CEO the performance of the Chief Financial Officer.
- (c) **In-camera Sessions.** Hold regular in-camera sessions with the Chief Financial Officer without Management present to encourage open dialogue on sensitive issues.

#### **I. Other Duties.** Without limiting any of the duties set out above, the Committee shall:

- (a) Discuss with Management and the External Auditor any significant developments or choices that may impact the Corporation’s financial reporting.
- (b) Review, on an annual basis, the travel, entertainment, and accommodation expense accounts of the Board, including the Board Chair, and the President and Chief Executive Officer.
- (c) Perform such other duties as from time to time are assigned to the Committee by the Board.

*Effective November 2025*  
*Date of Next Review: November 2027*