



COMPENSATION AND HUMAN RESOURCES COMMITTEE CHARTER

1. General

The purpose of this document is to establish the charter and terms of reference of the Compensation and Human Resources Committee (the "**Committee**") of Rocky Mountain Dealerships Inc. ("**Corporation**").

2. Purpose

The primary function of the Committee is to assist the Board of Directors of the Corporation (the "**Board**") in ensuring that appropriate and effective human resource recruitment, development, compensation, retention, succession planning and performance evaluation programs are developed and implemented in conformity with the Corporation's strategic objectives and with a view to attracting and retaining the best qualified management and employees.

3. Structure and Authority

- (a) The Board shall elect annually from the members of the Board a Committee which shall be composed of not less than two members of the Board. Each member of the Committee shall be an independent director as defined in National Instrument 58-101. The Board may remove a member of the Committee at any time in its sole discretion by resolution of the Board;
- (b) Each member of the Committee shall serve during the pleasure of the Board and, in any event, only so long as he/she shall continue to be a Director. The Board may fill vacancies in the Committee by election from their number, subject to new members satisfying the above stated requirements. The Board shall appoint the Chair of the Committee to serve in that capacity at the pleasure of the Board;
- (c) The Committee shall have the power to fix its quorum at not less than a majority of its members and to determine its own rules of procedures subject to any regulations imposed by the Board from time to time;
- (d) Each member will have, to the satisfaction of the Board, sufficient skills and/or experience which are relevant to the contribution in carrying out the mandate of the Committee;
- (e) The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in carrying out the Committee's duties and responsibilities and shall have the sole authority to approve the consultant's fees and other retention terms as it relates to such evaluation. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors;
- (f) The Committee shall have the authority to delegate to committees of their own denomination, provided that the committees are composed entirely of independent directors. Any such

committee must have a published committee charter;

- (g) The Committee shall appoint a Secretary to the Committee who shall record the proceedings of the meetings and maintain minutes of meetings and activities of the Committee to be reported to the Board following meetings of the Committee;
- (h) The Committee shall regularly meet *in camera*;
- (i) Following each Committee meeting, the Chairman of the Committee shall report to the Board on the activities, findings and recommendations of the Committee.

4. Chair of the Committee

The Chair of the Committee shall:

- (a) Call and conduct the meetings of the Committee;
- (b) Appoint a secretary to take minutes of the meetings of the Committee; and,
- (c) Prepare and forward to members of the Committee the agenda for each meeting of the Committee, and include, in the agenda, any items proposed for inclusion in the agenda by any member of the Committee;
- (d) Be entitled to give an additional and deciding vote in the event of a tie in voting;
- (e) Act in a manner that the Committee meetings are conducted in an efficient, effective and focused manner; and,
- (f) Facilitate the Committees interaction with management, the Board and other committees of the Board.

5. Responsibilities

To fulfill its responsibilities and duties, the Committee shall:

General

- (a) Oversee the Corporation's human resource strategies;
- (b) Periodically review the compensation philosophy and material strategies and policies of the Corporation, evaluate their effectiveness, and approve changes thereto;
- (c) Review and approve any public disclosure regarding human resources and compensation matters, as may be required by securities regulatory authorities or others;

Compensation

- (d) Review and approve responsibilities of, and related performance criteria for, the senior

executives (including the Chief Executive Officer, hereinafter the "CEO") in order to ensure alignment with the Corporation's objectives and strategic plan;

- (e) Review and approve long-term and short-term incentive compensation targets for the senior executives (including the CEO) in order to ensure alignment with the respective performance criteria;
- (f) Assess performance of the senior executives (including the CEO) against the established performance criteria;
- (g) Recommend to the Board base, long-term and short-term incentive compensation for the CEO, the Chief Financial Officer, and other executive officers (including Named Executive Officers or "NEOs", as defined by National Instrument 51-102);
- (h) Approve base, long-term and short-term compensation for other senior executives and such other employees as determined appropriate by the Committee in its sole discretion;
- (i) Assess the Corporation's long-term and short-term incentive plans to ensure that they do not incent risk-taking beyond the Corporation's risk tolerance;
- (j) Review and recommend to the Board any equity-based plans, including awards under the Corporation's Stock Option Plan and Share Appreciation Rights Plan;
- (k) Review the terms and conditions of employment contracts with any of the Corporation's NEOs (or other executive officers as determined by the Committee in its sole discretion) and recommend the approval of any such contracts to the Board;
- (l) Review and approve Board compensation;

Succession Planning and Talent Management

- (m) Review and report periodically to the Board on the Corporation's succession plans for senior executive positions, including the appointment, promotion, development and evaluation of executives;
- (n) Review the Corporation's succession planning and talent management program to ensure that the Corporation has established effective processes to identify, retain and develop high caliber talent for future leadership roles;
- (o) Ensure that appropriate programs are in place to manage succession, recruitment and retention of senior management;

Governance

- (p) Meet with members of management and with external consultants/advisors on human resource matters from time to time, as required;
- (q) Review and approve the terms of engagement of compensation consultants, including the scope

of work to be undertaken for the Committee;

- (r) Review and approve the composition of the comparator group for benchmarking of senior executive compensation, Board compensation and related matters;
- (s) Engage and set the terms of engagement of such other independent external advisors, including independent legal counsel, and the Corporation's expense as the Committee may deem necessary or desirable to carry out its duties;
- (t) Review and monitor the Corporation's occupational health and safety programs;
- (u) Periodically review the Corporation's programs to address employment equity, employee engagement and employee relations;
- (v) Ensure all human resource policies, procedures, practices, systems and training policies are relevant in supporting the Corporation's objectives;
- (w) Report to the Board on at least a quarterly basis on the results of the Committee's activities;
- (x) Refer to the Board for ratification, confirmation and/or approval of such matters as the Committee deems appropriate;
- (y) Meet *in camera* at each meeting of the Committee, and at such other times as any moved by any member of the Committee; and,
- (z) Perform any other activities consistent with this Charter, the Corporation's articles or by-laws, and applicable law, as the Committee or Board deems necessary or appropriate.

6. Annual Review and Evaluation

- (a) The Committee's performance shall be evaluated regularly, in accordance with processes as developed by the Corporate Governance & Nominating Committee of the Corporation, and approved by the Board, and the results of that evaluation shall be reported to the Board.
- (b) The Committee shall assess the adequacy of this Charter on an annual basis and recommend any changes to the Board.

Date of Last Approval by Board of Directors

August 8, 2017