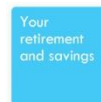


Total Compensation – Sales Incentive Plan



2014 Sales Incentive Plan

Sales Manager



Your **total rewards** at Purolator

PuroForce!

Strap yourself into the cockpit, and prepare to break the speed of sound in 2014! I'd like to salute you as a key member of the *Top One* crew, an elite team of highly trained pilots known as PuroForce! Our Mission: to exceed all assigned targets.

In order to achieve the goal before us, we will build upon the ground work laid in 2013, flying at full throttle to ensure a triumphant 2014.

We are maintaining our course this year, "Selling Smart" and honing in on the measurable business value our solutions help our customers derive. 2014 will see us broaden our solution set, increase our support for your selling efforts and make it easier to measure the results of your selling efforts. The 2014 incentive plan has been designed to be easy to understand and clear and accurate in performance measurement linked directly to your selling actions.

This year's plan's structure is again comprised of both a commission portion and a bonus portion. The commission portion is based on growth revenue performance; the bonus portion is based on your results as they apply to factors that are important to the Company. These factors include Retention, Consistency and Selling Smart.

With an all-star team of exceptionally talented pilots, no one comes close to PuroForce.

I look forward to flying this mission with all of you to make 2014 an even more rewarding and successful year.

Sincerely,

David Hughes
Vice President, Sales

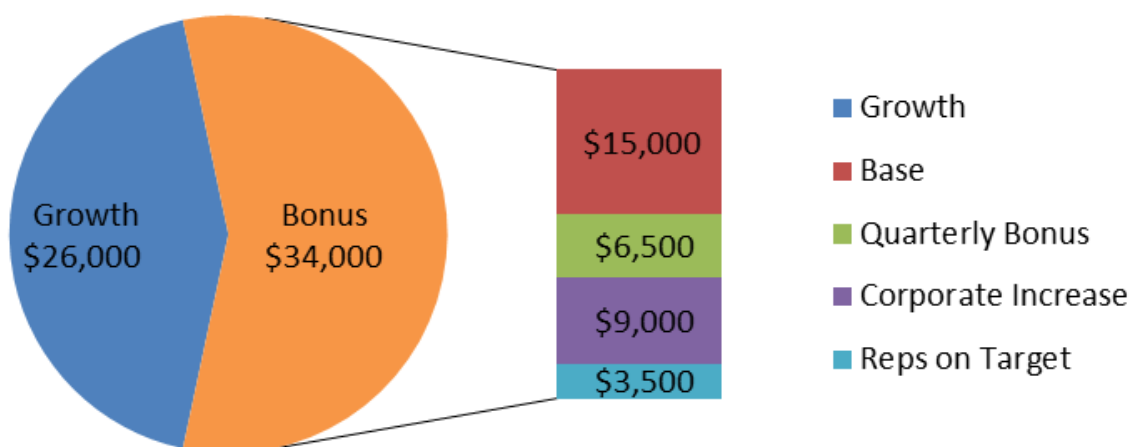
Purpose

The purpose of the 2014 Purolator Sales Incentive Plan is to optimize the earning potential of eligible participants while increasing Purolator's profitability through the focus on both revenue growth and yield improvement.

Plan Overview

Your total target annual incentive is \$60,000, of which \$26,000, or 43% is commission and \$34,000, or 57% is bonus with various components as shown below. Watch for Incentive Alerts throughout the year for supplemental earning opportunities.

Total Annual Target Incentive = \$60,000



Component	Payment	%
Growth	Qtr.	43%
Base Retention Bonus	Annual	25%
Quarterly Consistency Bonus	Qtr.	11%
Corporate Increase	Annual	15%
Reps on Target	Qtr.	6%

Plan Components

Component 1 – Commission – Growth*

Target Incentive Amount:

Growth accounts for **43%** or **\$26,000** of the total annual incentive opportunity. It will be paid quarterly as achievement is attained per the Compensation Glossary.

Target Setting & Crediting:

The Growth Target is based on any and all revenue remaining when the base target and declining accounts are subtracted from the quarterly total billed revenue. The calculation is as follows: Quarterly Billed Revenue – Growth Calculation Decliners – 2013 billed revenue = Growth. All 2014 billed Growth revenue resulting from this calculation will be included.

How it works:

You will earn commission with the first growth dollar of billed revenue, calculated quarterly. The quarterly payout will be calculated by taking your percent attainment against your annual target using the seven-step commission grid below. As each step accounts for 25% of the total annual revenue target, once you pass to the next step (cross over 25% increment) your commission rate increases at a gradually accelerating pace.

The chart below provides a quick view of quota attainment and commission payout:

% Quota Attained	\$ Per % Point	Value	Payout
0% - 25%	\$150	\$3,750	\$3,750
26% - 50%	\$200	\$5,000	\$8,750
51% - 75%	\$280	\$7,000	\$15,750
76% - 100%	\$410	\$10,250	\$26,000
101% - 125%	\$460	\$11,500	\$37,500
126% - 150%	\$500	\$12,500	\$50,000
150% +	\$525	\$13,125	\$63,125

*This Compensation Plan is not capped. Management reserves the right to change this plan without notice.

Component 2 – Bonus – Base Retention Bonus

Target Incentive Amount:

Base Retention accounts for **25%** or **\$15,000** of the total annual incentive opportunity. This component rewards the action of retaining and maintaining the existing customer base. The bonus is paid annually if the achievement is attained.

Simple Calculation:

- 2014 total revenue is based on your list of accounts within your current 2014 alignment
- Subtract Net New*
- Subtract 2014 Base Target (2013 installed base revenue with CI and Churn factored into this number by Finance)
- If the result is:
 - Positive: bonus is paid and dross is rolled into Growth credit and commissions paid
 - >99.50%: 100% of bonus is paid
 - -97%-99.49%: 50% of bonus is paid
 - Less than 97%: no bonus is paid
- Allows 12 months to retain accounts with no negative effect on compensation during the year

*Net New: the new revenue from a customer in 2014 which is at least **10 times** more than the total revenue billed from the same customer in 2013

Component 3 – Bonus – Quarterly Consistency

Target Incentive Amount:

Quarterly Consistency accounts for **11%** or **\$6,500** of the total annual incentive opportunity. This component rewards the achievement of meeting the Quarterly Revenue Target. The bonus is paid quarterly if the achievement is attained.

Simple Calculation:

- Quarterly growth targets set at 25/30/25/20
- A strong first half is imperative to best billing position, so 55% of your objective is in the first half of year
- The Bonus is binary and is only paid out if you attain your specified growth target
- Greater than 99.5% of your Quarterly growth target = payout

Quarter	Target	Quota (\$)	Actual (\$)	Potential Payment	Attainment	Bonus Achieved
Q1	25%	\$147,500	\$98,501.87	\$1,625	66.8%	N
Q2	30%	\$177,000	\$109,265.65	\$1,950	61.7%	N
Q3	25%	\$147,500	\$92,022.79	\$1,625	61.7%	N
Q4	20%	\$118,000	\$151,524.24	\$1,300	128.4%	Y

Component 4 – Bonus – Corporate Increase (CI)*

Target Incentive Amount:

Corporate increase (CI) is defined as a % of pricing increase over the previous year on any given customer contract. This component rewards the action of signing the contracts with desired CI. CI accounts for **15%** or **\$9,000** of your total annual incentive opportunity. It is measured annually and paid annually within 45 days after Q4 ends.

Simple Calculation:

The CI target applies to the Express portion of Total Revenue only and is set by the company. The CI actual is the realization of increased dollars versus the planned increased dollars for all the contracts renewed within the year. Account Movements will not impact the target.

The target incentive amount is paid if the CI actual is no less than the CI target. CI actual is calculated by Finance based on actual signed CI dollars realized and takes into consideration the current year revenue performance of each customer. The example below illustrates the CI payout methodology:

Sample Scenarios	CI Target	CI Actual	Target Achieved (Yes/No)	Bonus Payout (Annual)
Scenario 1	\$3,500,000	\$3,200,000	No	\$0
Scenario 2	\$3,500,000	\$3,600,000	Yes	\$9,000

*CI performance will be based on Express Business only.

Component 5 – Bonus – Reps on Target

Target Incentive Amount:

Reps on Target accounts for **6%** or **\$3,500** of the total annual incentive opportunity. This component rewards the coaching actions required to ensure your team members meet the assigned quotas. The bonus is paid quarterly if 60% or greater of your Reps hit their Quarterly Growth Target.

Simple Calculation:

- The target mimics the Quarterly growth targets set at 25/30/25/20
- Quarterly bonuses are stacked to induce best quarterly performance profile
- The Bonus is binary and is only paid out if you attain your specified growth target

Quarter	Target	Potential Payment
Q1	25%	\$875
Q2	30%	\$1,050
Q3	25%	\$875
Q4	20%	\$700

Incentive Payment Summary

The program rewards you for gaining new business, retaining existing business and following yield discipline. The more you sell, and the smarter you sell, the more you earn. The table below provides a summary of your annual incentive opportunity across all incentive components at different levels of performance.

Component	Weighting	Target Amount	Attainment of 75%	Attainment of 100% (Target Amount)	Attainment of 125%
Growth Commission (Quarterly)	43%	\$26,000	\$15,750	\$26,000	\$37,500
Base Retention Bonus (Annual)	25%	\$15,000	\$0	\$15,000	\$15,000
Quarterly Consistency Bonus (Quarterly)	11%	\$6,500	\$0	\$6,500	\$6,500
Corporate Increase (Annual)	15%	\$9,000	\$0	\$9,000	\$9,000
Reps on Target (Quarterly)	6%	\$3,500	\$0	\$3,500	\$3,500
Total	100%	\$60,000	\$15,750	\$60,000	\$71,500

Terms and Conditions

Eligibility

You must be employed on a permanent basis, and have provided Purolator with a written acknowledgement that you received your 2014 Incentive Plan, to be eligible for this plan. Please note that the sales incentive plan will be prorated based on your start date.

Employment Status Change

- **Move to a position with a different sales incentive plan (i.e.: promotion, lateral move, demotion):** If you move to a position with a different sales incentive plan, you will continue to participate in the sales incentive plan applicable to the position you held before your move until the end of the quarter in which you moved to a different position. Thereafter, you will participate in the sales incentive plan applicable to the position you moved into. If you are promoted on the first day of a quarter, you will immediately begin participating in the sales incentive plan applicable to the position you were promoted into.
- **Move to a non-eligible sales incentive position:** If you move to a position that is not eligible for sales incentive, you will receive a pro-rated sales incentive payout based on your actual performance up to your last day in the sales eligible position.
- **Leave of Absence:** If you are on an approved leave of absence (eg: short term disability, maternity or parental leaves, etc.), you will receive a pro-rated sales incentive payout based on your actual performance. You will receive your sales incentive payment upon your return to work unless you request in writing to receive your sales incentive payment during your leave. Note that if you elect to receive your sales incentive payment during your leave, it may impact (eg: offset) other payments you may be in receipt of such as employment insurance benefits.
- **Resignation, termination without cause and termination with cause:** If your employment with Purolator is terminated for any reason (except for retirement or death) prior to the payout date of sales incentive, you will not be entitled to any sales incentive payment. The termination of your employment with Purolator (except for retirement or death) shall occur on the date you cease to perform service for Purolator or any of its affiliates without regard to whether you continue thereafter to receive any compensatory payments therefrom or are paid salary thereby in lieu of notice of termination.
- **Death and Retirement:** Upon death, a sales incentive payment will be pro-rated based on your actual performance and paid to your estate. If you retire, you will receive a pro-rated sales incentive payment based on your actual performance up to your retirement date.

Exceptions:

During the administration of this plan, any exception will need to be brought to the Director of Sales Operations and is subject to final approval.

Amendments

Purolator reserves the right, in its sole discretion, to amend or terminate the SIP at any time or to make adjustments to the calculation of the payout or quota to account for significant events (e.g. acquisitions, divestitures, etc.).

Acknowledgement

I, _____, by signing below, acknowledge that I have received the 2014 Sales Incentive Plan for Sales Manager and have read, understand the terms of conditions of this plan.

Name

Date