

CHARTER
OF
THE HUMAN RESOURCES AND
COMPENSATION COMMITTEE
OF
LIDLAW INTERNATIONAL, INC.

ADOPTED AS OF NOVEMBER 19, 2003

AND

AMENDED ON NOVEMBER 9, 2005

**CHARTER OF THE
HUMAN RESOURCES AND COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS OF
LAIDLAW INTERNATIONAL, INC.
ADOPTED AS OF NOVEMBER 19, 2003**

I. PURPOSES AND RESPONSIBILITIES OF THE COMMITTEE

The purposes and responsibilities of the Human Resources and Compensation Committee (the "Committee") of the Board of Directors (the "Board") of Laidlaw International, Inc. (the "Company") shall be to oversee general human resources issues, oversee and administer various aspects of the Company's compensation philosophy and policies, and to oversee the development of executive succession plans, including, without limitation to: (i) oversee employee practices and policies, including employee benefits, (ii) review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of these goals and objectives and recommend to the Board for its approval, the Chief Executive Officer's compensation level based on this evaluation, (iii) review and approve compensation for senior executive officers (other than the Chief Executive Officer) and (iv) make recommendations to the Board with respect to incentive-compensation plans and equity-based plans. Additionally, the Committee shall produce the report required to be included in the Company's annual proxy statement pursuant to rules promulgated by the Securities and Exchange Commission (the "SEC") and shall perform other duties as assigned by the Board.

II. COMPOSITION OF THE COMMITTEE

The Committee shall be comprised of three or more directors who qualify as independent directors ("Independent Directors") under the listing standards of the New York Stock Exchange (the "NYSE") and under the Standards for Director Independence attached as Annex B to the Company's Corporate Governance Guidelines. Members of the Committee shall also qualify as "non-employee directors" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

Upon the recommendation of the Nominating and Corporate Governance Committee, the members of the Committee shall be elected annually to one-year terms by majority vote of the Board at the first meeting of the Board following the annual meeting of stockholders. Vacancies on the Committee shall be filled by majority vote of the Board at the next meeting of the Board following the occurrence of the vacancy with directors who qualify as Independent Directors. No member of the Committee shall be removed except by majority vote of the Independent Directors then in office.

III. MEETINGS AND PROCEDURES OF THE COMMITTEE

The Committee shall fix its own rules of procedure, which shall be consistent with the Bylaws of the Company and this Charter. The Committee shall meet as provided by its rules, which shall be at least four times annually or more frequently as circumstances require. The Board shall designate one member of the Committee as its Chairperson. The Chairperson of the Committee or a majority of the members of the Committee may also call a special meeting of the Committee. A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

Information and materials that are important to the Committee's understanding of the agenda items and other topics to be considered at the Committee meeting should, to the extent practicable, be distributed sufficiently in advance of the meeting to permit prior review by the directors. In the event of a pressing need for the Committee to meet on short notice or if such materials would otherwise contain highly confidential or sensitive information, it is recognized that written materials may not be available in advance of the meeting.

The Committee may form subcommittees for any purpose within its authority that the Committee deems appropriate and may delegate to such subcommittees such power and authority of the Committee as the Committee deems appropriate; provided, however, that no subcommittee shall consist of fewer than two members; and provided further that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

The Committee may request that any directors, officers or employees of the Company, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests.

Following each of its meetings, the Committee shall deliver a report on the meeting to the Board, including a description of all actions taken by the Committee at the meeting. Written minutes of all Committee meetings shall be kept and the minutes shall be maintained with the books and records of the Company.

IV. DUTIES OF THE COMMITTEE

In fulfilling the purposes and responsibilities set forth in Section I hereof, the Committee shall perform the following duties:

A. Human Resources

The Committee shall have the following goals and responsibilities with respect to overseeing the Company's human resources issues:

(a) To review periodic reports from management on, and to assess the effectiveness of, human resources programs and policies, including but not limited to labor relations, employee training and development, workforce planning and recruitment, work-life issues, diversity issues and similar matters.

(b) To review at least annually the Company's general compensation plans and other employee benefit plans, including the goals and objectives of such plans, and to recommend that the Board amend these plans or such goals and objectives if the Committee deems it appropriate.

B. Compensation

The Committee shall have the following goals and responsibilities with respect to the Company's executive compensation plans:

(a) To review at least annually the goals and objectives relevant to the Chief Executive Officer's compensation.

(b) To review at least annually the Chief Executive Officer's performance in light of these goals and objectives and determine and approve the Chief Executive Officer's compensation level based on this evaluation.

(c) To review and approve at least annually, in consultation with the Chief Executive Officer, the evaluation process and compensation levels for the Company's executives who are direct reports of the Chief Executive Officer. The Committee shall evaluate the performance of these senior executives and shall approve their employment terms, severance plans and annual compensation, including incentive compensation, however, the Chief Executive Officer shall have full authority to establish the compensation and salary ranges for all other employees of the Company.

(d) To approve all bonus and equity incentive awards to the extent such bonus and/or awards are intended to qualify as qualified performance based compensation for purposes of Section 162(m) of the Code.

(e) To review at least annually the appropriate level of compensation for Board and committee service by non-employee members of the Board.

(f) To produce an annual report on compensation for inclusion in the Company's proxy statement, in accordance with all applicable rules and regulations.

(g) To assist the Nominating and Corporate Governance Committee in discharging such committee's obligation to oversee the evaluation of the Chief Executive Officer and other senior executives.

C. Incentive-Compensation and Equity-Based Plans

The Committee shall have the following responsibilities with respect to the Company's incentive-compensation and equity-based plans:

(a) To review at least annually the Company's incentive-compensation and equity-based plans, including the goals and objectives of such plans, and to recommend that the Board amend these plans or such goals and objectives if the Committee deems it appropriate.

(b) To perform such duties and responsibilities as may be assigned to the Committee under the terms of any incentive-compensation or equity-based plan.

D. Evaluation of Candidates and Succession Planning

The Committee shall have the following responsibilities with respect to the Company's evaluation of candidates and succession planning:

(a) To assist the Board in developing and evaluating potential candidates for executive positions with the Company, including, without limitation, the Chief Executive Officer.

(b) To oversee the development of the Company's executive succession plans by the Chief Executive Officer in accordance with the terms of the Company's Corporate Governance Guidelines.

The Committee may consider other matters and engage in other activities in furtherance of fulfilling the purposes and responsibilities described in Section I hereof as the Committee or the Board may deem appropriate.

V. EVALUATION OF THE COMMITTEE

The Committee shall, on an annual basis, evaluate its performance under this Charter. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall present to the Board a report setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.

VI. INVESTIGATIONS AND STUDIES; OUTSIDE ADVISERS

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, after advising the Chairman of the Board and advising the Company's General Counsel for purposes of determining any potential conflicts of interest, at the Company's expense, such independent counsel or other advisers as it deems necessary. The Committee shall have

the sole authority to retain or terminate any consulting firm to be used to assist in the evaluation of director, Chief Executive Officer or management compensation, including sole authority to approve the consulting firm's fees and other retention terms, such fees to be borne by the Company.

At the request of the Committee, the Company shall provide the Committee with an appropriate level of staff and support to allow the Committee to function appropriately.

VII. RELIANCE; GENERAL LEGAL STANDARD

In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company, and each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from which it receives information, (ii) the accuracy of the information provided to the Committee absent actual knowledge to the contrary (which shall be promptly reported to the Board) and (iii) statements made by management or third parties.

While the members of the Committee have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Committee, except to the extent otherwise provided under the applicable laws of Delaware that shall continue to set the legal standard for the conduct of the members of the Committee.