

VALVOLINE INC.
COMPENSATION COMMITTEE CHARTER

Effective January 31, 2019

I. Purpose

The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Valvoline Inc. will assist the Board in discharging its duties related to executive compensation and succession and the adoption, amendment and termination of employee benefit plans sponsored or maintained by, or contributed to by, Valvoline Inc., its subsidiaries and affiliates that are more than 50% owned by the Company (hereinafter singly or collectively referred to as the “Company”).

The purpose of the Committee is to:

- (i) oversee the adoption and administration of the Company’s compensation plans, in particular the incentive and equity-based plans;
- (ii) discharge the Board’s responsibilities relating to compensation of the Company’s executives;
- (iii) oversee the preparation of the annual report on executive compensation required by the rules and regulations of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s proxy statement;
- (iv) oversee plans for executive development and succession;
- (v) review and approve corporate goals and objectives for compensation of the Chief Executive Officer (“CEO”), and evaluate the CEO’s performance in light of those goals and objectives; and
- (vi) adopt, amend, terminate, merge, spin off and transfer the employee benefit plans of the Company, including those that are and are not subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

II. Principles of Compensation

In discharging its duties relating to compensation of Company executives, the Committee shall adhere to the following principles:

1. Compensation arrangements shall emphasize pay for performance and encourage retention of those employees who enhance the Company’s performance;
2. Compensation arrangements shall promote ownership of Company stock to align the interests of management and shareholders;
3. Compensation arrangements shall maintain an appropriate balance between fixed and variable performance-based compensation; and

4. In approving compensation, the recent compensation history of the executive, including special or unusual compensation payments, shall be taken into consideration.

III. Organization

A. Membership

The Committee is composed of three or more directors, as determined by the Board. Each member shall be “independent” in accordance with applicable law, including the rules and regulations of the SEC (including the independence requirements of the provisions of Rule 10C-1(b)(1) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) and the rules of the New York Stock Exchange (“NYSE”), taking into account such additional independence requirements specific to membership on the Committee as may be required by the rules of the NYSE. Committee members shall qualify as “Non-Employee Directors” for the purposes of Rule 16b-3 under the Exchange Act.

The Board elects the members of the Committee upon the recommendation of the Governance and Nominating Committee at the annual organization meeting of the Board for terms of one year or until their successors are duly elected and qualified. Members shall serve at the pleasure of the Board. Unless a Chairman is elected by the full Board, the members may designate a Chairman by majority vote of the full membership of the Committee.

B. Meetings

The Committee shall meet at least four times each calendar year and at such other times as required, upon the call of the Chairman of the Committee or the Chairman of the Board. A majority of the members of the Committee will constitute a quorum for the transaction of business. The Committee will keep minutes of its meetings and will regularly report to the Board on its activities, making recommendations as appropriate.

IV. Responsibilities and Authorities

The Committee shall have the responsibility and authority to, among other things:

Benefit & Compensation Plans

1. Adopt, amend, terminate, merge, spin off or transfer the benefit plans of the Company, and perform any other settlor functions in connection with the Company’s employee benefits plans.

2. Oversee the implementation and administration of the compensation plans of the Company, including incentive and equity-based plans, to ensure that these plans are consistent with the Company’s general compensation policy.

3. Review and make recommendations to the Board with respect to incentive compensation and equity-based plans that are subject to Board approval.

4. Review on an annual basis compensation policies and practices for all employees and consider whether those policies and practices create risks that are reasonably likely to have a material adverse effect on the Company.

Executive Compensation

5. Ensure that the Company's executive compensation programs are appropriately competitive, support organizational objectives and shareholder interests, and emphasize pay for performance linkage.

6. Review, evaluate and approve on an annual basis the corporate goals and objectives with respect to compensation for the CEO. The Committee shall annually evaluate the CEO's performance in light of these established goals and objectives and, based upon these evaluations, shall, after an executive session of the Committee, set the CEO's annual compensation, including salary, bonus, incentive and equity compensation. In setting compensation, all relevant factors shall be considered, including the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies and the awards given by the Company in prior years.

7. Review, evaluate and approve compensation of all Section 16 officers from time to time, taking into account individual performance, Company performance and compensation paid to similarly situated officers in comparable companies. The Committee shall approve the Company's policies and procedures governing key executive officers' perquisites and other Company benefits.

8. Approve any employment agreements, consulting arrangements, severance or retirement arrangements, change-in-control agreements, and/or any special or supplemental benefits or provisions covering any current or former executive officer of the Company.

9. Oversee the execution of any CEO and senior management development and succession plan, including HR-related business continuity plans, and report to the Board periodically on such plans.

10. Review and approve any perquisites provided to executive officers of the Company.

11. Review shareholder proposals relating to executive compensation matters and recommend to the Board the Company's response to such proposals.

Director Compensation

12. On an annual basis, review and recommend to the Board the form and amount of director compensation (including perquisites and other benefits), and any additional compensation to be paid for service on Board committees or for service as a chairperson of a committee. In making its recommendations, the Committee shall give due consideration to what is customary compensation for directors of comparable U.S. companies, among such other factors it deems appropriate.

Regulatory Matters

13. Oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility.

14. Review and discuss the Compensation Discussion and Analysis (the "CD&A") required to be included in the Company's proxy statement and annual report on Form 10-K, as

required by the rules and regulations of the SEC, with management, and, based on such review and discussion, determine whether or not to recommend to the Board that the CD&A be so included.

15. Oversee the preparation of the annual Compensation Committee Report required by the rules and regulations of the SEC to be included in the Company's proxy statement.

16. Oversee the Company's compliance with the requirement under the NYSE rules that shareholders approve equity compensation plans, with limited exceptions, as well as the requirements under Section 14A of the Exchange Act regarding shareholder approval of advisory votes on executive compensation and the frequency of such votes.

17. Evaluate and make recommendations to the Board regarding any other disclosure required by the rules of the Exchange Act, including with respect to compensation consultants whose work has raised any conflict of interest.

Operation

18. Form and delegate authority to subcommittees, whether or not such delegation is specifically contemplated under any compensation or employee benefit plan or policy. In addition, in connection with compensation plans, the Committee may delegate approval of certain transactions, or certification of the attainment of performance goals or other material terms with respect to performance-based compensation, to a subcommittee consisting solely of members of the Committee who are (i) "Non-Employee Directors" for purposes of Rule 16b-3 promulgated under the Exchange Act or (ii) "outside directors" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

19. The Committee shall have the rights and responsibilities with respect to compensation consultants, independent legal counsel and other advisers as set forth in Section V below.

20. The Committee shall report its actions and recommendations to the Board after each Committee meeting and shall conduct and present to the Board an annual performance evaluation of the Committee.

21. The Committee shall review at least annually the adequacy of this charter with the Governance and Nominating Committee and recommend any proposed changes to the Board for approval.

22. Perform such other functions and duties as the Board may assign to the Committee from time to time.

V. Compensation Consultants, Independent Legal Counsel and Other Advisers

1. The Committee may, in its sole discretion, retain or obtain the advice of compensation consultants, independent legal counsel or other advisers to assist it in the performance of its duties. The Committee shall have the sole authority to terminate the services of any such compensation consultants, independent legal counsel or other advisers.

2. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal counsel or other adviser retained by the Committee, and it shall have the sole authority to approve the compensation

consultant's, independent legal counsel's or other adviser's fees and the other terms and conditions of such compensation consultant's, independent legal counsel's or other adviser's retention.

3. The Company shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, independent legal counsel or any other adviser retained by the Committee.

4. The Committee may select a compensation consultant, legal counsel or other adviser to the Committee only after taking into consideration all factors relevant to that person's independence from management, including the following:

A. The provision of other services to the Company by the person or entity that employs the compensation consultant, legal counsel or other adviser;

B. The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;

C. The policies and procedures of the person or entity that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;

D. Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;

E. Any stock of the Company owned by the compensation consultant, legal counsel or other adviser;

F. Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person or entity employing the adviser with an executive officer of the Company; and

G. Any other factors required to be considered pursuant to applicable law, including the rules and regulations of the SEC or the NYSE.

VI. Exceptions

Notwithstanding any implication to the contrary above:

1. The Audit Committee shall retain responsibility for oversight of the Company's funding of its benefit plans.

2. When certifying that performance goals and any other material terms have been attained with respect to awards that qualify as performance-based compensation within the meaning of Section 162(m) of the Code, such certification will be made by no less than two Committee members who qualify as outside directors as defined in Section 162(m) of the Code.

3. The Committee shall not be empowered to approve matters that applicable law, the Company's Articles of Incorporation, or the Company's By-laws require be approved by a vote of the full Board, unless such matters have been lawfully delegated to the Committee.

4. The CEO and any other such senior executive officer may not be present during any portion of a meeting at which his or her compensation or performance is discussed or determined. The CEO may, however, be present for discussions or determinations regarding the compensation of other senior executives.