PARKLAND

ANNUAL INFORMATION FORM

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2020

March 5, 2021

TABLE OF CONTENTS

GLOSSARY OF TERMS

When used in this Annual Information Form the following terms have the meanings set forth below:

"**2026 6.00% US Senior Notes**" means the US$500,000,000 aggregate principal amount of 6.00% senior notes with a final maturity date of April 1, 2026 issued by Parkland on March 23, 2018;

"**2027 5.875% US Senior Notes**" means the US$500,000,000 aggregate principal amount of 5.875% senior notes with a final maturity date of July 15, 2027 issued by Parkland on July 10, 2019;

"**2027 6.50% Senior Notes**" means the $300,000,000 aggregate principal amount of 6.50% senior notes with a final maturity date of January 21, 2027 issued by Parkland on November 21, 2018;

"**2028 6.00% Senior Notes**" means the $400 million aggregate principal amount of 6.00% senior unsecured notes with a final maturity of June 23, 2028 issued by Parkland on June 23, 2020;

"**5.50% Senior Notes**" means the $200,000,000 aggregate principal amount of 5.50% senior notes with a final maturity date of May 28, 2021 issued by Parkland on May 29, 2014 and redeemed by Parkland on July 21, 2020;

"**5.625% Senior Notes**" means the $500,000,000 aggregate principal amount of 5.625% senior notes with a final maturity date of May 9, 2025 issued by Parkland on September 16, 2017;

"**5.75% Senior Notes**" means the $300,000,000 aggregate principal amount of 5.75% senior notes with a final maturity date of September 16, 2024 issued by Parkland on September 16, 2016;

"**6.00% Senior Notes**" means the $200,000,000 aggregate principal amount of 6.00% senior notes with a final maturity date of November 21, 2022 issued by Parkland on November 21, 2014 and redeemed by Parkland on July 21, 2020;

"**Adjusted EBITDA**" means Parkland's earnings before interest, taxes, depreciation and amortization but excludes costs that are not considered representative of Parkland's underlying core operating performance, including, among other items: (i) costs related to potential and completed acquisitions, (ii) non-core acquisitions and integration employee costs, (iii) business integration and restructuring costs, (iv) changes in the fair value of share-based compensation liabilities, and (v) realized foreign exchange gains and losses as a result of refinancing activities. Refer to Note 24 of Parkland's Annual Consolidated Financial Statements and Section 14 of Parkland's Annual Management Discussion & Analysis for further information;

"**Board of Directors**" or "**Board**" means the board of directors of Parkland;

"**Burnaby Refinery**" means the 55,000 bpd light/sweet crude refinery located in Burnaby, British Columbia;

"**Business Corporations Act**" means the *Business Corporations Act* (Alberta), as amended, including the regulations promulgated thereunder;

"**Carter**" means Carter Oil Company, Inc. and its affiliates;

"**Carter Acquisition**" means Parkland's acquisition of the assets of Carter pursuant to an asset purchase agreement dated November 25, 2020;

"**CCL**" means Chevron Canada Limited;

"**Chevron Acquisition**" means Parkland's acquisition of Chevron Canada R&M ULC from CCL pursuant to the terms of a share purchase agreement dated April 18, 2017, as amended September 28, 2017, between Parkland and CCL, for the preliminary purchase price of $1,460 million, plus an estimated $186 million in working capital;

"**CLDO**" means company-leased, dealer-operated;

"**COCO**" means company-owned, company-operated;

"**CODO**" means company-owned, dealer-operated;

"**Common Shares**" means the common shares in the capital of Parkland;

"**Competition Act**" means the *Competition Act* (Canada), as amended;

"**ConoMart Acquisition**" means Parkland's acquisition of seven retail sites with a Conoco-branded forecourt located in and around Billings, Montana, USA pursuant to an asset purchase agreement dated March 9, 2020;

"**CORO**" means company-owned, retailer operated;

"**Corporation**", "**Company**" or "**Parkland**" means Parkland Corporation, a corporation incorporated under the Business Corporations Act and includes, where the context requires, its subsidiaries on a consolidated basis;

"**Couche-Tard**" means Alimentation Couche-Tard Inc. ;

"**COVID-19**" means the disease caused by a new strain of coronavirus;

"**Credit Agreement**" means the second amended and restated senior secured credit agreement between the Corporation, certain of its subsidiaries, as borrowers, Canadian Imperial Bank of Commerce, as agent, and the financial institutions party thereto as lenders dated January 8, 2019, as amended from time to time;

"**Credit Facilities**" means credit facilities available under the Credit Agreement, as further described under "Description of Capital Structure – Indebtedness – Credit Agreement" herein;

"**CST Acquisition**" means Parkland's acquisition of the majority of the Canadian business and assets of CST Brands, Inc. from Couche-Tard;

"**DODO**" means dealer-owned, dealer-operated;

"**Elbow River**" means Elbow River Marketing Ltd., a wholly-owned subsidiary of Parkland;

"**GHG**" means greenhouse gases;

"**Intermediation Facility**" means the amended and restated Intermediation ISDA 2002 agreement dated as of December 14, 2019 between the Corporation, Parkland Refining and a financial institution to fund a portion of the working capital requirements of the Burnaby Refinery operations, as amended;

"**IT**" means information technology;

"**JOURNIE Rewards**" means Parkland's rewards and customer loyalty program;

"**Kellerstrass**" means Kellerstrass Oil Company LLC;

"**Kellerstrass Acquisition**" means Parkland's acquisition of the entities and assets comprising the Salt Lake City based Kellerstrass Oil Company pursuant to purchase agreements dated January 16, 2020;

"**LPG**" means liquefied petroleum gas;

"**MVP**" means Missouri Valley Petroleum, Inc., and its affiliates;

"**MVP Acquisition**" means Parkland's acquisition of all of the issued and outstanding equity interests of MVP pursuant to a merger agreement dated August 28, 2018, as amended;

"**NEB**" means National Energy Board;

"**NGL**" means natural gas liquids;

"**NTI**" means new to industry;

"**Parkland Refining**" means Parkland Refining (B.C.) Ltd., a wholly-owned subsidiary of Parkland;

"**Pioneer Energy Acquisition**" means Parkland's acquisition of substantially all of the assets and select liabilities that comprise Pioneer Energy pursuant to the terms of an asset purchase agreement dated September 17, 2014;

"**Rhinehart**" means Rhinehart Oil Co., Inc., and its affiliates;

"**Rhinehart Acquisition**" means Parkland's acquisition of all of the issued and outstanding equity interests of Rhinehart pursuant to the terms of a share purchase agreement dated August 13, 2018;

"**ROC**" means Regional Operating Centre;

"**Senior Note Indentures**" means, collectively, the trust indenture dated May 29, 2014 governing the terms of the 5.50% Senior Notes 2014, the trust indenture dated November 21, 2014 governing the terms of the 6.00% Senior Notes, the trust indenture dated September 16, 2016 governing the terms of the 5.75% Senior Notes, the trust indenture dated May 9, 2017 governing the terms of the 5.625% of Senior Notes, the trust indenture dated March 23, 2018 governing the terms of the 2026 6.00% US Senior Notes, the trust indenture dated November 21, 2018 governing the terms of the 2027 6.500% Senior Notes, the trust indenture dated July 10, 2019 governing the terms of the 2027 5.875% US Senior Notes, and the trust indenture dated June 23, 2020 governing the terms of the 2028 6.00% Senior Notes;

"**Senior Notes**" means, collectively, the 5.50% Senior Notes, 6.00% Senior Notes, 5.75% Senior Notes, 5.625% Senior Notes, 2026 6.00% US Senior Notes, 2027 6.50% Senior Notes, 2027 5.875% US Senior Notes and 2028 6.00% Senior Notes;

"**Shareholders**" means the holders of Common Shares;

"**SIL**" means Sol Investments SEZC;

"**Sol**" means collectively, SIL and its subsidiaries;

"**Sol Business Combination Agreement**" means the agreement between Estrella Holdings Limited, a wholly-owned subsidiary of Parkland, and Sol Limited, dated October 9, 2018 whereby Parkland indirectly acquired 75% of the issued and outstanding shares in the capital of SIL;

"**Sol Transaction**" means the indirect acquisition by Parkland of 75% of the issued and outstanding shares in the capital of SIL pursuant to the Sol Business Combination Agreement;

"**Story**" means Story Distributing Company and its affiliates;

"**Story Acquisition**" means Parkland's acquisition of the assets of Story pursuant to an asset purchase agreement dated December 3, 2020;

"**SVO**" means Sevier Valley Oil Company, Inc. and its related companies;

"**SVO Acquisition**" means Parkland's acquisition of all the assets of SVO pursuant to an asset purchase agreement dated November 10, 2020;

"**TMPL**" means Trans Mountain Pipeline, which carries crude and refined product from Alberta to the coast of British Columbia, owned by the Trans Mountain Corporation;

"**Tropic**" means Tropic Oil Company, LLC;

"**Tropic Acquisition**" means Parkland's acquisition of all of the issued and outstanding equity interests of Tropic pursuant to the agreement dated September 5, 2019; and

"**TSX**" means the Toronto Stock Exchange.

PRESENTATION OF INFORMATION

Unless otherwise noted, the information contained in this annual information form ("**Annual Information Form**" or "**AIF**") is given as at or for the year ended December 31, 2020. All dollar amounts are in Canadian dollars unless otherwise noted. Unless the context otherwise requires, all references to the "Corporation" and to "Parkland", "we", "our" and "us" herein refer to Parkland Corporation and its subsidiaries on a consolidated basis. Capitalized terms not defined in the body of this Annual Information Form will have the respective meanings set out in the "Glossary of Terms" section of this Annual Information Form.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Annual Information Form contains forward-looking statements. Many of these statements can be identified by words such as "believe", "plan", "expect", "could", "seek", "would", "will", "intend", "strategy", "project", "anticipate", "target", "estimate", "continue", or similar words and expressions. In particular, this Annual Information Form contains forward-looking statements with respect to, among other things, business objectives of the Corporation, the integration of completed acquisitions, results of operations, performance, business projects, strategy and opportunities, the expected impact of acquisitions, execution of supply strategies, the expected impact of the COVID-19 pandemic on the Corporation's business, volume growth, expected impact of management systems and programs and financial results.

The forward-looking information contained herein is based upon Parkland's current views with respect to future events based on certain material factors and assumptions. As such, readers are urged to consider the factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements contained in this Annual Information Form are based upon a number of material factors and assumptions including, without limitation:

- Parkland's ability to successfully execute its business and growth strategies;
- the regulatory framework that governs the operation of Parkland's business;
- the effect the COVID-19 pandemic on Parkland's business;
- Parkland's ability to successfully integrate acquired assets and businesses into Parkland's operations;
- commodity prices for gasoline, diesel, propane, lubricants, heating oil and other petroleum products;
- crack spreads per barrel;
- financial market conditions, including interest rates and exchange rates;
- Parkland's future debt levels;
- Parkland's ability to generate sufficient cash flows from operations to meet its current and future obligations;
- future capital expenditures to be made by Parkland;
- access to and terms of future sources of funding for Parkland's capital program;
- Parkland's ability to win new customers in the various markets where it operates; and
- Parkland's ability to identify suitable acquisition targets.

These forward-looking statements involve numerous assumptions, known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking information contained herein is based upon the Corporation's current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, changes in market, competition, governmental or regulatory developments, and general economic conditions and other factors under the heading "Risk Factors" in this Annual Information Form. More specifically, certain material factors and assumptions that could cause actual results to vary materially from those anticipated including, without limitation:

- regulatory framework that governs the operation of the Parkland's business;
- general market conditions, including the duration and effect of the COVID-19 pandemic;
- micro and macro-economic trends and conditions;

- ability to execute on our business and growth strategy and realize the benefits therefrom;
- ability to realize the benefits from our core capabilities;
- ability to capture value in each step of the value chain;
- ability to realize on the expected benefits, synergies and opportunities from acquisitions;
- ability to secure future capital to support and develop our business, including the issuance of additional Common Shares;
- effectiveness of Parkland's management systems and programs;
- continuous improvement of Parkland's drive to operational excellence through the continued roll out of POEMS;
- factors and risks associated with retail pricing and margins;
- availability and pricing of petroleum product supply;
- volatility of crude oil prices;
- the competitive environment of our industry in the jurisdictions in which Parkland operates;
- environmental impact;
- ability to meet ESG and low carbon targets;
- ability to build on its commitment to low-carbon leadership, particularly through expanding its co-processing initiatives at the Burnaby Refinery;
- risk of pending or future litigation;
- interest rate fluctuation;
- availability of capital and operating funds; and
- the matters set out under the heading "Risk Factors" in this Annual Information Form and such other risk factors as are identified in the annual consolidated financial statements and management's discussion and analysis for the year ended December 31, 2020 which are deemed to be incorporated by reference into this Annual Information Form.

The foregoing factors are not exhaustive. Many factors could cause the Corporation's or any particular business segment's actual results, performance or achievements to vary from the forward-looking information in this Annual Information Form. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this Annual Information Form as intended, planned, anticipated, believed, sought, proposed, estimated or expected. As such, readers are urged to consider the factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on these forward-looking statements.

Additional information on these and other factors that could affect the Corporation's operations or financial results is discussed in this Annual Information Form, including our Management's Discussion and Analysis for the year ended December 31, 2020 (available under the Corporation's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com or the Corporation's website at www.parkland.ca), which is incorporated by reference in this Annual Information Form.

The forward-looking statements speak only as of the date of this Annual Information Form and the Corporation does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this Annual Information Form are expressly qualified by these cautionary statements.

CORPORATE STRUCTURE

Parkland Corporation

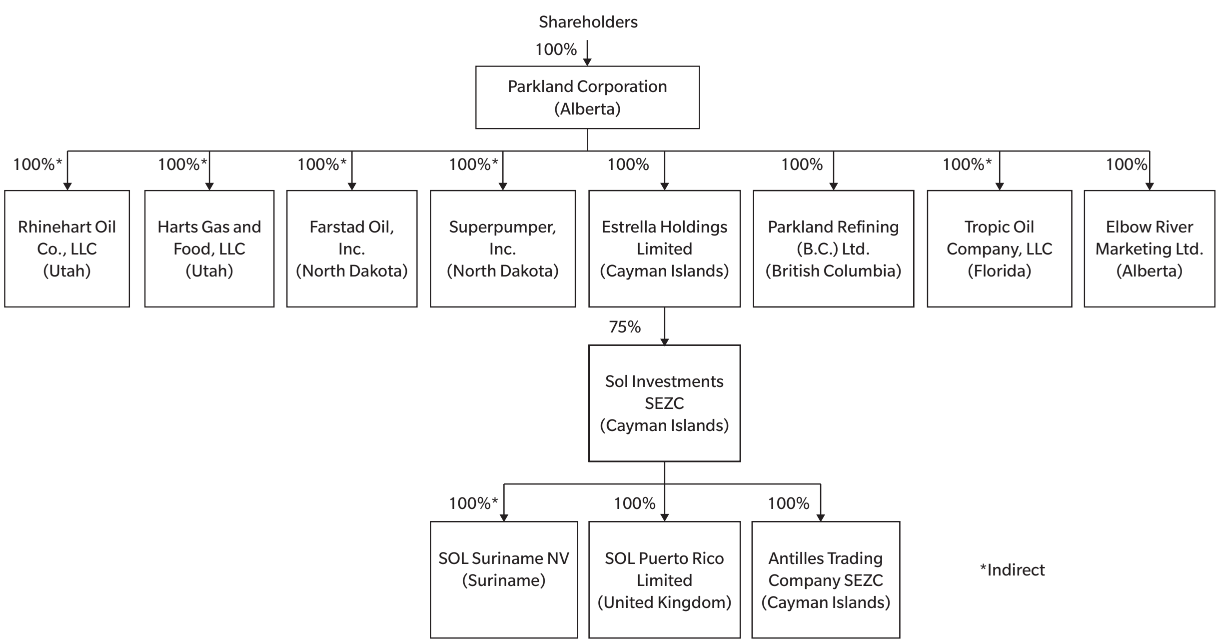
Parkland was incorporated on March 9, 2010 under the Business Corporations Act for the purpose of participating in a corporate reorganization implemented effective December 31, 2010 under Section 193 of the Business Corporations Act, pursuant to which Parkland's predecessor public entity reorganized from an income fund into a corporate structure. The Common Shares are listed on the TSX under the symbol "PKI" and began trading on the TSX on January 7, 2011.

Parkland conducted a reorganization of its corporate structure effective January 1, 2017, pursuant to which, among other things, Parkland Fuel Corporation and its wholly-owned subsidiary, Parkland Industries Ltd., effected a vertical short form amalgamation pursuant to Section 184(1) of the Business Corporations Act with the amalgamated entity retaining the name of Parkland Fuel Corporation (the "**Internal Reorganization**"). Following the Internal Reorganization, Parkland Fuel Corporation became both the public entity and principal operating entity in Canada. Effective May 15, 2020, Parkland Fuel Corporation amended its articles to change its name to "Parkland Corporation" pursuant to Section 173(1)(a) of the Business Corporations Act and adopted "Corporation Parkland" as its French name. Parkland conducted a reorganization of its corporate structure effective January 2, 2021, pursuant to which, among other things, Parkland Corporation and its wholly-owned subsidiary, 2303041 Alberta Ltd., effected a vertical short form amalgamation pursuant to Section 184(1) of the Business Corporations Act with the amalgamated entity retaining the name of Parkland Corporation.

The registered office and head office of the Corporation is located at 1800, 240 4th Avenue SW, Calgary, Alberta T2P 4H4.

Subsidiaries of the Corporation

The following organization chart presents the name and the jurisdiction of certain of Parkland's subsidiaries as at December 31, 2020. The assets and revenues of excluded subsidiaries individually did not exceed 10%, and in the aggregate did not exceed 20%, of the total consolidated assets or total consolidated revenues of Parkland as at and for the year ended December 31, 2020.



GENERAL DEVELOPMENT OF THE BUSINESS

Parkland is a fast-growing independent fuel and petroleum marketer and leading convenience store operator with operations across the Americas. Parkland serves customers through three channels: retail, commercial and wholesale, and optimizes its fuel supply across these channels by operating the Burnaby Refinery and leveraging a growing portfolio of supply relationships and storage and logistics infrastructure. Parkland's retail channel provides trusted and locally relevant fuel brands and convenience store offerings, including under the On the Run banner, in the communities it serves. The commercial channel delivers fuel, including diesel, home heating oil and propane, and provides related services to industrial customers and residential customers who tend to be located in rural communities. Parkland's wholesale channel is focused on serving large industrial clients, wholesale and reseller customers.

Three Year History

2021 Updates

On January 22, 2021, Parkland, through its subsidiary Elbow River Marketing USA Ltd., completed the acquisition of LPG terminals in Hankinson, North Dakota and Owen, Wisconsin. The assets include over 1 million gallons of above ground storage, 105 million gallons of annual throughput capacity as well as rail offloading and truck loading infrastructure at each terminal.

On February 1, 2021, Parkland completed the Story Acquisition. Story is a well-established retail and commercial fuel business headquartered in Bozeman, Montana. This acquisition adds scale and density to Parkland's existing Northern Tier ROC and expands its presence in the high-growth Montana and Idaho markets.

On February 26, 2021, Parkland announced it has entered into an agreement to acquire Conrad & Bischoff Inc. and its related companies (collectively, "C&B"). Through this acquisition, Parkland will establish a fourth U.S. ROC in Idaho Falls, Idaho. C&B is a well-established retail, commercial, wholesale and lubricants business with annual fuel and petroleum product volume of approximately 700 million litres. Family owned and operated since 1959, C&B's operations are concentrated in the fast-growing markets of Idaho and western Wyoming with additional distribution capability into Utah, Nevada, Montana and other states. The transaction includes 58 retail locations, comprising 19 high-quality company owned sites featuring proprietary branded backcourts and 39 retail dealer sites. In addition, terminal operations with combined tank storage of 30 million litres and capacity for 88 rail cars adds significant supply optionality in the Rocky Mountains PADD IV.

On February 26, 2021, Parkland terminated the Intermediation Facility.

2020

On February 14, 2020, Parkland completed the Kellerstrass Acquisition. Kellerstrass is based in Salt Lake City and has branches in Utah, Idaho and Wyoming. The transaction strengthens Parkland's existing Rockies ROC and brings highly efficient trucking, routing and distribution, strategic rail spur and storage assets, commercial cardlocks and 84 dealer retail locations.

On March 30, 2020, in response to the uncertain economic impact of COVID-19, Parkland announced a reduction in its 2020 Capital Expenditure program, the withdrawal of its 2020 Adjusted EBITDA guidance, and reiterated its financial strength and other corporate updates. See the press release dated March 30, 2020 for further details, which is available on Parkland's profile on SEDAR at www.sedar.com.

Parkland's Burnaby Refinery began its turnaround in February 2020 and on April 27, 2020 Parkland announced that it completed the 2020 Burnaby refinery turnaround and had begun the startup sequence for the facility.

On May 13, 2020, Parkland completed the ConoMart Acquisition. The ConoMart business includes seven retail sites located in and around Billings, Montana, USA. All seven retail sites feature a strong convenience store offering and a Conoco-branded forecourt.

On June 23, 2020, Parkland completed the sale, on a private placement basis, of $400 million 2028 6.00% Senior Notes, issued at par. Parkland used the net proceeds from the offering along with cash on hand to redeem all of the 5.50% Senior Notes.

On July 22, 2020, Parkland announced its collaboration with Amazon Web Services ("**AWS**") to further strengthen its customer value proposition and loyalty initiatives and accelerate its digital transformation. AWS as its strategic digital provider would enable Parkland to tap into leading expertise in machine learning and analytics to improve its logistics and enable frictionless commerce.

On September 10, 2020, Parkland announced that it had acquired the license for the exclusive use of the *On the Run* trademark in the majority of U.S. states and an option to purchase the *On the Run* U.S. trademark together with the license owner's *On the Run* franchise business. The acquisition positions Parkland to expand *On the Run* across the U.S. to create a unified, North American convenience store brand.

On September 30, 2020, Parkland published its inaugural Sustainability Report, which outlines its established environmental, social and governance practices and sets the stage for the development of an enterprise-wide sustainability strategy. The report includes insight into Parkland's 2019 operations and key 2020 milestones. It is aligned with recommendations from the Task Force on Climate Related Financial Disclosures ("**TCFD**") and includes guidance from the Sustainability Accounting Standards Board ("**SASB**") and the Global Reporting Initiative ("**GRI**").and is available at www.parkland.ca/Sustainability. See Supplementary Operational Information—Environmental, Social and Governance Committee for further details.

On December 3, 2020, Parkland entered into an agreement to acquire the assets of Story, which transaction closed in 2021 as described above.

On December 7, 2020, Parkland completed the SVO Acquisition. Based in Richfield, Utah, SVO is a well-established retail and commercial fuel business with annual fuel and petroleum product volume of approximately 350 million litres. SVO's primary operations are in Southwestern Utah along with a presence in Northern Utah and Colorado. The acquisition of SVO adds seven company retail locations and over 20 retail dealers in addition to robust diesel and lubricant distribution capabilities.

On December 31, 2020 Parkland completed the Carter Acquisition. Carter is a wholesale and commercial fuel distributor based in Flagstaff, Arizona. This acquisition complements Parkland's existing Utah and Arizona operations within its Rockies ROC and expands its presence in the high-growth Northern Arizona region.

2019

On January 8, 2019, Parkland announced that it had completed the indirect acquisition of 75% of the shares of SIL. The purchase price consideration totaled $1,380 million, consisting of cash consideration of $960 million net of estimated cash assumed, working capital adjustments and gain on a US dollar currency hedge and fair value of share consideration of $423 million (representing 12.2 million Common Shares calculated using the trading price of $34.56 per share). Following the closing of the Sol Transaction, Simpson Oil Limited (formerly Sol Limited) held 9.9% of the Common Shares of Parkland and the remaining 25% of SIL.

The assets and infrastructure acquired by Parkland as part of Sol Transaction consisted of: (i) Sol's retail businesses, which currently includes 259 company-owned or company-leased sites and 237 dealer-owned and dealer-operated sites under brands such as Esso, Shell and Sol; (ii) Sol's supply and distribution businesses, which included owned or leased infrastructure assets including 32 import terminals, seven pipelines, three marine berths and ten charter ships; (iii) Sol's commercial and industrial businesses, which supply gasoline, diesel, fuel oil, propane and lubricants; and (iv) Sol's aviation businesses, which operated in 13 countries.

The Sol Transaction extends Parkland's supply reach globally and builds on Parkland's supply advantage strategy, provides Parkland a significant South American and Caribbean growth platform for future strategic initiatives, as well as access to key markets in 23 countries and comprehensive supply infrastructure in the Caribbean and northern coast of South America. The Sol Transaction was a significant acquisition under National Instrument 51-102 and a business acquisition report was filed on March 25, 2019 in respect of the Sol Transaction and is available under the Corporation's profile on SEDAR at www.sedar.com.

In connection with the Sol Transaction, Estrella Holdings Limited, Parkland's wholly-owned subsidiary, and Sol Limited entered into a shareholder agreement in respect of SIL (the "**Sol Shareholder Agreement**"). The Sol Shareholder Agreement includes a put right for Sol Limited to sell and a call right for Estrella Holdings Limited to acquire the remaining interest in Sol at a proportionate purchase price based on Sol's trailing-twelve-month adjusted earnings before interest, taxes, depreciation and amortization, multiplied by 8.5 and other adjustments calculated pursuant to the Sol Shareholder Agreement. Estrella Holdings Limited has the right to refuse the exercise by Sol Limited of its put right on up to two occasions.

Concurrently with the closing of the Sol Transaction, Parkland entered into the Credit Agreement – See "Description of Capital Structure – Indebtedness – Credit Agreements" for further details.

On June 1, 2019, Parkland completed the acquisition of substantially all the assets of Ken Bettridge Distributing Inc. ("**KB Oil**"), a bulk fuel and lubricants distributor and operator of fleet fueling, convenience stores and cardlock services in Southwest Utah and Southeast Nevada. The acquisition of substantially all of the assets that compromised KB Oil, pursuant to the terms of an asset purchase agreement dated May 9, 2019, continued Parkland's US growth strategy of establishing scale and was incorporated into Parkland's Rockies ROC headquartered in American Fork, Utah.

On July 10, 2019, Parkland announced the closing of its private placement of the 2027 5.875% US Senior Notes. The notes bear interest at a rate of 5.875% per annum and were priced at par. Parkland used net proceeds from this offering to repay in full the US Term Loan Facility due 2021 and to repay certain amounts outstanding under its revolving Credit Facilities. See "Description of Capital Structure – Indebtedness – 2027 5.875% US Senior Notes".

On September 5, 2019, Parkland announced the agreement to acquire all of the issued and outstanding equity interests of Tropic. Through the Tropic Acquisition, Parkland added a third ROC in the United States and expanded Parkland's presence in the southeastern US in line with Parkland's US growth strategy through the addition of a quality regional operator in a region that compliments Parkland's Caribbean business and supply advantage. The transaction closed on October 1, 2019.

On October 17, 2019, Parkland announced the launch of JOURNIE Rewards with Canadian Imperial Bank of Commerce as its strategic banking partner. The launch of JOURNIE Rewards brings Parkland's national network of fuel retail sites and On the Run convenience stores under a single proprietary rewards program with compelling fuel and merchandise offers, Canada-wide.

On December 17, 2019, Parkland announced the completion of the acquisition of the assets of Mort Distributing Inc., and its affiliates ("**Mort**"). The Mort acquisition complemented and strengthened Parkland's existing Northern Tier ROC and allowed Parkland to further capture distribution efficiencies and enhance customer services across the Northern Tier ROC.

2018

On March 23, 2018, Parkland announced the closing of its private offering of the 2026 6.00% US Senior Notes. The notes bear interest at a rate of 6.0% per annum and were priced at par. The net proceeds from this offering were used to repay certain outstanding amounts borrowed under the Credit Facilities. See "Description of Capital Structure – Indebtedness – 2026 6.0% US Senior Notes".

On April 9, 2018, Parkland announced the successful completion of a turnaround event at the Burnaby Refinery.

On August 13, 2018, Parkland closed the acquisition of all issued and outstanding equity interests of Rhinehart, a retail, commercial and lubricants business with operations in Utah, Colorado, Wyoming and New Mexico. The businesses acquired pursuant to the Rhinehart Acquisition include ten distribution facilities, nine retail sites and four cardlock facilities. The Rhinehart Acquisition provided Parkland with talented staff and scalable infrastructure needed to establish a ROC in the Rocky Mountain tributary. Rhinehart's operation platform was a driver of organic growth and enabled further acquisitions across the region that can leverage substantial existing capacity within current rail hubs, bulk storage terminals, and warehouses. See "Risk Factors – Acquisition and Integration".

On October 10, 2018, Parkland announced that it had entered into the Sol Business Combination Agreement, pursuant to which Parkland indirectly acquired 75% of the issued and outstanding shares in the capital of SIL.

On October 31, 2018, Parkland completed the acquisition of all outstanding equity interests of MVP. MVP is a retail, wholesale and lubricants business that distributes approximately 320 million litres of fuel and petroleum products annually and operates throughout North Dakota. The businesses acquired pursuant to the MVP Acquisition included three bulk plant terminals co-located with cardlock facilities, six retail sites with convenience stores, and a number of branded dealer arrangements. The MVP Acquisition accelerated the growth of Parkland's North Dakota business, particularly in the commercial fuel market.

On November 21, 2018, Parkland announced the closing of its private placement of the 2027 6.50% Senior Notes. The notes bear interest at a rate of 6.50% per annum and were priced at par. The net proceeds from this offering were used to repay amounts drawn on the Credit Facilities. See "Description of Capital Structure – Indebtedness".

On November 26, 2018, Parkland completed the acquisition of substantially all of the assets of Bradco Inc. ("**Bradco**"). Bradco was a provider of petroleum products, including lubricants and specialty products, and services to customers throughout the southwest United States. Bradco's business included the distribution of bulk oils from warehouses and terminals to locations in Arizona and New Mexico and four cardlock facilities located in Arizona.

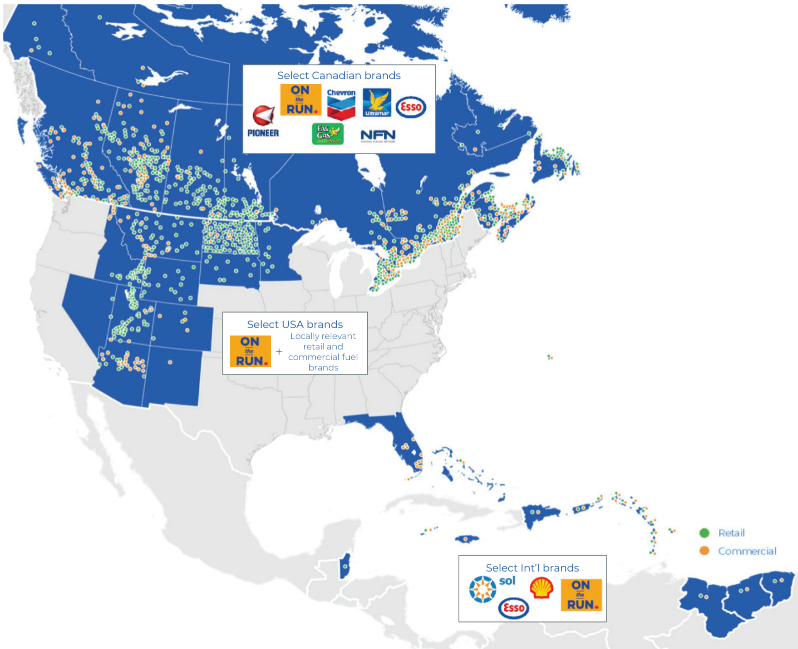
DESCRIPTION OF THE BUSINESS OF THE CORPORATION

Who We Are

Parkland is a fast-growing independent fuel and petroleum marketer and leading convenience store operator with operations across the Americas. Our purpose is to power journeys and energize communities. Parkland serves customers through three channels: retail, commercial and wholesale, and optimizes its fuel supply across these channels by leveraging a growing portfolio of supply relationships and storage and logistics infrastructure and operating its Burnaby Refinery. Parkland provides trusted and locally relevant fuel brands and convenience store offerings, including its On the Run banner, in the communities it serves.

Through its Burnaby Refinery, and as part of its commitment to a lower carbon future, Parkland is focused on delivering the essential fuels its customers depend on but with lower carbon intensity. It was the first facility in Canada to use existing infrastructure and equipment to co-process bio-feedstocks along with crude oil to produce low carbon fuels, which have less than one eight of the carbon intensity of conventional fuels. Parkland provides trusted and locally relevant fuel brands and convenience stores, including its On the Run convenience store brand in the communities it serves. The Company continues to expand On the Run in Canada and the U.S and aims to create a unified North American convenience store brand. Driven by its customer focus, Parkland has connected over 1,000 of its Canadian fuel retail sites and On the Run convenience stores under our proprietary rewards program called JOURNIE™ Rewards. In addition to offering customers compelling fuel and merchandise offers, JOURNIE™ Rewards is a powerful customer loyalty offer with national scale.

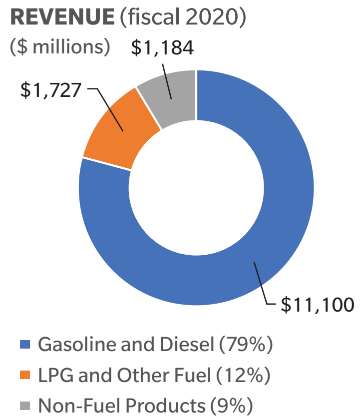
Parkland is designed to capture value across its entire value chain and is advancing its proven strategy of growing organically through its deep pipeline of organic opportunities, realizing a strong supply advantage, acquiring prudently and integrating successfully through its established acquisition and integration capabilities. Parkland is also focused on expanding margins across its fuel and non-fuel categories, and its diversified and resilient platform provides stability and multiple avenues for growth including but not limited to opportunities in low-carbon fuels. Parkland has a proven track record of returns, a multi-channel marketing capability with difficult to replicate assets and a diversified and resilient business model. Parkland has significant financial flexibility and allocates its capital prudently. At the core of our strategy are our people, as well as our values of safety, integrity, community and respect, which are embraced across our organization. Parkland has a diverse geographic and product platform across 25 countries.

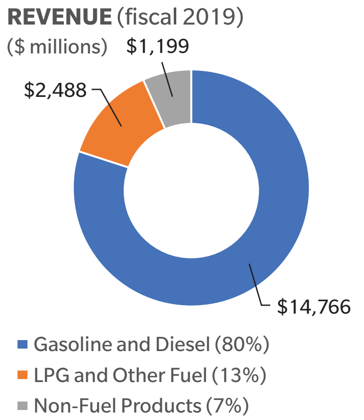


The below table sets out Parkland's key operating assets across its operations as at December 31, 2020.

Key Operating Assets	Canada	USA	International	Total
Retail Company & Dealer sites	1,832	391	494	2717
Cardlock sites	162	36	-	198
Net refining interest (mmbls/d)	55	-	4	59
Terminals, bulk plants & transloaders	✓	✓	✓	✓
Marine / Aviation	✓	✓	✓	✓

Parkland has three main sources of revenue: (i) gas and diesel, (ii) LPG and other fuel and petroleum products, and (iii) non-fuel products, including convenience store, lubricants and other non-fuel items. The following graphs show Parkland's revenue for each main revenue source for the fiscal years 2019 and 2020.





Core Capabilities

While Parkland's reach extends across the Americas, its service and value propositions are local. Parkland's core capabilities include:

- leading convenience store brands tailored to local markets, along with fuel marketing capability with the ability to provide local services through retail and commercial networks;
- broad supply and distribution infrastructure with a reach and scope that allows it to identify opportunities between markets in which other independents may not be able to capitalize;
- a diverse portfolio of regional markets, brands and products that help mitigate the risk of market, economic, operational and environmental disruptions in any one market;
- supply security through the Burnaby Refinery and supply relationships and agreements with all major refiners supplying in the markets where Parkland operates; and
- distribution channels that provide a balanced sales portfolio of gasoline, diesel and propane that gives Parkland a competitive supply advantage and customers a broad product offering.

These core capabilities are achieved by Parkland's strategic plan which consists of the following pillars:

Grow Organically

Parkland drives organic growth by leveraging its portfolio of products and services, industry leading brands, expansive network and operational excellence to create meaningful and differentiated customer value and loyalty propositions. The company has invested capital into growth opportunities that strengthen its entire business, optimizes its supply chain to lower product costs, and leverages technology, proprietary data and its brands to continuously enhance its customer value and loyalty propositions. Parkland continuously advances and evolves these capabilities to position itself to win in each of its markets. Organic growth opportunities by operating segment include the following:

Canada

- NTI gas stations and convenience stores;
- On the Run rebrands and retrofits;
- continued expansion of JOURNIE Rewards;
- private label products roll-outs, including food offerings under the 59th Street Food Co.™ brand and other merchandize under the Cargo™ brand;
- expansion of Parkland's bulk propane business.

USA

- growing commercial and national accounts business;
- NTI gas stations and convenience stores;
- On the Run rebrands and retrofits.

International

- NTI gas stations and convenience stores;
- expansion of LPG and aviation services business;
- growth in servicing the natural resources economies, in particular in Guyana and Suriname;
- optimization of supply and trading operations and logistics.

Supply

- marine and rail import opportunities in eastern Canada;
- further low carbon fuel development through co-processing at the Burnaby Refinery;
- capital-light infrastructure opportunities, such as transloading facilities.

Supply Advantage

Parkland has built a strong supply advantage across its entire business that is underpinned by proprietary assets, supply flexibility, logistics and trading capabilities. The Company strives to capture economics across the value chain and enhance margins by leveraging its scale and product diversity, and sources the most economic products by leveraging its transportation and storage capacity. Parkland's supply advantage is supported by the safe and reliable operation of the Burnaby Refinery, coupled with purchasing a full suite of products from third party refiners and suppliers. The Company safely, efficiently and reliably supplies its own retail, commercial and wholesale sales network and drives incremental value through third-party sales.

Acquire Prudently and Integrate

The Company has a proven track record of identifying, acquiring and integrating leading regional operators that complement, strengthen and expand its business. Parkland is skilled at effectively integrating acquired companies, including driving operational efficiencies, capturing synergies and creating value with support from its supply advantage and marketing platform. The combination of its supply advantage, integration capabilities and experience across all fuel marketing channels positions Parkland to be a regional consolidator of the often-fragmented fuel distribution market. Parkland's disciplined acquisition approach has allowed it to excel at acquiring complex target portfolios in supply inefficient markets.

Enable Our Teams to Succeed

People are at the core of Parkland's strategic imperatives. We are committed to enabling our teams to succeed by recruiting and developing high-calibre people, fostering engagement, building an industry-leading organizational culture and investing in technology that supports efficiency and productivity. Our purpose is to power journeys and energize communities. We champion the Parkland BOLD behaviours by empowering our employees to Build, Own, Lead and Deliver on their mandates. Our employees also embrace our Parkland values of safety, integrity, community and respect, which are at the core of everything we do. At Parkland, our employees are our most important resource and by investing in our people, we are directly contributing to the success of our organization.

Operating Segments

For the year ended December 31, 2020, Parkland's business comprised four operating segments: Canada, USA, Supply and International. Parkland's business also includes a non-operating Corporate segment.

Canada

Canada (formerly presented as the individual segments "Canada Retail" and "Canada Commercial") operates and supports a coast-to-coast network of 1,832 retail gas stations, 162 cardlock sites, bulk fuel, propane, heating oil, lubricants, and other related services to commercial, industrial, and residential customers. Canada operates under five key retail fuel brands: Ultramar, Esso, Fas Gas Plus, Chevron, and Pioneer. In addition, Canada operates a leading convenience store brand, On the Run, as well as other convenience store brands that will be migrated over time to the On the Run brand where appropriate. In addition, Canada serves its commercial customer base through a family of brands including Ultramar, Bluewave Energy, Pipeline Commercial, Chevron, Columbia Fuels and Sparlings Propane. Canada's key operating assets as at December 31, 2020 are set out in the table below:

Key Operating Assets	Canada
Company retail sites	650
Dealer retail sites	1182
Total retail service stations	1832
Commercial cardlock sites	162
Net refining interest (mmbls/d)	55
Terminals/bulk plants	5

Parkland employs a multi-brand strategy in its Canada retail business. The following brands provide a robust offering to satisfy many fuel and convenience store market segments:

- **Ultramar** – Ultramar is one of the most recognized retail fuel brands in Quebec, Ontario and Atlantic Canada. Parkland has exclusive rights to use the Ultramar brand with the exception of sites retained by Alimentation Couche-Tard as part of the Ultramar Acquisition.
- **Esso** – Parkland's Esso-branded wholesaler agreement provides Parkland with the opportunity to offer Esso's nationally-recognized premium brand to Parkland's own network and to independent dealers.
- **Fas Gas Plus** – Fas Gas Plus is a community-focused independent brand that brings consumers a strong loyalty program and knowledgeable and friendly retailer operators and dealers.
- **Chevron** – Chevron is a premium brand based principally in the Greater Vancouver area with locations across British Columbia and Alberta. Other offers include Town Pantry, and On the Run branded convenience stores and Triple O's branded franchise restaurants. Parkland is an exclusive distributor of Chevron-branded fuels in western Canada.
- **Pioneer** – Pioneer is an Ontario-based brand with high customer value, largely located in suburban/commuter markets that offers a market-leading competitive fuel price, and convenient locations.
- **On the Run convenience store brand** – Parkland is the franchisor and trademark owner of the On the Run convenience store brand in Canada. On the Run provides Parkland with a nationally recognized and reputable convenience store brand that is expected to grow and enhance our convenience store offering in company-owned and franchise locations. As of December 31, 2020, Parkland has a total of 267 company-owned and franchised locations in Canada.

In Canada's retail business, strategic marketing initiatives continue to progress with programs designed to drive convenience store traffic, build basket size and enhance enterprise gross margin. In 2020, Parkland announced an extension of its relationship with Triple O's to bring fresh, high quality food options to On the Run locations in new Canadian markets. This expansion included opening the first Triple O's location in Calgary with plans to open locations in Ontario in 2021. Parkland's private label food brand, 59th Street Food Co.™, and non-food brand, Cargo™, offer a range of quality convenience goods with over 70 products in market and additional launches planned for 2021 and beyond. Amazon Hub Lockers, which drive incremental customer traffic, were introduced at 70 locations, with additional installations planned for 2021. The M&M Express Frozen Foods offer was made available at 79 locations in 2020, providing customers with high-quality frozen food options and more reasons to choose On the Run. Parkland launched SkipTheDishes, a third-party delivery service, at over 150 of its locations in 2020 and plans to expand in early 2021 and introduce other delivery partners. In 2020, Parkland announced a collaboration with Amazon Web Services ("**AWS**") to strengthen its customer value proposition, loyalty initiatives and digital transformation. The Parkland's JOURNIE™ Rewards continued to deliver value for customers and Parkland and reached approximately 1.5 million members in 2020. Parkland plans to continue to enhance the JOURNIE™ Rewards in 2021 and to expand its mobile app capabilities.

Canada operates its retail business under two main business models:

- **Company** – The Company business model includes sites that are owned or leased by Parkland and are operated and managed by either Parkland or independent retailers on its behalf. Parkland owns the fuel inventory and maintains control of the retail selling price at the pumps. Convenience store inventory may be owned by the retailer or Parkland. If the site is operated by a retailer, Parkland pays the retailer a commission and collects from the retailer percentage fees on the convenience store sales or gross margin. Sites operating under industry models such as CORO and COCO are included under the Company business model.
- **Dealer** – The Dealer business model includes sites owned or leased by an independent dealer or Parkland and are operated and managed by the independent dealer. Parkland secures long-term fuel supply contracts with the dealer, usually between 5 and 20 years in length, and supplies fuel to the dealer based on independently published rack prices. The dealer owns the fuel inventory and maintains control of the retail price selling at the pumps, unless the inventory was supplied to the dealer by Parkland on consignment, in which case Parkland owns the fuel inventory and determines the retail price selling at the pumps. Convenience store inventory is owned by the dealer. Sites operating under industry models such DODO, CODO, or consignment dealer-operated fall under the Dealer business model.

The following table provides site count by brand and business model within Canada's retail business:

	Ultramar	Esso	Fas Gas Plus	Chevron	Pioneer	Race Trac	Other	Total
Company sites	171	73	89	174	131	1	11	650
Dealer sites	444	505	92	24	50	53	14	1,182
Site count, as at December 31, 2020	615	578	181	198	181	54	25	1,832
Company sites	169	74	89	170	127	1	11	641
Dealer sites	463	513	94	23	43	54	18	1222
Site count, as at December 31, 2019	632	587	183	193	170	55	29	1849
Net change in site count	(17)	(9)	(2)	5	11	(1)	(4)	(17)

The change in site count is attributable to network plan optimization and routine site count fluctuations as a result of new site builds (also known as new-to-industry, or NTI sites), new dealers, site conversions, site sales, site closures, or site rebranding. 10 NTI sites were added and 1 site was closed in the year ended December 31, 2020, increasing the number of Company sites from 641 to 650. The site count for the dealer sites decreased by 26 sites for the year ended December 31, 2020 from 1,208 to 1,182 as a result of adding 33 new sites and attrition of 59 sites.

Canada's commercial business delivers bulk fuel, bulk propane, heating oil, lubricants and other related products and services to commercial, industrial, wholesale and residential customers across Canada through an extensive delivery network. Canada Commercial also has an extensive cardlock network that includes commercial truck fueling stations and marine fuel facilities. Parkland uses a variety of regionally relevant trade names, service marks and trademarks in the businesses that are considered by Parkland to be important and valuable in marketing its products. Canada Commercial's customer base is diverse, supplying a broad cross-section of industries across Canada including oil and gas, construction, mining, forestry, fishing and transportation. Parkland also sells propane and heating oil to residential and commercial customers. The family of brands included in this segment includes Ultramar, Bluewave Energy, Pipeline Commercial, Chevron, Columbia Fuels, Sparlings Propane, Island Petroleum and Propane Nord Ouest (PNO). In 2019, Parkland rebranded Bluewave Energy in eastern Canada locations to Ultramar, enabling Parkland to leverage the strength of its Ultramar branded retail network to drive future growth and sustained profitability through a fuel delivery network ("**National Fueling Network**" or "**NFN**"). Canada Commercial goes to market through four ROCs, which enables us to meet local market needs effectively and maintain a high level of customer service.

The Canadian operations achieved a number of successes in 2020, including delivering 20 consecutive quarters of C-Store single store sales growth and the successful launch of JOURNIE™ Rewards in retail stations across several of Parkland's brands, including Chevron, Pioneer and Ultramar sites. Parkland continues to have strong momentum from its proprietary loyalty program, JOURNIE™ Rewards, along with its exclusive financial institution partnership with CIBC. Over 1000 locations are now active in the program and our active membership is about 1.6 million.

USA

USA supports a network of gas stations and delivers bulk fuel, lubricants and other related products and services to customers throughout Arizona, Colorado, Florida, Idaho, Minnesota, Montana, New Mexico, Nevada, North Dakota, South Dakota, Utah and Wyoming. USA is a platform for growth in the United States and provides Parkland export opportunities for products from western Canada as well as synergies with International and Supply. Brands in this segment include SPF Energy, Farstad Oil, Superpumper, Rhinehart, Tropic, ConoMart and On the Run. USA operations are conducted out of three ROCs – the Northern Tier, Rocky Mountains and Southeast – and through the following divisions:

- **Wholesale & Commercial** – USA manages fuel supply contracts, purchases fuel form suppliers, distributes through rail and highway carriers, and serves wholesale customers, retailers, small resellers and commercial operators. USA operates a large fleet of trucks that delivers wholesale fuels and commercial lubricants to customers. Further, it also includes retail sites under the Dealer models. USA supplies to 324 Dealer sites, which include a number of multi-site dealer chains with both branded and unbranded relationships. Refer to the "Canada" section above for a description of Dealer sites. This division also operates a network of 39 fuel product terminals, 36 cardlocks and bulk plants to service commercial customers in the regions that USA operates.
- **Retail** – USA operates and services a network of retail service stations under the Company model. USA has 67 Company sites, often co-branded with a major brand in the forecourt. Refer to the "Canada" section above for a description of Company sites. USA retail brands include ARCO, Cenex, Chevron, Marathon, Philips 66-Conoco, Shell, Sinclair and Exxon Mobil. USA offers a diverse product mix through various brands at its convenience stores.
- **Lubricants** – USA delivers ExxonMobil and Parkland's branded Ridgeline lubricants, chemicals, ancillary automotive products, and equipment to commercial, industrial and wholesale customers through an extensive delivery network in the regions that Parkland operates. The Ridgeline Lubricants line of products includes heavy duty engine oil, transmission hydraulic fluids as well as specialty bar and chain oil products.

USA's key operating assets as at December 31, 2020 are set out in the table below:

Key Operating Assets	USA
Company retail sites	67
Dealer retail sites	324
Total retail service stations	391
Commercial cardlock sites	36
Terminals, bulk plants & transloaders	39

The USA segment is a platform for growth for Parkland, presenting an opportunity to consolidate fragmented regional markets where we have a supply advantage. During 2020, USA completed the Kellerstrass Acquisition, the ConoMart Acquisition, the SVO acquisition and the Carter Acquisition. In February of 2021, USA also completed the Story Acquisition. The ConoMart business includes seven retail sites located in and around Billings, Montana, USA. All seven retail sites feature a strong convenience store offering and a Conoco-branded forecourt. The Kellerstrass Acquisition added nine distribution facilities and five cardlocks. The Kellerstrass business continues to strengthen the Rocky Mountains ROC by adding a high-quality, 84-site retail dealer business as well as additional commercial fuel distribution and a 17-car rail spur. The acquisition of SVO adds seven company retail locations and over 20 retail dealers in addition to robust diesel and lubricant distribution capabilities. The Carter Acquisition complements Parkland's existing Utah and Arizona operations within its Rockies ROC and expands its presence in the high-growth Northern Arizona region, while the Story Acquisition adds scale and density to Parkland's existing Northern Tier ROC and expands its presence in the high-growth Montana and Idaho markets. On September 10, 2020, Parkland acquired the license for the exclusive use of the *On the Run* trademark in the majority of U.S. states. The acquisition enables Parkland to expand *On the Run* across the U.S. to create a unified, North American convenience store brand.

Supply

Overview

Supply serves the Canada, USA and International segments as well as external customers. Supply consists of logistics, marketing, supply, distribution and the Burnaby Refinery. This segment supports Parkland's strategic objectives by manufacturing transportation fuels, procuring feedstocks and fuels from third parties, and transporting (via ship, rail, truck and pipeline), storing and marketing fuel, crude oil and LPGs to serve a wide range of customers across North America and the Caribbean. Supply also manufactures and sells aviation fuel to airlines operating out of the Vancouver International Airport. Major sales categories are:

- gasoline and diesel;
- LPG, which includes propane and butane; and
- other fuel and petroleum products, which include crude oil, aviation fuel, asphalt, fuel oils, gas oils, ethanol and biodiesel.

Contracts – Parkland maintains fuel supply contracts with multiple refiners, wholesale and trading suppliers. This diversity of supply, combined with strategic storage, allows Parkland to obtain fuel at competitive prices and enhances fuel supply security for Parkland owned sites and for all Parkland customers.

Purchases – Supply sources fuel from third party suppliers and sells, at an arm's length transfer price, to Parkland's Canada and USA segments. Supply also provides transportation services to the Canada segment at an arm's length transfer price. Parkland uses its leased rail car fleet and leverages its network of North American relationships with a view to match purchase and sales contracts and execute on a strategy of geographic and seasonal arbitrage.

Transportation, Storage and Terminalling – Supply transports fuel across North America, the Caribbean and the northern part of South America by truck, rail and ship, using its trucking fleet, 2,565 leased rail cars and 13 charter vessels. The Supply storage network includes access to owned fuel storage terminals in Burnaby, Port Hardy and Hatch Point, British Columbia and Bowden, Alberta, as well as leased tanks in Montréal, Quebec. The Supply network in Canada also oversees the Milton, Ontario and Hamilton, Ontario rail transloads which receive rail shipments from various supply locations and transfer fuel directly into trucks for delivery to various locations. Parkland's USA supply network has access to fuel storage terminals, tanks, rail trans locals, marine terminals and pipelines throughout the US.

On December 1, 2020, Parkland acquired a new petroleum products terminal in Chicoutimi, Quebec from Valero Energy Inc. On January 22, 2021, Parkland, through its subsidiary Elbow River Marketing USA Ltd., completed the acquisition of propane terminals in Hankinson, North Dakota and Owen, Wisconsin. The assets include over 1 million gallons of above ground storage, 105 million gallons of annual throughput capacity as well as rail offloading and truck loading infrastructure at each terminal.

Refinery Operations

The Burnaby Refinery provides Parkland with a valuable asset that has operated with a track record of highly reliable operations since 1935 and is ideally located to serve the British Columbia market as the largest of only two refineries in the province, and the only refinery in the Vancouver supply area. Additionally, it is highly integrated with Parkland's retail, commercial, and wholesale businesses, with approximately 85% of the refined product output being sold to Parkland's retail and commercial network.

The Burnaby Refinery includes two crude units, including a 25,000 barrel per day crude unit and a 30,000 barrel per day splitter, that are designed to process Canadian light and medium crudes. Substantially all of the crude oil sourced by the Burnaby Refinery is delivered from Alberta by the TMPL and comprises primarily light sweet crude, with some portion of Canadian synthetic crudes. This pipeline is the most efficient and reliable source to access crude oil. TMPL is a common carrier pipeline with a throughput capacity of approximately 300,000 barrels per day and transports crude oil and refined petroleum products from Edmonton, Alberta to refineries and terminals in British Columbia and Washington state. Line space on the TMPL will be apportioned based on nomination verification procedures based on the pipeline's historical deliveries to each facility connected to the pipeline at a land destination as defined on the tariff approved by the NEB. Based on the Burnaby Refinery's historical usage Parkland's capacity on the pipeline varies with market conditions. To manage month to month variability, Parkland has established systems, processes and resources to make the most economic supply decisions within the logistical and operational constraints. Parkland also sources crude oil or other feedstocks by vessel, rail and truck when economically viable. Other feedstocks used by the Burnaby Refinery include vacuum gas oil, butane, isooctane, biofuels (including tallow and canola) and naphtha.

Since 2017, Parkland's Burnaby Refinery has been processing renewable feedstocks alongside conventional crude oil. This method is called co-processing and it produces renewable gasoline, diesel and jet fuel which produce fewer GHGs than conventional liquid fuel. Co-processed fuels can be safely used in existing vehicles without modification. To date, the Burnaby Refinery has co-processed canola oil and tallow, and is exploring the use of forest residuals, wastewater biomass and carbon capture liquids as feedstocks. Parkland is proud to be the first refinery in Canada to successfully co-process using existing refinery infrastructure and expertise. Parkland's co-processed fuels have approximately 1/8 of the carbon intensity of conventional fuels. Through co-processing, Parkland took the equivalent of 15,000 cars off the road in 2019 and it is estimated that it took the equivalent of 40,000 cars off the road in 2020.

Refineries undergo periodic turnarounds to upgrade operating units and perform scheduled maintenance from time to time. The Burnaby Refinery began its turnaround in February 2020 and it was completed late April 2020 During the turnaround, Supply maintained uninterrupted fuel supply for customers, even though the planned duration was extended primarily due to certain challenges, some of which were COVID-19-related. Post-turnaround, Parkland has managed the refinery production rates to meet reduced product demand associated with COVID-19. In the fall of 2021, there will be a turnaround of the Burnaby Refinery with a full refinery outage to support a catalyst change in the diesel hydrotreater ("**DHT**") and some complimentary maintenance in the naphtha hydrotreater ("**NHT**"), as well as a turnaround on the Alkylation unit. The Burnaby Refinery will restart once the DHT / NHT work is completed, which is expected to take less than a month. The Alkylation unit turnaround, which will be ongoing after the Burnaby Refinery has restarted, will take approximately 6 weeks**.**

International

The International segment is represented by Parkland's indirect interest in 75% of the outstanding shares of Sol, which was acquired on January 8, 2019. With sales and operations in 23 countries, Sol is the largest independent fuel marketer in the Caribbean, with its retail channel serving customers under the Sol, Esso, and Shell brands, and its commercial and wholesale channel delivering gasoline, diesel, fuel oil, propane, lubricants and jet fuel to customers in various geographies and sectors. International has an integrated supply chain backed by an extensive distribution network, a premier brand portfolio and an exceptional team. International's businesses and assets are predominantly located in the Caribbean and north eastern coast of South America and consist of: (i) retail businesses, which include 256 company-owned or company-leased sites and 238 dealer-owned and dealer-operated sites under the Esso, Shell and Sol brands; (ii) supply and distribution operations, comprised of owned or leased infrastructure assets, including import terminals, storage facilities, pipelines, marine berths and charter ships; (iii) commercial and industrial businesses, which supply gasoline, diesel, fuel oil, propane and lubricants; and (iv) aviation fuel operations at 12 airports in the region. In addition, the business owns a 29% non-operating financial stake in the entity that owns and operates the Société Anonyme de la Raffinerie des Antilles ("**SARA Refinery**") located in Fort-De-France, Martinique which has a nameplate capacity of 16,000 barrels per day and supplies refined products to Guadeloupe, French Guiana and Martinique. International extends Parkland's supply reach internationally and builds on Parkland's supply advantage strategy, providing Parkland with a strategic growth platform and access to key markets and comprehensive supply infrastructure in the Caribbean and north eastern coast of South America.

Sol's business operates through the following channels:

- **Retail** – International's retail business operates under the Esso, Shell and Sol brands. International is also the owner of the Sol Shop convenience store brand. The new Sol convenience stores take advantage of the newest technology to minimize the time from order to serve and have proprietary food and drink offers, including made-to-order hot food, bakery, cold food, as well as hot and chilled beverages. Sol's retail business operates in 19 countries and, as at December 31, 2020, consisted of 494 retail sites, including 256 company-owned or company-leased sites and 238 dealer-owned and operated sites under the Shell, Esso and Sol brands. In 2020, Sol's retail business sold approximately 1.5 billion litres of fuel. International's retail business operates under one of the two main business models:
- **Company-owned or company-leased sites** – Sites are owned or leased by International and operated by a dealer or employees of the International segment. Sites operating under industry models such as CODO, CLDO and COCO are included in this model. In CODO and CLDO sites, the dealer owns the convenience store and fuel inventory. In COCO sites, International owns the convenience store and fuel inventory.
- **Dealer-owned and dealer-operated sites** – These DODO sites are owned, managed and operated by the dealer. Other operating model variants where the site is not owned or leased by International are also included in this category.
- **Commercial and Wholesale** – International's commercial and wholesale business delivers and supplies gasoline, diesel, fuel oil, propane and lubricants to customers in various geographies and sectors, including wholesale customers, power, oil and gas and mining companies. In addition, International's aviation business operates at 12 airports in the region, supplying aviation fuel and services to airlines. In 2020, International's commercial and wholesale business sold approximately 3.4 billion litres of fuel.

International has sales and operations in 23 countries in the Caribbean. International also maintains offices in 21 countries, which are organized into five regions as follows:

Eastern Caribbean	**Western Caribbean**	**Spanish Caribbean**	**French Caribbean**	**South America**
Anguilla	Bahamas	Belize	French Guiana	Guyana
Barbados	Bermuda	Dominican Republic	Guadeloupe	Suriname
British Virgin Islands	Cayman Islands	Puerto Rico	Martinique	
Dominica	Jamaica			
Grenada				
St. Kitts & Nevis				
St. Lucia				
St. Maarten				
St. Vincent & Grenadines				

International's results are influenced by a variety of inherent business factors such as tourism high/low seasons, volume of activity in the oil and gas, and mining industries, performance of local economies, regional variations, fluctuations in quantity and timing of volumes related to third-party supply contracts for spot sales as well as the crude supply to the SARA Refinery and other wholesale customers.

Corporate

The Corporate segment includes centralized administrative services and expenses incurred to support operations. Due to the nature of these activities, these costs are not specifically allocated to Parkland's operating segments. Parkland's objective is to manage corporate expenses tightly so that they increase at a slower pace than Parkland's adjusted gross profit.

Supplemental Operational Information

Capital Expenditures

On March 5, 2020, Parkland announced it was reducing its 2020 capital investments guidance by approximately $300 million to $275 million +/- 5%. The decision to reduce capital investment came as a result widespread economic impact of the COVID-19 pandemic, but in a manner that was consistent with Parkland's priority of maintaining financial flexibility and balance sheet strength. In light of the stronger cash flow generation relative to our initial COVID-19 planning scenario and reflecting higher Turnaround costs, we announced an increase to our 2020 capital expenditure guidance by $50 million to $325 million +/- 5%. Actual spending by Parkland in 2020 was $335 million in capital investments, of which $225 million was classified as maintenance capital and $110 million was classified as growth capital and intangibles.

Employees

As at December 31, 2020, Parkland had approximately 4,389 active full- and part-time employees.

Environmental, Social and Governance Committee

Parkland's Environmental, Social and Governance Committee ("**ESG Committee**") was established by the Board in 2019. The ESG Committee is appointed by the Board to assist the Board in carrying out its governance and oversight responsibilities in relation to the Corporation's management of matters including:

- Health & Safety, including worker safety, product safety, asset integrity and crisis management;
- Environment & Sustainability, including low carbon and climate change impacts, GHG emissions, air quality, ecological impacts;
- Business Ethics, including supply chain management, political contributions, and anti-corruption;

- Social Capital, including community engagement, social investment, Indigenous engagement, human rights, and customer privacy; and
- Human Capital and labour practices.

Parkland's Sustainability Task Force (the "**Task Force**"), also established in 2019, is comprised of cross-functional leaders that represent each of its business streams. The Task Force is responsible for helping develop Parkland's sustainability strategy, policy and disclosure. The Task Force also seeks and evaluates innovative sustainable business opportunities that enable Parkland to continue providing value to its customers, shareholders and communities.

On September 30, 2020, Parkland published its inaugural Sustainability Report which highlights the organization's existing sustainability practices, coupled with the company's philosophy and aspirations within each of its identified 2019 Key Strategic ESG Issues:

- *Climate Change*: We are committed to meeting our customers' growing need for energy while at the same time contributing to the world's transition to a lower carbon future.
- *Safety and Emergency Preparedness*: Safety is foundational to our organizational culture, and the safety of our people, customers and communities is our top priority.
- *Product Transportation and Storage*: Extensive systems and processes across our operations protect the environment and ensure our products stay safely where they belong.
- *Diversity and Inclusion*: Underpinning our focus on attracting and retaining the best talent, we are committed to delivering equal opportunities and an environment where all employees can contribute their best.
- *Governance and Ethics*: We measure our business practices against the highest standards of ethical conduct, and are guided by our values of Safety, Integrity, Community and Respect.

The report also sets the stage for the development of an enterprise-wide sustainability strategy that is grounded in meaningful targets, ongoing transparency and regular performance reporting.

1. Climate Change

Parkland recognizes that climate change is a significant issue that requires action from industry, government and consumers in order to lower our collective environmental impact. Parkland is committed to providing the energy that the world needs in the most responsible way possible, as demonstrated through its commitment to low-carbon leadership, particularly through co-processing at Parkland's Burnaby Refinery; helping customers switch to low carbon fuels by providing a suite of lower carbon products and alternative energy; and reducing Parkland's own carbon footprint through identification and application of GHG reductions in its operations.

2. Safety & Emergency Preparedness

Safety underpins all Parkland's business practices and is foundational to its company culture. Parkland has instituted several safety-related initiatives including required personal Health, Safety and Environment commitments, Parkland's 8 Life Saving Rules, and POEMS. Additionally, Parkland has robust emergency response and management systems; Health, Safety and Environment training programs; and community engagement programs.

In addition to a culture of safety, Parkland has systems in place that add layers of protection which help us mitigate risk in the context of emergency response and management systems. These systems include following internationally recognized Incident Command System ("**ICS**") and regularly practicing incident response. Parkland's commitment to safety extends beyond our own operations and applies to the communities in which we operate too. It is important to Parkland that our neighbours are aware of the steps we take to ensure the safety of our communities and shared environments.

3. Product Transportation & Storage

Parkland has comprehensive programs and procedures to help ensure the movement and storage of our products is undertaken as safely as possible. This includes stringent policies in place to prevent spills that go beyond regulatory requirements, including our Spill Awareness & Response training. The safe transportation of fuel products is a key element of

POEMS discussed under the Health, Safety, and Environment section of this Annual Information Form. Parkland also ensures the safe storage of its products by maintaining asset integrity through regular maintenance, inspection and monitoring of its facilities.

4. Diversity & Inclusion

At Parkland, we believe that our differences make us stronger and our commitment to acting with integrity and treating everyone with respect is core to our culture. In 2020, Parkland instituted its first-ever enterprise-wide, executive-led Diversity & Inclusion ("**D&I**") Council. The D&I Council is made up of diverse thinkers from across all operating jurisdictions and is tasked with advancing Parkland's vision for building and sustaining a diverse and inclusive workforce in service of customers, communities and other stakeholders. Diversity & Inclusion efforts are also supported by a number of core policies including: anti-harassment and discrimination, equity and accessibility, workplace flexibility, and diverse and inclusive succession planning. As a company that completes a large number of acquisitions, Parkland recognizes the importance of maintaining business continuity and preserving the local workforce through such transitions. The company strives to be a reflection of and resource for the local community, and to provide employees with opportunities for continued growth across departments, teams, communities and geographies.

5. Governance & Ethics

All of Parkland's business practices are measured against the highest possible standards of ethical business conduct. The Company prides itself on doing the right thing; the business operates to the highest degree of ethical integrity and in compliance with the laws within each jurisdiction we operate. Parkland's business practices are supported by several policies to ensure its workforce is empowered to do the right thing, including: Code of Conduct, Business Code of Conduct, Whistleblower Policy, Audits, Anti-Corruption Training, Economic Substance and Arm's Length Requirements Training, and Competition and Antitrust Training.

Parkland's Board is comprised of strong business leaders with demonstrable experience across various sectors, creating value for shareholders through a deep understanding of all aspects of Parkland's business. The Board also takes an active role in the oversight of Parkland's enterprise risk management and sustainability governance.

Parkland is actively working on implementing a Canadian Indigenous relations strategy in order to increase awareness on Indigenous issues within the company and expand opportunities to work with Indigenous Peoples and groups. Additionally, the Company has a number of community support initiatives that enable local communities to thrive.

Health, Safety, and Environment

Safety is a deeply embedded core value at Parkland. The Company is committed to ensuring safe and environmentally responsible operations, protecting our employees, contractors, customers and the environment, and ensuring compliance with all applicable Health, Safety, and Environmental ("**HSE**") regulatory requirements for the communities in which we operate. At Parkland, our HSE mission is underpinned by the Parkland Operational Excellence Management System ("**POEMS**"). POEMS is designed to simplify how Parkland puts into action our values and live out our BOLD (Build, Own, Lead, Deliver) behaviours to ultimately:

- Protect our people and the communities we operate in;
- Drive strong performance and provide for the long-term integrity of our company assets; and
- Sustainably deliver safe, consistent, and reliable operations for our customers.

Parkland delivered record safety performance in 2020, with a total recordable injury frequency, or TRIF, of 1.12, a 26% improvement compared to the prior year's 1.52.

At Parkland, we operate safely by constantly monitoring feedback from our daily operations and draw on the expertise within our workforce to continuously improve and build capacity within our systems.

We utilize a number of initiatives to achieve top tier performance everywhere we operate, including:

1. **Drive to Zero**: Drive to Zero is our shared goal to have a workplace free of at risk behaviours, ultimately reducing incidents.

2. **8 Life Saving Rules**: The Live Saving Rules are a set of company fundamentals and requirements that help to improve safety performance and mitigate risks to all our employees. They help strengthen our safety culture and consistently communicate that we do it safely or not at all.
3. **Stop. Think. Act.**: Stop. Think. Act. is the first step in Parkland's hazard assessment approach intended to encourage all of our employees, whether in the field or in the office, to identify hazards and protect themselves, their coworkers, and the communities we operate in while going about their day to day work. Employees must: **Stop** before starting any task or job; **Think** about how to do the job safely; and **Act** to always work safely.

Driving a culture of operational excellence requires all Parkland employees to demonstrate consistent values and behaviours. These support a one Parkland team which lies at the center of our strategic imperatives. Our values enable us to make decisions that demonstrate that we are mindful of potential impacts, ensure we mitigate risks, and support the communities where we live and operate.

Parkland strives for operational excellence which includes continually improving our HSE performance in our operations through engaged and accountable leadership, actively involving of our workforce in Parkland's HSE goals, actively identifying and mitigating risks, and continually improving our systems, work processes and tools. Operational excellence further involves comprehensive HSE training programs to help ensure our employees have the knowledge and skills necessary to understand HSE requirements, implement and adhere to Parkland's HSE programs and promote a safe working environment. In addition, our efforts to continuously improve POEMS and our drive to operational excellence is supported by Parkland's Management Action Plan ("**MAP**"). MAP is a systematic approach to the identification of gaps between our current performance and our intended objectives. This leads to the development and implementation of plans to address the identified gaps, a review of the implementation and performance of the plans.

POEMS is comprised of 8 Elements, each with governing principles:

1. Visible Leadership

Engagement. Policy. Accountability. Roles & Responsibilities.

The proactive engagement of leaders is the cornerstone of our culture of care and is instituted throughout each element of POEMS and throughout all parts of our company. Leaders demonstrate commitment to the health and safety of our workforce and the communities we serve. They consistently exhibit behaviours which protect the environment and our company assets. Visible Leadership, premised upon Parkland values, enable us to be BOLD (Build, Own, Lead, Deliver) in support of our strategic imperatives.

2. Health & Safety

Safe Operations. Occupational Health & Hygiene. Incident Management. Hazard Identification & Risk Assessment. Contractor Management. Meetings & Communications.

Consistent behaviours and relevant systems are necessary components to ensure a safe and healthy working environment. Parkland is committed to providing a safe and healthy workplace for employees, contractors, customers, and the public across all areas of the business through the identification and management of risk and hazards in our day to day work.

To protect all those involved in Parkland's operations, incident and investigation procedures are established to determine root causes of incidents so that actions can be identified and implemented to prevent recurrence. Lessons Learned are created and distributed to communicate why an incident occurred and positive learnings and outcomes from our health and safety programs, such as how an incident was prevented, or a critical hazard was identified. Communication between all stakeholders is key to sharing best practices and maintaining safe operations.

Parkland has a robust occupational health and hygiene program to assess and provide a healthy working environment, assist in managing employee health challenges, manage injuries and return to work programs, and liaise with Provincial Workers' Compensation Board agencies.

Parkland has implemented a contractor pre-qualification process to categorize contractors based on risk and pre-screen each contractor based on a set of criteria including insurance, HSE, legal, and financial performance. Existing contractors are also subject to ongoing assessments and performance management to ensure their programs remain sufficient to manage applicable risks.

3. Environment

Environmental Practices. Asset Management. Business Development & Integration.

Protecting the environment happens by actively involving our employees to improve our prevention efforts. Parkland is committed to clearly setting expectations for the foundational work necessary to be a good environmental steward.

POEMS includes procedures and standards to support compliance with applicable environmental regulations, to identify and mitigate environmental risks, and to manage environmental liabilities.

Environmental practices include property stewardship procedures and work instructions to manage environmental aspects at Parkland owned and leased facilities. Parkland retains professional environmental services to conduct environmental assessments before operating a new facility, while operating a facility, if required, and at the end of life of a facility. Remediation work contracts are managed by Parkland's environmental advisors. Environmental liabilities arising from legal and constructive obligations are estimated by environmental professionals and recorded per accounting policy.

Environmental incidents such as liquid fuel spills, are managed according to POEMS response/recovery procedures and prevention standards. Employees who handle and transport dangerous goods are trained to recognize and respond to incidents safely and effectively such that impacts are minimized. Prevention initiatives include various awareness tactics used across the enterprise. Spill management also includes tracking and reporting key performance metrics. Spills are recorded in Parkland's incident management system, for further investigation and corrective actions, if required. Additionally, Parkland maintains appropriate insurance for environmental incidents that occur on third party properties.

4. Emergency Management

Prevent. Prepare. Respond. Recover.

To sustain our business, we must be prepared to respond to any emergency or business interruption. Parkland follows the principles of the Four Pillars of Emergency Management: Prevent, Prepare, Respond, and Recover for emergency response, business continuity, and security management. Parkland will respond quickly and effectively to help reduce impacts to people, environment, assets and reputation.

Parkland's Emergency Management program serves to ensure safe, timely, and effective emergency preparedness and response activities across all of Parkland's operations.

Emergency response plans are in place at all Parkland facilities. The Emergency Management program involves coordination with operations to evaluate risks due to hazards and vulnerabilities, to secure emergency supplies and equipment, and to ensure scheduling and completion of drills and training exercises. Overall goals of this program are to ensure that Parkland facilities and personnel are prepared and trained to address emergency situations and maintain compliance with all applicable regulatory requirements.

Parkland maintains a pre-qualified list of emergency consultants and contractors for immediate and comprehensive land and water-based responses in compliance with all applicable regulations. Parkland continually strives to reduce risk relating to product shipment by ensuring all carriers have adequate emergency preparedness and response programs.

In 2020, Parkland completed the development of Business Continuity Plans ("**BCP**") at all of our key sites across Canada. In addition, to the BCP, Parkland also development and rolled out multiple rail security plans to meet new security requirements outlined by Transport Canada.

5. Process Safety, Reliability & Integrity

Codes & Standards. Management of Change. Asset Integrity. Maintenance. Operational Readiness. Process Hazard Analysis.

Consistent, safe, and reliable operations will only be achieved by having robust processes in place. We design, build, operate and maintain facilities and protect Parkland from undesired events affecting our people, the environment, company assets, and our reputation.

Parkland has implemented a unified risk matrix to quantify risk severity and frequency as a means to consistently identify, prioritize and mitigate risk. This process is used for HSE risks as well as other forms of risk in the business. Parkland uses several risk assessment processes (job hazard analyses, formal risk assessments, and field level hazard assessments, etc.) to highlight and appropriately manage HSE risks in the business.

Parkland has a comprehensive incident management program in place to ensure all incidents are reported and that quality investigations are conducted driving to root cause. Parkland uses the following 7-step process to manage HSE incidents: 1. Reporting, 2. Classification, 3. Investigation, 4. Root cause determination, 5. Corrective actions, 6. Quality assurance, and 7. Analytics and stewardship reporting. These processes include defined timelines and a quality review by leadership and HSE personnel prior to incident close out.

For example, Parkland Refining has well defined process safety management programs in place. Mature processes developed under the previous owner, Chevron, such as Risk Management, Management of Change and Managing Safe Work are being stewarded and third party audited. The processes are incorporated into our POEMS framework. Parkland is developing a fit for purpose process safety management program for all its critical assets. To date, this program has included the development of an asset inventory as well as initiation of a testing and preventative maintenance program, in partnership with a third-party service provider, for tanks, process lines, valves, and other critical infrastructure. Parkland plans to continue the development of this program to include other key components of process safety.

6. Governance & Assurance

Assurance Verification. Regulatory Compliance. Performance Management. Reporting. Management Action Plan. Data & Information Management.

Responsibility managing our business involves solid assurance activities that validate and help prioritize where we place our efforts. We want to drive continuous improvement while meeting or exceeding applicable regulatory requirements while also ensuring no business pursuit will be at the expense of safety or the environment.

Parkland tracks emerging legislation and has implemented several management processes and tools to ensure compliance with current legislation. All non-compliance events are treated as incidents and investigated accordingly, resulting in corrective actions to prevent reoccurrence.

Each year, Parkland develops an HSE action plan to reduce risk, improve performance, and enhance awareness of HSE in all of Parkland's operations. Some of the key initiatives completed in 2020 include:

- The advancement of Parkland's safety culture through HSE Steering Committee initiatives and leadership accountability;
- The development of a standardized HSE program for retail fuel operations;
- Standardized Parkland's environmental due diligence procedure;
- The implementation of an Injury Management Program;
- The ongoing improvement of incident investigation quality;
- The improvement of the effectiveness of existing HSE training and development of new leader-focused training; and
- The implementation of a Personal Protective Equipment Program.

7. Community

Stakeholder Engagement. Information Requests. Sustainability.

Community is one of Parkland's core values. Effectively engaging with the communities in which we operate is paramount to our success. Communities hold Parkland's social license to operate. To maintain and enhance this license, we must establish awareness, understanding, and transparent communication about our operations with the key stakeholders in these communities.

Parkland leaders are tasked with developing and maintaining engagement strategies for the communities where we operate. This includes providing appropriate and timely responses to information requests received from our stakeholders and other external sources, as well as regularly reporting on sustainability benchmarks in the form of regularly published Sustainability Reports.

8. Transportation

Operator Safety Standards. Equipment. Maintenance. Regulatory Compliance. Product Stewardship.

All modes of transportation are high risk and critical to the success of our business. Safely receiving and delivering quality products to our customers within our transportation networks in a consistent and reliable manner requires the use of industry standards and best practices.

At Parkland, we maintain operator safety standards to manage risk and implement controls to protect people, the environment, our assets and brands. Safely receiving and delivering quality products to our customers also involves the careful selection equipment to meet the needs of our business while maintaining the highest quality of service and product delivery and robust maintenance programs for all transportation modes and auxiliary equipment. We meet and exceed compliance requirements with regulatory and company standards without compromising the quality of the product and services we offer to our customers.

In particular, Parkland has focused its attention on mitigating its exposure to various business risks in connection with its rail operations. Parkland's Enterprise Risk Management ("**ERM**") program targets strategic risk areas to determine additional prevention or mitigation plans that can be undertaken to either reduce risk or enable opportunities to be realized. The rail portion of the ERM program focuses on several areas in order to achieve these results. These areas include but are not limited to: maintaining a suitable insurance program, classifying products and testing procedures, developing and communicating emergency response plans, monitoring regulatory developments and required fleet upgrades, contract administration and legal support. Parkland is also a plan participant with Emergency Response Assistance Canada ("**ERAC**"), a non-profit response organization created by industry stakeholders to provide emergency response for LPG and flammable liquid related incidents.

Throughout the COVID-19 pandemic, Parkland's priority has been focused on the health and safety of our employees, while continuing to provide essential services to the communities in which we operate. During this time, Parkland has remained committed to protecting the safety of our team members, customers, and partners, and we have implemented a number of precautionary measures, including:

- Team members who could work from home did and continue to do so, and, depending on applicable local regulations, we are undertaking a measured, phased and voluntary approach to returning to the workplace, based on public health guidance.
- In commercial offices and retail sites that were required to remain open, we implemented enhanced operating procedures and protocols in line with recommendations from local health authorities including 24/7 medical support and assistance for employees, pre-shift health checks, installation of plexiglass barriers, deep cleaning, regular employee communications, floor guidance stickers and increased safety signage.
- To ensure even higher levels of sanitization and cleanliness across the entire network, we increased the frequency of disinfecting required, made hand sanitizer and disinfecting products readily available, utilized electrostatic cleaning services, and made 24/7 additional support available to all our employees and affected parties.

Social Policies

Community is one of our core values and we have a track record supporting the communities in which we live and operate. In April 2020, in response to COVID-19, we paused our annual employee giving program, Parkland Pledge, to focus our support on members of our communities who needed help through the pandemic. Our intent was to have a meaningful impact and we called our program, Community Driven.

Through Community Driven, we proudly donated over $4 million to communities in our Canadian, U.S. and International businesses. This included fuel discounts to hospital personnel, first responders, and Parkland front-line retail staff; fuel discounts and healthy snacks to Foodbanks Canada, free hot showers, food and snack discounts to truck drivers in select Canadian locations; and support for essential workers and charitable food bank organizations in our International business.

As part of our Community Driven campaign, we organized a donation-matching program for FoodBanks Canada through our Canadian retail network between May 13, 2020 and June 30, 2020. With the help of our customers, this raised approximately $200,000.

Prior to pausing Parkland Pledge in April 2020, our employees donated approximately $95,000 to 248 non-profit institutions and charitable organizations across North America. Launched in 2013, Parkland Pledge is an employee driven program which enables our staff to support to the communities in which they live and work and the causes they are passionate about. Each year, based on length of service, Parkland gives each eligible employee between $250 to $500 to donate to non-profit institutions and charitable organizations. Our employees can earn additional funds based on their volunteering hours.

Technology and Business Integration

Parkland continues to invest in technologies to support its business. Parkland uses best practices in its IT operations to consistently and securely support its stakeholders and is continuously improving its methodologies to integrate people, processes, and technologies across our enterprise. Parkland has specific programs to ensure reporting compliance and adherence to regulatory guidelines; has controls in place to ensure the privacy of customer and payment information; operates redundant data centers to ensure business continuity in case of unforeseen events; and has safeguards in place to mitigate cyber security threats. In 2020, Parkland experienced a cyber-attack on a subset of our systems. While some operations required a temporary switch to manual systems and some information was taken, our safeguards, preparations and response helped avoid a serious impact on the Company and its operations. Although we have fortified our systems since this cyber-attack and we are not aware of any significant vulnerabilities, there is a risk that Parkland could be targeted by malicious actors in the future and that our systems could be vulnerable to such an attack.

Parkland is creating digital capability through investments in talent, technology and partnerships for leveraging modern data practices, analytics technologies and industry innovation. Parkland's objective is to optimize core business operations, enhance and further differentiate its customer proposition. The application areas include leveraging automation and analytics in many of Parkland's daily customer interactions and its supply and distribution network and provide operational visibility into high value and complex assets. Parkland's new JOURNIE Rewards and the systems that support it provide a valuable way to connect with our customers and deliver rewards that are customized to their preferences.

Competitive Conditions Overview

The industry in which Parkland operates is highly competitive in respect of each of wholesale, supply and marketing of fuel and petroleum products, and retail sale of fuel and convenience store products. Parkland competes with major national and international integrated oil companies, independent marketers, branded and unbranded independent wholesalers, independent retail stations, dealers who purchase fuel from Parkland, other commercial fuel and propane marketers, convenience store chains, independent convenience stores and large and small food retailers. Parkland also competes with these entities for the supply of refined and unrefined petroleum products, access to pipeline other transportation capacity, refining facilities and access to capital markets.

Parkland also competes with several non-traditional retailers with retail fuel business, including major grocery chains, supermarkets, club stores and mass merchants. These non-traditional motor fuel retailers have obtained a material share of the motor fuel market and are significant retail competitors. Further, the petroleum industry also competes with other industries in supplying energy, fuel, and other related products to industrial, commercial, and retail consumers.

RISK FACTORS

An investment in the Common Shares is subject to various risks, including those risks inherent to the industry in which we operate. Current and prospective investors should consider carefully the following risk factors, as well as the other information contained in documents filed by Parkland pursuant to applicable securities laws, including our annual and quarterly management's discussion and analysis. If any event arising from these risks occurs, our business, prospects, financial condition, results of operations or cash flows, the value and trading price of the Common Shares and Parkland's ability to pay dividends could be materially adversely affected. The following is a non-exhaustive list of risk factors. Additional risks and uncertainties not currently known to Parkland or that it currently views as immaterial may also materially and adversely affect its business, financial condition and/or results of operations. Readers should consult their own advisors and experts where necessary before making any investment decision.

Economic Conditions & Geopolitical Instability

Changes in economic and political conditions generally and specifically in the regions in which Parkland operates, may adversely affect customer spending patterns and recreational and industrial activity in certain of the Corporation's markets, impacting demand for Parkland's products. These conditions include recessionary economic cycles, downturns in the industries in which our customers conduct business and geopolitical instability.

On March 11, 2020, the World Health Organization declared a global pandemic in relation to the spread of COVID-19. As the virus continues to spread, governments are mandating various degrees of business closures and applying isolation and social distancing practices. The virus and its impact on communities has resulted in a decline in the world economy. Among other effects, demand for refined petroleum products has been impacted to varying degrees in the regions in which Parkland operates. Demand has also been impacted from our commercial customers, including in the cruise ship and aviation industries due to cross-border travel restrictions and lower consumer interest in recreational travel. Changes in operations due to government orders or self-imposed safety measures could materially impact results from operations. Such changes may include site closures (temporary or permanent), supply chain disruptions and labour disruptions. Additionally, Parkland's IT systems are subject to increased risk as more of its workforce is working remotely due to work from home orders.

While the duration and impact of COVID-19 and the potential effects on Parkland's business are unknown at this time, the demand for transportation fuels, lubricants and related products is strongly connected with broader economic conditions. Weakening economic conditions may have an adverse effect on the Corporation's revenue, profitability and ability to service debt and pay dividends.

Industry Specific Economic Conditions

Parkland services a number of different industries and its business, financial condition and results of operations are directly and indirectly affected by the economic conditions which affect such sectors. In particular, certain sectors, such as oil and gas exploration, forestry, mining and farming are subject to such factors as changes in commodity prices, general economic conditions, access to capital, and natural disasters. These can impact the demand for Parkland's products by customers operating within these sectors, which can consequently impact Parkland's business, financial conditions and the results of operations.

Technological Developments, Changes in Consumer Preferences, and Reputational Risk

New technologies that increase fuel efficiency, reduce consumption or offer reliable and affordable alternative vehicle power sources will reduce consumption and demand of the petroleum-based motor fuels. These technological developments could potentially have a material adverse effect on the Corporation's business, financial condition and results of operations if the Corporation does not adapt to changing consumer demands. Parkland's success depends on its ability to anticipate and respond in a timely manner to changing consumer demands and preferences while continuing to sell products and services that remain relevant to the consumer and thus will positively impact overall gross profit. These technological developments could potentially have a material adverse effect on the Corporation's business, financial condition and results of operations if the Corporation does not adapt to changing consumer demands.

Climate change regulation, environmental awareness and new technologies intended to reduce greenhouse gas emissions may create negative sentiment towards fuel products, causing consumers to change their behavior to reduce their consumption of fuel products. Such changes in consumer preferences could result in a decrease in demand for Parkland's fuel and convenience products.

Reputational risk is inherent in every business decision and there is the potential that a decision or other negative impact could result in the deterioration of the Corporation's reputation with key customers and suppliers. Public attitude towards Parkland may be negatively affected by new policies and emerging technologies which have the effect of steering the public away from petroleum-based fuels or non-fuel dependent means of transportation. In addition, certain hazards inherent to operating a petroleum-based business, including environmental hazards and sustainability concerns, could lead to a deterioration of Parkland's reputation with the public. Negative changes to Parkland's reputation could have a material adverse effect on the Corporation's business, financial condition and future prospects.

Commodity Price, Pricing Pressure and Supply Disruption

Fuel and petroleum products pricing risks

Parkland's fuel and petroleum product revenue are a significant component of total revenue. Petroleum, crude oil and NGLs markets are volatile. Parkland is susceptible to interruptions in supply and changes in relative market pricing of crude oil and NGLs that drive customer demand. General economic and market conditions, political conditions and instability in oil producing regions, particularly in the Middle East, Africa, and South America, and the value of the U.S or Canadian dollars relative to other foreign currencies, particularly those of oil producing nations, could significantly and adversely affect crude oil supplies and wholesale production costs. Volatility in fuel and petroleum product supply and costs could result in significant changes in the retail price of petroleum products and lower fuel gross margin. Higher supply and product costs can also result in increased working capital and corresponding financing requirements. In addition, increases and volatility in wholesale motor fuel costs could result in an increase in the retail price of petroleum products, which could dampen consumer demand for motor fuel. These factors could materially influence Parkland's fuel and petroleum product volume and overall customer traffic which, in turn, could have a material adverse effect on the Corporation's operating results, adjusted gross profit, and overall financial condition. Production at these refining facilities is subject to production interruptions which can periodically disrupt the availability and price of refined product in the region. The sales and volumes of Parkland's Supply segment are driven by the opportunity to market variations in pricing of crude oil and NGLs between geographical regions and markets. Changes in pricing and relative pricing of crude oil and NGLs impact the net earnings of the Supply segment. Pipeline availability in various markets will impact the ability of Parkland's Supply segment to profitably serve customers in those markets.

Refining commodity pricing risks

Parkland's operations at the Burnaby Refinery are subject to numerous risks. Refining gross margins are primarily driven by commodity prices and are a function of the difference between the costs of raw materials (primarily crude oil) and market prices for the marketing of finished products (such as gasoline, diesel, jet fuel, fuel oil, fuel additives and asphalt). Prices for commodities are determined by global and regional marketplaces and are influenced by many factors including supply/demand balances, inventory levels, industry refinery operations, import/export balances, currency fluctuations, seasonal demand, political climate, disruptions at the refinery resulting from unplanned outages due to severe weather, fires or other operational events, and plant capacity utilization. Sustained low refining margins may have a material adverse effect on Parklands revenue, profitability and ability to service debt and pay dividends.

Parkland uses derivative financial and physical instruments related to the future price of crude oil and fuel products and their relationship with each other, with the intent of reducing volatility in our cash flows due to fluctuations in commodity prices and spreads. Such hedging activities may not be effective in reducing the volatility of our cash flows and may reduce our earnings, profitability and cash flows. Furthermore, Parkland may not be able to enter into derivative financial or physical instruments to reduce the volatility of the prices of special products it sells if there is no established derivative market for such products. In addition, Parkland's hedging activities are subject to the risks that a counterparty may not perform its obligations under the applicable derivative instrument, or if the terms of the derivative instruments are imperfect.

Hedging

Parkland uses hedging transactions in order to mitigate the risk associated with commodity price fluctuation. In many circumstances, purchase and sale contracts are not perfectly matched as they are entered into at different times and at different values. In all of Parkland's businesses, margins can vary significantly from period to period and volatility in the markets for these products may cause distortions in financial results from period to period that are not replicable. There is no guarantee that hedging and other efforts to manage the marketing and inventory risks will mitigate all such risks associated with these activities. As well, by Parkland hedging its commodity price exposure, it may forgo the benefits that may otherwise be experienced if commodity prices were to increase.

Parkland's hedging transactions most often take place on the New York Mercantile Exchange, Inc. ("**NYMEX**"). Parkland's hedging transactions and activities would be subject to the rules and regulations of the NYMEX and the Commodity Futures Trading Commission ("**CFTC**"). Both the NYMEX and the CFTC have broad powers to review required records, investigate and enforce compliance and to punish noncompliance by entities subject to its jurisdiction. The failure to comply with such rules and regulations could lead to restrictions on Parkland's trading activities or subject it to enforcement action by the CFTC, enforcement action under US antitrust legislation, or a disciplinary action by the NYMEX, which could lead to substantial sanctions.

To the extent that Parkland engages in financial or physical hedging transactions to mitigate commodity price risk, there remains a credit risk associated with counterparties with which it partners or contracts.

Refinery supply risks

Parkland contracts with third parties for the supply of crude oil and other feedstocks to the Burnaby Refinery and for the offtake of refined products from the Burnaby Refinery. Adequate supply and offtake arrangements are a key operational risk for the Burnaby Refinery. An inability to conclude contracts for supply of crude oil or other feedstocks or for the offtake of any stream of refined products from the Burnaby Refinery, or any scheduled or unscheduled interruption in contracted supply or offtake, could have a material adverse effect on Parkland's business, financial condition or results of operations.

The Burnaby Refinery crude supply is predominantly Alberta light crude transported by the TMPL common carrier, as regulated by the Canadian Energy Regulator ("**CER**") and operates under published tariff. Under various market conditions, Burnaby could see variability in its crude deliveries from TMPL as the capacity on the pipeline fluctuates from time to time based on operating conditions and planned and/or unplanned maintenance. To manage month to month variability Parkland has established systems, processes and resources to make the most economic supply decisions within the logistical and operational constraints. In addition to the TMPL line capacity, the Burnaby Refinery also has the ability to receive volumes of crude by rail, truck, and marine when economic.

Substantially all of the crude oil sourced by the Burnaby Refinery is delivered from Alberta by the TMPL. Kinder Morgan Canada's expansion of the TMPL was approved by the then NEB, in May 2016, and by the Canadian federal government in November 2016. While the February 4, 2020 Federal Court of Appeal ruling removed some of the uncertainty around the legal challenges associated with TMPL expansion project, safety issues and Covid-19 have impacted construction and the timeline for completion of the project remains uncertain. Delays on the construction of the TMPL expansion project may limit Parkland's ability to procure crude sourced from the TMPL.

The government of Alberta enacted Curtailment Rules effective January 1, 2019. The curtailment rules resulted in a decrease of approximately 325,000 barrels of production per day. Curtailment levels were reduced by approximately 75,000 barrels of production per day in February and March 2019 and were expected to continue to be reduced. In August 2019, Alberta increased the oil curtailment limit from 10,000 to 20,000 barrels per producer per day and extended the program to December 2020. Since December 2020, monthly oil production limits are no longer in effect, however, the government of

Alberta has extended the curtailment policy through December 2021 and may reinstate monthly oil production limits if emerging market conditions make it necessary. Any future curtailments may negatively affect Parkland's ability to supply feedstock for the Burnaby refinery, which may in turn have a material adverse effect on Parkland's revenue, profitability and ability to service debt and pay dividends.

Petroleum Products

Parkland's business depends to a large extent on a small number of crude oil and other Burnaby Refinery feedstock suppliers, and refined fuel suppliers, a number of which are parties to long-term supply agreements with Parkland. An interruption or reduction in the supply of crude oil or petroleum products and services by such suppliers could adversely affect Parkland's financial condition. Furthermore, if any of the supply agreements are terminated or end in accordance with their terms, Parkland may experience disruptions in its ability to supply customers with products until a new source of supply can be secured. Such a disruption may have a material negative impact on Parkland's financial condition and its reputation. Additionally, Parkland cannot ensure that it will be able to renegotiate such agreements or negotiate new agreements on terms favourable to Parkland.

Competition

Parkland competes with the major national and international integrated oil companies, independent marketers, branded and unbranded independent wholesalers, independent retail stations, other commercial fuel and propane marketers, convenience store chains, independent convenience stores, large and small food retailers and also several non-traditional retailers that have entered the retail fuel business in recent years, including major grocery chains, supermarkets, club stores and mass merchants. These non-traditional motor fuel retailers have obtained a significant share of the motor fuel market and are significant retail competitors. In some of Parkland's markets, competitors have been in existence longer and have greater financial, marketing and other resources than Parkland. Parkland may not be able to compete successfully against current and future competitors, and competitive pressures faced by Parkland could materially and adversely affect Parkland's business, prospects, results of operations and/or financial condition.

Retail Pricing

Retail pricing for motor fuels is very competitive and influenced by a fragmented market consisting of major oil companies, international convenience operators, national grocery chains, and independent fuel retailers. From time to time, factors such as intensified price competition, seasonal over supply, and lack of responsiveness of retail pricing to changes in refined product costs may lead to margin pressure in Parkland's business. These pressures are normally restricted to relatively short, seasonal time periods and isolated market areas, but could occur more extensively across Parkland's network. Difficult market conditions may also adversely affect Parkland's major customers and create increased credit risk.

Debt Matters

Increased Leverage

Parkland has incurred significant indebtedness as part of its ongoing organic growth and acquisitions strategy. Such indebtedness involves significant interest expense and debt service obligations and may have a negative effect on Parkland's results of operations.

Parkland's leverage could have other important consequences including the following:

- it may limit Parkland's ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;
- it may limit Parkland's ability to declare dividends on the Common Shares;
- certain of Parkland's borrowings are at variable rates of interest and expose Parkland to the risk of increased interest rates;

- it may limit Parkland's ability to adjust to changing market conditions and place Parkland at a competitive disadvantage compared to its competitors that have less leverage;
- Parkland may be vulnerable in a downturn in general economic conditions; and
- Parkland may be unable to make capital expenditures that are important to its growth and strategies.

Debt Service

Parkland will require sufficient cash flow in the future in order to service and repay its indebtedness. Parkland's ability to generate sufficient cash flow to meet these obligations depends on Parkland's financial condition which is, to a certain extent, subject to global economic, financial, competitive and other factors that may be beyond its control. If Parkland is unable to obtain future borrowings or generate cash flow from operations in an amount sufficient to service and repay its indebtedness, Parkland will need to refinance or be in default under the agreements governing its indebtedness and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets. Such refinancing or alternative measures may not be available on favourable terms or at all. Due to volatile economic conditions, Parkland may from time to time have restricted access to capital and increased borrowing costs. The inability to service, repay and/or refinance its indebtedness could have a material adverse effect on Parkland's business, financial condition, results of operations and cash flows. Furthermore, amounts paid in respect of interest on long-term debt will reduce Parkland's net income. Variations in interest rates and scheduled principal repayments could result in significant changes in the amount required to be applied to debt service. Additionally, a significant portion of Parkland's external debt is denominated in US dollars. As such, fluctuations in the Canadian dollar/US dollar exchange rate could change Parkland's debt service obligations.

Debt Agreements

The Credit Agreement and the Senior Note Indentures limit, among other things, Parkland's, and certain of its subsidiaries', ability to:

- incur or guarantee additional debt or other obligations, issue certain equity securities or enter into sale and leaseback transactions other than in limited circumstances;
- in certain circumstances, pay dividends on shares or repurchase shares, redeem subordinated debt or make other restricted payments;
- in certain circumstances, hold cash in excess of set amounts;
- issue equity securities of subsidiaries;
- grant certain guarantees or other forms of financial assistance;
- change the nature of their business or operations in any material respect;
- make certain investments or acquisitions over a certain limit;
- create liens on their assets;
- change their fiscal year;
- enter into transactions with affiliates;
- liquidate, dissolve or wind up;
- consolidate, merge or transfer all or substantially all of their assets; and
- transfer or sell assets, including shares of subsidiaries.

The Credit Agreement and Senior Note Indentures also require Parkland to maintain specified financial ratios and satisfy specified financial tests. Parkland's ability to meet these financial ratios and tests can be affected by events beyond Parkland's control, and Parkland may be unable to meet those tests. As a result of these covenants, Parkland's ability to respond to changes in business and economic conditions and to obtain additional financing, if needed, may be significantly restricted, and the Corporation may be prevented from engaging in transactions that might otherwise be considered beneficial to Parkland. The breach of any of these covenants could result in an event of default under the Credit Agreement, the Senior Note Indentures or any future credit agreements.

A failure to comply with the obligations in the Credit Agreement, including financial ratios and specified financial tests, could result in a default which, if not cured or waived, would permit acceleration of the repayment of the relevant indebtedness as the lenders could elect to declare all amounts outstanding under the Credit Facilities to be immediately due and payable and terminate all commitments to extend further credit. Similarly, upon the occurrence of an event of default under the Senior Note Indentures, the outstanding principal and accrued interest on the Senior Notes may become immediately due and payable. If the lenders were to accelerate the repayment of borrowings, Parkland may not have sufficient cash to repay balances owing on the Credit Facilities as well as its unsecured indebtedness, including the Senior Notes, as the acceleration of Parkland's indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross-default or cross-acceleration provisions. If Parkland's indebtedness is accelerated and Parkland is not able to repay its indebtedness or borrow sufficient funds to refinance it, the lenders under the Credit Agreement could proceed to realize upon the collateral granted to them to secure that indebtedness which could have a material adverse effect on Parkland's business and financial results. Even if Parkland is able to obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to Parkland or may impose financial restrictions and other covenants on it that may be more restrictive than under the Credit Agreement or Senior Note Indentures. Additionally, if amounts outstanding under the Credit Agreement and the Senior Note Indentures were to be accelerated, or if Parkland were not able to borrow under the Credit Agreement, it could become insolvent or be forced into bankruptcy or insolvency proceedings or receivership. Notwithstanding an event of default, there is also no assurance that Parkland will be able to refinance any or all of the Credit Facilities and Senior Notes at their maturity dates on acceptable terms, or on any basis.

Credit Markets

Future uncertainty in the global economy and in local markets, including a deterioration of global economic conditions, a lack of market liquidity, and increased volatility in the credit markets may increase costs associated with debt instruments due to the increased spreads over relevant interest rate benchmarks and affect Parkland's ability, or the ability of third parties it seeks to do business with, to access those markets. In addition, should there be volatility or uncertainty in the capital markets in the future, access to financing may be uncertain, or more costly, which may have an adverse effect on the industry in which Parkland operates and its business operations, including future operating results. Although management believes the Credit Facilities will be sufficient to meet Parkland's immediate requirements, there can be no assurance that the amount will be adequate to satisfy future financial obligations or that additional funds will be able to be obtained.

Future Capital Needs

Parkland may find it necessary in the future to obtain additional debt or equity financing to support Parkland's ongoing operations, undertake capital expenditures, finance expansion, develop new services, respond to competitive pressures, acquire businesses, repay existing or future indebtedness or take advantage of unanticipated opportunities. There can be no assurance that such additional funding, if needed, will be available on terms acceptable to Parkland, or at all, and any volatility or uncertainty in the credit markets in the future may increase costs associated with issuing debt. If adequate funds are not available on acceptable terms, Parkland may be unable to develop or enhance its business, take advantage of future opportunities, respond to competitive pressures, declare and pay dividends or increase Parkland's vulnerability in a downturn in general economic conditions, any of which could have a material adverse effect on its business, financial conditions and operating results. In addition, in the event that Parkland's activities are financed partially or wholly with debt, such debt levels may exceed industry standards and the level of Parkland's indebtedness from time to time could impair Parkland's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Credit Ratings

Credit ratings affect Parkland's financing costs, liquidity and operations over the long term and are intended as an independent measure of the credit quality of Parkland's long-term debt. Credit ratings affect Parkland's ability to obtain short and long-term financing and the cost of financing, and correspondingly, may impact Parkland's ability to engage in certain business activities cost-effectively. See "Future Capital Needs" above.

Credit ratings may not reflect all risks associated with an investment in any of Parkland's securities. The credit ratings applied to the Senior Notes are an assessment by the relevant ratings agency of Parkland's ability to pay its obligations as of the respective dates the ratings are assigned. The credit ratings may not reflect the potential impact of risks related to structure, market or other factors discussed herein on the value of the notes. Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. The credit ratings accorded to the Senior Notes are not a recommendation to purchase, hold or sell any of the Senior Notes, because ratings agencies do not comment as to market price or suitability for a particular investor. There cannot be any assurance that any credit rating assigned to any of the Senior Notes will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering or withdrawal of such rating may have an adverse effect on the market value of the Senior Notes. In addition, real or anticipated changes in credit ratings can affect the cost at which Parkland can access public or private debt markets.

Common Shares

We cannot predict the prices at which our Common Shares may trade in the future. The market price of our Common Shares may fluctuate widely, depending upon many factors, some of which may be beyond our control, including:

- a shift in our investor base;
- our quarterly or annual earnings, or those of other companies in our industry;
- actual or anticipated fluctuations in our operating results;
- announcements by us or our competitors of significant acquisitions or dispositions;
- developments affecting Parkland's customers;
- national and international economic conditions;
- changes in earnings estimates by securities analysts or our ability to meet our earnings guidance;
- the operating and stock performance of other comparable companies; and
- overall market fluctuations and general economic conditions.

Stock markets in general have also experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations could negatively affect the trading price of our Common Shares.

Additionally, Parkland may issue additional Common Shares in the future to finance certain capital expenditures, including acquisitions. Parkland is permitted to issue an unlimited number of Common Shares under its constating documents. Any issuance of Common Shares may have a dilutive effect on the Shareholders. Parkland may also issue preferred shares in one or more series for which the Board of Directors has the discretion to determine the number issued and the rights, privileges, restrictions and conditions attached to such shares.

Dividends

Parkland has historically paid regular cash dividends on a monthly basis. However, the timing, declaration, amount and payment of future dividends to Shareholders will fall within the discretion of the Board of Directors. There can be no assurance that we will continue to pay any dividends.

Information Technology

IT Cyber Security

In the normal course of our business, we obtain large amounts of data, including personal data such as credit and debit card information from our customers. This data is stored on both internal and external systems. While we have invested significant amounts in the protection of our IT systems and maintain what we believe are adequate security controls over individually identifiable customer, employee and vendor data provided to us, a breakdown or a breach in our systems that results in the unauthorized release of individually identifiable customer or other sensitive data could nonetheless occur. With respect to data stored externally, Parkland may not fully control the response and recovery plans maintained by the third-party provider. Cyber-attacks are rapidly evolving and becoming increasingly sophisticated. Parkland may not be able to rapidly recover backup files to appropriately capture and retain data, resulting in a material loss of data or inability to operate. A successful cyber-attack resulting in the loss of sensitive customer, employee or vendor data could adversely affect our reputation, results of operations, financial condition and liquidity, and could result in litigation against us or the imposition of penalties. Moreover, a security breach could require that we expend significant additional resources to upgrade further the security measures that we employ to guard against cyber-attacks. Parkland may be under increased risk of a cyber-attack, because of its increased size, prominence, and financial strength, all of which puts it on the radar of more serious cyber criminals. Parkland recently experienced an IT security incident, following which we have further fortified our systems and are not aware of any significant vulnerabilities. There is a risk that the incident could give the impression that our IT systems are vulnerable to attack and Parkland could once again be targeted by malicious actors in the future.

IT Continuity

At the operational level, Parkland relies on electronic systems for recording of sales and accumulation of financial data and analytical information. A major failure of computer systems would disrupt the flow of information and could cause loss of data records or corruption of data, which could impact the accuracy of financial reporting and management information and Parkland's ability to operate its business. These systems are vulnerable to, among other things, damage and interruption from power loss or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, security breaches and computer viruses, which could result in a loss of sensitive business information, systems interruption or the disruption of Parkland's business operations.

Technological Developments and Digital Transformation

There is significant change, disruption and growth in technology in the current environment. In such an environment, Parkland may, *inter alia*, realize: an inability to clearly define and prioritize technology requirements and infrastructure design, ineffective implementation of new technologies and, an inability to effectively operate and maintain existing infrastructure. The Corporation may not be able to innovate new digital solutions and scalable data infrastructure for digital offering at the same pace as the larger market. solutions based on digital design and advanced analytics; and establish organic growth platforms to better understand, target and engage our customers These could materially adversely affect Parkland's operations and its ability to compete in the market.

Acquisition and Integration

Acquisition Strategy

Parkland's growth strategy will continue to depend, in part, on acquiring other fuel distributors or complementary businesses which it may be unable to do profitably or at all. The success of this acquisition strategy will depend, in part, on Parkland's ability to:

- identify suitable businesses;
- negotiate the purchase of those businesses (or investment in the businesses) on acceptable terms;
- complete the transactions within the expected time frame;
- fund the transaction;
- obtain necessary regulatory, other approvals or required consents of third parties within the expected time frame;
- improve the results of operations of the businesses that it buys and successfully integrate the operations, financial reporting and personnel of acquired business with Parkland;
- achieve the anticipated synergies in the acquired business or strategic investments;
- retain key employees, customers or suppliers of the acquired business; and
- effectively address any regulatory requirements in connection with such acquisitions.

Parkland may fail to properly complete any or all of these steps and may also experience other impediments to its strategy. Parkland may not be able to find appropriate acquisition targets or, if appropriate targets are found, Parkland may not be able to close such transactions or integrate the acquired businesses effectively or profitably.

Other companies may also be seeking to acquire similar businesses, including companies that may have greater financial resources than Parkland. Increased competition may reduce the number of successful acquisitions or may lead to unfavourable terms on acquisitions that are successful, including higher purchase prices. If acquisition targets are unavailable or too costly, Parkland may need to change its business strategy as it relates to acquisitions.

If Parkland is unsuccessful in implementing its acquisition strategy, its financial condition and results of operations could be materially adversely affected. Even if Parkland is able to make acquisitions on advantageous terms and is able to integrate them successfully, some acquisitions may not fulfill Parkland's strategy in a given market due to factors that Parkland cannot control, such as market position or customer base. As a result, potential benefits or synergies associated with any acquisition could be negatively impacted.

Significant Acquisitions and Related Costs

Parkland has incurred, and expects to incur in the future, a number of costs associated with completing transactions and integrating acquired businesses into Parkland's business. The majority of such costs will be non-recurring expenses resulting from the acquisitions and will consist of transaction costs, facilities and systems consolidation costs and employment-related costs. Parkland may incur substantial transaction costs in relation to transactions that are not completed. Additional unanticipated costs may be incurred in the integration of the assets, operations and businesses, which may negatively impact Parkland's transaction economics and results of operations.

Failure to Realize the Anticipated Benefits of Recent and Future Acquisitions

Achieving the full benefits of any acquisition includes, but is not limited to, the timely and efficient consolidation of functions, the integration of operations, procedures and personnel and the ability to realize the anticipated growth opportunities, operating expense reductions, and other synergies.

The integration of newly acquired assets is supported by the dedication of substantial management effort, time, and resources, which may divert management's focus and resources from other strategic opportunities and other operational matters. Notwithstanding Parkland's commitment to providing the labour and resources required to support the integration of newly acquired assets, there is a risk that the anticipated benefits of any given acquisition may not be fully realized as a result of Parkland's failure to fully address and mitigate the risks of the integration process including the loss of key employees and the disruption of ongoing business, supplier, customer and employee relationships.

Unknown Liabilities from Acquisitions

In pursuing acquisitions, Parkland conducts due diligence on the business or assets being acquired and seeks detailed representations and warranties respecting the business or assets being acquired. Despite such efforts, there can be no assurance that Parkland will not become subject to undisclosed liabilities or litigation as a result of acquisitions, including but not limited to, undisclosed and unknown liabilities related to any or all of Parkland's past transactions. In addition, liabilities may exist which were not discovered during the due diligence process prior to completing such acquisitions. This failure to discover potential liabilities may be due to various factors, such as failure to accurately assess all of the pre-existing liabilities of the operations acquired or vendors failing to comply with applicable laws. If this occurs, Parkland may be responsible for such liabilities, which could materially and adversely affect Parkland's business, prospects, results of operations or financial condition.

IT Integration Risks

Large-scale acquisitions require the integration of one or more different systems into Parkland's overall IT systems. The integration of different IT systems is a technical process requiring the coordination of specialized employees, time and resources, often across multiple jurisdictions. Unanticipated costs, delays, and unforeseen technical issues and limitations may arise in connection with Parkland's integration of its IT systems and could disrupt the flow of information, cause loss of data records, or delay Parkland's ability to realize the anticipated benefits of an acquisition. As Parkland's IT systems become increasingly integrated, there is an increased risk that a failure in one system could affect another system in its infrastructure.

Human Resources

Dependence on Key Personnel

The Corporation's success is substantially dependent on the ability, expertise, judgment, discretion, integrity and continued service of senior management. The loss of the services of one or more members of senior management could adversely affect the Corporation's operating results. In addition, the Corporation's continued growth depends on the ability of the Corporation to attract and retain skilled operating managers and employees and the ability of its key personnel to manage the Corporation's growth and to consolidate and integrate its operations. There can be no assurance that the Corporation will be successful in attracting and retaining such managers, employees and other personnel.

Retention of skilled workers

Parkland competes with companies to attract and retain employees and third-party contractors with appropriate technical skills necessary to continue operations. The hiring and retention of staff may be challenging if the employment market is strong and there is intense competition for skilled employees and contractors. There can be no assurance that Parkland will be able to attract and retain skilled and experienced employees and, should Parkland fail to attract qualified personnel for its operations, its business may be harmed, and its results of operations and its financial condition could be adversely affected. In addition, future federal or provincial labour legislation could result in labour shortages and higher costs, especially during critical maintenance periods.

Labour risks

Some of Parkland's employees are represented by labour unions (including a significant number of employees at the Burnaby Refinery and our terminal in Burnaby). There is no assurance that collective bargaining agreements will be reached without a strike, work stoppage, or other labour action. Any prolonged strike, work stoppage, or other labour action, particularly at the Burnaby Refinery, will have an adverse effect on our financial condition or results of operations.

Operational Risks

Risks relating to refinery operations

There are risks inherent to the operations and activities of a refinery, including risks related to incidents, availability of crude oil and other feedstocks for use in the Burnaby Refinery, failure to adequately contract with third parties for offtake of products from the Burnaby Refinery or interruptions in offtake, labour and material shortages, direct and indirect risks related to legislative and regulatory requirements, including without limitation, the discharges to air, the discharge and management of storm water and processed water, and risks related to local opposition. A major or catastrophic accident could cause significant damage and result in operational interruptions. Parkland does not have full control over the supply of power, natural gas, or water to the refinery and, as such, a key operational risk for the Burnaby Refinery is the availability of sufficient power, natural gas, and water supplies to support refinery operations. Large amounts of power, heat by way of natural gas, and large volumes of water are used in the refining of crude oil and even a temporary interruption of power, natural gas or water could adversely affect operations.

The Burnaby Refinery consists of several processing units, each of which is to undergo scheduled maintenance from time to time. One or more of the units may require additional unscheduled downtime for unanticipated maintenance or repairs. Scheduled and unscheduled maintenance reduces Parkland's revenues and increases its operating expenses during the period of time that the processing units are not operating and, among other things, could reduce Parkland's ability to make distributions or payments of debt obligations. Furthermore, material unanticipated costs and delays may be incurred in scheduled and unscheduled maintenance which may negatively impact Parkland's results of operations.

Fuel Storage and Distribution

Operating fuel storage and distribution terminals and transporting fuel products involve inherent risks including:

- oil spills and other environmental incidents;
- fires, collisions and other catastrophic disasters;

- injuries and loss of life;
- severe damage to and destruction of property and equipment; and
- loss of product and business interruption.

Damage arising from such occurrences may result in fines and significant third-party claims. We generally maintain insurance to mitigate these types of costs, but there can be no assurance that our insurance would be sufficient to cover the liabilities we might suffer from the occurrence of one or more of the risks described above.

A significant environmental incident involving a release of crude oil, liquid petroleum products, chemicals or other hazardous substances into marine or other environments could result in losses in excess of the insurance coverage currently maintained by Parkland and could have a material adverse impact on Parkland's business, financial condition, reputation and results of operations.

Contractor risks relating to operations

Parkland relies on contractors to conduct some activities and is exposed to risks related to their activities. As a result, Parkland is subject to a number of risks, some of which are outside Parkland's full control, including:

- negotiating agreements with contractors on acceptable terms;
- reduced control over those activities that are the responsibility of contractors;
- failure of contractors to perform the requirements and obligations under their agreements, including failure to comply with safety systems and standards as well as applicable legal and regulatory requirements; and
- failure of contractors in connection with management of their workforce, labour unrest or other employment issues.

In addition, Parkland may incur liability to third parties as a result of the actions of its contractors. The occurrence of one or more of these risks could adversely affect Parkland's results of operations and financial position.

Calamitous Events

Calamitous events, such as terrorist attacks, technological attacks, pandemics, escalation of military activity, domestic and global trade disruption, may have significant effects on general economic conditions, consumer confidence, consumer spending, travel, and tourism. These events, including the COVID-19 pandemic, may disproportionately impact various customers of the Corporation, such as cruise ships and airlines. All these could have a material adverse effect on the Corporation. Strategic targets, such as energy-related assets, may be at greater risk of possible future attacks than other targets within the geographic area that the Corporation operates.

Transportation

Parkland's products and the feedstock are transported and supplied using a variety of methods, including by truck, rail and ship, and Parkland may be subject to any interruptions or restrictions to such transportation which may limit Parkland's ability to deliver Parkland's products and could have a material adverse effect on the Corporation's business, results of operations or prospects. In addition, the delivery of Parkland's products by railcar may be impacted by service delays, inclement weather or technical malfunctions.

Parkland's products delivered by railcars may be involved in a derailment or incident that results in legal liability or reputational harm. Further, the introduction of new laws or regulations related to the transportation of products by rail may also adversely affect Parkland's ability to deliver Parkland's products by rail or the economics associated with rail transportation.

In addition, Parkland's operations in the Caribbean, northern South America and the southeast United States involve transportation of petroleum products by marine vessels. The reliability of marine transportation may be affected by inclement weather, including hurricanes. Additionally, an incident involving the release of petroleum products into a marine environment may result in legal liability to Parkland and damage to its reputation.

Any such interruptions, restrictions, delays, adverse weather, derailment, incident or the impact, or coming into force, of new regulations affecting any of the methods of transportation used by Parkland could adversely affect Parkland's ability to deliver its products, the economics associated with certain methods of transportation (including by rail) and/or materially and adversely affect Parkland's business, prospects, results of operations and/or financial condition.

Effective Internal Controls

Effective internal controls are necessary for the Corporation to provide reliable financial reports, manage the Corporation's risk exposure and to help prevent fraud. Although the Corporation undertakes a number of procedures in order to help ensure the reliability of its financial reports, including those imposed on it under Canadian securities laws, the Corporation cannot be certain that such measures will ensure that the Corporation will maintain adequate control over financial processes and reporting. If the Corporation or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Corporation's financial statements and reduce the trading price of the Common Shares.

Health, Safety & Environment

Parkland is subject to hazards and risks inherent in its operations and the industries that we service. Such risks include, but are not limited to, equipment failures, vehicle accidents, human error, accidental release of harmful substances including through transportation of petroleum products by road, rail, barge or other marine vessels, and pipeline, proximity to marine environments, explosions, fires and natural disasters. Commodity storage, refining and transportation activities involve numerous risks that may result in environmental damage or otherwise adversely affect the operations of Parkland's business. Environmental risks inherent in the storage, refining and transportation of crude oil and other petroleum products include, but are not limited to, accidental spills or releases of crude oil, liquid petroleum products, chemicals or other hazardous substances, including without limitation, storm water and processed water. The Burnaby Refinery is subject to hazards of transporting and processing hydrocarbons including, but not limited to: blowouts; fires; explosions; railcar incidents including, without limitation, derailment; marine vessel incidents including, without limitation, sinking; gaseous leaks; migration of harmful substances; oil spills; corrosion; acts of vandalism and terrorism; and other accidents or hazards that may occur at or during transport to or from commercial or industrial sites. Any of these hazards can interrupt operations, impact Parkland's reputation, cause loss of life or personal injury, result in loss of or damage to equipment, property, IT systems, related data and control systems, and cause environmental damage that may include polluting water, land or air. These could expose Parkland to: potential liability for personal injury, loss of life or debilitating injury; business interruption; property damage or destruction; curtailment of offshore shipping activity; modifications to or revocation of existing regulatory approvals; fines and other environmental damages under applicable federal, provincial, territorial, state and municipal safety and environmental laws and regulations.

The consequences of an accidental spill or release at or near any marine terminal used in connection with Parkland's operations could be significant, given the complexities of addressing releases occurring in marine environments and/or along populated coastlines. Although Parkland does not own or operate the vessels used to transport crude oil, liquid petroleum products, chemicals or other hazardous substances to and from such marine terminals, releases or other incidents involving such vessels could result in significant disruptions to offshore shipping activities and impede Parkland's ability to operate in any affected areas.

Parkland has obtained insurance in accordance with industry practice in an effort to address and mitigate such risks, established operational and emergency response procedures, and adopted safety and environmental programs to reduce potential loss exposure. Although Parkland has a comprehensive insurance program in effect, there can be no assurance that the potential liabilities will not exceed the applicable coverage limits under its insurance policies. Consistent with industry practice, not all hazards and risks are covered by insurance and no assurance can be given that insurance will be consistently available or will be consistently available on an economically feasible basis. Parkland maintains insurance coverage for most environmental risk areas, excluding underground tanks at service stations. Although not insured, these risks are managed through ongoing monitoring, inventory reconciliations and tank replacement programs. Liability for uninsured risks could significantly increase expenses and the occurrence of a significant event for which Parkland is not fully insured could materially and adversely affect Parkland's business, prospects, results of operations and/or financial condition.

Government Legislation

Cost of Compliance with Laws and Regulations

Parkland is subject to numerous federal, provincial, state, territorial and local provisions regulating Parkland's business and operations and it incurs and expects to incur significant expenses to comply with these laws and regulations.

Parkland has established reserves for the future cost of known compliance obligations, such as remediation of identified environmental impacts. However, these reserves may prove inadequate to meet its actual liability. Moreover, amended, new or more stringent requirements, stricter interpretations of existing requirements or the future discovery of currently unknown compliance issues may require Parkland to make material expenditures or subject it to liabilities that it currently does not anticipate.

Cost of failing to abide by Laws and Regulations

Parkland operates in several jurisdictions in a highly regulated industry. The cost of compliance with laws and regulations can have a material adverse effect on our operating results and financial condition. Failure to appropriately operate within each regulatory jurisdiction could lead to fines, penalties and unfavourable tax assessments that could adversely affect our business and our operating results.

Furthermore, transportation fuel sales are taxed by the federal, provincial, state and, in some cases, municipal governments. Material increases in taxes or changes in tax legislation are possible and could have a material effect on the profitability of the Corporation. In addition, various federal, provincial, state, territorial and local agencies have the authority to prescribe specific product quality specifications to the sale of commodities. Changes in product quality specifications, such as reduced sulfur content in refined petroleum products, or other more stringent requirements for fuels, could reduce Parkland's ability to procure product and its sales volume, require Parkland to incur additional handling costs, or require the expenditure of capital. If Parkland is unable to procure product or to recover these costs through increased sales, its ability to meet its financial obligations could be adversely affected. Failure to comply with these regulations could result in substantial penalties. Any changes in the laws or regulations that are adverse to us or our properties could affect our operating and financial performance.

Environmental Laws

Parkland's business and properties are subject to extensive local, provincial, territorial, state and federal laws across Canada, the United States and numerous Caribbean and South American jurisdictions, including, but not limited to, those relating to emissions to the air, discharges into water, releases of hazardous and toxic substances and remediation of contaminated sites ("**Applicable Environmental Laws**"). Applicable Environmental Laws require that Parkland's operations, and certain properties associated with Parkland's retail and storage operations, be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such Applicable Environmental Laws may require significant expenditures by Parkland, including capital costs to maintain and upgrade equipment and facilities and expenditures to ensure compliance with new Applicable Environmental Laws. Failure to comply with such Applicable Environmental Laws to which our operations are subject may result in penalties and costs that could adversely affect our business and our operating results. Any changes in the Applicable Environmental Laws that are adverse to us and our properties could affect our operating and financial performance. In addition, new regulations are proposed from time to time which, if adopted, could have a material adverse effect on our operating results and financial condition.

Indigenous Rights Claims

Indigenous groups have claimed indigenous treaty, title and rights to broad portions of western Canada, including virtually all of British Columbia. Such claims may affect many businesses operating in western Canada, including Parkland, as the claims are litigated or settled with the federal and provincial governments through negotiation.

While the claims are outstanding, the federal and provincial governments have a duty to consult with Indigenous people on actions and decisions that may affect the asserted Indigenous or treaty rights and, in certain cases, accommodate their concerns. The government's duty to consult may be triggered if Parkland applies to obtain or renew significant permits, leases, licenses and other approvals for its operations in areas that are subject to outstanding Indigenous rights claims. The fulfilment of the duty to consult associated with a permit application can add time, effort and risk to the review and its outcome.

Parkland has numerous direct relations with indigenous groups relating to our operations on treaty or traditional lands. Parkland's failure to effectively manage these relationships could adversely affect our business and damage our reputation.

Opposition by Indigenous groups to industrial development or activity may also negatively affect Parkland operations.

In May 2016, Canada announced its support for the United Nations Declaration on the Rights of Indigenous Peoples ("**UNDRIP**") tabling legislation in December 2020. The principles and objectives of UNDRIP have also been endorsed by the Government of Alberta, and the Government of British Columbia has passed legislation in November 2019 to implement UNDRIP. The means of implementation of UNDRIP by government bodies are uncertain and may include an increase in consultation obligations and processes associated with project development, posing risks and creating uncertainty for regulatory approval timelines and requirements.

Competition Law Compliance

Parkland is increasingly subject to scrutiny from government authorities as a result of ongoing acquisitions and its growing size. As Parkland grows and acquires businesses, it becomes increasingly challenging and complex to monitor compliance with the *Competition Act* (Canada), US antitrust legislation and competition legislation in the jurisdictions in Caribbean and northern coast of South America (collectively, "**Competition Legislation**"). This includes monitoring the dissemination of competitively sensitive information and managing channel conflict within Parkland. Furthermore, failure to comply with Competition Legislation could result in the imposition of significant fines or penalties, require Parkland to divest certain Parkland assets, or result in Parkland being subject to other remedies, such as margin controls in certain markets. Such remedies could have a material adverse effect on our operating results and financial condition.

Under the *Competition Act*, the Commissioner of Competition (the "**Commissioner**") may review any "merger" (as defined in the *Competition Act*), which includes acquisitions of fuel distribution businesses and of retail gas stations, to assess whether such merger would likely result in a substantial lessening or prevention of competition in any market. In the event the Commissioner believes that such merger would likely result in a substantial lessening or prevention of competition in any market, the Commissioner may apply to the Competition Tribunal for a remedial order, including prohibiting completion of the merger or ordering a divestiture of all or part of the business acquired. The US antitrust laws are designed to prevent anticompetitive mergers or acquisitions. Under the *Hart-Scott-Rodino Act*, mergers or acquisitions that meet a minimum threshold size requirement are reviewed by the Federal Trade Commission as well as the Department of Justice in the US who may: allow the merger or acquisition to proceed, enter into settlement with the companies involved, or commence legal action to block a deal that would substantially lessen competition.

Operating in New Jurisdictions

Parkland purchases assets that operate in jurisdictions which are new to Parkland. Parkland must familiarize itself with the relevant legislation and regulations of the new jurisdiction including local labour laws and environmental laws. While Parkland will benefit from the experience and expertise of the management and employees associated with purchased assets, learning to operate in new jurisdictions may be an expensive and resource-intensive process.

Jurisdictional Risk

Certain of the businesses operated by Parkland are subject to the risks normally associated with any conduct of business in emerging markets including political or social unrest, changes in laws and regulations, changes in the tax regimes, uncertainty regarding the enforceability of contractual, property, and other legal rights in local courts, unpredictable government actions, and delays in obtaining or the inability to obtain necessary governmental permits or the reimbursement of refundable tax from fiscal authorities. These risks may negatively impact operations and revenues.

The economic and political systems of certain jurisdictions in which Parkland operates are less predictable than in countries such as Canada and the United States. Weak government balance sheets may cause certain jurisdictions to assess additional taxes, duties and fees or to devalue currencies. Elections may have an outsized disruptive impact on the day to day business of the government. Each of these result in an increased risk of sudden and unforeseen regulatory changes or governmental or administrative action which could have a material and adverse effect on Parkland's future cash flows, earnings, results of operations and/or financial condition.

Moreover, some of these jurisdictions present an increased risk of incidents of bribery, collusion, kickbacks, theft, improper commissions, facilitation payments, conflicts of interest and related party transactions, and may require additional compliance procedures with applicable anti-corruption legislation including the US *Foreign Corrupt Practices Act*, the Canadian *Corruption of Foreign Public Officials Act*, the *UK Bribery Act*, and the French *Sapin II* law. Parkland's failure to identify, manage and mitigate instances of fraud, corruption, violations of its code of conduct, or applicable legislative and regulatory requirements increase the risk that Parkland may be implicated in such incidents and require Parkland to incur costs compliance with any sanctions thereunder.

Collectively, these risks could result in a disruption of Parkland's operations, increase costs to Parkland, and could have a material adverse effect on Parkland's business, financial condition, and results of operations.

Climate Change Regulation

Parkland may be adversely affected by federal, provincial, state and territorial legislation, regulations, and initiatives designed to reduce greenhouse gas emissions, which may increase costs and adversely affect Parkland's operations, in particular the Burnaby Refinery. There are international agreements (e.g. the Paris Climate Agreement and the Kyoto Protocol), national agreements and federal legislation (e.g. carbon tax, Clean Fuel Standard, cap-and-trade or efficiency standards) and provincial/state legislation (e.g. British Columbia's CleanBC climate policy) that aim to reduce greenhouse gas emissions. These policies continue to evolve and overlap one another.

These developments may affect Parkland's operations by potentially increasing costs of compliance, costs of supply and the price of petroleum products and thereby potentially reducing demand, and by imposing reporting and other regulatory obligations on Parkland. Several jurisdictions have imposed carbon-pricing and other regimes that increase the cost of petroleum-based products above what they would otherwise be.

The ultimate effect of climate change legislation, regulations, and initiatives on the operations of the Parkland, and the timing of these effects, will depend on several factors. Such factors include, among others, the GHG emission reductions required for industrial sectors, the extent to which Parkland can adapt its fuel offerings or taking advantage of incentive programs including purchasing compliance instruments on the open market or through auctions, the price and availability of credits, and the extent to which Parkland is able to recover the costs incurred through the pricing of Parkland's products in the competitive marketplace. Additionally, government efforts to steer the public toward non-petroleum-based fuel dependent modes of transportation may foster a negative perception toward motor fuel or increase costs for our product, thus affecting the public's attitude toward petroleum-based fuel and affect our ability to market and sell such product. Any changes to climate change laws, regulations, and initiatives could materially and adversely affect Parkland's business, prospects, results of operations or financial condition.

Existing and proposed environmental legislation developed by certain jurisdictions, requiring lower carbon intensity fuels by regulation will result in increased costs. These regulations may negatively affect the marketing of refined petroleum products and may require us to alter our products or adapt operations to allow us to sell in such jurisdictions. The cost of such credits may not be able to be passed along to consumers, resulting in lower gross margin to Parkland on the sale of its products.

Foreign Exchange Risk

Parkland is exposed to foreign exchange risk through its production of refined products that are customarily priced in US dollars and its investments in the United States including, but not limited to, its US subsidiaries. Changes in the Canada/United States exchange rate could impact the earnings of Parkland, the value of the United States investments and the cash generated from Parkland's business. Parkland's net investment in its US subsidiaries, which have a US dollar functional currency, presents a foreign currency risk to the Corporation, which has a Canadian dollar functional currency. Additionally, following the Sol Transaction Parkland's net investment in Sol, which has a US dollar functional currency, will increase the foreign currency risk to the Corporation. In addition, certain of Parkland's subsidiaries have functional currencies in various currencies in the Caribbean region. Certain of these currencies are less liquid than US and Canadian dollars and therefore pose foreign exchange risk. Specifically, Parkland may accumulate significant amounts of local currencies through sales in local markets and be unable to readily convert such currencies into US or Canadian dollars. Such currencies may experience devaluation against the US dollar or Canadian dollar, resulting in a loss to Parkland. Given the volatility of exchange rates, Parkland may not be able to manage its currency risks effectively or at all, which could have a material adverse effect on its financial condition or results of operations.

Weather and Seasonality

The Corporation's sales volume and profitability are subject to weather influences, particularly winter temperatures in Canada and the northern United States and hurricanes and other tropical weather events in the southeastern United States and Caribbean. The Corporation's sale volumes and profitability can see increased volatility due to abnormal weather patterns. The Corporation's heating oil and propane sales are greatest in the winter months but can decline if winter temperatures are warmer year over year. The Corporation has propane and heating oil operations in Atlantic Canada, Ontario, Quebec, Alberta, British Columbia and the Yukon Territory which all experience different weather patterns which can mitigate the impacts of regional winter temperature differences. Additionally, winter conditions can affect the efficiency of the Corporation's product deliveries.

Parkland's assets in the Caribbean and southeastern United States are also subject to the risks associated with severe tropical storms, hurricanes and earthquakes, which may cause downed telephone lines, flooded facilities, power outages, fuel shortages, damaged or destroyed property and equipment, and work interruptions. Any of the foregoing may damage the Corporation's assets, disrupt its supply channels, interrupt the Corporation's ability to deliver goods and services and decrease demand for its products. It is possible that any of these events could occur and have a material adverse effect on the Corporation's business, financial condition, ability to realize the anticipated growth opportunities and synergies and future prospects.

Furthermore, oil prices, wholesale motor fuel costs, motor fuel sales volumes, motor fuel gross profits and merchandise sales can be subject to seasonal fluctuations. For example, consumer demand for motor fuel typically increases during the summer driving season and typically falls during the winter months. Travel, recreation and construction are typically higher in these months in the geographic areas in which Parkland operates, increasing the demand for motor fuel and merchandise that Parkland sells. Therefore, the Corporation's motor fuel volumes are typically higher in the second and third quarters of our fiscal year. A significant change in any of these factors, including a significant decrease in consumer demand (other than typical seasonal variations), could materially affect Parkland's motor fuel volumes and merchandise sales, motor fuel gross profit and overall customer traffic, which in turn could have a material adverse effect on Parkland's business, financial condition, results of operations and cash flows.

Risk of Pending and Future Legal Proceedings

Alleged failure by Parkland to comply with laws and regulations may lead to the imposition of fines, penalties, or the denial, revocation or delay of the renewal of permits and licenses by governmental authorities. In addition, governmental authorities as well as third parties may claim that Parkland is liable for loss or damage, such as environmental damage. Also, Parkland may be the subject of litigation by customers, suppliers and other third parties. A significant judgment against Parkland, the loss of a significant permit or other approval, the imposition of a significant fine or penalty, or other unfavourable results, may, in certain circumstances, result in an event of default under certain of our agreements (including debt agreements) and, in any case, may materially and adversely affect Parkland's business, prospects, results of operations and/or financial condition. Unfavourable results, government investigations, or settlements may also encourage other parties to commence additional legal proceedings, and may cause negative publicity and reputational damage. Legal proceedings are expensive, time consuming and may divert management's attention away from the operation of Parkland's business.

Credit

Credit risk is the risk that Parkland's counterparties will not meet their obligations under a financial or physical instrument or customer contract, leading to a financial loss to Parkland. Difficult market conditions may adversely affect Parkland's major customers and create increased credit risk. A substantial portion of Parkland's trade accounts receivable and long-term receivables are with customers in the oil and gas, mining and forestry industries, which are subject to normal industry credit risks. The maximum exposure of credit risk of the accounts receivable account is its carrying value.

AUDIT COMMITTEE INFORMATION

Audit Committee Mandate

The mandate of the Audit Committee (the "**Audit Committee Mandate**") of the Corporation is set forth in Appendix 1 of this Annual Information Form.

Composition of the Audit Committee

The Audit Committee is a standing committee appointed by the Board of Directors to assist the Board of Directors in fulfilling its oversight responsibilities with respect to financial reporting by the Corporation. The Audit Committee of the Corporation currently consists of three members, all of whom are independent and financially literate in accordance with the definitions in National Instrument 52-110 *Audit Committees*. The relevant education and experience of each Audit Committee member is outlined below.

Deborah Stein, FCPA, FCA

From 2005 to 2016 Ms. Stein was employed by AltaGas Ltd. She held the role of SVP Finance and Chief Financial Officer from 2008 to 2015. She also held the role of Chief Financial Officer and Corporate Secretary of AltaGas Utilities Group Inc. from 2005 to 2006. Prior to holding the role as CFO of AltaGas Ltd. Ms. Stein held the positions of VP Finance and VP Corporate Risk. Prior to joining AltaGas, Ms. Stein was employed at TransCanada Corporation. In her early career she led the finance functions of Wendy's Restaurants of Canada and Paramount Canada's Wonderland. Ms. Stein is a FCPA, FCA, holds the ICD.D designation from the Institute of Corporate Directors and holds a Bachelor of Arts degree in Economics (Honours) from York University. Ms. Stein is also a member of the Human Resources and Corporate Governance Committee. Ms. Stein also sits on the board of directors of NuVista Energy Ltd., Trican Well Services Ltd. and Aecon Group Inc. Ms. Stein sits on various private boards. She was Chair of the National Board of Financial Executives International, Canada and was a Trustee of the Calgary Zoo.

Domenic Pilla

Mr. Pilla retired from his role of Chief Executive Officer of McKesson Canada in 2020. Prior to this, he served as the President of Shoppers Drug Mart Corporation, a subsidiary of Loblaw Companies Limited, and as a director of Loblaws Companies Limited from April 1, 2014 until January 9, 2015. Mr. Pilla also served as Chief Executive Officer and sat on the Board of Directors of Shoppers Drug Mart Corporation from November 1, 2011 until March 31, 2014. Prior to his current roles, Mr. Pilla served on the board of Domtar Corporation and its Human Resources and Compensation Committee until January 3, 2017. From January 2001 to October 2011, Mr. Pilla led McKesson Canada (a wholly-owned subsidiary of McKesson Corporation), in various senior leadership roles. Mr. Pilla has also served as President of Canadian Operations of RNG Group Inc., a privately-owned Toronto-based company. During his 18-year tenure with Petro-Canada, Mr. Pilla held a number of senior positions in distribution, sales and retail, including Vice-President of the Central Region. In holding such varied senior leadership positions, Mr. Pilla gained substantial experience in, among other things, actively supervising persons engaged in preparing, auditing, analyzing and evaluating financial statements and has gained an understanding of the controls and procedures required for financial reporting. Mr. Pilla also chairs Parkland's Environment, Social and Governance Committee and is a member of the Strategic Initiatives and Corporate Development Committee.

Steven Richardson

Mr. Richardson has more than 30 years of experience working in financial roles in Canada's retail, financial services, and oil and gas sectors. Mr. Richardson served as Hudson's Bay Company's Chief Financial Officer from 2006 until his retirement in 2009. Mr. Richardson previously held various senior financial positions within Hudson's Bay Company between 2003 and 2006. Prior to joining the Hudson's Bay Company, Mr. Richardson was Chief Financial Officer of Wells Fargo Financial Corporation Canada and Chief Financial Officer and Executive Vice President of Associates Financial Services of Canada and Chief Financial Officer of Beneficial Canada Inc. Mr. Richardson began his career at Imperial Oil Limited, holding positions in the corporate finance and controller departments. Mr. Richardson is a CPA CMA, holds a Bachelor of Arts in Economics and Commerce (Honours), and completed the Senior Executive Leadership Program at Columbia University. He is also a graduate of the Rotman School of Management, Director's Education Program and holds the ICD.D designation. Mr. Richardson was a member of the board of directors of RONA Inc. from 2013 to 2016 and was a member of the Audit Committee, the Human Resource and Compensation Committee, and the Strategic Review Committee. From 2010 to 2013, he was a member of the board of directors, as well as the chair of the Corporate Governance and Compensation Committee and a member of the Audit Committee of Sterling Shoes Inc., was a director of Easyhome Ltd. from June 2011 to December 2011, and co-chaired its Compensation Committee, chair of its Special Committee and he was a member of its Audit Committee. Mr. Richardson sits on the board of directors, Pension Investment Committee and Chairs the Audit Committee of SupremeX Inc. Mr. Richardson chairs Parkland's Audit Committee and is also a member of the Human Resources and Corporate Governance Committee.

Pre-approval Policies and Procedures

Under the Audit Committee Mandate, the Audit Committee is required to approve the terms of the engagement and the compensation to be paid to the external auditor of the Corporation. In addition, the Audit Committee is required to review and pre-approve non-audit services provided by the external auditor as required by National Instrument 52-110 *Audit Committees*.

External Auditor Services Fees by Category

PricewaterhouseCoopers LLP were first appointed auditors of a predecessor to the Corporation in 2004. In 2020 and 2019, Parkland incurred fees to its external auditors, PricewaterhouseCoopers LLP, as follows:

Description	2020	2019
Audit fees (1)	$ 3,666,110	$ 3,434,000
Audit-related fees (2)	$ 491,890	$ 1,190,000
Tax fees (3)	$ 107,559	$ 117,591
All other fees (4)	$ 153,509	$ 158,460
Total	**$4,419,068**	**$4,900,051**

(1) "Audit Fees" means the aggregate fees paid and payable to the issuer's external auditor and other accounting firms for audit services as well as the audit fees for the statutory or regulatory audits conducted for subsidiaries operating in the Caribbean region (2020: $1,970,000; 2019: $1,904,000). The specific audit fees for other accounting firms totaled US$322,000/Cdn.$430,000 (2019: US$330,037/Cdn.$440,000).

(2) "Audit-Related Fees" means the aggregate fees paid and payable for the last fiscal year for assurance and related services by the issuer's external auditor that are reasonably related to the performance of the audit or review of the issuer's financial statements and are not reported under clause (1) above. Activities in 2020 include the review of interim consolidated financial statements, review of purchase price allocations, system conversion and upgrade testing, and procedures performed for the offering memorandum and prospectuses, translation of annual and quarterly financial statements and MD&A.

(3) "Tax Fees" means the aggregate fees paid and payable in the last fiscal year for professional services rendered by the issuer's external auditor for tax compliance, tax advice and tax planning. Of the amounts stated, US$32,250/Cdn.$43,000 related to tax services in the Caribbean (2019: $Nil).

(4) "All Other Fees" means the aggregate fees billed in the last fiscal year for products and services provided by the issuer's external auditor, other than the services reported under clauses (1), (2) and (3), above. Activities in 2020 include National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") testing, review of global mobility programs and various other advisory and consulting arrangements. Of the amounts stated, US$26,500/Cdn.$35,400 related to the services in the Caribbean (2019: $Nil).

DIVIDENDS

Dividends Paid by the Corporation and Dividend Policy

Commencing in January 2011 through February 2013, the Corporation declared and paid a monthly dividend of $0.085 per Common Share. Parkland has declared and paid a monthly dividend as follows:

March 2013 through February 2014: declared and paid a monthly dividend of $0.0867 per Common Share equivalent to $1.04 per Common Share annually.

March 2014 through February 2015: declared and paid a monthly dividend of $0.0883 per Common Share equivalent to $1.06 per Common Share annually.

March 2015 through February 2016: declared and paid a monthly dividend of $0.09 per Common Share equivalent to $1.08 per Common Share annually.

March 2016 through February 2017: declared and paid a monthly dividend of $0.0945 per Common Share equivalent to $1.134 per Common Share annually.

March 2017 through February 2018: declared and paid a monthly dividend of $0.0962 per Common Share equivalent to $1.1544 per Common Share annually.

March 2018 through February 2019: declared and paid a monthly dividend of $0.0978 per Common Share equivalent to $1.1740 per Common Share annually.

March 2019 through February 2020: declared and paid a monthly dividend of $0.0995 per Common Share equivalent to $1.194 per Common Share annually.

March 2020, through February 2021: declared and paid a monthly dividend $0.1012 per Common Share, equivalent to $1.214 per Common Share annually.

Parkland intends to increase its annualized common share dividend two cents per share, from $1.214 to $1.234, effective with the monthly dividend payable on April 15, 2021, to shareholders of record at the close of business on March 22, 2021. This will be Parkland's ninth consecutive annual increase. The declaration of dividends is at the sole discretion of the Board of Directors and the amount of dividends declared by the Corporation and the frequency of payment thereof, if any, may vary from time to time as a consequence of a number of factors, including, without limitation, retail pricing and margins, availability and pricing of petroleum product supply, volatility of crude oil prices, capital expenditure requirements, operating costs and compliance with any restrictions on the declaration and payment of dividends contained in any agreement to which Parkland is a party from time to time (including, without limitation, the Credit Agreement and the Senior Note Indentures) and the satisfaction of the liquidity and solvency tests imposed by the Business Corporations Act for the declaration and payment of dividends.

Dividend Reinvestment Plan

The Corporation has a dividend reinvestment plan that allows shareholders to reinvest their cash dividends to purchase additional Parkland shares from treasury at a 5% per share discount to the daily volume weighted average trading price on the applicable dividend payment date (the "**Dividend Reinvestment Plan**"). The Dividend Reinvestment Plan allows Parkland to retain amounts that would otherwise be paid to shareholders as dividends in cash, thereby incrementally raising equity capital which may be used by Parkland to, among other things, fund its capital program and fund acquisitions, which help contribute to Parkland's growth and ability to execute on its strategy.

Shareholders interested in participating in the Dividend Reinvestment Plan can find out more at Parkland's website: www.parkland.ca. A copy of the enrolment form is available from Computershare Trust Company of Canada ("**Computershare**") through their website at www.computershare.com or by calling 1-800-564-6253, or from Parkland through its website at www.parkland.ca or by calling 403-357-6400.

DESCRIPTION OF CAPITAL STRUCTURE

Share Capital

The authorized capital of the Corporation consists of an unlimited number of Common Shares and preferred shares issuable in series. The following is a summary of the rights, privileges, restrictions and conditions attaching to the securities of the Corporation which comprise the share capital of the Corporation.

Common Shares

As at March 4, 2021, there were 150,293,280 Common Shares issued and outstanding.

Each Common Share entitles the holder to receive notice of and to attend all meetings of the Shareholders and to one vote at such meetings. The holders of Common Shares will be, at the discretion of the Board of Directors and subject to applicable legal restrictions, entitled to receive any dividends declared by the Board of Directors on the Common Shares. The holders of Common Shares will be entitled to share equally in any distribution of the assets of the Corporation upon the liquidation, dissolution, bankruptcy or winding-up of the Corporation or other distribution of its assets among its shareholders for the purpose of winding-up its affairs.

Shareholder Rights Plan

At the annual and special meeting of the Shareholders held in 2020, Shareholders approved, by ordinary resolution, the adoption of an amended and restated shareholder rights plan (the "**Rights Plan**") dated as of May 7, 2020, between Parkland and Computershare, as rights agent. The objectives of the Rights Plan are to ensure, to the extent possible, that all Shareholders are treated equally and fairly in connection with any take-over bid or similar proposal to acquire Common Shares. The Rights Plan is intended to provide the Board of Directors and the Shareholders more time to fully consider any unsolicited take-over bid for Parkland without undue pressure, allow the Board of Directors to pursue, if appropriate, other alternatives to maximize shareholder value and allow additional time for competing bids to emerge for Shareholders. Take-over bids may be structured in such a way as to be coercive or discriminatory in effect, or may be initiated at a time when it will be difficult for the Board of Directors to prepare an adequate response. Such offers may result in Shareholders receiving unequal or unfair treatment, or not realizing the full or maximum value of their investment in Parkland.

The Rights Plan is intended to discourage the making of unsolicited takeover bids by creating the potential for significant dilution to any offeror who does so. This potential is created through the issuance to all Shareholders of contingent rights to acquire additional Common Shares at a significant discount to the then prevailing market prices, which could, in certain circumstances, become exercisable by all Shareholders other than an offeror and its associates, affiliates and joint actors.

The Rights Plan does not affect in any way Parkland's financial condition. The initial issuance of the rights will not dilute the Common Shares and will not affect reported earnings or cash flow per share until the rights separate from the underlying Common Shares and become exercisable. The Rights Plan does not lessen or affect the duty of the Board of Directors to give due and proper consideration to any offer that is made and to act honestly, in good faith, and in the best interests of Parkland and its Shareholders. The Rights Plan is designed to provide the Board of Directors with the means to negotiate with an offeror and with sufficient time to seek out and identify any potential alternative transactions on behalf of the Shareholders. The Rights Plan must be reapproved every third annual meeting of shareholders.

A copy of the agreement between the Corporation and Computershare, as rights agent, establishing the Rights Plan is available on SEDAR at www.sedar.com.

Preferred Shares

As of the date of this Annual Information Form, there were no preferred shares of the Corporation issued and outstanding.

The preferred shares of the Corporation are issuable in one or more series. The Board of Directors is empowered to fix the number of preferred shares and the rights, privileges, restrictions and conditions to be attached to the preferred shares of each series. As a result of Parkland's discussions with certain proxy advisory firms, Parkland agreed to limit the number of preferred shares that may be authorized for issuance at any given time to a maximum of 5,000,000.

Indebtedness

General

The Senior Notes are direct senior unsecured obligations of the Corporation and rank *pari passu* in right of payment with all other existing and future senior indebtedness of the Corporation.

Subject to certain exceptions, the Senior Note Indentures governing the Senior Notes contains a number of covenants that, among other things, restrict the Corporation and certain of its subsidiaries ability to: create liens on its assets; liquidate, dissolve or wind up; transfer or sell assets; incur debt; pay dividends on shares, repurchase shares, repay debt or make other restricted payments; enter into hedges other than in certain circumstances; enter into transactions with affiliates; consolidate, merge or transfer all or substantially all of their assets; and make certain acquisitions over a certain limit.

Redemption

The Senior Notes are redeemable by the Corporation on the dates and at the prices included in the table below. The Senior Notes are also redeemable under certain other circumstances and prices, as set out in the Senior Note Indentures governing each of the Senior Notes each of which are available on the Corporation's profile at www.sedar.com. For further information, please see Note 12 of Parkland's audited consolidated financial statements for the year ended December 31, 2020 regarding the Senior Notes.

Senior Notes	Redemption Date	Redemption Prices	
		Year	Price
5.75% Senior Notes	September 16	2019	104.313%
		2020	102.875%
		2021	101.438%
		2022 and thereafter	100.000%
5.625% Senior Notes	May 9	2020	104.219%
		2021	102.813%
		2022	101.406%
		2023 and thereafter	100.000%
2026 6.00% US Senior Notes	April 1	2021	104.500%
		2022	103.000%
		2023	101.500%
		2024 and thereafter	100.000%
2027 6.50% Senior Notes	January 21	2022	104.875%
		2023	103.250%
		2024	101.625%
		2025 and thereafter	100.000%
2027 5.875% US Senior Notes	July 15	2022	104.406%
		2023	102.938%
		2024	101.469%
		2025 and thereafter	100.000%
2028 6.00% Senior Notes	June 23	2023	103.00%
		2024	101.50%
		2025 and thereafter	100.00%

Change of Control

Upon the occurrence of a change of control (as defined in each of the Senior Note Indentures), the holders of the Senior Notes may require the Corporation to repurchase such holder's Senior Notes, in whole or in part, at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

Credit Agreement

In connection with the closing of the Sol Transaction, Parkland entered into the Credit Agreement on January 8, 2019, which was further amended on April 9, 2019, May 30, 2019, November 25, 2019, December 19, 2019, June 9, 2020 and December 31, 2020. On June 9, the Credit Agreement was amended to, among other things, add the Accordion Revolver facility described below. The following is a summary of the material terms of the Credit Agreement:

Amount and Term

The Credit Agreement provides for the credit facilities described below to be made available to Parkland, Parkland Refining (B.C.) Ltd., Elbow River Marketing Ltd., Parkland (U.S.) Financing Corp., Parkland US LP and Parkland (U.S.) Supply Corp. (USSC) (collectively, the "**North American Borrowers**") and Sol Investments Limited and certain of its subsidiaries (collectively the "**Caribbean Borrowers**" and, together with the North American Borrowers, the "**Borrowers**").

The credit facilities under the Credit Agreement consist of: (i) a Cdn.$330 million revolving credit facility (the "**CAD Revolver**"); (ii) a Cdn.$70 million revolving operating facility, (iii) a Cdn.$300 million incremental revolving credit facility (the "**Accordion Revolver**"), (iv) a US$470 million revolving credit facility (the "**US Revolver**"); (v) a US$80 million revolving operating facility; (vi) a US$110 million revolving facility available to certain of the Caribbean Borrowers; and (vii) an aggregate of the equivalent of US$120 million revolving facility available to certain of the Caribbean Borrowers in US dollars, Barbadian dollars, East Caribbean dollars, Guyanese dollars and Surinamese dollars pursuant to bilateral agreements ("**Bi-lateral Agreements**") to be entered into between certain Caribbean Borrowers and certain lenders (collectively all of the foregoing credit facilities are the "**Credit Facilities**"). The Credit Facilities described in (i) through (vii) have a maturity date of January 8, 2023. The CAD Revolver and US Revolver described in clauses (i) and (ii) above have an accordion feature allowing them to be increased by an aggregate amount not to exceed Cdn. $200 million (or the US dollar equivalent thereof). The accordion amount was reduced from Cdn. $500 million as it was partially exercised on June 9, 2020 with the addition of the Accordion Revolver.

Letters of Credit

Letters of credit will be made available in Canadian or US dollars under the Credit Facilities subject to the following aggregate maximum amounts: (i) Cdn$200,000,000 under the Canadian Syndicated Facilities; (ii) US$200,000,000 under the US Syndicated Facility; and (iii) US$25,000,000 under the Caribbean Tranche A Facility. Additionally, letters of credit will be available in the currencies and the amounts set out under the applicable Bi-Lateral Agreements under the Caribbean Tranche B Facility.

Interest Rates and Fees

The interest rate on loans under the Credit Facilities that are (i) denominated in US dollars will, at the option of the Borrowers, be either a margin over a US base rate or a margin over LIBOR (ii) denominated in Canadian dollars will, at the option of the Borrowers, be either a margin over the Canadian prime rate or a margin over the bankers' acceptance rate and (iii) denominated in Euros will be based on a margin over EURIBOR; such margins will be based on the then applicable ratio of total funded debt to EBITDA. The interest rates applicable to borrowings in other currencies under the Caribbean Tranche B Facility will be determined pursuant to the terms of the applicable Bi-Lateral Agreement.

Repayment

The Credit Facilities will be required to be repaid on their respective maturity dates noted above.

Guarantees and Security

The Credit Facilities are fully secured by Parkland and its material subsidiaries by way of a security interest in substantially all of their respective assets, secured by a perfected first priority lien, subject to certain encumbrances, as security for their obligations to the agent and the lenders under the Credit Facilities. In addition, Parkland and its material subsidiaries are required to guarantee the obligations of the Borrowers to the agent and lenders under the Credit Facilities.

Certain Covenants and Events of Default

Subject to certain exceptions, the Credit Agreement contains a number of covenants that, among other things, restrict the Borrowers (and, in certain cases, the Borrower's subsidiaries' and Parkland's material subsidiaries') ability to: change the nature of their business or operations in any material respect; create liens on their assets; liquidate, dissolve or wind up; transfer or sell assets, including shares of subsidiaries; incur or guarantee additional debt or other obligations, issue certain equity securities or enter into sale and leaseback transactions other than in limited circumstances; in certain circumstances, hold cash in excess of set amounts; make certain investments or acquisitions over a certain limit; grant certain guarantees or other forms of financial assistance; pay dividends on shares, repurchase shares, redeem subordinated debt or make other restricted payments; enter into hedges other than in limited circumstances; enter into transactions with affiliates; consolidate, merge or transfer all or substantially all of their assets; or change their fiscal year unless certain conditions are met.

The Credit Agreement contains customary affirmative covenants and events of default.

The Credit Agreement also requires Parkland to maintain specified financial ratios and satisfy specified financial tests. See section 7 of Parkland's management's discussion and analysis for the year ended 2020 for a description of the financial covenants under the Credit Agreement and Parkland's compliance with such covenants.

Unsecured Letter of Credit Facilities

As of December 31, 2020, Parkland had $32 million in undrawn letters of credit outstanding under three unsecured demand revolving letter of credit facilities (collectively, the "**LC Facilities**") provided by each of The Bank of Nova Scotia, Canadian Imperial Bank of Commerce and Royal Bank of Canada. Parkland's obligations under the LC Facilities are supported by guarantees from each borrower under the Credit Agreement, and performance security guarantees from Export Development Canada.

Credit Ratings

The Senior Notes are rated BB stable from Standard & Poor's Rating Services, a division of McGraw Hill Financial, Inc. ("**S&P**"), BB stable from DBRS Limited ("**DBRS**"), and BB stable from Fitch Ratings ("**Fitch**"). In addition, the 2026 US 6.00% Senior Notes and the 2027 US 5.875% Senior Notes have a rating of Ba2 stable from Moody's Investors Services ("**Moody's**").

S&P's credit ratings are on a long-term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. A rating of BB is the fifth highest of ten major categories. According to the S&P rating system, an obligor with debt securities rated BB is less vulnerable to nonpayment than other speculative issues, however, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation. The addition of a plus (+) or minus (-) designation after a rating indicates the relative standing within a particular rating category.

DBRS rates long-term debt instruments by rating categories ranging from "AAA" to "D", which represents the range from highest to lowest quality of such securities rated. All rating categories other than "AAA" and "D" also contain subcategories "(high)" and "(low)". The absence of either a "(high)" or "(low)" designation indicates the rating is in the middle of the category. A rating of BB is characterized by DBRS to be speculative and non-investment grade credit quality, where the capacity for the payment of financial obligations is uncertain and vulnerable to future events. The BB category is the fifth highest of ten available rating categories.

Fitch’s rates long-term debt instruments and financial strength by categories ranging from “AAA” to “D”, which represents the range from highest to lowest quality of such securities rated. Fitch may use modifiers of “+” or “-” to denote relative status within major rating categories. A rating of BB is the fifth highest of ten major categories and is characterized by Fitch as indicating an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, the business or financial alternatives may be available to allow financial commitments to be met.

Moody’s long-term debt ratings are on a scale from Aaa to C, which represents the range from highest to lowest quality of such securities rated. All rating categories other than Aaa, Ca, and C, also contain subcategories “1”, “2”, or “3”. The subcategory designations indicate the relative standing within a particular rating category, with “1” indicating that the obligation ranks in the higher end of that generic rating category and “3” indicating that the obligation ranks in the lower end of that generic rating category. A Ba2 rating is characterized by Moody’s as having speculative elements and subject to substantial credit risk and non-investment grade credit quality.

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issuer of securities. The credit ratings accorded to the notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant. A revision or withdrawal of a credit rating could have a material adverse effect on the pricing or liquidity of the notes in the secondary markets, should such markets develop. Parkland undertakes no obligation to maintain the ratings or to advise holders of the Senior Notes of any change in ratings. Each agency’s rating should be evaluated independently of any other agency’s rating. See “Risk Factors”.

We have paid fees for rating services to S&P, DBRS, Moody’s and Fitch, but have not paid fees for other rating agency services during the last two years.

MARKET FOR SECURITIES

Trading Price and Volume of Securities

Common Shares

The Common Shares are listed for trading on the TSX and trade under the symbol "**PKI**". The following table sets forth the price range and trading volumes for the Common Shares that traded on the TSX, as reported by Bloomberg Terminal, on a monthly basis for each month of the most recently completed financial year:

Month	High	Low	Volume Traded
January	$48.95	$45.74	9,840,831
February	$47.69	$42.20	7,059,038
March	$41.44	$19.99	22,777,631
April	$34.36	$24.17	13,154,280
May	$38.72	$30.96	11,297,676
June	$39.54	$32.42	9,594,933
July	$35.77	$32.75	6,003,674
August	$41.08	$35.63	7,200,162
September	$37.20	$33.47	8,245,738
October	$38.06	$32.54	6,953,056
November	$41.39	$33.12	10,106,357
December	$43.49	$39.36	7,907,978

DIRECTORS AND OFFICERS

Directors

The following table sets forth the name, jurisdiction of residence, committee memberships, principal occupations or employment for the preceding five years and the date of first being appointed as a director of Parkland for each of the directors of the Corporation as at December 31, 2020. The term of each director will expire at the end of the next annual meeting of Shareholders or when their successors are duly elected or appointed.

Name and Jurisdiction of Residence	Principal Occupation During the Five Preceding Years	Director of Parkland Since
John F. Bechtold (1)(2)(8) Montreal, Quebec, Canada	Corporate Director.	August 10, 2006
Lisa Colnett (1)(8) Toronto, Ontario, Canada	Corporate Director. Interim Human Resources Executive of Silver Standard Resources Inc. from April, 2014 – August, 2014.	May 8, 2014
Robert B. Espey Calgary, Alberta, Canada	President and Chief Executive Officer of Parkland since May 1, 2011. President and Chief Operating Officer of Parkland from March 15, 2011 to April 30, 2011. Chief Operating Officer of Parkland from January, 2010 to March, 2011. Vice President of Retail Markets of Parkland from November, 2008 to December, 2009.	May 12, 2011
Timothy Hogarth (2) Toronto, Ontario, Canada	President and CEO of The Pioneer Group Inc. since June 2015 and previously served as Chairman and Chief Executive Officer of Pioneer Energy prior to its acquisition by Parkland in 2015.	June 25, 2015
James Pantelidis (2)(5) Toronto, Ontario, Canada	Corporate Director.	September 7, 1999
Domenic Pilla (2)(3)(4)(8) Toronto, Ontario, Canada	Corporate Director. CEO of McKesson Canada from 2017 to 2020. President of Shoppers Drug Mart Corporation, a subsidiary of Loblaw Companies Limited from April 1, 2014 to January 9, 2015. Chief Executive Officer of Shoppers Drug Mart Corporation from November 1, 2011 until March 31, 2014.	January 5, 2015
Steven Richardson (1)(3)(4)(6) Unionville, Ontario, Canada	Corporate Director.	August 2, 2017
David A. Spencer (2)(7)(8) Calgary, Alberta, Canada	Director, Pine Hill Capital. Partner with Bennett Jones LLP from February 2005 until December 31, 2019.	April 30, 2002
Deborah Stein (1)(3)(4) Calgary, Alberta, Canada	Corporate Director. Senior Vice President Finance and Chief Financial Officer at AltaGas Ltd. from 2008 to 2015.	May 13, 2016

Notes:

(1) Member of the Human Resources and Corporate Governance Committee. Chair of the Human Resources and Corporate Governance Committee is Ms. Colnett.

(2) Member of the Strategic Initiatives and Corporate Development Committee. Chair of the Strategic Initiatives and Corporate Development Committee is Mr. Pantelidis.

(3) Member of the Audit Committee. Chair of the Audit Committee is Mr. Richardson.

(4) The members of the Audit Committee have been determined to be independent and financially literate. The education and experience of each Audit Committee member is detailed under the heading "*Audit Committee Information*".

(5) Mr. Pantelidis is Chairman of the Board of Directors.

(6) Mr. Richardson was a member of the board of directors of Sterling Shoes Inc. from June 2010 to January 2013. Pursuant to orders of the Supreme Court of British Columbia, including an initial order dated October 21, 2011, Sterling Shoes Inc. and each of its subsidiaries obtained creditor protection under the CCAA. On November 28, 2014, the BCSC granted an order authorizing, among other things, a final distribution to the creditors of Sterling Shoes GP Inc. and Sterling Shoes Limited Partnership holding individual claims in excess of $4,600. Furthermore, on September 9, 2013, the British Columbia Securities Commission issued a cease trade order relating to any trading in securities of Sterling Shoes Inc. as a result of Sterling Shoes Inc. not having filed its (i) annual audited financial statements, annual management's discussion and analysis and certification of annual filings for the years ended December 31, 2011 and December 31, 2012 and (ii) interim unaudited financial statements, interim management's discussion and analysis and certification of interim filings for the interim periods ended March 31, 2012, June 30, 2012, September 30, 2012, March 31, 2013, June 30, 2013 and September 30, 2014, by the required deadlines. Related cease trade orders were also issued by securities regulatory authorities in Alberta on December 9, 2013, Ontario on September 16, 2013 (replaced by a permanent cease trade order as of September 27, 2013) and Quebec on September 12, 2013 (replaced by a permanent cease trade order as of September 27, 2013). The cease trade orders remain in effect.

(7) Mr. Spencer retired as a partner with Bennett Jones LLP, a law firm that provides services to Parkland, on December 31, 2019.

(8) Member of the Environment, Social and Governance Committee. Chair of the Environment, Social and Governance Committee is Mr. Pilla.

Officers and Senior Management

The following table sets forth the name, jurisdiction of residence, positions and offices held with Parkland and principal occupations or employment for the preceding five years of each of the officers and senior management of Parkland.

Name and Jurisdiction of Residence	Principal Occupation During the Five Preceding Years
Robert B. Espey Calgary, Alberta, Canada	President and Chief Executive Officer since May 2011. President and Chief Operating Officer of Parkland from March 15, 2011 to April 30, 2011. Chief Operating Officer of Parkland from January 2010 to March 2011. Vice President of Retail Markets of Parkland from November 2008 to December 2009.
Christy Elliott Calgary, Alberta, Canada	Senior Vice President, General Counsel and Corporate Secretary of Parkland since December 2020. Vice President, Senior General Counsel and Corporate Secretary of Parkland from January 2019 to December 2020. Vice President, General Counsel and Corporate Secretary of Parkland from May 2018 to January 2019. Vice President, Associate General Counsel & Corporate Secretary of Parkland from December 2017 to May 2018. Interim Vice President, General Counsel and Corporate Secretary of Parkland from July 2017 to December 2017. Legal Counsel of Parkland from April 2016 to December 2017. Associate, Jensen Shawa Solomon Duguid Hawkes LLP from September 2011 to April 2016.
Douglas Haugh Charleston, South Carolina, United States	President, USA (formerly Parkland USA) since November 2017. President and Chief Strategy Officer, Mansfield Energy Corp. from October 2016 to November 2017. President, Mansfield Oil Company, June 2007 to November 2016.
Ryan Krogmeier Calgary, Alberta, Canada	Senior Vice President, Supply, Trading and Refining of Parkland since December 2018. Global Vice President, Joint Ventures & Affiliates, Chevron Corporation from June 2012 to November 2018.
Pierre P.G. Magnan Grand Cayman, Cayman Islands	President, International since October 2018. Vice President, Corporate Development of Parkland from December 2017 to November 2018. Interim Vice President, Supply, Trading & Refining of Parkland from December 2017 to October 2018. Vice President, General Counsel & Corporate Secretary from December 2015 to December 2017. Principal and Independent Counsel of Deer Grove Inc., a private investment company, from April 2014 to December 2015.
Donna Sanker Calgary, Alberta, Canada	President, Parkland Canada since November 2019. Chief Operating Officer of BP (US) from September 2017 to September 2019. Chief Marketing Officer of BP (US) from December 2015 to August 2017. Vice President of Retail of BP (US) from September 2014 to December 2015. Vice President of Marketing of BP (US) from November 2009 to September 2014.
Darren Smart[(1)] Calgary, Alberta, Canada	Interim Chief Financial Officer of Parkland from November 2019 to November 2020. Senior Vice President, Strategy & Corporate Development of Parkland since January 2019. Vice President, Strategy & Integration of Parkland from January 2018 to December 2018. Vice President, Corporate Development of Parkland from September 2015 to December 2017. Director, Corporate Development of Parkland from August 2014 to September 2015. Portfolio Manager, Teachers' Private Capital from June 2005 to July 2014.
Ian White Toronto, Ontario, Canada	Senior Vice President, Strategic Marketing & Innovation of Parkland since January 2019. Vice President, Strategic Marketing of Parkland from February 2017 to December 2018. Director, Pioneer Energy from June 2014 to January 2017. Head of Canada, National Money Mart Company, Dollar Financial Group from September 2011 to July 2014.
Marcel Teunissen Calgary, Alberta, Canada	Chief Financial Officer of Parkland since December, 2020. Executive Vice President of Finance for Integrated Gas and New Energies at Royal Dutch Shell from November 2019 to November 2020. Vice President Finance Ventures from 2018 to 2019. Vice President Finance for Shell Canada Ltd. from 2015 to 2018.
Ferio Pugliese Mississauga, Ontario, Canada	Senior Vice President, People and Culture since December 2020. Senior Vice President, Regional Markets and Government Relations at of Air Canada, from August 2018 to December 2020. Executive Vice President, Customer Care & Corporate affairs at Hydro One LTD. from September 2016 to August 2018. President and Executive Vice President at WestJet Encore from November 2013 to August 2016. Executive Vice President, People and Culture and Inflight Services at WestJet from June 2007 to November 2012.

Note:

(1) Mr. Smart was a director of Aquilex Holdings LLC when it successfully completed a consensual financial restructuring with its debt holders on February 3, 2012. Mr. Smart resigned as a director of Aquilex Holdings LLC in February 2012.

As of December 31, 2020, the directors and executive officers of Parkland, as a group, beneficially owned, or controlled or directed, directly or indirectly, approximately 1,247,822 Common Shares, representing approximately 0.83 % of the issued and outstanding Common Shares as of December 31, 2020.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Corporate Cease Trade Orders

To the knowledge of the Corporation, other than as set forth in the notes to the tables under the heading "Directors and Officers" no director or executive officer of the Corporation, is as at the date hereof or was, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company that: (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation (an "**order**") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Corporate Bankruptcies

To the knowledge of the Corporation, other than as set forth in the notes to the tables under the heading "Directors and Officers'', no director, executive officer or controlling securityholder of the Corporation is, as of the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

To the knowledge of the Corporation, no director, executive officer or controlling securityholder of the Corporation has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

Penalties or Sanctions

To the knowledge of the Corporation, no director, executive officer or controlling securityholder of the Corporation has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

Certain of the directors and officers of the Corporation are engaged in, and may continue to be engaged in, other activities in the industries in which the Corporation operates from time to time. As a result of these and other activities, certain directors and officers of the Corporation may become subject to conflicts of interest from time to time. The Business Corporations Act provides that in the event that an officer or director is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or material transaction or proposed material contract or proposed material transaction, such officer or director shall disclose the nature and extent of his or her interest and shall refrain from voting to approve such contract or transaction, unless otherwise provided under the Business Corporations Act. To the extent that conflicts of interests arise, such conflicts will be resolved in accordance with the provisions of the Business Corporations Act.

As of the date hereof, the Corporation is not aware of any existing or potential material conflicts of interest between the Corporation and any director or officer of the Corporation.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by Parkland within the most recently completed financial year, or before the most recently completed financial year but which are still material and are still in effect, are the Credit Agreement, the Senior Note Indentures (see the section "Description of Capital Structure – Indebtedness") and the Sol Shareholder Agreement (see the section "General Development of the Business – Three Year History – 2020").

INTERESTS OF EXPERTS

Our independent auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have issued an independent auditor's report in respect of our annual consolidated financial statements for the year ended December 31, 2020. PricewaterhouseCoopers LLP has advised that they are independent to us within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Corporation is not aware of any material legal proceedings to which the Corporation or its affiliates is a party or to which their property is subject.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Corporation is not aware of any material interest, direct or indirect, of any director or officer of the Corporation, any director or officer of a corporation that is an insider or subsidiary of the Corporation, or any other insider of the Corporation, or any associate or affiliate of any such person, in any transaction since the commencement of the Corporation's last three completed financial years, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its subsidiaries.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, is contained in the information circular for Parkland's most recent annual meeting of Shareholders. Additional financial information is provided in Parkland's annual consolidated financial statements and management's discussion and analysis for the year ended December 31, 2020. Copies of such documents are filed and available on SEDAR at www.sedar.com and may be obtained in the manner set forth above.

The Corporation's public disclosure documents can be found on SEDAR at www.sedar.com and on its own website. Parkland's website is located at www.parkland.ca. The content of, or otherwise accessible through, Parkland's website is not incorporated by reference into this Annual Information Form.

REGISTRAR AND TRANSFER AGENT

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada located at 710, 530 – 8th Avenue SW, Calgary, Alberta T2P 3S8, Tel: 1-800-564-6253.

APPENDIX 1 MANDATE OF THE AUDIT COMMITTEE

Overall Purpose / Objective

The Audit Committee is appointed by the Board of Directors of Parkland (the "Corporation") to assist the Board in discharging its oversight responsibilities. The Audit Committee will oversee the financial reporting process with a goal of ensuring the balance, transparency and integrity of published financial information of Parkland. The Audit Committee will also review: the effectiveness of Parkland's internal financial control and risk management system; the effectiveness of the internal audit function; the independent audit process including recommending the appointment and assessing the performance of the external auditor of Parkland; the Corporation's process for monitoring compliance with laws and regulations affecting financial reporting.

Parkland will comply with the policies and procedures overseen or reviewed by the Audit Committee and use their best efforts to ensure that these policies and procedures are implemented. In performing its duties, the Audit Committee will maintain effective working relationships with the Board of Directors, management and the external auditors. To perform his or her role effectively, each Audit Committee member will need to develop and maintain his or her skills and knowledge, including an understanding of the Audit Committee's responsibilities and of the Corporation's business operations and risks. The members of the Audit Committee will be financially literate and independent as defined by National Instrument 52-110 Audit Committees ("NI 52-110").

Although the Audit Committee has the powers and responsibilities set forth in this Mandate, the role of the Audit Committee is oversight. The members of the Audit Committee are not full-time employees of the Corporation and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity nor are they experts in performing other tasks they are called on to perform by this Mandate. Consequently, it is not the duty of the Audit Committee to conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles ("GAAP") and applicable rules and regulations. These are the responsibilities of management and the external auditor.

Authority

The Board authorizes the Audit Committee, within the scope of its responsibilities, to:

a) Perform activities within the scope of this Mandate;
b) Engage and compensate independent counsel and other advisers as it deems necessary to carry out its duties;
c) Ensure the attendance of Corporate Officers at meetings as appropriate;
d) Request and gain access to members of management, employees and relevant information to perform this Mandate;
e) Establish procedures for dealing with the confidential, anonymous submissions by employees of the Corporation regarding accounting, internal control or auditing matters;
f) Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters;
g) Approve the appointment, compensation, retention and annual scope of work of the external auditor;
h) Approve all engagement fees and terms as well as reviewing policies for the provision of audit and non-audit services by the external auditors and the pre-approval of such non-audit work as required by NI 52-110; and
i) Communicate directly with the internal and external auditors.

Organization

Membership

a) The Board of Directors will appoint the Audit Committee members and the Chair of the Audit Committee.

b) The Audit Committee will comprise at least three members and all members will be independent within the meaning set forth in NI 52-110 as amended from time to time, non-executive Directors of the Corporation.
c) A quorum for any meeting of the Audit Committee will be two members.
d) Each member should have skills and experience appropriate to the Corporation's business.
e) Members will be appointed for a one-year term of office.
f) Each member of the Audit Committee shall be financially literate within the meaning set forth under NI 52-110.
g) A member of the Audit Committee shall ipso facto cease to be a member of the Audit Committee upon ceasing to be a director of the Corporation.

Meetings

a) Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by other electronic means to each member of the Committee at least 48 hours prior to the time fixed for such meeting. A member may in any manner waive notice of the meeting. Attendance of a member at a meeting shall constitute waiver of notice.
b) Only Audit Committee members are entitled to attend meetings. The Audit Committee may invite such other persons to its meetings as it deems necessary.
c) The external auditors will be invited to make presentations to the Audit Committee as appropriate.
d) Meetings will be held not less than four times a year and should correspond with the Corporation's financial reporting cycle.
e) Other meetings may be convened as required by the Audit Committee or the external auditors.
f) The secretary of the Audit Committee will circulate the agenda and supporting documentation to the Audit Committee members at a reasonable period in advance of each meeting.
g) The secretary of the Audit Committee will circulate the minutes of meetings to members of the Board, members of the Audit Committee, and where appropriate to the external auditors.
h) At least one member of the Audit Committee will attend the Board meeting at which the financial statements are approved.
i) Members of the Audit Committee should make every attempt to be available for every meeting of the Audit Committee in person or by conference call.
j) The Audit Committee may call a meeting with outside legal counsel if it is deemed necessary.
k) The Audit Committee will meet with the external auditor without management present at each meeting of the Audit Committee that the external auditor attends. Even if this meeting is only to determine that there are no issues that need to be discussed without management.
l) The Audit Committee shall meet with the external auditors at least quarterly and otherwise as it deems appropriate to consider any matter that the Audit Committee or the external auditors determine should be brought to the attention of the Board or shareholders.

Roles and Responsibilities

The Audit Committee will:

Internal Control

a) Have oversight responsibility for management reporting on internal controls;
b) Review with the external auditors of the Corporation the adequacy of internal control procedures and management information systems and make inquiries to management of the Corporation and the external auditors of the Corporation about significant risks and exposures to the Corporation that may have a material adverse impact on the Corporation's financial statements and about the efforts of the management of the Corporation to mitigate such risks and exposures;
c) Review confidential submissions by employees of the Corporation received via the Corporation's Whistleblower Hotline (which are sent directly to the Chair) and make appropriate recommendations to the Board of Directors regarding same;

d) Review recommendations made by the external auditors; and
e) Monitor policies and procedures relating to directors' and officers' expenses and the reimbursement thereof and relating to any perquisites paid to directors and officers.

Financial Reporting

a) Gain an understanding of the current areas of greatest financial and internal control risk and of how these are being managed;
b) Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on financial reports;
c) Oversee the periodic financial reporting process implemented by management and review the interim financial statements, annual financial statements MD& A, and relevant news releases or announcements and any other financial information related to the Corporation to be provided to shareholders prior to their release;
d) Recommend for approval to the Board the Corporation's audited annual and interim financial statements, related management's discussion and analysis and earnings news releases;
e) Meet with management and the external auditors to review the financial statements and the key accounting policies and judgments;
f) Review with the external auditors of the Corporation and/or management of the Corporation the results of the annual audit, and make appropriate recommendations to the Board having regard to, among other things:

    i. the financial statements;
    ii. management's discussion and analysis and related financial disclosure contained in continuous disclosure documents;
    iii. significant changes, if any, to the initial audit plan;
    iv. accounting and reporting decisions relating to significant current year events and transactions;
    v. the management letter, if any, outlining the external auditors' findings and recommendations, together with management's response, with respect to internal controls and accounting procedures; and
    vi. any other matters relating to the conduct of the audit, including such other matters which should be communicated to the Committee under generally accepted auditing standards.

g) Review significant adjustments, material unadjusted differences, significant disagreements with management and critical accounting policies and practices and the Corporation's responses to these queries; and
h) Ensure its compliance with all of the applicable requirements of NI 52-110 and for reporting any non-compliance with such requirements to the Board, including the reasons for such non-compliance.

Compliance with Laws and Regulations

a) Review the effectiveness of the system for monitoring compliance with laws and regulations;
b) Obtain regular updates from management regarding compliance matters that may have a material impact on the Corporation's financial statements or compliance policies;
c) Review the reports of management on regulatory compliance matters related to the business of the Corporation in the preparation of the financial statements; and
d) Review the findings of material reports by regulatory agencies.

Working with Auditors

a) Advise the external auditors of their accountability to the Audit Committee and the Board as representatives of the shareholders of the Corporation to whom the external auditors are ultimately accountable. The external auditors of the Corporation shall report directly to the Audit Committee;
b) Review the professional qualification of the auditors, including background and experience of partner and auditing personnel;

c) Ensure compliance by the Corporation's external auditors with the requirements set forth in National Instrument 52-108 Auditor Oversight;
d) Ensure that the Corporation's external auditors are participants in good standing with the Canadian Public Accountability Board ("CPAB") and participate in the oversight programs established by the CPAB from time to time and that the external auditors have complied with any restrictions or sanctions imposed by the CPAB as of the date of the applicable auditor's report relating to the Corporation's annual audited financial statements;
e) Obtain from the external auditors of the Corporation a formal written statement describing in detail all of the relationships between the external auditors and the Corporation, determine whether the non-audit services performed by the external auditors during the year have impacted their independence, ensure that no relationship between the external auditors and the Corporation exists which may affect the independence of the external auditors and take appropriate action to ensure the independence of the external auditors;
f) Review on an annual basis the performance of the external auditors and make recommendations to the Board for the appointment, reappointment or termination of the appointment of the external auditors;
g) Review all correspondence and memoranda relating to all audit and non-audit engagements provided by external auditors in relation to the Corporation's present circumstances and changes in regulatory and other requirements;
h) Discuss with the external auditor any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information;
i) Ensure that significant findings and recommendations made by the external auditors and managements propose response are received, discussed and appropriately acted on;
j) Discuss with the external auditor the appropriateness of the accounting policies applied in the Corporation's financial reports and/or any significant changes to the Corporation's accounting policies, principles or practices;
k) Meet separately with the external auditors to discuss any matters that the Audit Committee or auditors believe should be discussed privately. Ensure the auditors have access to the Chair of the Audit Committee when required;
l) Review policies for the provision of non-audit services by the external auditors and, if required, the pre-approval of such non-audit work;
m) Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;
n) Review management's proposed internal control plan for the coming year and ensure that there is appropriate co-ordination with the external auditor; and
o) Perform all other functions required of Audit Committees by applicable regulatory authorities in connection with the termination or resignation of an auditor.

Reporting Responsibilities

a) Regularly update the Board about Audit Committee activities and make appropriate recommendations;
b) Ensure the Board is aware of matters brought to the attention of the Audit Committee that may significantly impact on the financial condition or affairs of the Corporation;
c) Prepare any reports required by regulations on the Audit Committee's Mandate and activities to be included in the section on Corporate Governance in the Annual Report; and
d) Review the disclosure contained in the Corporation's Annual Information Form as required by Form 52-110F1 Audit Committee Information Required in an AIF ("Form 52-110F1") attached to NI 52-110. If management of the Corporation solicits proxies from shareholders of the Corporation for the purpose of recommending persons to be elected as directors of the Corporation, the Audit Committee shall be responsible for ensuring that the Corporation's Information Circular includes a cross-reference to the sections in the Corporation's Annual Information Form that contain the information required by Form 52-110F1.
e) Ensure the preparation and filing of each annual certificate in Form 52-109F1 Certification of Annual Filings Full Certificate and each interim certificate in Form 52-109F2 Certification of Interim Filings Full Certificate to be signed by each of the Chief Executive Officer and Chief Financial Officer of the Corporation in accordance with the requirements set forth under NI 52-109 in Issuers' Annual and Interim Filings as amended from time to time;

f) Ensure that management of the Corporation establishes and maintains disclosure controls and procedures for the Corporation that are designed to provide reasonable assurance that material information relating to the Corporation, including its consolidated subsidiaries, is made known to management of the Corporation by others within those entities, particularly during the period in which the annual filings or interim filings are being prepared and that management of the Corporation establishes and maintains internal control over financial reporting for the Corporation that has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Corporation's generally accepted accounting principles. In respect of annual filings only, the Audit Committee is also responsible for ensuring that management of the Corporation evaluates the effectiveness of the Corporation's disclosure controls and procedures as of the end of the period covered by the annual filings and has caused the Corporation to disclose in the annual management's discussion and analysis its conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the annual filings based on such evaluation. The terms "annual filings," "interim filings," "disclosure controls and procedures" and "internal control over financial reporting" shall have the meanings set forth under NI 52-109; and

g) Monitor any changes in the Corporation's internal control over financial reporting and for ensuring that any change that occurred during the Corporation's most recent interim period that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting is disclosed in the Corporation's annual management's discussion and analysis.

Evaluating Performance

a) Evaluate the Audit Committee's own performance, both of individual members and collectively, on an annual basis; and

b) Assess the achievements of the duties of the Audit Committee specified in the Mandate and report the findings to the Board.

Review of the Audit Committee Mandate

The HR&CG Committee, with input by all Board members and management, will review these terms of reference at least annually or, where circumstances warrant, at such shorter intervals as is necessary, to determine if further additions, deletions or other amendments are required.

PARKLAND