

# MANDATE OF THE HUMAN RESOURCES, NOMINATING AND COMPENSATION COMMITTEE

## Overall Purpose / Objective

The Human Resources and Compensation Committee (the “**HRNC Committee**”) is appointed by the Board of Directors (the “**Board**”) of Parkland Corporation (the “**Corporation**”) to assist the Board in carrying out its responsibility for the stewardship of the Corporation through the alignment of talent strategy, compensation philosophy and culture to support the Corporation’s strategy and objectives, as well as in meeting its disclosure and continued listing requirements with respect to executive compensation. The HRNC Committee will, in accordance with this mandate: (i) develop selection criteria and identify and recommend to the Board qualified individuals for the Board; and (ii) lead in the development and review of a Board and chair of the Board (“**Board Chair**”) succession plan. The HRNC Committee’s scope also includes the review and recommendation to the Board of: (i) all matters relating to the appointment, remuneration, performance and succession of the Chief Executive Officer (the “**CEO**”); (ii) the CEO’s recommendations relating to the appointment, remuneration, performance and succession for all members of the senior leadership team reporting directly to the CEO; (iii) the remuneration of the Board; and (iv) and such other matters indicated in this mandate.

In performing its duties, the HRNC Committee will maintain effective working relationships with the Board, the senior leadership team, and other committees of the Board. To perform his or her role effectively, each HRNC Committee member (“**Member**”) will need to develop and maintain his or her skills and knowledge, including an understanding of the HRNC Committee’s responsibilities and the Corporation’s business operations and risks.

The Terms of Reference for Board and Committees set out the procedural requirements generally applicable to committees of the Board and as such, are incorporated by reference herein.

## Authority

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

- a) perform activities within the scope of this mandate;
- b) ensure the attendance of the Corporation’s officers at meetings, as appropriate;
- c) request and gain access to members of management, employees and relevant information;
- d) engage and compensate independent counsel and other advisors as it deems necessary to carry out its duties, including the retention of a compensation consultant as necessary; and
- e) establish procedures for dealing with the various aspects of this mandate.

## Organization

### Membership

The HRNC Committee shall consist of not less than three nor more than five Members. All Members shall be independent (within the meaning of NI 52-110 – Audit Committees), non-executive directors of the Corporation. Replacements are appointed by the Board in case of resignation or vacancy.

## Roles and Responsibilities

### Executive Compensation

The HRNC Committee will:

- a) review the Corporation’s compensation program to ensure alignment with the Corporation’s peer group, stakeholder interests, and strategic objectives;
- b) annually review and recommend all aspects of remuneration received by the Board;
- c) review and consider the implications of the risks associated with the Corporation’s compensation policies and practices, specifically, situations that could potentially encourage an executive to expose the Corporation to inappropriate or excessive risks;
- d) review and approve for recommendation the annual corporate goals and objectives relevant to the compensation of the CEO, and evaluate the performance of the CEO in light of those goals and objectives, report the results of such evaluation to the Board, and set the CEO compensation level based on this evaluation;
- e) review and approve for recommendation the objectives relevant to the compensation of the Corporation’s senior leadership team and, on an annual basis, review and approve the CEO’s recommendations with respect to the individual performance of the senior leadership team in light of those goals and objectives;

- f) at least annually:
  - i) recommend target total compensation for the CEO to the Board, and
  - ii) review and approve CEO recommendations for target total compensation of the senior leadership team;
- g) review and recommend the CEO's recommendations on the appointment, promotion, termination, and compensation of the Chief Financial Officer and other members of the senior leadership team reporting directly to the CEO;
- h) oversee the Corporation's regulatory compliance with respect to compensation matters;
- i) review the compensation peer group used in assessing compensation for the executive officers of the Corporation;
- j) review and recommend the adoption of any incentive plan, whether in respect of stock options, restricted share units, performance share units, deferred share units, or other short or long term incentive plan of the Corporation, whether cash or treasury settled (collectively, "**Incentive Plans**"), and oversee the administration of, and granting of awards under, any Incentive Plans;
- k) review and recommend the terms and conditions relating to termination and remuneration of any employment contract with the CEO and senior leadership team;
- l) review and recommend to the Board any exceptions to the terms and conditions of any employment contract with the CEO and senior leadership team in the event of such executive's termination, or as proposed by management during the hiring process for any such executive; and
- m) review and recommend any significant changes to the overall executive compensation program and the Corporation's objectives related to executive compensation.

### **Director Compensation**

The HRNC Committee will:

- a) annually review all aspects of remuneration received by Board members, considering peer practices and the duties and responsibilities of the directors;
- b) annually review and recommend to the Board, equity ownership requirements and targets for directors, Chief Executive Officer, Chief Financial Officer, and senior leadership team and assess compliance with such requirements; and
- c) oversee the administration of the Deferred Share Unit Plan for non-employee directors.

### **Human Capital Management**

The HRNC Committee will:

- a) at least annually,
  - i) review the succession planning process and succession planning for the CEO, and the role profile for the CEO in connection therewith; and
  - ii) review the CEO's recommendations on succession planning for the senior leadership team;
- b) review the Human Resources policies and the organization of the Corporation;
- c) review the Corporation's approach to and policies for recruiting, developing and retaining the senior leadership team;
- d) monitoring the development plans for the CEO and the senior leadership team; and
- e) review the Corporation's human capital management, talent development, diversity, equity and inclusion strategy, retention of key employees, and the results of any employee engagement evaluations or initiatives.

### **Board Recruitment, Appointment and Succession Planning**

The HRNC Committee will:

- a) develop and maintain a process for identifying, recruiting and appointing new directors;
- b) recommend candidates to fill Board vacancies;
- c) determine the qualifications, competencies, skills, financial acumen and other expertise and qualities required to be a director of the Corporation;
- d) maintain an ongoing succession plan for Board members; which may take into consideration certain factors deemed relevant by the Committee, including the desired composition of the Board, the strengths, skills and experience of current directors, expected retirement dates, the strategic direction of the Corporation, and the financial market's need for strong independent representation; and
- e) maintain and update a Board skills matrix, taking into account both current skills and future needs of the Corporation.

### ***Disclosure and Reporting Responsibilities***

The HRNC Committee will:

- a) oversee and/or oversee, if and to the extent required by applicable rules and regulations of any securities regulator or stock exchange, a report regarding director or executive compensation for inclusion in the Corporation's annual proxy circular or other public disclosure documents before the Corporation publicly discloses this information;
- b) at each regular meeting of the Board, update the Board about HRNC Committee activities and make appropriate recommendations; and
- c) ensure the Board is aware of matters that may significantly impact the Corporation.

### **Other**

The HRNC Committee will:

- a) exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities of the HRNC Committee specified herein or as may from time to time be delegated by the Board;
- b) review the HRNC Committee mandate at least annually or, where circumstances warrant, at such shorter intervals as is necessary, and discuss any required changes with the Board;
- c) annually evaluate the performance of the Committee; and
- d) ensure that the mandate is approved or re-approved by the Board.