# ANNUAL INFORMATION FORM

## FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

February 27, 2024

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## GLOSSARY OF TERMS

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

"**2026 3.875% Senior Notes**" means the $600,000,000 aggregate principal amount of 3.875% senior notes of Parkland with a final maturity date of June 16, 2026, issued on June 16, 2021;

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

"**2028 6.000% Senior Notes**" means the $400,000,000 aggregate principal amount of 6.000% senior notes of Parkland with a final maturity date of June 23, 2028, issued on June 23, 2020;

"**2029 4.375% Senior Notes**" means the $600,000,000 aggregate principal amount of 4.375% senior notes of Parkland with a final maturity date of March 26, 2029, issued on March 25, 2021;

"**2029 4.500% US Senior Notes**" means the US$800,000,000 aggregate principal amount of 4.500% senior notes of Parkland with a final maturity date of October 1, 2029, issued on April 13, 2021;

"**2030 4.625% US Senior Notes**" means the US$800,000,000 aggregate principal amount of 4.625% senior notes of Parkland with a final maturity date of May 1, 2030, issued on November 23, 2021;

"**Annual Financial Statements**" means Parkland's annual consolidated financial statements as at December 31, 2023, December 31, 2022 and January 1, 2022 and for the years ended December 31, 2023 and December 31, 2022, which are deemed to be incorporated by reference in this Annual Information Form and are filed and available under the Corporation's SEDAR+ profile at www.sedarplus.ca;

"**Annual Information Form**" means this annual information form for the financial year ended December 31, 2023, dated February 27, 2024;

"**Annual MD&A**" means Parkland's management's discussion and analysis for the year ended December 31, 2023, which is deemed to be incorporated by reference in this Annual Information Form and is filed and available under the Corporation's SEDAR+ profile at www.sedarplus.ca;

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

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

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

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

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

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

"**Credit Agreement**" means the fourth amended and restated senior secured credit agreement between the Corporation and certain of its subsidiaries, as borrowers, Canadian Imperial Bank of Commerce, as agent, and the financial institutions party thereto, as lenders, dated April 14, 2022, as amended from time to time;

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

"**ESG**" means environment, social and governance;

"**EV**" means electric vehicle;

"**GHG**" means greenhouse gases;

"**HSE**" means health, safety and environment;

"**IT**" means information technology;

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

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

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

"**QSR**" means quick-service restaurant;

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

"**SEDAR+**" means System for Electronic Data Analysis and Retrieval +;

"**Senior Note Indentures**" means, collectively, (i) the trust indenture dated July 10, 2019 governing the terms of the 2027 5.875% US Senior Notes, (ii) the trust indenture dated June 23, 2020 governing the terms of the 2028 6.000% Senior Notes, (iii) the trust indenture dated March 25, 2021 governing the terms of the 2029 4.375% Senior Notes, (iv) the trust indenture dated June 16, 2021 governing the terms of the 2026 3.875% Senior Notes, (v) the trust indenture dated April 13, 2021 governing the terms of the 2029 4.500% US Senior Notes and (vi) the trust indenture dated November 23, 2021 governing the terms of the 2030 4.625% US Senior Notes;

"**Senior Notes**" means, collectively, (i) the 2027 5.875% US Senior Notes, (ii) the 2028 6.000% Senior Notes, (iii) the 2029 4.375% Senior Notes, (iv) the 2026 3.875% Senior Notes, (v) the 2029 4.500% US Senior Notes and (vi) the 2030 4.625% US Senior Notes;

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

"**Sol**" means Sol Investments SEZC, a wholly-owned indirect subsidiary of Parkland;

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

"**TSX**" means the Toronto Stock Exchange; and

"**United States**", "**U.S.**" or "**USA**" means the United States of America.

## PRESENTATION OF INFORMATION

Unless otherwise noted, the information contained in this Annual Information Form is given as at or for the year ended December 31, 2023. All dollar amounts are in Canadian dollars unless otherwise noted. Unless the context otherwise requires, all references to the "Company", the "Corporation", "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: Parkland's business objectives, projects and strategies, including with respect to, among other things, our expectation to grow long-term through a combination of organic growth and acquisitions and our near-term focus on organic growth and delivering on specific initiatives related thereto, our focus on integration of acquired companies, capturing operational, administrative, and other synergies from previously completed acquisitions, achieving supply and cost efficiencies, and reducing our leverage, and potential accretive acquisitions in the future (if any); Parkland's capital allocation strategy, including with respect to Parkland's 2028 Available cash flow Ambition, and expected uses for such Available cash flow, and Leverage Ratio Guidance of low end of 2-3x by 2025; expectations regarding share buybacks and the 2023 NCIB, and future dividend amounts and frequency; our "Drive to Zero" strategy, commitments, targets and goals relating thereto, current and proposed plans, initiatives and projects, the completion, funding and timing thereof, and the expected benefits and results therefrom; our plan to expand co-processing volumes at the Burnaby Refinery to approximately 5,500 barrels per day and the timing thereof; expectations regarding the Burnaby Refinery outage and resuming operations at the Burnaby Refinery, including the timing in respect thereof; expectations regarding the start-up of the Trans Mountain Expansion Project and the impact of such on the Burnaby Refinery; our plan to build one of Canada's largest ultra-fast EV charging networks, the anticipated locations forming part of the network, and the funding and status thereof; our goals and commitments with respect to HSE and the impact thereof; Parkland's diversity targets and expectations; expectations regarding the anticipated benefits, costs and synergies of completed acquisitions and any future acquisitions; and expectations regarding commodity prices, interest rates, exchange rates, inflation, and customer trends and preferences.

The forward-looking information contained herein is based upon a number of material factors and assumptions including, without limitation:

- prevailing and expected market conditions;
- the regulatory framework that governs the operation of Parkland's business;
- customer trends and preferences, including consumption of fossil fuels;
- the effects of inflation;
- the effects of global conflicts, geopolitical tension and trade disputes and disruption on general economic conditions;
- climate change impacts and extreme weather events and conditions on Parkland's operations;
- Parkland's ability to adapt its business in a changing regulatory environment;
- Parkland's ability to successfully execute its business objectives, projects and strategies, including, without limitation, our "Drive to Zero" strategy;
- Parkland's ability to operate and upgrade its enterprise resource planning systems without interruption;
- Parkland's ability to win new customers in the various markets where it operates;
- Parkland's ability to identify customers' evolving needs;
- Parkland's ability to successfully integrate completed acquisitions into its operations;

- Parkland's ability to identify buyers and complete divestments, if any, on terms reasonable to Parkland and in a timely manner;
- Parkland's ability to execute on accretive organic initiatives, if any;
- Parkland's ability to realize synergies and cost reductions from the implementation of integration initiatives, increased purchasing power, and contract renegotiations, among other items;
- Parkland's ability to reliably source crude, natural gas, electricity and bio-feedstocks for the Burnaby Refinery and continued access to and operation of the TMPL;
- Parkland's ability to commence restart procedures and resume normal operations at the Burnaby Refinery successfully and within the expected timeframe;
- commodity prices and volumes for gasoline, diesel, propane, lubricants, heating oil and other petroleum products;
- refining crack spreads per barrel;
- financial market conditions, including interest rates, inflation and exchange rates;
- ability of suppliers to meet commitments;
- Parkland's ability to operate safely and reliably;
- Parkland's ability to retain key management and identify and attract Board members in accordance with its renewal process and diversity targets;
- 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;
- availability of funds under the Credit Agreement and the CIB Financing and the terms of such funding;
- access to, and terms of, future sources of funding for Parkland's capital program; and
- Parkland's ability to continue to compete in a competitive landscape.

Additionally, the 2028 Available cash flow Ambition assumes increasing cash flow through continued integration of acquired businesses and organic growth, while maintaining or decreasing the number of outstanding Common Shares. The 2025 Leverage Ratio Guidance assumes increasing the amount of Available cash flow through continued integration of acquired businesses, organic business growth in 2024 and 2025, and maintaining or decreasing debt levels.

These forward-looking statements involve numerous 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 subject to certain risks and uncertainties, including without limitation, those described under the heading "Risk Factors" in this Annual Information Form and set forth below:

- general market conditions;
- micro and macro-economic trends and conditions, including increases in interest rates, inflation and commodity prices;
- ability to execute on our business objectives, projects and strategies and realize the benefits therefrom;
- ability to meet our commitments and targets including with respect to our "Drive to Zero" strategy and HSE matters;
- ability to realize the benefits from our customer and supply advantages;
- ability to effectively integrate completed acquisitions and realize the expected benefits, synergies and opportunities therefrom and, if applicable, those of future acquisitions as well;
- ability to identify future targets for divestments and acquisitions, if applicable, and secure funding for future acquisitions, if any;
- 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;
- effectiveness of Parkland's risk management strategy;
- factors and risks associated with retail pricing, margins and refining crack spreads;
- availability and pricing of petroleum product supply;

- volatility of crude oil and refined product prices;
- competitive environment of our industry in North America and the Caribbean;
- environmental impact;
- risk of changes to environmental and regulatory laws including the failure of Parkland to obtain or maintain required permits;
- risk of pending or future litigation;
- potential undisclosed liabilities (including environmental) associated with completed acquisitions;
- failure to meet financial, operational and strategic objectives and plans;
- failure of internal controls and procedures;
- cyber-attacks and data breaches;
- the impact of new and emerging technologies that reduce consumption of fossil fuels; and
- availability of capital and operating funds.

The foregoing factors are not exhaustive. 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 the Annual MD&A, which is incorporated by reference in this Annual Information Form and available under the Corporation's SEDAR+ profile at www.sedarplus.ca.

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.

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

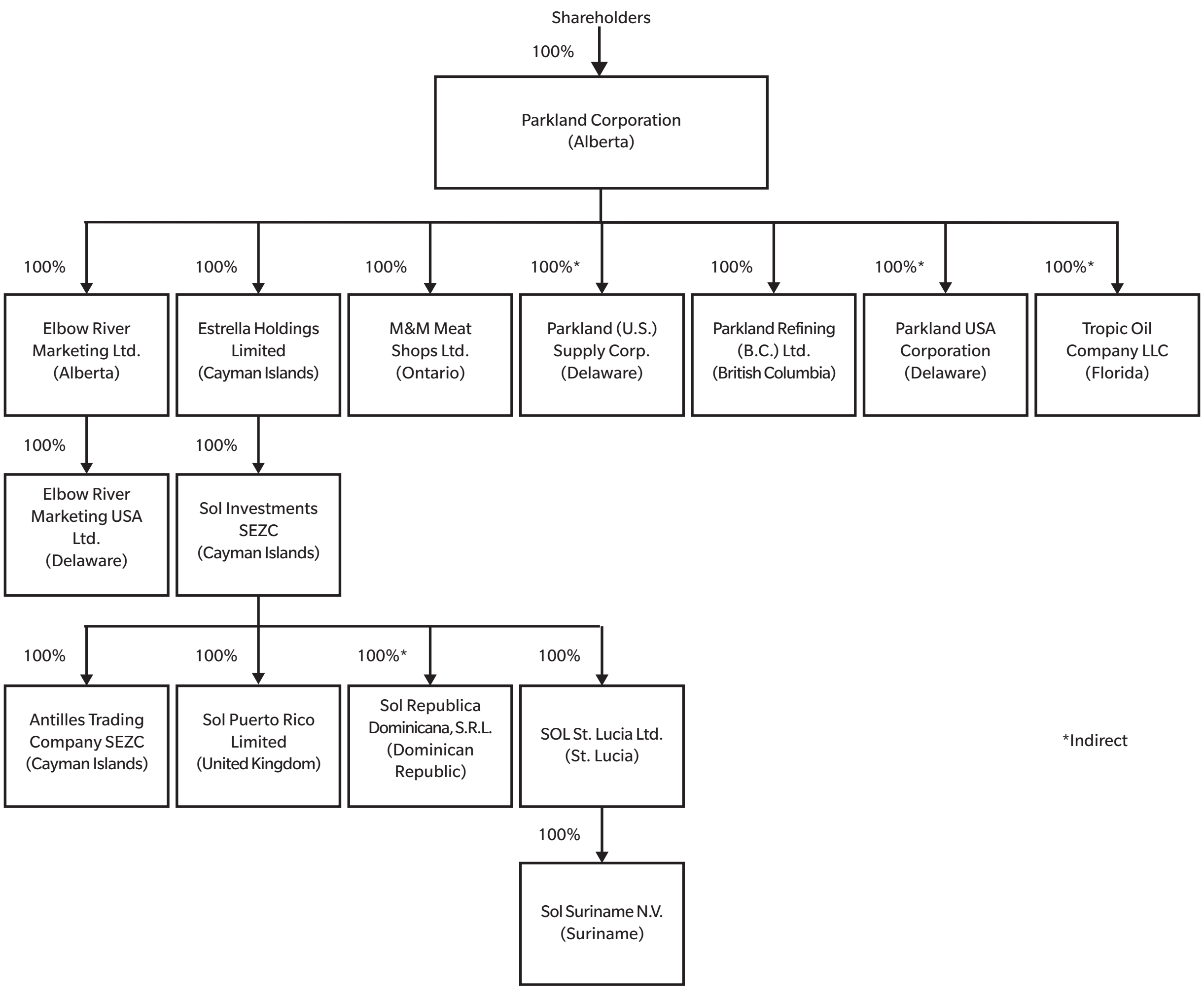
Parkland was incorporated on March 9, 2010 under the Business Corporations Act as part of a corporate reorganization, implemented effective December 31, 2010 under Section 193 of the Business Corporations Act, pursuant to which Parkland's predecessor public entity reorganized from an income fund into 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.

Effective January 1, 2017, Parkland completed a reorganization of its corporate structure 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 and becoming 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. Effective January 2, 2021, Parkland completed a reorganization of its corporate structure, 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. Effective April 1, 2022, Parkland completed a reorganization of its corporate structure, pursuant to which, Parkland Corporation and its wholly-owned subsidiary, Crevier Petroleum Inc. (Pétroles Crevier Inc.), 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. Effective January 1, 2024, Parkland completed a reorganization of its corporate structure, pursuant to which, among other things, Parkland Corporation and its wholly-owned subsidiaries, Les Pétroles Parkland Limitée, 2573677 Alberta Ltd. (formerly 9085-7780 Québec Inc.), 2280254 Alberta Ltd. and 2306163 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 4$^{th}$ Avenue SW, Calgary, Alberta T2P 4H4.

### Subsidiaries of the Corporation

The following organization chart presents intercorporate relationships among Parkland and its material subsidiaries as at December 31, 2023.




The subsidiaries of Parkland that were not included in the organization chart above: (i) each individually accounted for less than 10% of the consolidated assets of Parkland as at December 31, 2023; (ii) each individually accounted for less than 10% of the consolidated revenues of Parkland for the fiscal year ended December 31, 2023; and (iii) in aggregate, accounted for less than 20% of Parkland's consolidated assets as at December 31, 2023, and less than 20% of Parkland's consolidated revenues for the fiscal year ended December 31, 2023.

# GENERAL DEVELOPMENT OF THE BUSINESS

### Recent Developments

#### *2024*

On January 23, 2024, Parkland announced the appointment of Michael Jennings to the Board of Directors, effective February 10, 2024.

On January 24, 2024, Parkland announced that following an initial shut down due to extreme cold weather in mid-January, a technical issue with a processing unit led to an unplanned outage at the Burnaby Refinery beginning on January 21, 2024. Parkland has since completed inspection and repair work, including maintenance activities previously scheduled for February 2024, and expects to resume normal operations during the first quarter of 2024.

On February 7, 2024, Parkland announced the appointment of James Neate to the Board of Directors, effective February 10, 2024.

#### *2023*

On March 22, 2023, Parkland announced that it had entered into a board nomination agreement dated March 21, 2023 with its largest shareholder, Simpson Oil Limited ("**Simpson Oil**"). The agreement provides Simpson Oil, which holds approximately 19.5% of the issued and outstanding Common Shares, the right to designate up to two nominees for election to the Board of Directors and includes customary voting support obligations in favour of the Board.

On April 11, 2023, Parkland announced the successful completion of a scheduled eight-week turnaround at the Burnaby Refinery, which began in early February 2023, and which was completed on time and within budget.

On May 4, 2023, Marc Halley and Michael Christiansen were elected to the Board of Directors, and on July 14, 2023, Parkland announced the appointment of Nora Duke to the Board of Directors.

On July 28, 2023, Jim Pantelidis retired from the Board of Directors and Steven Richardson was appointed as the new Chair of the Board.

On August 3, 2023, Parkland published its 2022 sustainability report, which highlights Parkland's progress on its "Drive to Zero" and enterprise-wide Sustainability Strategy. See "Description of the Business of the Corporation – Supplemental Operational Information – Environment, Social and Governance" for additional information.

On October 6, 2023, Parkland entered into a funding agreement with the Government of British Columbia, which secured additional funds for a project to expand the public level 3 EV charging network in British Columbia with a further 10 locations. The funding agreement has a two-year term and provides for a maximum of $3.2 million in funding to complete the project.

On November 14, 2023, Parkland hosted its 2023 Investor Day, where the executive team outlined its continued growth plans, targets and capital allocation strategy for the next five years.

On November 15, 2023, Parkland announced the launch of its JOURNIE™ Rewards loyalty program partnership with Aeroplan. The partnership provides the ability for Aeroplan members to earn and redeem points at Parkland's approximately 1,200 Pioneer, Ultramar, FasGas, Chevron and ON *the* RUN and Marché Express Canadian retail locations.

On November 15, 2023, Parkland, through its wholly-owned special purpose entity, entered into a non-recourse project financing agreement for up to $210 million with the Canada Infrastructure Bank to finance the continued multi-year growth of its EV charging network across Canada (the "**CIB Financing**"). The CIB Financing has a term of 18 years, with interest rates and principal repayments which are tied to utilization of the installed EV chargers. As of December 31, 2023, Parkland had completed 50 EV charging locations.

On November 29, 2023, Parkland announced that the TSX accepted its notice of intention to implement a normal course issuer bid (the "**Notice**") pursuant to which Parkland may purchase for cancellation a maximum of 14,056,984 Common

Shares and up to 103,818 Common Shares daily, other than pursuant to a block purchase exemption (the "**2023 NCIB**"). The 2023 NCIB commenced on December 1, 2023 and shall terminate on the earliest of (i) November 30, 2024, (ii) Parkland purchasing the maximum number of 14,056,984 Common Shares and (iii) Parkland terminating the 2023 NCIB. In connection with the 2023 NCIB, Parkland entered into an automatic share purchase plan with its designated broker that, among other things, allows for the purchase of Common Shares during quarterly pre-determined blackout periods and other periods, from time to time, when Parkland may be in possession of material undisclosed information and would not ordinarily be permitted to purchase Common Shares. Any purchases under the 2023 NCIB have been and will be made through the facilities of the TSX or alternative trading systems in Canada and at the prevailing market price at the time of purchase. All Common Shares purchased under the 2023 NCIB have been and will be cancelled. As at December 31, 2023, under the 2023 NCIB, 205,500 Common Shares had been repurchased on the open market at a weighted average purchase price of $44.0663 per Common Share. Shareholders may obtain a copy of the Notice, without charge, by contacting Parkland.

On December 31, 2023, Marc Halley and Michael Christiansen resigned from the Board of Directors.

### 2022

On February 1, 2022, Parkland completed the acquisition of Crevier Petroleum Inc. (Pétroles Crevier Inc.), a well-established retail and wholesale business based in Montréal (the "**Crevier Acquisition**"). Under the Crevier Acquisition, Parkland acquired 168 retail locations across Québec, comprising 30 Company sites and 138 Dealer sites and a wholesale business, as well as significant unbranded volume that enhanced Parkland's supply advantage and import optionality. See "Description of the Business of the Corporation – Operating Segments – Canada" for a description of the Company and Dealer retail models and "Risk Factors – Synergies Realization".

On February 18, 2022, Parkland completed the acquisition of M&M Food Market, a premium, restaurant-quality frozen food retailer that brings high-quality, convenient food choices to Canadians (the "**M&M Acquisition**"). Pursuant to the M&M Acquisition, Parkland acquired more than 300 Company and Franchisee retail sites, more than 2,700 third-party retailers' sites operating under the name "M&M Express" and a rewards program with approximately two million active members. See "Description of the Business of the Corporation – Operating Segments – Canada" for a description of the Company and Franchisee retail models and "Risk Factors – Synergies Realization".

On April 14, 2022, Parkland amended its existing Credit Facilities to, among other things, extend the maturity date of the revolving facilities to April 14, 2027 and add a two-year term loan, in the amount of US$400 million, maturing on April 14, 2024, which was repaid in full on December 18, 2023 and is no longer available. The amended Credit Facilities have a combined revolving facility of $1,594 million and US$250 million with a maturity date of April 14, 2027. See "Description of Capital Structure – Indebtedness – Credit Agreement" for additional details.

On May 9, 2022, Parkland announced its plans to expand its existing co-processing capability at the Burnaby Refinery to approximately 5,500 barrels per day and build a stand-alone renewable diesel complex within the Burnaby Refinery capable of producing approximately 6,500 barrels per day of renewable diesel. On March 2, 2023, Parkland announced it would not be proceeding with the stand-alone renewable diesel complex at the Burnaby Refinery, but it would continue to expand its co-processing volumes.

On June 1, 2022, Parkland completed the acquisition of Vopak Terminals of Canada Inc. and Vopak Terminals of Eastern Canada Inc. (the "**Vopak Acquisition**"). The Vopak Acquisition included four product terminals strategically located in east and west Montréal and Hamilton. The Vopak Acquisition strengthened Parkland's existing supply advantage by adding marine import capabilities to supplement Parkland's existing rail and truck capabilities and provided a foundation for growth in renewable fuels, butane storage and blending. See "Risk Factors – Synergies Realization".

On July 1, 2022, Sol completed the acquisition of all of the issued and outstanding equity interest of Gulfstream Petroleum S.R.L., which represented GB Group's retail, aviation, commercial, lubes and LPG business in Jamaica (the "**Jamaica Acquisition**"). The Jamaica Acquisition expanded the International segment, particularly the retail and aviation businesses. See "Risk Factors – Synergies Realization".

On July 12, 2022, Parkland published its 2021 sustainability report, which highlighted Parkland's progress on its "Drive to Zero" and enterprise-wide Sustainability Strategy.

On September 13, 2022, Parkland completed the acquisition of 163 retail sites from Cenovus Energy Inc., the majority of which were Husky-branded, comprising 112 Company sites and 51 Dealer sites (the "**Husky Acquisition**"). The Husky Acquisition bolstered Parkland's existing Canadian convenience retail network by adding high-quality retail locations in Greater Vancouver, Vancouver Island, Calgary and the Greater Toronto Area. See "Description of the Business of the Corporation – Operating Segments – Canada" for a description of the Company and Dealer retail models and "Risk Factors – Synergies Realization".

On October 18, 2022, Parkland consolidated the ownership of its International segment by completing the exchange of Simpson Oil's 12.5 million common shares in the capital of Sol, representing Simpson Oil's remaining 25% interest in Sol, for 20 million Common Shares (the "**Share Exchange**") pursuant to the terms of the share exchange agreement entered into between Simpson Oil and Parkland on August 4, 2022 (the "**Share Exchange Agreement**"). The Share Exchange followed Parkland's indirect acquisition of the initial 75% interest in Sol on January 8, 2019 pursuant to the business combination agreement entered into between Estrella Holdings Limited and Simpson Oil (formerly, Sol Limited) on October 9, 2018. Immediately prior to the Share Exchange, Simpson Oil held 14,444,050 Common Shares, representing approximately 9.24% of the issued and outstanding Common Shares. Following the Share Exchange, Simpson Oil held 34,444,050 Common Shares, representing approximately 19.54% of the issued and outstanding Common Shares at the time of the Share Exchange.

On November 29, 2022, Parkland announced that the TSX accepted its notice of intention to implement a normal course issuer bid during the 12-month period, which commenced on December 1, 2022 and ended November 30, 2023 (the "**2022 NCIB**"). Under the 2022 NCIB, Parkland was approved to repurchase a maximum of 13,992,412 Common Shares and up to 103,960 Common Shares daily, other than pursuant to a block purchase exemption. Under the 2022 NCIB, Parkland purchased 1,054,522 Common Shares on the open market at a weighted average purchase price of $35.0870 per Common Share. All Common Shares purchased under the 2022 NCIB were cancelled.

On December 2, 2022, Parkland announced that it had secured $6.825 million in funding from Natural Resources Canada ("**NRCan**") and the Government of British Columbia to support Parkland in building one of Canada's largest ultra-fast EV charging networks. Parkland also announced that it would double the size of its previously announced ultra-fast EV network, from 25 to 50 locations.

### *2021*

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

On February 1, 2021, Parkland, through its U.S. subsidiaries, completed the acquisition of the assets of Story Distributing Company and its affiliates, a retail and commercial fuel business headquartered in Bozeman, Montana (the "**Story Acquisition**"). The Story Acquisition added scale and density to Parkland's existing Northern Tier ROC and expanded Parkland's presence in the Montana and Idaho markets. See "Risk Factors – Synergies Realization".

On March 25, 2021, Parkland closed its private placement of the 2029 4.375% Senior Notes, which bear interest at a rate of 4.375% per annum and were priced at par. Parkland used the net proceeds of this offering, together with amounts borrowed under the Credit Facilities, to (i) redeem all of its outstanding $300 million aggregate principal amount of 5.75% senior notes with a final maturity date of September 16, 2024, on April 9, 2021 and (ii) redeem $300 million of its outstanding $500 million aggregate principal amount of 5.625% senior notes with a final maturity date of May 9, 2025, on May 10, 2021. See "Description of Capital Structure – Indebtedness – Senior Notes".

On March 25, 2021, Parkland established an at-the-market ("**ATM**") equity program, which allowed Parkland to issue up to $250 million of Common Shares from treasury to the public at the prevailing market prices. The ATM equity program expired on September 17, 2022, concurrently with the expiry of Parkland's base shelf prospectus, filed on August 17, 2020, which qualified the Common Shares issuable under the ATM equity program for distribution. The volume and timing of sales under the ATM equity program was determined by Parkland, subject to regulatory requirements.

On March 25, 2021, Parkland amended its existing Credit Facilities to, among other things, expand the available facility and extend the maturity date until 2026.

On April 7, 2021, Parkland, through its U.S. subsidiaries, completed the acquisition of Conrad & Bischoff Inc. and its related companies, a retail, commercial, wholesale and lubricants business with annual fuel and petroleum product volume at the time of approximately 700 million litres and operations concentrated in Idaho and western Wyoming and additional distribution capability into Utah, Nevada, Montana and other U.S. states (the "**C&B Acquisition**"). Through the C&B Acquisition, Parkland established its fourth U.S. ROC, Pacific Northwest. The C&B Acquisition strengthened Parkland's supply advantage and added a high-quality retail network to Parkland's portfolio. The C&B Acquisition included 19 company-owned retail sites with proprietary branded backcourts and 39 dealer retail sites, as well as terminal operations with combined tank storage of 30 million litres and capacity for 88 rail cars at the time, adding significant supply optionality in the Rocky Mountains Petroleum Administration for Defense District (PADD) IV. See "Risk Factors – Synergies Realization".

On April 13, 2021, Parkland closed its private placement of the 2029 4.500% US Senior Notes, which bear interest at a rate of 4.500% per annum and were priced at par. Parkland used the net proceeds of this offering to (i) redeem all of its outstanding US$500 million aggregate principal amount of 6.000% senior notes with a final maturity date of April 1, 2026, on April 14, 2021, (ii) redeem the remaining $200 million of its $500 million aggregate principal amount of 5.625% senior notes with a final maturity date of May 9, 2025, on May 10, 2021 and (iii) repay certain amounts outstanding under the revolving Credit Facilities. See "Description of Capital Structure – Indebtedness – Senior Notes".

On June 14, 2021, Sol completed the acquisition of an aviation business and associated infrastructure operating in Puerto Rico (the "**Puerto Rico Acquisition**"). The Puerto Rico Acquisition included operations at two international airports in Puerto Rico, including the Luis Munoz Marin International Airport. In September 2023, a decision was made to close operations in Puerto Rico. See "Risk Factors – Synergies Realization".

On June 16, 2021, Parkland closed its private placement of the 2026 3.875% Senior Notes, which bear interest at a rate of 3.875% per annum and were priced at par. Parkland used the net proceeds of this offering to repay certain outstanding amounts borrowed under its revolving Credit Facilities and for general corporate purposes. See "Description of Capital Structure – Indebtedness – Senior Notes".

On June 21, 2021, Parkland announced its plan to launch the largest network (by site count) of ultra-fast EV charging stations in British Columbia, consisting of approximately 25 high-quality, strategically located, Parkland retail sites that stretch from Vancouver Island to Calgary. Parkland subsequently announced on December 2, 2022 that it would double the size of the ultra-fast EV network, from 25 to 50 locations.

On July 1, 2021, Sol became a 50% indirect partner in Isla Dominicana de Petroleo Corp. ("**Isla**"), a retailer then operating approximately 160 locations in Dominican Republic, through contributing Parkland's existing business in the Dominican Republic and cash (the "**Dominican Republic Transaction**"). As a result of the Dominican Republic Transaction, Isla's combined network included 236 retail locations and an integrated commercial and aviation business. Pursuant to the Dominican Republic Transaction, Isla operates the joint onshore marketing operations and Parkland is the principal fuel supplier to the combined network. See "Risk Factors – Synergies Realization".

On July 17, 2021, Sol completed the acquisition of all of the issued and outstanding equity interests of Gulfstream Petroleum SXM B.V., an integrated fuel marketing business with operations in St. Maarten (the "**St. Maarten Acquisition**"). The St. Maarten Acquisition included retail, commercial, marine, LPG distribution operations and an aviation business. The St. Maarten Acquisition strengthened Parkland's activities at the Princess Juliana International Airport, a hub for surrounding islands and major North American and European markets and added a complementary retail network. As a result of the St. Maarten Acquisition, Sol has become the only retail fuel marketer in the Dutch side of St. Maarten and is well positioned to drive operational synergies. See “Risk Factors – Synergies Realization”.

On August 5, 2021, the Board of Directors appointed Angela John and Richard Hookway as directors of Parkland.

On August 31, 2021, Parkland, through its U.S. subsidiaries, completed the acquisitions of the assets of (i) Colorado-based Master Petroleum, expanding Parkland’s commercial business in the Rockies ROC and (ii) North Dakota-based Red Carpet Carwash, which added 12 retail sites with large format convenience stores and a premium car wash business to Parkland’s Northern Tier ROC. See “Risk Factors – Synergies Realization”.

On September 10, 2021, Parkland, through its U.S. subsidiary, completed the acquisition of Florida-based Bradenton Fuel Oil, Inc., expanding Parkland’s commercial business in the Southeast ROC. See “Risk Factors – Synergies Realization”.

On November 16, 2021, Parkland published its 2020 sustainability report, titled “Drive to Zero”, which reflects Parkland’s goals of achieving zero safety incidents and spills, upholding zero tolerance for racism, discrimination, corruption, bribery and unethical behaviour and supporting our governments’ goals of achieving net-zero emissions by 2050.

On November 23, 2021, Parkland closed its private placement of the 2030 4.625% US Senior Notes, which bear interest at a rate of 4.625% per annum and were priced at par. Parkland used the net proceeds of this offering (i) to redeem all of its outstanding $300 million aggregate principal amount of 6.500% senior notes with a final maturity date of January 21, 2027, on December 8, 2021, (ii) to repay the drawings under its revolving Credit Facilities and (iii) for general corporate purposes. See “Description of Capital Structure – Indebtedness – Senior Notes”.

On November 29, 2021, Parkland announced that the TSX accepted its notice of intention to implement a normal course issuer bid during the 12-month period, which commenced on December 1, 2021 and ended November 30, 2022 (the “**2021 NCIB**”). Under the 2021 NCIB, Parkland was approved to repurchase a maximum of 15,091,885 Common Shares and up to 94,920 Common Shares daily, other than pursuant to a block purchase exemption. Under the 2021 NCIB, Parkland purchased 783,055 Common Shares on the open market at a weighted average purchase price of $25.5410 per Common Share. All Common Shares purchased under the 2021 NCIB were cancelled.

On December 10, 2021, Parkland, through its U.S. subsidiaries, completed the acquisition of substantially all of the assets of Urbieta Oil Co. and certain of its affiliates, a well-established retail, convenience and fuel distribution business with 2020 annual fuel sales of approximately 465 million litres and operations concentrated in the Miami market (the “**Urbieta Acquisition**”). The Urbieta Acquisition included 94 retail locations, for 54 of which Parkland also acquired the real estate. The Urbieta Acquisition complemented Parkland’s existing Florida commercial business in its existing Southeast ROC by establishing a large retail and convenience growth platform with high quality real estate in Miami. See “Risk Factors – Synergies Realization”.

On December 15, 2021, Parkland, through its U.S. subsidiaries, completed the acquisition of substantially all of the assets of Lynch Oil and certain of its affiliates, with operations concentrated in southern and central Idaho (the “**Lynch Acquisition**”). The Lynch Acquisition added annual fuel sales of over 180 million litres and included five large-format convenience stores and forecourts, two travel centers, two stand-alone car washes and a rail storage terminal. The Lynch Acquisition strengthened Parkland’s growth platform across the Pacific Northwest ROC and complemented Parkland’s existing retail, commercial and wholesale businesses in Idaho. See “Risk Factors – Synergies Realization”.

# DESCRIPTION OF THE BUSINESS OF THE CORPORATION

## Who We Are

Parkland is an international fuel distributor, marketer, and convenience retailer with operations in 26 countries across the Americas. We serve over one million customers each day. Our retail network meets the fuel and convenience needs of everyday consumers. Our commercial operations provide businesses with industrial fuels so that they can better serve their customers. In addition to meeting our customers' needs for essential fuels, we provide a range of choices to help them lower their environmental impact. These include renewable fuels sourcing, manufacturing and blending, carbon and renewables trading, solar power, and ultra-fast EV charging. With approximately 4,000 retail and commercial locations across Canada, the United States and the Caribbean region, we have developed supply, distribution and trading capabilities to accelerate growth and business performance.

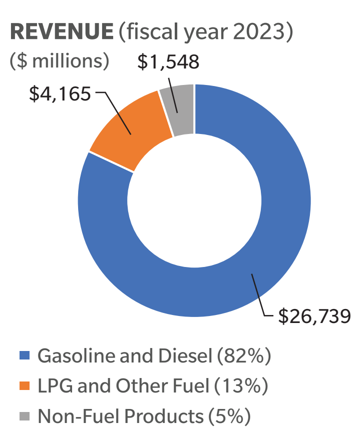
Our strategy is focused on two pillars: our Customer Advantage and our Supply Advantage. Through our Customer Advantage, we aim to be the first choice of our customers, cultivating their loyalty through proprietary brands, differentiated offers, our extensive network, competitive pricing, reliable service, and our compelling loyalty program. Our Supply Advantage is based on achieving the lowest cost to serve among independent fuel marketers and distributors in the hard-to-serve markets in which we operate, through our well-positioned assets, significant scale, and deep supply and logistics capabilities. Our business is underpinned by our people and our values of safety, integrity, community and respect, which are deeply embedded across our organization.

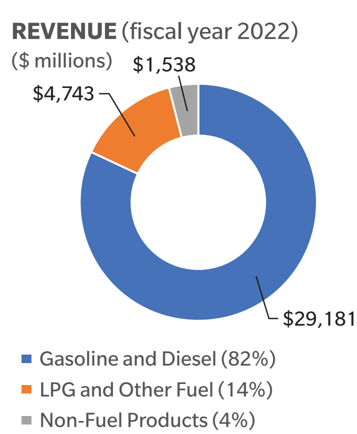
The below table sets out Parkland's operating profile across its geographic locations as at December 31, 2023.

| **Operating Profile** | **Canada** | **International** | **USA** | **Total** |
|---|---|---|---|---|
| Company & Dealer retail sites | 2,101 (1) | 493 (2) | 657 | 3,251 (2) |
| Franchisee retail sites | 231 (3) | - | - | 231 (3) |
| Cardlock sites | 165 | - | 46 | 211 |
| Net refining interest (mbls/d) | 55 | 5 | - | 60 |
| Terminals and bulk plants | 29 | 46 | 62 | 137 |
| Marine / aviation services | ✓ | ✓ | ✓ | ✓ |

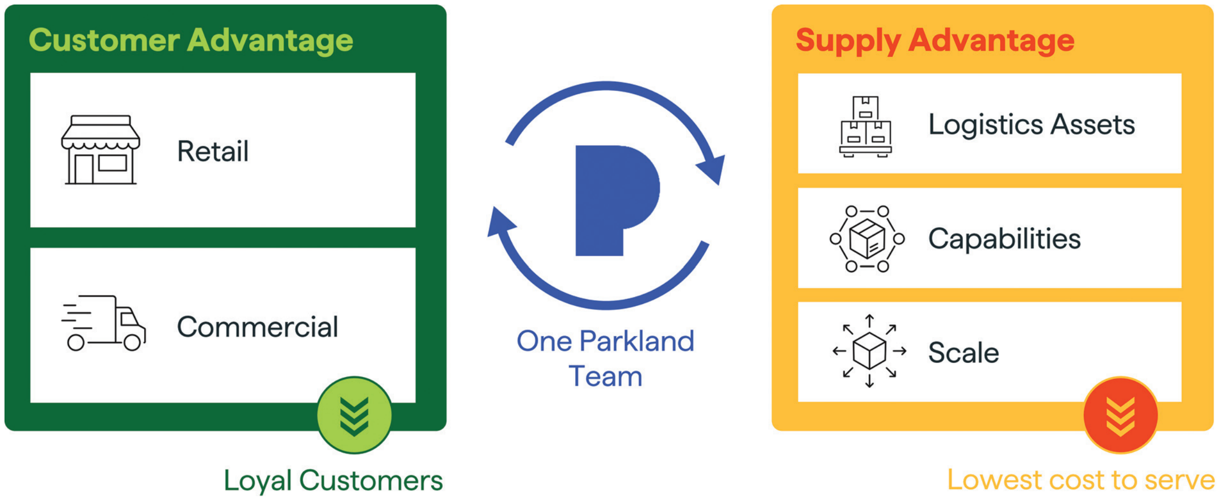
Notes:
(1) Includes 86 company-operated M&M Food Market locations where Parkland owns the inventory.
(2) Excludes Parkland's 50% interest in Isla's 237 retail sites, comprising 109 Company sites and 128 Dealer sites. See "General Development of the Business – Recent Developments – 2021" and "Operating Segments – International" for more information.
(3) M&M Food Market locations. In addition, as at December 31, 2023, Parkland had arrangements with 2,418 third-party retailers to distribute and sell M&M Food Market products at the retailers' sites under the name "M&M Express".

Parkland has three main sources of revenue: (i) gas and diesel; (ii) LPG and other fuel and petroleum products; and (iii) food, convenience and other non-fuel products. The following graphs show Parkland's revenue for each main revenue source for the fiscal years 2022 and 2023.



**Parkland Strategy**




Parkland's strategy focuses on building a Customer Advantage that positions Parkland as the primary choice of its customers and cultivates customer loyalty, and achieving a Supply Advantage through which Parkland achieves the lowest cost to serve among independent suppliers and marketers of fuel and petroleum products. These two core advantages are supported by One Parkland Team – high calibre team members with an industry-leading organizational culture and well-designed processes and systems that enable their efficiency and effectiveness.

***Customer Advantage***

Over one million customers rely on Parkland each day for essential fuels, lubricants, convenience items and quality foods. While Parkland's operations extend across the Americas, its brands, offerings and value propositions are local. By providing differentiated, valuable offers supported by a suite of industry leading brands, an expansive network and a leading loyalty program, Parkland builds and strengthens customer loyalty. This occurs through our retail and commercial channels in multiple ways:

**Customer Advantage through the Retail Channel**

- Compelling, market-leading brands;
- Extensive retail network of high value sites;
- Broad offering of relevant and valued convenience products and services;
- Growing food offer including QSR partnerships and proprietary food choices that are aligned to consumer preferences;
- JOURNIE™ Rewards loyalty program that deepens our customer relationship and builds our share of wallet; and
- One of Canada's largest and fastest growing ultra-fast EV charging networks.

**Customer Advantage through the Commercial Channel**

- Recognized and trusted brands;
- Extensive network of bulk plants, warehouses and cardlock sites;
- Competitive pricing and reliable service;
- Multi-product offer including fuels, lubricants, and ancillary products, supported by industry-leading freight, inventory management and related services; and
- Proprietary Ridgeline lubricants offering providing a quality alternative to premium third-party brands.

With the energy transition, the needs of customers will evolve. Parkland is well-positioned and ready to offer choices that meet these evolving needs. The Company's diverse fuel supply and marketing business provides the foundation upon which it has built an expanding range of offers that help our customers lower their environmental impact, including EV charging, blending and delivery of biofuels and renewable fuels, and compliance and carbon offset marketing.

### *Supply Advantage*

Parkland optimizes its strategic logistics assets, capabilities and scale to develop optionality and achieve the lowest cost to serve its customer in the hard-to-supply markets where it operates. It achieves this through:

- Well-positioned terminals, storage assets, tankage, rail cars, vessels and other physical assets that provide advantaged ability to supply selected markets on a preferential basis;
- Unique supply optionality, relationships and marketing capabilities that deliver reliable, cost competitive fuel supply across our network and enable us to optimize cross-market opportunities;
- Diverse supply contracts, combined with strategic logistics assets and scale, allows Parkland to source, blend and distribute fuel at competitive prices that enhance fuel supply security and margins; and
- Leading low carbon fuel manufacturing capabilities in the British Columbia market through co-processing of bio-feedstocks at our integrated Burnaby Refinery, which is the primary supplier of fuel to our British Columbia Retail and Commercial businesses.

### *One Parkland Team*

Parkland's employees are at the heart of its strategy. The Company recruits and develops strong team members and positions them for success by fostering an industry-leading organizational culture and by investing in technology that supports efficiency and productivity. Parkland believes its agile and entrepreneurial culture is a source of competitive advantage. Parkland's employees are fully empowered to demonstrate deeply-embedded BOLD (Build, Own, Lead and Deliver) behaviours on their mandates. Parkland's core values of safety, integrity, community and respect underpin everything the Company does.

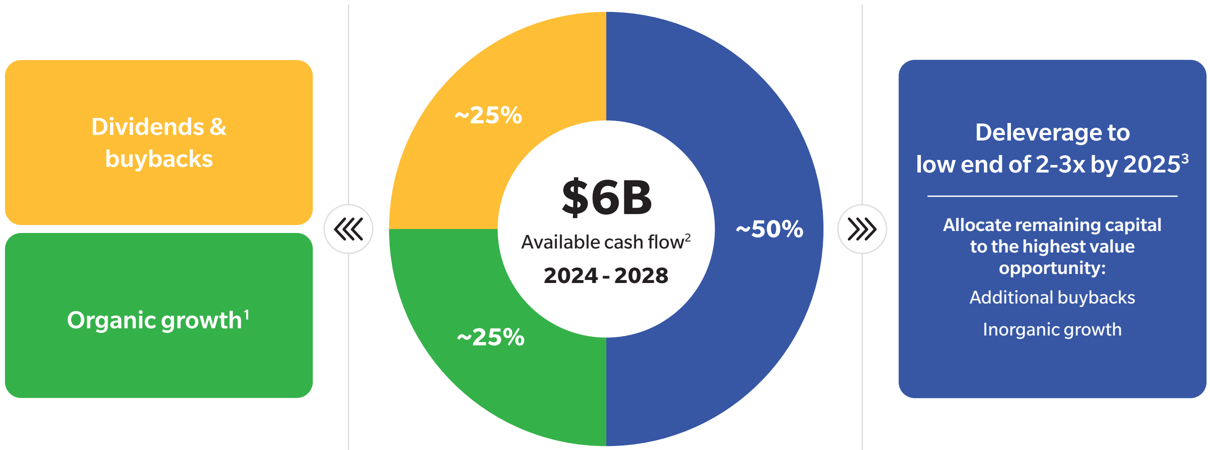
## Strategic Growth Levers

As the Company executes on this strategy, its growth may come through a combination of organic growth and acquisitions. The Company is continuing to focus on organic growth that will enhance its customer value proposition and strengthen its supply advantage. This growth is expected to include:

| | |
|---|---|
| Customer Advantage | • Refurbishment and optimization of retail sites – including continued enhancements to merchandising, promotion and category management – to increase productivity<br>• Expansion of the JOURNIE™ Rewards loyalty program through new partnerships and program enhancements that drive increased share of wallet<br>• Expansion of its retail and commercial network<br>• Strengthening of its retail food offer through QSRs partnerships and its proprietary food offer<br>• Expansion of its ultra-fast EV charging network into markets with high EV charging demand<br>• Enabling our retail and commercial customers to achieve their decarbonization goals through expansion of its low carbon offers |
| Supply Advantage | • Potential debottlenecking of co-processing at the Burnaby Refinery to increase capacity for bio-feedstocks to supply additional low carbon fuel<br>• Development of new assets and expansion of supply and logistics capabilities to capture new value across value chains<br>• Leverage of existing and new terminal capacity and tanking to expand supply optionality |

Historically, Parkland has also grown through acquisitions and has a well-established and highly disciplined acquisition strategy. The Company has a proven track record of identifying, negotiating, acquiring and integrating leading regional operators that complement, strengthen and expand its business. Parkland recently paused its acquisition activity to focus on integration of acquired companies, achieving supply, operational and administrative synergies, and reducing its leverage. As Parkland meets its leverage targets, the Company may pursue accretive acquisitions in the future where such acquisitions support and strengthen its Customer and Supply Advantages.

As shown in the figure below, successful execution of this strategy is expected to deliver $6 billion in cumulative Available cash flow between 2024 and 2028. Parkland seeks to maximize shareholder value by allocating this capital in a disciplined manner. In the near-term, Parkland is focused on capturing synergies from previously completed acquisitions, achieving cost efficiencies, and delivering on its organic growth initiatives. Parkland is committed to reducing leverage to the low-end of its target Leverage Ratio range of 2-3 times by 2025 and remaining within that range going forward. Additional capital will be allocated to the highest return opportunity, which may include inorganic growth and additional share buybacks.




Notes:
(1) Represents Growth capital expenditures attributable to Parkland. See Section 17 of the Annual MD&A.
(2) Cumulative available cash flow between 2024 and 2028, which represents Available cash flow Ambition. Available cash flow is a non-GAAP measure and Available cash flow Ambition is the forward-looking metric for this historical measure for 2028, and the most directly comparable financial measure is cash generated from (used in) operating activities. These measures do not have standardized meanings prescribed by International Financial Reporting Standards and may not be comparable to similar financial measures used by other issuers who may calculate these measures differently. See Section 17 of the Annual MD&A.
(3) Represents Leverage Ratio Guidance. Leverage Ratio is a capital management measure and Leverage Ratio Guidance is a supplementary financial measure and the forward-looking metric of this historical measure for 2025, as outlined in Section 17 of the Annual MD&A.

## Operating Segments

For the year ended December 31, 2023, Parkland's business comprised four operating segments: Canada, International, USA and Refining. The remaining operations of Parkland that do not relate to either of the four operating segments are disclosed within Corporate operations, which includes costs of centralized administrative services and expenses incurred to support the operations.

### *Canada*

Canada owns, supplies and supports a coast-to-coast network of convenience and fuel stores, EV charging stations, food retail locations, cardlock sites, bulk fuel, propane, heating oil, lubricants and other related services to commercial, industrial and residential customers. Canada's retail business operates under its leading food and convenience store brands, M&M Food Market and On the Run / Marché Express, providing locally relevant food and convenience offers, and operating under five key retail fuel brands: Ultramar, Esso, Chevron, Pioneer and Fas Gas Plus, while offering its customers convenience and discounts digitally through its JOURNIE™ Rewards loyalty program. Canada also serves its commercial customer base through a family of brands including Ultramar, Bluewave Energy, Pipeline Commercial, Chevron, Columbia Fuels and Sparlings Propane. Canada is also responsible for managing fuel supply contracts, marketing fuel, transporting and distributing fuel through ships, rail and highway carriers and storing fuel in terminals and other owned and leased facilities. Canada also maintains fuel supply contracts with multiple oil refiners and wholesale and trading suppliers. This diversity of supply contracts, combined with strategic storage and logistics infrastructure, allows Parkland to obtain fuel at competitive prices and enhances fuel supply security for Parkland-owned sites and for all Parkland customers. Additionally, Canada engages in low-carbon activities, such as emission credit and renewable fuel trading transactions and blending of low-carbon-intensity fuels (bio-diesel, ethanol and others) to produce renewable fuels resulting in emission credits. Canada's key marketing locations as of December 31, 2023 are set out in the table below and serviced through Parkland's distribution and terminal capabilities:

| Operating Profile | Canada |
|---|---|
| Company retail sites | 881(1) |
| Dealer retail sites | 1,220 |
| Franchisee retail sites | 231(2) |
| **Total retail sites** | **2,332** |
| Commercial cardlock sites | 165 |

Notes:
(1) Includes 86 company-operated M&M Food Market locations where Parkland owns the inventory.
(2) M&M Food Market locations. In addition, as at December 31, 2023, Parkland had arrangements with 2,418 third-party retailers to distribute and sell M&M Food Market products at the retailers' sites under the name "M&M Express".

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

- **On the Run / Marché Express convenience store brand** – On the Run / Marché Express is Parkland's flagship convenience store brand in Canada. On the Run / Marché Express is a well-recognized and reputable convenience store brand that is growing and enhancing our convenience store offering in company-owned and dealer locations. As of December 31, 2023, Parkland had a total of 663 company-owned and dealer locations in Canada.
- **M&M Food Market** – M&M Food Market is a premium, restaurant-quality frozen food retailer that brings high-quality, convenient food choices to Canadians. M&M Food Market has grown Parkland's food offerings, expanded our proprietary brands and advanced our digital and loyalty strategy. M&M Food Market's national store network and innovative approach to menu development and supply chain management has positioned us to offer high quality food that complements our growing quick-serve restaurant offerings and further diversifies our offer.
- **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 Inc. as part of Parkland's acquisition of the majority of the Canadian business and assets of CST Brands, Inc. from Alimentation Couche-Tard Inc. in 2017.
- **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.
- **Chevron** – Chevron is a premium brand based principally in the Greater Vancouver area with locations across British Columbia and Alberta. Other offers include 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, largely located in suburban/commuter markets that offers a market-leading competitive fuel price, and convenient locations.
- **Fas Gas Plus** – Fas Gas Plus is a community-focused brand with knowledgeable and friendly retailer operators and dealers.

In 2023, Parkland continued to convert the Crevier and Husky branded sites acquired in the Crevier Acquisition and the Husky Acquisition, respectively, to our key fuel and convenience brands.

In Canada's retail business, marketing initiatives continue to progress with programs designed to drive convenience store traffic, build basket size and enhance enterprise gross margin. As part of creating a convenience destination for customers, Parkland offers extensive food and snack options at its On the Run / Marché Express locations. As at December 31, 2023, such offerings included: (i) M&M Express, providing customers with high-quality food options at 266 On the Run / Marché Express locations; (ii) Triple O's, bringing fresh, high-quality food options to On the Run locations across British Columbia, Alberta and Ontario; and (iii) Parkland's private label food brand, 59th Street Food Co.™, On the Run branded goods, and non-food brand, Cargo™, which offer a range of quality convenience goods. In addition, Parkland offers third-party delivery services at various sites, including SkipTheDishes at 378 locations, Door Dash at 446 locations, Uber Eats at 335 locations and Amazon Hub Locker pick-up at 88 locations. As at December 31, 2023, there are more than 300 Company and Franchisee M&M Food Market locations, more than 2,400 third-party retailers' sites operating under the name "M&M Express" and a rewards program with approximately two million active members. Parkland's JOURNIE™ Rewards loyalty program, which is active at approximately 1,200 of our Canadian fuel retail sites, continues to deliver value for our customers and reached approximately 5.7 million members by the end of 2023. In addition, Canada's retail business continues to diversify by executing on its plan to build one of Canada's largest ultra-fast EV charging networks. See "General Development of the Business – Recent Developments – 2023" for additional information.

Canada's retail operations are carried out under three 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 fuel 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 store sales or gross margins. Parkland owns the inventory at M&M Food Market locations. Sites operating under industry models such as "company-owned, retailer-operated" (CORO) and COCO are included under the Company business model.
- **Dealer** – The Dealer business model includes sites owned or leased by an independent dealer and are operated and managed by the independent dealer. The sites may also be owned or leased by Parkland and further leased or sub-leased to the dealers. 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 fuel pumps, unless the inventory was sold to the dealer by Parkland on consignment, in which case Parkland owns the fuel inventory and maintains control of the retail price selling at the pumps. Convenience store inventory is owned by the dealer. Parkland also supports the On the Run / Marché Express brand at 105 Dealer locations across the country. Sites operating under industry models such as "dealer-owned, dealer-operated" (DODO), "company-owned/leased, dealer-operated" (CODO) or "consignment dealer-operated" fall under the Dealer business model.
- **Franchisee** – The Franchisee business model includes food stores operated and managed by franchisees. Parkland has entered into long-term agreements with the franchisees pursuant to which Parkland receives a percentage royalty fee on the food store sales, grants the franchisees the right to access brand names and trademarks and provides the franchisees initial training, operating assistance and advice, marketing and product sourcing arrangements.

The following table provides a summary of Parkland's site count by brand and business model within Canada's retail fuel business as of December 31, 2023:

| | Ultramar | Esso | Chevron | Pioneer | Fas Gas Plus | Husky | Crevier | Other | Total |
|---|---|---|---|---|---|---|---|---|---|
| Company sites | 212 | 81 | 213 | 157 | 89 | 21 | 8 | 14 | 795 |
| Dealer sites | 401 | 467 | 40 | 59 | 72 | 26 | 96 | 59 | 1,220 |
| **Site count, as at December 31, 2023** | **613** | **548** | **253** | **216** | **161** | **47** | **104** | **73** | **2,015** |
| Company sites | 202 | 79 | 122 | 89 | 185 | 14 | 97 | 13 | 801 |
| Dealer sites | 397 | 483 | 59 | 80 | 36 | 115 | 49 | 72 | 1,291 |
| **Site count, as at December 31, 2022** | **599** | **562** | **181** | **169** | **221** | **129** | **146** | **85** | **2,092** |
| **Net change in site count** | **14** | **-14** | **72** | **47** | **-60** | **-82** | **-42** | **-12** | **-77** |

The change in site count is attributable to network plan optimization and routine site count fluctuations as a result of the new to industry (NTI) sites, new dealers, site conversions, site sales, site closures and site rebranding. In the year ended December 31, 2023, the number of Company fuel sites decreased by 6, from 801 to 795, with the addition of 4 sites and the closure of 10 sites. In the year ended December 31, 2023, the number of Dealer fuel sites decreased by 71, from 1,291 to 1,220, with the addition of 20 sites and the closure or non-renewal of 91 sites.

Canada's commercial business delivers bulk fuel, heating oil, lubricants and other related products and services to commercial, industrial, and residential customers across Canada through an extensive delivery network. The commercial business also has an extensive cardlock network that includes commercial truck fueling stations and marine fuel facilities, and a majority of the cardlock sites are co-located with a retail site. 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. Our commercial customer base is diverse, supplying a broad cross-section of industries across Canada, including oil and gas, construction, mining, agriculture, forestry, fishing and transportation. Parkland also sells propane and heating oil to residential and commercial customers across Canada. The commercial segment operates through five ROCs, which enables us to meet local market needs effectively and maintain a high level of customer service. Additionally, the commercial segment is responsible for fuel supply and wholesale transactions, which includes the marketing, transportation and distribution of fuel combined with storage in terminals and other owned and leased facilities. The number of cardlock sites decreased by 1, from 166 to 165 in the year ended December 31, 2023.

Generally, results of Canada's retail operations fluctuate based on seasonality and experience higher volumes in the second and third quarters of the year during the summer driving season. In contrast, Canada's commercial operations generally experience higher volumes in the first and fourth quarters of the year as a result of higher demand for diesel, propane and heating oil in the winter. The results of the commercial operations also fluctuate based on seasonality, degree days in its residential home heat business and local gross domestic product.

### *International*

On October 18, 2022, Parkland consolidated the ownership of its International segment by completing the Share Exchange. See "General Development of the Business – Recent Developments – 2022" for additional details regarding the Share Exchange. International, which operates primarily as Sol and is made up of Sol and its subsidiaries, is the largest independent fuel marketer in the Caribbean, with sales and operations in 24 countries. 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 the northeast coast of South America and consist of: (i) retail businesses, which, as at December 31, 2023, included 252 Company sites and 241 Dealer sites, the majority of which are under the Esso, Mobil, Shell, Texaco and Sol brands, and a 50% joint venture interest in Isla's retail network consisting of 237 sites, including 109 Company sites and 128 Dealer sites; (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; (iv) aviation fuel operations at 15 airports in the region; and (v) Sol Ecolution, International's renewable energy business, which provides commercial solar and other renewable energy solutions. 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 (the "**SARA Refinery**") located in Fort-de-France, Martinique, which has a nameplate capacity of approximately 18,000 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 the northeast coast of South America.

International operates and generates profit from the following two main channels:

- **Retail** – International's retail business operates under the Esso, Mobil, Shell, Texaco and Sol brands. International is also the owner of the Sol Shop convenience store brand. The 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. International's retail business operates in 21 countries. International's retail business operates under one of the two main business models:

- **Company** – These sites are owned or leased by Parkland and operated by a dealer or employees of Parkland. Sites operating under industry models such as "company-owned, dealer operated" (CODO), "company-leased, dealer-operated" (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, Parkland owns the convenience store and fuel inventory.
- **Dealer** – These sites are owned, managed and operated by the dealer. Parkland secures long-term fuel supply contracts with the dealer and supplies fuel to the dealer. The dealer owns the fuel inventory. Convenience store inventory is usually owned by the dealer. Other operating model variants where the site is not owned or leased by Parkland 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 power, oil and gas, mining and hospitality. In addition, International's aviation business operates at 15 airports in the region, supplying aviation fuel and services to airlines.

International has sales and operations in 24 countries in the Caribbean. International also maintains offices in 21 countries, which are organized into three ROCs as follows:

| Eastern ROC | Northern ROC | Southern ROC |
| --- | --- | --- |
| Anguilla | Bahamas | Guyana |
| Barbados | Bermuda | Suriname |
| British Virgin Islands | Cayman Islands | |
| Dominica | Jamaica | |
| Grenada | Belize | |
| St. Kitts & Nevis | Dominican Republic | |
| St. Lucia | Puerto Rico | |
| St. Maarten | | |
| St. Vincent & Grenadines | | |
| French Guiana | | |
| Guadeloupe | | |
| Martinique | | |

International results are influenced by a variety of inherent business factors. The volumes and Adjusted EBITDA of the Eastern ROC and Northern ROC are expected to be higher in the first and fourth quarters of the year during tourism high season as compared to the second and third quarters of the year during tourism low season. Southern ROC's volumes and Adjusted EBITDA are expected to be influenced by volume of activity in the oil and gas and mining industries. In addition to the regional variations, International's Adjusted EBITDA is also influenced by fluctuations in quantity and timing of volumes related to third-party wholesale spot sales as well as the crude supply to the SARA Refinery.

### *USA*

USA delivers fuel, lubricants and other related products and services to customers, and operates a network of 657 retail fuel and convenience stores and 46 cardlock sites under various brands throughout the United States. USA operates a wide variety of terminals, storage facilities and trucks, and contracts with pipeline, storage facilities and third-party carriers to support its network.

USA operates and generates profit from the following two main channels:

- **Retail** – USA's retail operations are carried out 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 fuel pumps. Convenience store inventory is either owned by Parkland or by a qualified independent retailer. If a site is operated by an independent qualified retailer, Parkland does not maintain control of the convenience store inventory and does not participate in the convenience store sales operations. Sites operating under the industry models such as "company-owned, retailer-operated" (CORO) and "company-owned, company-operated" (COCO) are included under the Company business model.
  - **Dealer** – The Dealer business model includes sites owned or leased by an independent dealer and are operated and managed by an independent dealer. Parkland secures long-term fuel supply contracts with the dealers, usually 10 years in length, and supplies fuel to the dealers based on the independently published rack prices. Dealer supply arrangements include multi-site dealer chains supplies and branded and unbranded relationships. The dealer owns the fuel inventory and maintains control of the retail price selling at the fuel pumps. Convenience store inventory is owned by the dealer. Sites operating under the industry model "dealer-owned, dealer-operated" (DODO) are included under the Dealer business model.

  The USA's retail sites operate under various brands including, without limitation, On the Run, ARCO, Cenex, Chevron, Conoco, Exxon, Marathon, Mobil, Mr. Gas, Sinclair, Texaco, Phillips 66, Shell, U-Gas and 76. USA's convenience store business operates under various brands including, without limitation, Superpumper, On the Run, KJ's, Hart's, KB Express, Casey's Corner, Mr. Gas and U Shop. USA offers a diverse product mix at its convenience stores, including QSRs.

- **Commercial and Wholesale** – USA's commercial business delivers gasoline, diesel, marine fuel oil, propane, lubricants and ancillary products to customers in various geographies and sectors, including commercial, industrial, automotive, retail, agricultural, construction, mining, energy and marine. Fuel is primarily delivered to customers by truck. USA is a supplier of ExxonMobil lubricants and Ridgeline, Parkland's private label offering for lubricants and other ancillary products. USA's commercial business also operates a network of cardlocks that are compatible with major fueling networks and 3rd party card holders. USA's commercial business operates under various brands including, without limitation, Rhinehart Oil, Farstad Oil, Conrad & Bischoff, Tropic Oil and National Fuel Network. USA's wholesale business supplies gasoline, diesel and other fuels to wholesale customers. Fuel is primarily delivered to customers by truck, railcar, pipeline or third-party rack facilities. USA's wholesale business primarily operates under Parkland (U.S.) Supply Corp., a wholly-owned U.S. subsidiary of Parkland.

USA's operating profile as at December 31, 2023 is set out in the table below:

| Operating Profile | USA |
|---|---|
| Company retail sites | 210 |
| Dealer retail sites | 447 |
| **Total retail sites** | **657** |
| Commercial cardlock sites | 46 |

USA business is organized into four ROCs, which mainly operate in the following U.S. states:

| Rockies ROC | Northern Tier ROC | Pacific Northwest ROC | Southeast ROC |
|---|---|---|---|
| Utah | North Dakota | Idaho | Florida |
| Colorado | Wyoming | Oregon | |
| Arizona | Minnesota | | |
| Nevada | Montana | | |
| New Mexico | South Dakota | | |
| | Nebraska | | |

USA also has an office in Houston, Texas that performs supply, trading, and wholesale activities.

USA results fluctuate based on seasonality. The demand for fuel and petroleum products increases during the second and third quarters because of the agriculture, construction and mining seasons and increased consumer travel. In the first and the fourth quarters, marine fuel demand increases due to active cruise ship operations and the cold weather conditions improve propane sales. As a result, USA Adjusted EBITDA is generally higher in the second and third quarters.

### *Refining*

Refining represents the operation of the Burnaby Refinery. The Burnaby Refinery has a track record of highly safe and 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 more than 90% of the refined product output being sold to Parkland's retail, commercial and wholesale networks.

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/medium sweet crude, with some portion of Canadian synthetic crude. This pipeline is the most efficient and reliable source to deliver 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 is 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 in the tariff approved by the Canada Energy Regulator (formerly, the National Energy Board). While operations at the Burnaby Refinery are not expected to change with the start-up of the Trans Mountain Expansion Project (the "**TMX**"), as Parkland expects to have access to adequate crude supply to run at similar rates, tariffs on the TMPL are expected to increase, which may impact the competitiveness of fuel refined at the Burnaby Refinery. The net impact of the start-up of the TMX on the Burnaby Refinery remains unknown at this time. See "Risk Factors – Operational Resiliency – Refinery Supply" for additional information.

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 marine vessel, rail and truck when economically viable. Other feedstocks used by the Burnaby Refinery include vacuum gas oil, butane, naphtha, isooctane, renewable diesel and naphtha, biodiesel, ethanol and sources for renewable feedstocks (including tallow, canola and tall oil).

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 products including 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 is commercialized in co-processing canola oil, tallow and tall oil (a byproduct from the pulp and paper industry), and is exploring the use of other forest, fish and seaweed 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. The Burnaby Refinery co-processed over 91 million litres of bio-feedstock during 2023.

Refineries undergo periodic turnarounds to upgrade operating units and perform scheduled maintenance from time to time. Parkland completed a scheduled turnaround at the Burnaby Refinery in the first quarter of 2023 for regular maintenance and inspections of our Crude, Rheniformer and Distillate Hydrotreater units, catalyst changes on the Rheniformer and Distillate Hydrotreater and certain reliability and capital improvements associated with co-processing.

#### *Corporate*

Corporate includes centralized administrative services and expenses incurred to support global operations and enterprise-wide functions that cannot be reasonably allocated to Parkland's remaining operating segments due to their nature. Certain Corporate costs and gains are allocated to the other operating segments that include direct costs and gains attributable to those operating segments as well as other non-direct costs and gains incurred by Corporate. Allocations of non-direct costs and gains are based on the consumption of Corporate administrative resources by operating segments estimated using various cost drivers such as headcount, time spent by Corporate employees to support the operating segments and profitability of the operating segments. The remaining costs and gains in Corporate are not allocated to Parkland's operating segments due to their nature.

### Supplemental Operational Information

#### *Employees*

As at December 31, 2023, Parkland had approximately 6,181 active full- and part-time employees.

#### *Environment, Social and Governance*

Parkland's enterprise-wide Sustainability Strategy is grounded in the company's four pillars: People, Environment, Partners, and Responsible Growth. Parkland recognizes the importance of taking action on climate change and supporting the global energy transition, while committing to providing our customers with affordable choices that help them lower their environmental impacts and ensure that no one is left behind through the energy transition. To that end, we have developed a balanced approach that leverages our existing business to develop our traditional business and low-carbon opportunities, diversify by creating convenience destinations and decarbonize by supporting customers through the energy transition.

In 2019, the Board established Parkland's Environment, Social and Governance Committee, which changed its name to the Environment, Safety and Sustainability Committee on August 4, 2022. The Environment, Safety and Sustainability 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 the following matters including:

- environmental policy and regulation, including with respect to environmental laws and stewardship, low carbon regulation, climate policies, emissions, spills, air quality regulation and ecological protection;
- health and safety, including with respect to worker safety, product and process safety, asset integrity, reliability, security, operational risk management, emergency response and business continuity;
- social capital, including with respect to community engagement and philanthropy, First Nations engagement, reputation, human rights, and customer privacy.

Parkland's Sustainability Task Force (the "**Task Force**"), also established in 2019, is comprised of cross-functional senior 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 practices that enable Parkland to continue to provide value to its customers, shareholders and communities.

In recognition for our commitment to sustainability, Parkland is proud to maintain an AA ESG Rating from Morgan Stanley Capital International ("**MSCI**"). An MSCI ESG Rating is designed to measure a company's resilience to long-term, industry-material ESG risks. MSCI ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC).

Parkland is a signatory of the United Nations Global Compact, a voluntary initiative based on commitments to implement universal sustainability principles, to support the United Nations' Sustainable Development Goals, which are a collection of 17 interlinked global goals designed to achieve a better and more sustainable future for all.

**1. Climate Change**

Climate change presents significant risks and challenges to our business, and to societies and economies across the world. Parkland's strategy to decarbonize our business supports global sustainability efforts. From businesses and governments to individuals, we all have a responsibility to make changes that support a sustainable future. Parkland supports our governments' goals of achieving net-zero emissions by 2050. Parkland is committed to reducing our Scope 1 and Scope 2 GHG emissions intensity in our marketing and refining businesses by 40 percent per site and 15 percent per barrel processed, respectively, by 2030, relative to our 2019 emissions baseline, which was established through consultations with business units across the enterprise and in-depth data gathering and analysis with third-party experts.

Parkland anticipates meeting our target to reduce our customers' GHG emissions by up to 1 megatonne (MT) per year by 2026 through increased co-processing of low-carbon fuels, blending of renewables and selling carbon offsets.

With the support of NRCan and the Government of British Columbia, in 2022, Parkland began building one of Canada's largest ultra-fast EV charging networks. In 2023, Parkland entered into another funding agreement with the Government of British Columbia, which secured additional funds for a project to expand the public level 3 EV charging network in British Columbia with a further 10 locations. As of December 31, 2023, Parkland had completed 50 EV charging locations. See "General Development of the Business – Recent Developments – 2023" and "General Development of the Business – Recent Developments – 2022" for additional information.

Parkland continues to grow its carbon offset and renewable fuel business, which plays an integral role in our Sustainability Strategy and in helping our customers meet their environmental commitments. We operate an active environmental trading desk with a presence in many markets across North America. With global demand for voluntary offsets increasing, we delivered significant growth and transacted carbon offset credits across various North American registries.

Additionally, through Sol Ecolution, Parkland facilitates the development of diverse renewable and low-carbon energy solutions in the Caribbean. As of December 31, 2023, Sol has completed state-of-the-art solar photovoltaic (PV) systems on 56 retail sites.

**2. Safety & Emergency Preparedness**

Safety continues to be the foundation of who we are as a company. Our Drive to Zero ambition is to achieve zero safety incidents and fatalities. Parkland's Operational Excellence Management System ("**POEMS**") has been launched in all our operating jurisdictions. See under the heading "Health, Safety and Environment" below for additional information with respect to HSE initiatives.

**3. Product Transportation & Storage**

Moving and storing our products safely and reliably is critical to ensure our customers' needs are met and that our communities and local environments remain protected. To support our ambition of zero spills, in 2023, Parkland created a Spill Prevention Committee composed of members from Canada, USA and International operating segments. The Committee meets monthly to discuss spill incidents and make sure they are properly recorded, that investigation is undertaken and the spill is discussed during Serious Incident meetings.

**4. Diversity & Inclusion**

As part of our Drive to Zero ambition, we have zero tolerance for racism and discrimination and continue to embed our BOLD (Build, Own, Lead, Deliver) diversity and inclusion ("**D&I**") pillars at all levels of our organization. We have refined our D&I strategy to enable a BOLD approach to fostering systemic and cultural inclusion.

In 2023, we advanced our D&I strategy within our organization by conducting a company-wide D&I survey that is part of Parkland's broader efforts to foster a proactive culture of equity, inclusion and belonging. Our next steps involve analyzing the survey results and updating our D&I strategy and roadmap based on the findings.

As part of Parkland's commitment to D&I, the Board previously adopted a target for women to occupy at least 30% of the Board and executive officer positions by 2023 and 2025, respectively. In 2023, Parkland achieved its 30% gender diversity target with respect to positions on the Board. Accordingly, Parkland has adopted a refreshed written diversity policy that establishes a minimum threshold of 30% representation by women on the Board, with a target to achieve 50% representation by women on the Board. Parkland also continues to focus on fulfilling its 30% gender diversity target for Parkland's Senior Leadership Team by 2025. Additionally, Parkland has achieved its target for Black, Indigenous and People of Colour (BIPOC) representation of at least 10% on the Board before Parkland's 2025 annual general meeting of shareholders and at least 10% on its Senior Leadership Team by the end of 2025 and is committed to maintaining such representation. To support this commitment, we are improving our sourcing and selection policy, processes and procedures to attract a diverse candidate pool that enables us to select the best qualified candidates through a selection process that mitigates unconscious bias and systemic exclusion.

**5. Governance & Ethics**

At Parkland, we take great pride in being a company that does the right thing. As part of our Drive to Zero ambition, Parkland has zero tolerance for corruption, bribery and unethical behaviour. Throughout 2020 and 2021, we provided enhanced ethics training to several teams across the enterprise and, in 2021, to further enhance our ethics and integrity program, we also conducted a risk assessment to identify any gaps that may exist.

Parkland recognizes the importance of sound governance throughout the supply chain. In 2022, Parkland published its Supplier Code of Conduct and has made progress to integrate these standards into all new suppliers, and a majority of our existing (significant spend) suppliers, in 2023. In addition to implementing the Supplier Code of Conduct through its supply chain, Parkland is assessing what additional standards will be incorporated to address third-party risks, including preparations to report on Bill S-211 (Fighting Against Forced Labour and Child Labour in Supply Chains Act).

Parkland is committed to establishing meaningful, lasting, respectful and mutually beneficial relationships with Indigenous communities and groups in Canada. Guided by our Canadian Indigenous relations strategy launched in 2021, Parkland is committed to enhancing its community and Indigenous engagement by implementing best practices, including progressing through the Progressive Aboriginal Relations ("**PAR**") certification program established by the Canadian Council for Aboriginal Business (CCAB) and targeting support for local and remote communities. Parkland achieved its target of becoming "PAR Committed" in 2022 and is in the process of working through phases 2 and 3 of the PAR certification program. Our progress towards being "PAR Certified" demonstrates our commitment to strengthen relationships with Indigenous Nations, peoples and communities on whose traditional territories Parkland operates.

Parkland has committed to conducting responsible mergers and acquisitions by conducting a sustainability assessment as part of our due diligence review for all acquisitions starting in 2022 and applying Parkland's sustainability policies, goals and metrics to all newly acquired companies within an average of 12 months of acquisition date starting in 2023.

### *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, communities and the environment, and ensuring compliance with all applicable HSE regulatory requirements for the communities in which we operate. At Parkland, our HSE mission is underpinned by POEMS. POEMS is designed to simplify how Parkland lives our values and BOLD behaviours to ultimately:

- protect our people and the communities in which we operate;
- reduce HSE risks and provide for the long-term integrity of our company assets; and
- sustainably deliver safe, consistent and reliable operations for our customers.

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 have several HSE programs to achieve top tier performance everywhere we operate, including:

- **Drive to Zero**: Drive to Zero is our shared goal to have a workplace free of at-risk behaviours, ultimately reducing incidents. See under heading "Environment, Social and Governance" above for additional information with respect to our Drive to Zero strategy.
- **8 Life Saving Rules**: The Life 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.
- **Stop. Think. Act.**: Stop. Think. Act. is the first step in Parkland's hazard assessment approach intended to encourage all of our employees to identify and control hazards to protect themselves, their coworkers, and the communities we operate in while going about their day-to-day work.

Parkland strives for operational excellence 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 at Parkland includes comprehensive HSE training programs to ensure our employees have the knowledge and skills necessary to understand HSE requirements, to implement and adhere to Parkland's HSE programs and to 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**") process, which is used to develop and implement continuous improvement plans.

POEMS is comprised of the following 8 elements, each with governing principles:

**1. Visible Leadership**

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 in support of our strategic imperatives.

**2. Health & Safety**

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.

Incident and investigation procedures are established to determine root causes of incidents and near misses so that actions can be identified and implemented to prevent an occurrence or recurrence. Based on industry practice, we create and distribute communications in the form of a "lessons learned" document to our workforce 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.

Parkland has a robust occupational health 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 leading and lagging indicators, 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**

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 demonstrate 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 team. 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**

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

Emergency response plans are in place at all Parkland facilities. Our emergency management program involves coordinating 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. Our 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.

Parkland's business continuity plans provide the corporate procedure for establishing, implementing and maintaining capabilities for continuing operations during a business interruption.

**5. Process Safety, Reliability & Integrity**

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, 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: (i) reporting; (ii) classification; (iii) investigation; (iv) root cause determination; (v) corrective actions; (vi) quality assurance; and (vii) analytics and stewardship reporting. These processes include defined timelines and a quality review by leadership and HSE personnel prior to incident close out.

Parkland's refining operations have well defined, mature process safety management programs in place. Programs include Risk Management, Management of Change, Asset Reliability & Integrity, and Managing Safe Work are being stewarded and third party audited. The processes are incorporated into our POEMS framework.

Additionally, within our International segment, two countries in which we operate have obtained ISO (International Organization for Standardization) certifications. Certifications for the 9001 (Quality Management) and 14001 (Environmental) International Standards have been obtained for our Suhoza, Beekenhuizen and Nickeri terminals in Suriname and our Rome and Ramsburg terminals in Guyana.

**6. Governance & Assurance**

Responsibly 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 and ensuring no business pursuit will be at the expense of safety or the environment.

Parkland strives to ensure compliance with current legislation across all of our operations. All non-compliance events are treated as incidents and investigated accordingly, resulting in corrective actions to prevent reoccurrence.

Each year, Parkland develops an HSE Management 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 2023 include:

- implementing monthly review meetings for Parkland operations leaders to discuss serious incidents and near misses in support of the POEMS lessons learned process;
- continuing to implement and improve Microsoft Power BI, an interactive data visualization software, to present HSE leading and lagging indicators to front-line leaders of Parkland;
- the overhaul of Ship-to-Shore documentation for all marine/terminal interface activities within the International segment, as well as the Permit to Work process, both of which were complemented with formal training provided to operators;
- implementing key HSE programs within all USA segment operations to standardize our approach and align the businesses acquired in the U.S. in 2022;
- providing conflict de-escalation training to all Parkland retail store managers in the U.S. and introducing "panic buttons" to facilitate discreet notification to third party emergency services at our retail stores in the U.S.;
- implementing improved management of change and risk ranking processes at the Burnaby Refinery;
- developing improvements to the confined space approver program at the Burnaby Refinery;
- implementing a broader leak detection and repair program and new fence line monitoring program at the Burnaby Refinery in compliance with new federal regulations; and
- implementing a new air permit at the Burnaby Refinery, which drives continuous improvement over the life of the permit.

**7. Community**

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 and, therefore, we must establish awareness, understanding and transparent communication about our operations with key stakeholders in these communities to maintain and enhance our relationships.

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 annually published sustainability reports. See "Environment, Social and Governance" above for additional information.

**8. Transportation**

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. We carefully select equipment and robust maintenance programs for all transportation modes and auxiliary equipment to safely receive and deliver the highest quality products to our customers. 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.

### *Social Policies*

Community is one of our core values and we have a track record of supporting the communities in which we live and operate. In 2023, we continued our annual employee giving program, Parkland Pledge. We delivered strong participation in each of our regions, with more than 60% of our total employees donating to causes that matter to them. In total, more than $1.7 million was donated to 2,015 organizations across Canada, the United States and the Caribbean.

Parkland Pledge, launched in 2013, is an employee-driven program which enables our team to support the communities in which they live and work. Each year, based on length of service, Parkland awards each eligible employee between $250 to $500 to donate to non-profit institutions and charitable organizations. Based on their level of volunteering in their communities, our employees have the opportunity to double their funds.

During 2023, we also supported communities impacted by natural disasters. This included a $200,000 donation to the Red Cross to support wildfire recovery efforts in Canada.

### *Cybersecurity*

Parkland's business and its continued competitive advantage are dependent on its IT systems, including hardware, software, processes and its service providers. Parkland continues to invest in technologies to protect and enhance 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 processes, reporting structures and programs to maintain security over its IT systems, ensure reporting compliance and adherence to regulatory guidelines. Parkland maintains controls to ensure the privacy of customer and payment information and operates redundant infrastructure to ensure business continuity in case of unforeseen events.

Parkland has procedures in place to identify and mitigate cyber security threats, including preventive, detective and responsive controls. Parkland has adopted the NIST cyber security and risk framework to ensure strong governance and consistent processes. In recent years, we implemented additional technical controls to supplement our existing controls, including email security, network detection and remediation, endpoint security, cloud security control, deception technology, network micro-segmentation, 24x7 managed detection and response service, strong access control with multi-factor authentication and zero trust internet security and remote access. We continue to introduce new technical controls to enhance zero trust internet security, endpoint security, cloud security and network micro-segmentation across Parkland. Additionally, we have elevated our User Cyber Awareness program and improved visibility into threats and accelerated our ability to detect and respond to such threats. In addition, Parkland conducts mandatory continuous security awareness training for its current and new employees in areas such as phishing, social engineering and data security. We also continued to focus on identity and access management, applying lessons learned from recent industry incidents.

Parkland's cyber and information security (including data) capabilities are regularly assessed through assurance activities conducted by internal audit and external expert cyber security firms. These activities follow the NIST-CSF (cyber security and risk framework). In 2023, we started the Data Security and Governance Program, a multi-year project to provide classification to data and implement standards and policies with procedures on data storage. We have continued to strengthen backup and disaster recovery capabilities, processes and tools for crown jewels from a global perspective. Additionally, in 2023, we completed the Parkland Cyber Security Incident Response Plan and conducted preliminary table-top exercises with our managed detection and response partner.

Parkland maintains an incident retainer to ensure swift response in case of an incident, as well as maintaining first and third-party cybersecurity insurance to mitigate risks associated with a potential incident. Parkland also collaborates with CCCS (Canadian Center for Cyber Security), Cyber Alberta and other industry threat intelligence communities on a regular basis.

Parkland's Audit Committee (the "**Audit Committee**") is responsible for overseeing IT security at Parkland, with the Chief Information Officer of Parkland reporting into the Audit Committee on a quarterly basis. The Audit Committee briefs the Board of Directors on information security matters as deemed necessary by the Audit Committee. The Audit Committee currently consists of four members, all of whom are independent in accordance with the definitions in National Instrument 52-110 *Audit Committees*. See "Audit Committee Information" and Appendix 1 of this Annual Information Form for additional information.

See "Risk Factors – Information Technology, Security Breach and Privacy" for additional information.

### *Digital*

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 and 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. Our JOURNIE™ Rewards loyalty program and the systems that support it provide a valuable way to connect with our customers and deliver rewards that are customized to their preferences. See "Risk Factors – Information Technology, Security Breach and Privacy" for additional information.

### *Competitive Conditions*

The industries and geographic regions in which Parkland operates are highly competitive. For further information on the competitive conditions affecting Parkland, see "Risk Factors – Commodity Price and Pricing Pressure – Pricing Pressure and Competition".

## RISK FACTORS

An investment in Parkland's securities is subject to various risks, including those risks inherent to the industry in which we operate. Current and prospective purchasers of Parkland's securities should carefully consider the following risk factors, as well as the other information contained in documents filed by Parkland pursuant to applicable securities laws, including the Annual MD&A and quarterly management's discussion and analysis. If any event arising from these risks occurs, Parkland's business, prospects, financial condition, results of operations or cash flows, reputation, the value and trading price of the Common Shares and its ability to pay dividends could be adversely affected.

Parkland is exposed to a number of risk factors through the pursuit of our strategic objectives and the nature of our operations. We use a proactive approach for enterprise risk management to enable effective decision-making through the consistent identification of risks inherent to our activities. Parkland performs an annual enterprise risk assessment using a systematic approach that includes significant engagement from Parkland's Senior Leadership Team, Senior Management Team, and individuals across the business. Current and emerging risks are assessed using Parkland's enterprise risk management framework considering controls and mitigating factors to determine residual risk rankings. Accountability, responsibility and ownership for each risk are assigned. Key residual risk exposures are reassessed regularly by cross-functional teams. Reporting to the Board of Directors on identified risks and management action plans is done on a quarterly basis. In 2023, Parkland conducted a comprehensive enterprise risk management assessment, which included the Board's views on key risks to which Parkland is exposed. Throughout 2023, management and the Board continued to assess key risks and incorporate any additional risks identified.

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 results of operations. Readers should consult their own advisors and experts where necessary before making any investment decision.

### Balance Sheet Resiliency During Adverse Macroeconomic Conditions

***Balance Sheet Resiliency***

Parkland's business strategy and day-to-day operations are dependent on access to private and public debt markets. Access to and cost of capital may be affected by factors not specific to Parkland, such as adverse conditions in the credit markets, general and industry-specific market and economic conditions and interest rate fluctuations. Parkland's access to and cost of capital will also be dependent on long-term credit ratings, which are determined by, among other things, the level and quality of our earnings and our ability to meet financial obligations. Parkland has incurred debt that involves significant interest expenses and debt service obligations that may have a negative effect on our results of operations. A credit rating downgrade could potentially limit our access to private and public credit markets and increase the costs of borrowing under our existing credit facilities. A downgrade could also limit our access to short-term debt markets and increase the cost of borrowing in the short-term and long-term debt markets. Inability to access capital on a cost-effective or timely basis may result in a loss of liquidity, an increase in the cost of capital or inability to execute on value-added transactions requiring significant capital.

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. In addition, capital markets are adjusting to the risks that climate change poses and as a result, Parkland's ability to access capital may also be adversely affected if institutional investors or lenders adopt more restrictive decarbonization policies.

**Debt service**

Parkland's ability to generate sufficient cash flow to repay its indebtedness 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 Parkland's 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 default under the agreements governing its indebtedness and could have to reduce or delay investments and capital expenditures or dispose of material assets. Such refinancing or alternative measures may not be available on favourable terms or on any basis. Parkland's inability to service, repay or refinance its indebtedness could have a material adverse effect on its 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 U.S. dollars, therefore, fluctuations in the Canadian dollar/U.S. dollar exchange rate will change Parkland's debt service obligations.

**Debt agreements**

The Credit Agreement and the Senior Note Indentures impose restrictions on Parkland and certain of its subsidiaries' and 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. As a result of certain covenants in the Credit Agreement and Senior Note Indentures, Parkland's ability to respond to changes in business and economic conditions and to obtain additional financing, if needed, may be restricted, and Parkland may be unable to engage in transactions that might otherwise be beneficial. 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 could result in a default which, if not cured or waived, would permit the lenders to declare all amounts outstanding under the Credit Agreement immediately due and payable and terminate all of their 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. The acceleration of Parkland's indebtedness under one agreement may trigger the 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 or borrow sufficient funds to refinance its indebtedness, 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 that may be more restrictive than under the Credit Agreement or Senior Note Indentures. See "Description of Capital Structure – Indebtedness – Credit Agreement" and "Indebtedness – Senior Notes" for additional information regarding the Credit Agreement and the Senior Note Indentures, respectively.

**Credit markets**

Future uncertainty in the global economy and in local markets, including a deterioration of global economic conditions, lack of market liquidity or increased volatility in the credit markets may increase costs associated with debt instruments, due to 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 availability under the Credit Agreement 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.

**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 "Balance Sheet Resiliency" 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 Senior Notes. Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. The credit ratings assigned 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. See "Description of Share Capital – Indebtedness – Credit Ratings" for additional information with respect to credit ratings and related risks.

#### *Economic Conditions and Geopolitical Instability*

Parkland's business is subject to a number of general economic and political factors that may adversely affect its business, prospects, results of operations, and financial condition. These include recessionary economic cycles and downturns in the business cycles of the industries in which our customers conduct business, as well as downturns in the principal regional economies where operations are located. In particular, certain sectors, such as oil and gas exploration, forestry, mining, farming and aviation are subject to changes in commodity prices, general economic conditions, limited access to capital and natural disasters, which can impact the demand for Parkland's products by customers operating within these sectors.

External factors that affect economic variables and consumer confidence over which Parkland exercises no influence include global trade tensions, unemployment rates, levels of personal disposable income, inflation, regional or economic conditions, changes or potential changes in political leadership, including as a result of the 2024 U.S. presidential election, and any restrictions and associated disruptions due to war and related activities. Changes in economic conditions could adversely affect industrial activities, consumer spending patterns, travel and tourism in certain of Parkland's market areas. Some of Parkland's sites are located in markets that are more severely affected by weak economic conditions. Furthermore, oil prices, wholesale motor fuel costs, motor fuel sales volumes, motor fuel gross profits and merchandise sales can be subject to seasonal fluctuations that impact consumers' demands.

### Inflation

Inflation and interest rates impact the economies and business environments that Parkland operates in and could pose a risk to our liquidity and financial position. If Parkland's costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases, in part due to the impact of inflationary pressures on our customer's purchasing behaviours. Our inability or failure to do so could harm our business, financial condition and results of operations. Additionally, increased inflation and any economic conditions resulting from governmental attempts to reduce inflation, such as the imposition of higher interest rates, could negatively impact Parkland's borrowing costs, which could, in turn, have an adverse effect on Parkland's cash flow and ability to services its obligations under the Credit Agreement. We continually reassess our asset impairment indicators in light of changing inflation rates and interest rates, ensuring our financial reporting reflects current conditions.

### Jurisdictional risk

Parkland operates in certain jurisdictions that are subject to the risks normally associated with any business conducted in emerging markets or developing countries including political or social unrest, changes in laws and regulations, changes in the tax regimes, currency fluctuations, inflation and hyperinflation, 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. In addition, 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. 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 with any sanctions thereunder.

These risks could result in a disruption of Parkland's operations, increase costs incurred by Parkland or have an adverse effect on Parkland's business, financial condition and results of operations.

**Epidemics, pandemics or outbreak of an infectious disease**

Parkland's business, financial condition and results of operations could be adversely affected by the outbreak of epidemics, pandemics and other health crises in geographic regions in which Parkland has operations, suppliers, customers or employees. Such health crises and the actions taken by governmental authorities in response thereto may result in, among other things: increased volatility in financial markets, commodity prices and foreign currency exchange rates; disruptions to global supply chains; labour shortages; reductions in trade volumes; operational restrictions, quarantine orders, business closures and travel bans and restrictions imposed or recommended by governmental authorities; overall slowdown in the global economy; political and economic instability; and civil unrest.

### Health, Safety and 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.

#### *Commercial and Retail*

Parkland's commercial and retail businesses are exposed to risks including, but not limited to, transportation and storage of hazardous substances, vehicle accidents, fires, explosion, accidental spills or releases of liquid petroleum products, chemicals or other hazardous substances.

In addition, as a convenience and food retailer, Parkland is also subject to risks related to food safety. These include, but are not limited to, risks associated with food preparation, labelling, storage and timely disposal.

#### *Refining and Supply*

The Burnaby Refinery is subject to hazards pertaining to the supply and processing of hydrocarbons including, but not limited to: blowouts; fires; explosions; railcar incidents; marine vessel incidents; 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. 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 or along populated coastlines. Releases or other incidents involving marine vessels could result in significant disruptions to offshore shipping activities and impede Parkland's ability to operate in any affected areas.

Any of these hazards can interrupt operations, cause personal injury or loss of life, 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: business interruption; potential liability; modifications to or revocation of existing regulatory approvals; fines and other environmental damages or impact Parkland's reputation.

#### *Other HSE Risk Considerations*

Parkland has obtained insurance in an effort to address and mitigate HSE hazards and risks inherent in its operations. In addition, Parkland has established operational and emergency response procedures, and adopted safety and environmental programs to reduce potential loss exposure. 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 on an economically feasible basis.

See "Supplemental Operational Information—Health, Safety and Environment" above for how Parkland addresses the above risks.

## Operational Resiliency

### *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, including bio-feedstocks, used at 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 may result in operational interruptions, loss of operating license, fines, reputational damage, personal injuries and loss of life. See the "Health, Safety and Environment" risk factor above for additional information. Parkland does not have full control over the supply of power, natural gas or water to the Burnaby 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 to refine crude oil, and even a temporary interruption of power, natural gas or water could adversely affect operations.

Scheduled and unscheduled maintenance and repairs at the Burnaby Refinery 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.

### *Refinery Supply*

Parkland contracts with third parties for the supply of crude oil and other feedstock to the Burnaby Refinery. All crude oil sourced by the Burnaby Refinery is delivered from Alberta by TMPL. A temporary shutdown of the TMPL can result in Parkland temporarily ceasing processing operations at the Burnaby Refinery and may materially affect Parkland's business, financial condition and results of operations.

Under operational conditions, the Burnaby Refinery could see variability in its crude deliveries as the capacity on the pipeline fluctuates from time to time based on operating conditions and planned and/or unplanned maintenance. In addition to the TMPL line capacity, extreme or unexpected weather events may affect the operation of the TMPL, which may result in significant operational delays and unanticipated costs.

Tariffs on the TMPL are expected to increase with the start-up of the Trans Mountain Expansion Project (TMX), which may impact the competitiveness of fuel refined at the Burnaby Refinery. The start-up date for TMX remains unknown at this stage and is subject to a range of factors relating to the construction and commissioning of TMX by Trans Mountain Corporation. The Canada Energy Regulator has approved the interim tariffs that will apply upon start-up of TMX. However, the long-term tolls and tariffs on the expanded Trans Mountain System remain subject to regulatory review.

### *Fuel Storage and Distribution*

Operating fuel storage and distribution terminals and transporting fuel products involve inherent risks, including without limitation: 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. Incidents associated with such aforementioned risks may result in material third-party claims or regulatory fines, which could impact our license to operate. We generally maintain insurance to mitigate these types of losses, 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. Further, a significant environmental incident could result in losses in excess of the insurance coverage currently maintained by Parkland and could have an adverse effect on Parkland's business, financial condition, reputation and results of operations.

### *Calamitous Events*

Calamitous events, such as terrorist attacks, cyber attacks, war and armed conflict, geopolitical tension, pandemics, and trade disputes and disruption, may have significant effects on general economic conditions, consumer spending, and travel and tourism, which may disproportionately impact various customers of the Company. In particular, calamitous events may have an adverse effect on Parkland's operational resiliency and may also increase the likelihood of other risk factors materializing or the severity of the impact of such risks. Strategic targets, such as energy-related assets, may be at greater risk of possible future attacks within the geographic area that the Company operates.

### *Transportation*

Parkland's products and feedstock are transported and supplied using a variety of methods, including by pipeline, truck, rail and ship. Any interruptions, restrictions, delays, technical malfunctions, adverse weather, derailment, incident, release, changes to freight costs, or regulatory changes affecting any of the methods of transportation used by Parkland could adversely affect Parkland's ability to deliver and receive its products, the economics associated with certain methods of transportation, reputation, business, prospects, results of operations, and financial condition. Additionally, global shipping delays at critical infrastructure, including bottlenecking delays and restrictions and disruptions due to regional conflicts, and associated costs, may have an adverse impact on Parkland's ability to successfully transport products.

## Information Technology, Security Breach and Privacy

### *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 not be able to, among other things: clearly define and prioritize technology requirements and infrastructure design; effectively implement new enterprise resource planning systems, technologies and changes to internal controls; effectively operate and maintain existing infrastructure; 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; or establish organic growth platforms to better understand, target and engage our customers. Failure to do so could adversely affect Parkland's operations and its ability to compete in the market.

### *Personal Information*

In the normal course of business, Parkland obtains large amounts of data, including personal data, such as financial information, from our customers. This data is stored on both internal and external systems. Parkland continues to monitor and maintain protection of our IT systems and security controls over individually identifiable customer, employee and vendor data provided to us. A breakdown or a breach in our systems that results in unintended exposure of confidential information or other sensitive data could occur. With respect to data stored externally, Parkland may not fully control the security measures, response and recovery plans maintained by the third-party provider.

### *Cyber Security*

Parkland's business, including its operations, are dependent on information systems and other digital technologies, including the systems of cloud providers and third parties with which Parkland conducts business. Systems and technologies are essential for the operation of our assets, processing transactions, transmitting information and summarizing and reporting results of operations. Digital transformation continues to increase the number and complexity of such systems and dependencies.

Cyber-attacks are rapidly evolving and becoming increasingly sophisticated. Parkland may not be able to prevent a cyber-attack, resulting in a material loss of data or inability to quickly recover or 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. Parkland may be under increased risk of cyber-attacks and data breaches because of its increased size, prominence and financial strength, as well as its expansion of consumer data obtained through our JOURNIE™ Rewards loyalty program, all of which increases Parkland's profile for more serious cyber criminals.

### Sustainable and Scalable Business Model

Parkland competes with companies to attract and retain employees and third-party contractors with appropriate technical skills necessary to continue operations. Hiring and retaining skilled personnel 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 contractors, should Parkland fail to attract qualified personnel for its operations, Parkland's 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.

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, would have an adverse effect on our financial condition and results of operations.

### Impact of Climate Change and Sustainability / ESG Requirements

#### *Climate Change and Extreme Weather*

Parkland's sales volume and profitability can experience increased volatility due to extreme and unpredictable weather events that may increase in frequency and severity as a result of climate change, including but not limited to: winter temperatures, forest fires, flooding and hurricanes in Canada and the northern United States and severe tropical storms, hurricanes, earthquakes and volcanoes in the southern United States and Caribbean, which may cause pipeline closures, downed telephone lines, flooded facilities, power outages, fuel shortages, damaged or destroyed property and equipment and work interruptions. Any of the foregoing events may damage Parkland's assets, disrupt its supply channels, interrupt Parkland's ability to deliver goods and services and/or decrease demand for its products. Any of these events could occur and could have an adverse effect on Parkland's business, financial condition, ability to realize the anticipated growth opportunities and synergies and future business prospects. Climate change may increase the frequency and/or severity of severe weather conditions and events, which may increase the impact of these factors.

#### *Climate Change Regulations*

Parkland operates in several jurisdictions that regulate or have proposed to regulate GHG emissions, including through clean fuel standards, which seek to reduce the carbon intensity of fuels. Some of these regulations are in effect, while others remain under development, review, discussion or implementation. Uncertainties exist relating to the timing and effects of these emerging regulations, including how they may be harmonized, making it difficult to determine the cost impacts and effects on Parkland accurately. Additional changes to climate change legislation may adversely affect Parkland's business, financial condition, results of operations and cash flows.

The ultimate effects of climate change legislation, regulations and initiatives on Parkland's operations 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 take advantage of incentive programs, including by purchasing compliance instruments on the open market or through auctions, the price and availability of credits, the extent to which Parkland is able to recover the costs incurred through the pricing of Parkland's products in the competitive marketplace, and the increasing penetration of EVs.

Many of the jurisdictions in which we operate mandate a progressively increasing share of new passenger vehicles sold to be zero-emission vehicles, including through tax incentives. As these types of vehicles become more widespread due to government incentives, regulatory measures, technological advancements, consumer preferences, competitive pricing, or other factors, there could be a consequential negative impact on the demand and pricing of our fuel products.

Existing and proposed environmental legislation and regulations that do, or will, require lower-carbon-intensity fuels have and will result in increased compliance costs to Parkland. 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. These costs may not be able to be passed along to consumers, resulting in a lower margin to Parkland on the sale of its products. Further, new environmental regulations may require Parkland to invest in new technologies and projects, which may require significant capital and resources. Such technologies and projects may face delays and interruptions, or Parkland may fail to effectively identify and implement appropriate technologies and projects, which may adversely affect Parkland's ability to compete with other companies.

***ESG Focus and Targets***

Parkland's ESG targets depend significantly on our ability to execute our business strategy, related milestones and schedules, each of which can be impacted by the numerous risks and uncertainties associated with the business, industry and regulatory environment in which we operate. We recognize that our ability to adapt to and succeed in a lower-carbon economy will be compared against our peers. Investors and stakeholders increasingly compare companies based on ESG-related performance, including climate-related performance. Failure to achieve our ESG targets, or a perception among key stakeholders that our ESG targets are insufficient, could adversely affect our reputation and our ability to attract capital.

There is also a risk that some or all of the expected benefits and opportunities of achieving the various ESG targets may fail to materialize, may cost more to achieve or may not occur within the expected time periods. In addition, there are risks that actions taken by Parkland in implementing targets and ambitions relating to ESG focus areas may have a negative impact on our existing business and operations and increase capital expenditures, which could have a negative impact on our future operating and financial results.

***Technological Developments, Changes in Consumer Preferences and Reputation***

Reputational risk is inherent in every business decision and there is the potential that a decision or negative impact could result in the deterioration of the Company's reputation with key customers and suppliers. Public attitude towards Parkland may be negatively affected by new policies and emerging technologies that 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 an adverse effect on the Company's business, financial condition and future prospects.

## Regulatory Compliance

Parkland's business and operations are subject to numerous federal, provincial, state, territorial and local laws and regulations. Parkland has incurred and expects to continue 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, future amendments and new requirements, more stringent interpretation of existing requirements or the discovery of currently unknown compliance issues may require Parkland to incur material expenditures or subject it to liabilities that it currently does not anticipate.

Parkland operates in several jurisdictions in highly regulated industries. Failure to appropriately operate within each regulatory jurisdiction could lead to fines, penalties and unfavourable tax assessments, which could adversely affect Parkland's business and 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, including the establishment of minimum effective taxation levels, could have a material effect on the profitability of Parkland. In addition, various federal, provincial, state, territorial and local agencies have the authority to prescribe product quality specifications to the sale of commodities. Given the magnitude of taxes collected and remitted by Parkland on behalf of varying levels of government, any non-compliance or error by Parkland in completing, collecting or remitting could lead to material fines and penalties.

***Competition Regulations***

Parkland is exposed to competition and anti-trust laws and the risk of non-compliance with such laws could result in the imposition of significant fines or penalties, require Parkland to divest certain assets or result in Parkland being subject to other remedies, such as margin controls in certain markets. Such remedies could have an adverse effect on our operating results and financial condition.

***Environmental Regulations***

Parkland's business and properties are subject to extensive local, provincial, territorial, state and federal laws and regulations 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 (collectively, "**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 may result in penalties and costs that could adversely affect our business and our operating results. Any changes to the Applicable Environmental Laws that are adverse to Parkland or our properties could affect our operating and financial performance. In addition, new regulations and laws are proposed from time to time that if adopted, could have an adverse effect on our operating results and financial condition.

***Pending and Future Legal Proceedings***

Alleged failure by Parkland to comply with laws and regulations may lead to governmental authorities imposing fines or penalties or denying, revoking or delaying the renewal of permits or licenses. In addition, governmental authorities as well as third parties may claim that Parkland is liable for loss or damage, such as environmental damage. 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 and, in any case, may adversely affect Parkland's business, prospects, results of operations 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 to Parkland. Legal proceedings are expensive, time consuming and may divert management's attention away from the operation of Parkland's business.

***Indigenous Rights Claims***

Indigenous groups have claimed Indigenous treaty, title and rights to certain regions of western Canada, particularly in 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.

Parkland has numerous direct relations with Indigenous Nations, people and groups relating to our operations on treaty or traditional lands. Parkland's failure to develop and manage these relationships and engage openly, early and frequently could adversely affect our business and projects and damage our reputation.

## Synergies Realization

### *Significant Acquisitions and Related Costs*

Parkland has incurred, and expects to incur in the future, a number of costs associated with transactions and integrating acquired business 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. Additional unanticipated costs may be incurred in the integration of the assets, operations and businesses, which may negatively impact Parkland's results of operations.

### *Failure to Realize the Anticipated Benefits of Acquisitions*

Achieving the full benefits of any acquisition includes, without limitation: consolidating functions; integrating operations, procedures and personnel; and realizing the anticipated growth opportunities, synergies and operating expense reductions.

The integration of newly acquired assets and businesses 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 and businesses, there is a risk that the anticipated benefits of any given acquisition may not be fully realized if Parkland is unable 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.

### *Potential Undisclosed Liabilities Associated with Acquisitions*

In pursuing acquisitions, Parkland conducts due diligence on the businesses or assets being acquired and seeks detailed representations and warranties with respect to these businesses or assets. 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 acquisitions. In addition, liabilities may exist that were not discovered during the due diligence process prior to completing an acquisition. 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 adversely affect its business, prospects, results of operations or financial condition.

### *Future Acquisition Risk*

Parkland's ability to acquire other fuel distributors or food and retail businesses, if any, will depend, in part, on Parkland's ability to: (i) identify suitable acquisition targets that are in line with Parkland's strategies and its customers' evolving needs; (ii) negotiate the purchase of or investment in those businesses on acceptable terms; (iii) complete the transactions within the expected timeframe; (iv) fund the transactions; (v) obtain the necessary approvals from the governmental agencies within the expected time frame; (vi) improve the results of the businesses acquired and integrate them successfully; (vii) achieve the anticipated synergies in the acquired businesses; (viii) retain key employees, customers and suppliers of the acquired businesses; and (ix) effectively identify and address any regulatory requirements in connection with these acquisitions.

## Commodity Price and Pricing Pressure

### *Fuel and Petroleum Products Pricing*

Parkland's fuel and petroleum product revenue is a significant component of its total revenue. Petroleum, crude oil, and natural gas liquids ("**NGLs**") markets are volatile. The prices for these commodities can be influenced by global and regional supply and demand factors, which are outside of Parkland's control. Parkland is susceptible to interruptions in supply and changes in relative market pricing, including degradation of supply discounts for 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, fuel gross margins per litre, and refining gross margins. 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 that, in turn, could have an adverse effect on the Company'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. Certain of Parkland's sales and volumes are driven by the opportunity to market variations in pricing of crude oil and NGLs between geographical regions and markets and changes in pricing and relative pricing of crude oil and NGLs may result in losses.

***Pricing Pressure and Competition***

The motor fuel industry is very competitive. 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, large and small food retailers. Parkland also competes with several non-traditional retailers that have entered the retail fuel business in recent years, including major grocery chains, supermarkets, club stores and mass merchants, which have obtained a significant share of the motor fuel market and are significant retail competitors. The petroleum industry also competes with other industries in supplying energy, fuel, and other related products to industrial, commercial, and retail consumers. 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 and pricing pressures faced by Parkland could adversely affect Parkland's business, prospects, results of operations or financial condition.

***Refining Commodity Supply***

Refining gross margins are primarily driven by commodity prices and are a function of the difference between the costs of feedstock (primarily crude oil) and the market prices for the marketing of finished products (such as gasoline, diesel, jet fuel, lubricants, fuel oil, fuel and lubricant 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 an adverse effect on Parkland's revenue, profitability and ability to service debt and pay dividends.

***Derivative Financial Instruments and Hedging Effectiveness***

Parkland uses derivative financial and physical instruments related to the future price of crude oil, fuel products and environmental compliance instruments and their relationship with each other, with the intent of fulfilling customer requirements while reducing volatility in our cash flows due to fluctuations in their prices and relative 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, or market prices are distressed, leading to it being uneconomic to do so. In addition, a portion of Parkland's hedging activities are subject to the risks that a counterparty may not perform its obligations under the applicable derivative instrument.

### Common Shares

We cannot predict the prices at which our Common Shares may trade in the future. The market price of the Common Shares may fluctuate widely, depending upon many factors, some of which may be beyond our control. 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 the 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. See "Description of Share Capital – Common Shares" and "Description of Share Capital – Preferred Shares" for additional information regarding the Common Shares and preferred shares of the Company, respectively.

### Dividends

Parkland has historically paid regular cash dividends on the Common Shares. However, the frequency, 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. See "Dividends" for additional information.

### Effective Internal Controls

Effective internal controls are necessary for the Company to provide reliable financial reports, manage its risk exposure and help prevent fraud. Although the Company undertakes several procedures to help ensure the reliability of its financial reports, including those required by Canadian securities laws, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. The risk of a failure of internal controls may increase in the event of enterprise resource planning upgrades and migration and in the integration of acquired businesses. If the Company 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 Company and its financial statements and negatively impact the trading price of the Common Shares.

### Foreign Exchange Risk

Parkland is exposed to foreign exchange risk through its production of refined products, which are customarily priced in U.S. dollars, and its investments in the United States including, but not limited to, its U.S. subsidiaries. Changes in the Canada/United States exchange rate could impact the earnings of Parkland, the value of Parkland's investments in the United States and the cash generated from Parkland's business. Parkland's net investment in its U.S. subsidiaries, which have a U.S. dollar functional currency, presents a foreign currency risk to the Company, which has a Canadian dollar functional currency. Additionally, Parkland's net investment in Sol, which has a U.S. dollar functional currency, increased the foreign currency risk to the Company. 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 the U.S. dollar and Canadian dollar 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 U.S. or Canadian dollars. Such currencies may experience devaluation or hyperinflation against the U.S. 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 and results of operations.

### Credit Risk

Credit risk is the risk that Parkland's counterparties will not meet their obligations under a financial or physical instrument or customer contract, causing 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. Parkland is also a recipient of credit from our suppliers. A reduction in, or cancellation of supplier-granted credit, may impact Parkland's cost of operations or ability to operate.

# AUDIT COMMITTEE INFORMATION

## Audit Committee Mandate

The revised mandate of the Audit Committee (the "**Audit Committee Mandate**") of the Corporation, which was adopted and approved by the Board on February 27, 2024, 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 currently consists of four members, all of whom are independent and financially literate in accordance with the definitions in National Instrument 52-110 *Audit Committees*. In addition, Mr. Hookway is considered a financial expert based on his experience as a Chief Financial Officer and his professional designations.

The relevant education and experience of each Audit Committee member is outlined below.

***James Neate***

Mr. Neate has nearly 40 years of experience in the financial sector. Mr. Neate worked at Scotiabank, a multinational banking and financial services company, from 1985 until 2023. During this time, he held various executive positions, including serving as Executive Vice President, International Corporate and Commercial Banking, International Banking between 2015 and 2018, Co-Group Head of Global Banking and Markets between 2018 and 2021, and most recently, the President and Group Head of Corporate Investment and Banking between 2021 and 2023. As President and Group Head of Corporate Investment and Banking, Mr. Neate held global management responsibility for investment banking, global business payments and corporate banking with a specific focus on building strategic alignment, leveraging key growth opportunities and enhancing customer relationships, while strengthening risk and governance oversight across Scotiabank's Americas footprint. Since joining Scotiabank in 1985, Mr. Neate has held a variety of leadership positions in areas including: retail banking, commercial banking, wealth management, international banking and global banking and markets. Mr. Neate earned a Bachelor degree in Economics and Political Science at McMaster University and completed the Ivey Executive Program at Ivey Business School at the University of Western Ontario. In addition to serving on the Audit Committee, Mr. Neate serves on the Human Resources and Compensation Committee.

***Nora Duke***

Ms. Duke's career includes over 35 years within the Fortis group of companies, a diversified leader in the North American electric and gas utility industry. Most recently, Ms. Duke served as Executive Vice President, Sustainability and Chief Human Resource Officer at Fortis Inc., the parent company. Previously, Ms. Duke was Chief Executive Officer of Fortis Properties Corporation, and prior to that served as its Vice President, Hospitality Services. Ms. Duke also served as Vice President of Customer and Corporate Services, at Fortis Inc.'s subsidiary, Newfoundland Power. Prior corporate board roles include Central Hudson Gas & Electric and member of Human Resources & Governance Committee; Newfoundland Power and member of Human Resources & Governance Committee; FortisAlberta and member of Governance & Human Resources Committee; FortisBC and member of Audit Committee; UNS Energy and member of Governance & HR Committee; and Slate Office REIT and member of Audit and Investment Committees. Ms. Duke holds a Bachelor of Commerce (Honours) and a Master of Business Administration from Memorial University of Newfoundland and has an ICD.D designation. In addition to serving on the Audit Committee, Ms. Duke serves on the Human Resources and Compensation Committee.

***Richard Hookway (Chair)***

Mr. Hookway has over 35 years of executive and strategic leadership experience. From 2018 until July 2020, Mr. Hookway served as Chief Executive Officer of the global business division of Centrica plc and as an executive member of its board of directors. Prior thereto, Mr. Hookway held various executive roles at BP, including serving as Chief Executive Officer of their NGL, commercial and industrial businesses, Chief Operations Officer of their IT, global business services and procurement businesses and Chief Financial Officer of their downstream and petrochemical businesses. Mr. Hookway is currently a director of Royal Vopak N.V., a non-executive director and chair of the Audit Committee of UK AEA Ltd., and a member of the

Supervisory Board and chair of the Audit Committee of Naftogaz of Ukraine. He has previously served on the board of directors of EDF Energy Nuclear Generation Group and sat on committees at the Confederation of British Industry, including the Energy and Climate Change Committee. Mr. Hookway has a Master of Science in Management from Stanford University, and a Bachelor of Science in Mathematics from the University of Manchester. In addition to serving on the Audit Committee, Mr. Hookway serves on the Governance, Nominating and Ethics Committee.

***Timothy Hogarth***

Mr. Hogarth has over 30 years of executive, operational and strategic leadership experience in the fuel industry, convenience retail and food service sectors. He is currently President and Chief Executive Officer of The Pioneer Group Inc., an investment holding company. Prior thereto, Mr. Hogarth served as Chairman and Chief Executive Officer of Pioneer Energy until it was acquired by Parkland in 2015. Under Mr. Hogarth's leadership, Pioneer became Canada's largest private independent fuel and convenience retail marketer and a platinum member of Canada's 50 Best Managed Companies. Mr. Hogarth currently serves on the board of directors of QSR Group Inc., a large multi-unit licensee owner/operator of Tim Hortons and Wendy's restaurants. Mr. Hogarth holds a Bachelor of Business Administration from Bishop's University and has completed the Program for Management Development at the Harvard Business School. In addition to serving on the Audit Committee, Mr. Hogarth serves on the Environment, Safety and Sustainability 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, Chartered Professional Accountants ("**PwC**"), was first appointed as the auditors of a predecessor to the Corporation in 2004. The lead engagement partner from PwC responsible for Parkland's audit is changed every seven years. PwC appointed a new engagement partner starting in 2021. The table below shows the fees paid or payable by Parkland to PwC and other accounting firms for their respective services in the 2023 and 2022 fiscal years:

| Description | 2023 | 2022 |
|---|---|---|
| Audit Fees (1) | $ 4,928,000 | $ 4,500,000 |
| Audit-Related Fees (2) | $ 524,000 | $ 1,216,000 |
| Tax Fees (3) | $ 161,000 | $ 460,000 |
| All Other Fees (4) | $ 54,000 | $ 168,000 |
| **Total** | $ 5,667,000 | $ 6,344,000 |

Notes:

(1) "**Audit Fees**" include the aggregate fees paid or payable by Parkland to PwC, as well as other accounting firms, for their respective audit services. Of the amounts stated in the table above: (i) US$1,822,000/C$2,397,000 (in 2023) and US$1,786,000/C$2,290,000 (in 2022) were incurred in connection with the statutory or regulatory audits conducted by PwC for Parkland's subsidiaries operating in the Caribbean region; and (ii) US$318,000/C$418,000 (in 2023) and US$251,000/C$321,000 (in 2022) were incurred by accounting firms other than PwC for their audit services for Parkland's subsidiaries operating in the Caribbean region.

(2) "**Audit-Related Fees**" include the aggregate fees paid or payable by Parkland for assurance and related services by PwC that were reasonably related to the performance of the audit or review of Parkland's financial statements and are not reported under note (1) above. In 2023 and 2022, such services included reviewing interim consolidated financial statements and purchase price allocations, non-recurring audit fees, translating of annual and quarterly financial statements and management's discussion and analyses, performing comfort procedures for offering memoranda and prospectuses, business process reviews procedures, and audit-related tax services.

(3) "**Tax Fees**" include the aggregate fees paid or payable by Parkland for professional services rendered by PwC for tax compliance, tax advice and tax planning. Of the amounts stated in the table above, US$22,000/C$29,000 (in 2023) and US$21,000/C$27,000 (in 2022) were incurred in connection with tax services conducted by PwC for Parkland's subsidiaries operating in the Caribbean region. Of the amounts stated in the table above, C$33,000 (in 2023) and C$446,000 (in 2022) were incurred in connection with tax compliance and preparation, including the preparation of original and amended tax returns, refund claims, and tax payment planning. The remaining C$128,000 (in 2023) and C$14,000 (in 2022) were incurred in connection with tax advice, planning and consulting services.

(4) "**All Other Fees**" include the aggregate fees paid or payable by Parkland for products and services provided by PwC, as well as other accounting firms, other than those reported under notes (1), (2) and (3), above. In 2023 and 2022, such services included subscription fees, commercial assurance arrangements, agreed-upon procedures completed at the request of Parkland and various other advisory and consulting arrangements. Of the amounts stated in the table above: (i) US$39,000/C$51,000 (in 2023) and US$119,000/C$153,000 (in 2022) were incurred in connection with services conducted by PwC for Parkland's subsidiaries operating in the Caribbean region.

# DIVIDENDS

### Dividends Paid by the Corporation and Dividend Policy

Since the second quarter of 2022, Parkland has declared and paid dividends on a quarterly basis. Prior thereto, Parkland declared and paid dividends on a monthly basis. During the three most recently completed financial years, Parkland declared and paid the following Common Share dividends on a monthly or quarterly basis, as applicable:

- March 2020, through February 2021: declared and paid a monthly dividend $0.1012 per Common Share, equivalent to $1.214 per Common Share annually during such period.
- March 2021, through February 2022: declared and paid a monthly dividend $0.1029 per Common Share, equivalent to $1.235 per Common Share annually during such period.
- March 2022: declared and paid a monthly dividend $0.1083 per Common Share, equivalent to $1.30 per Common Share annually during such period.
- June 2022, September 2022 and December 2022: declared and paid a quarterly dividend of $0.325, equivalent to $1.30 per Common Share annually during such period.
- March 2023, June 2023, September 2023 and December 2023: declared and paid a quarterly dividend of $0.34, equivalent to $1.36 per Common Share annually during such period.

Parkland's quarterly dividend will increase from $0.34 to $0.35 per Common Share, effective with the quarterly dividend payable on April 15, 2024 to shareholders of record at the close of business on March 22, 2024. This will be Parkland's twelfth consecutive increase in its annual dividend.

On November 2, 2022, Parkland announced the suspension of its enhanced dividend reinvestment plan for the Common Shares until further notice. Since then, all dividends, if any, are paid to Shareholders in cash. 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.

# 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 February 27, 2024, there were 175,277,747 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.

Parkland has a shareholder rights plan (the "**Plan**") that was adopted to ensure, to the extent possible, that all Shareholders are treated fairly in connection with any takeover bid for Parkland and to provide the Board of Directors and the Shareholders more time to fully consider any unsolicited takeover bid for Parkland without undue pressure, and allow the Board of Directors to pursue, if appropriate, other alternatives to maximize shareholder value. The Plan creates a right attaching to each Common Share outstanding and to each Common Share subsequently issued. Until the Separation Time (as defined in the Plan), which typically occurs at the time of an unsolicited takeover bid, whereby a person acquires or attempts to acquire 20% or more of the Common Shares, the rights are not separable from the Common Shares, are not exercisable and no separate rights certificates are issued. Each right entitles the holder, other than the 20% acquiror, from and after the Separation Time and before certain expiration times, to acquire one Common Share at a substantial discount to the market price at the time of exercise. The Plan was reconfirmed at Parkland's annual and special meeting of Shareholders on May 4, 2023 and must be reconfirmed at every third annual meeting thereafter. Accordingly, the Plan, with any such amendments permitted in accordance with the Plan, is expected to be placed before Shareholders for approval at Parkland's 2026 meeting of Shareholders. A copy of the agreement relating to the Plan is available on Parkland's SEDAR+ profile at www.sedarplus.ca.

## 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

### *Senior Notes*

#### 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 contain a number of covenants that, among other things, restrict the ability of the Corporation, and certain of its subsidiaries, 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; and consolidate, merge or transfer all or substantially all of their assets.

### 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 SEDAR+ profile at www.sedarplus.ca. For further information, please see note 14 of the Annual Financial Statements regarding the Senior Notes.

| Senior Notes | Redemption Date (on and after) | | Redemption Prices (percentage of face value) |
|---|---|---|---|
| 2026 3.875% Senior Notes | June 16 | 2023 | 101.938% |
| | | 2024 | 100.969% |
| | | 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 6.000% Senior Notes | June 23 | 2023 | 103.00% |
| | | 2024 | 101.50% |
| | | 2025 and thereafter | 100.00% |
| 2029 4.375% Senior Notes | March 26 | 2024 | 102.188% |
| | | 2025 | 101.094% |
| | | 2026 and thereafter | 100.000% |
| 2029 4.500% US Senior Notes | October 1 | 2024 | 102.250% |
| | | 2025 | 101.125% |
| | | 2026 and thereafter | 100.000% |
| 2030 4.625% US Senior Notes | May 1 | 2025 | 102.313% |
| | | 2026 | 101.156% |
| | | 2027 and thereafter | 100.000% |

### Change of control

Upon the occurrence of a Change of Control Triggering Event (as defined in each of the Senior Note Indentures), if the Senior Notes are not redeemed by Parkland, 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 (but excluding) the date of purchase.

### *Credit Agreement*

Parkland entered into the Credit Agreement on April 14, 2022, which was amended on June 9, 2023 and December 19, 2023 to implement general procedural or "housekeeping" revisions. The following is a summary of the material terms of the Credit Agreement:

### Amount and term

The Credit Agreement provides for certain credit facilities to be made available to Parkland, Parkland Refining, Elbow River Marketing Ltd., Parkland (U.S.) Holding Corp., Parkland US LP, Parkland (U.S.) Supply Corp. and Parkland USA Corporation (collectively, the "**North American Borrowers**") and Sol and certain of its subsidiaries (collectively the "**Caribbean Borrowers**" and, together with the North American Borrowers, the "**Borrowers**"). Under these credit facilities, aggregate amounts of approximately (i) $1,594 million (or US dollar equivalent) and US$50 million are available to the North American Borrowers (collectively, the "**Global Facilities**") and (ii) US$200 million is available to the Caribbean Borrowers (the

"**Caribbean Facility**" and, collectively with the Global Facilities, the "**Credit Facilities**"). Additionally, the Credit Agreement previously provided for a two-year term loan in the amount of US$400 million, maturing on April 14, 2024, which was repaid in full on December 18, 2023 and is no longer available. The amounts available under the Caribbean Facility are further governed by bi-lateral agreements with applicable lenders.

The Credit Facilities have a maturity date of April 14, 2027, with an option on the part of Parkland to request that the lenders extend, at their discretion, the facilities to a new maturity date for one or more years, provided that no such extension may be for more than five years from the date of the extension. There is no assurance the lenders will agree to extend the facilities. The Credit Facilities have an accordion feature allowing them to be increased by an aggregate amount not to exceed $500 million (or the US dollar equivalent thereof).

### Letters of credit

Letters of credit in the aggregate amount of $350 million (or US dollar equivalent thereof) are available to the North American Borrowers under the Global Facilities. An aggregate of approximately $55 million of letters of credit are available to the Caribbean Borrowers under the Caribbean 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 prime rate or a margin over the secured overnight financing rate (SOFR) and (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. Margins are based on the then applicable ratio of total funded debt to EBITDA (the "**Margin Ratio**"). The interest rates applicable to borrowings in other currencies under the Caribbean Facility will be determined pursuant to the terms of the applicable bi-lateral agreement.

The Credit Facilities also provide for (i) a standby fee for each lender calculated on the unused amount of its commitment; (ii) an issuance fee on the outstanding amount of the letters of credit (subject to reduction in fees for non-financial letters of credit); and (iii) an acceptance fee to be paid upon the acceptance of a lender of a bankers' acceptance, in each case, at a percentage based on the applicable Margin Ratio.

### Repayment

The Credit Facilities will be required to be repaid on the maturity date noted above.

### Guarantees and security

The Credit Facilities are fully secured by Parkland and certain of its 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 and exceptions, as security for their obligations to the agent and the lenders under the Credit Facilities. In addition, Parkland and certain of its 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 or issue certain equity securities other than in limited circumstances; 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 non-arm's length transactions or transactions with affiliates; consolidate, amalgamate, merge or transfer all or substantially all of their assets; or change their fiscal year unless certain conditions are met; or repay the Senior Notes.

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 the Annual MD&A for a description of these financial covenants under the Credit Agreement and Parkland's compliance with such covenants.

### Unsecured Letter of Credit Facilities

Parkland has an aggregate of US$60.5 million available in letters of credit under three unsecured demand revolving letter of credit facilities (collectively, the "**LC Facilities**") provided by 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.

### Credit Ratings

The Senior Notes are rated BB from S&P Global Ratings, a division of The McGraw-Hill Companies ("**S&P**") and BB from DBRS Morningstar ("**DBRS**"). In addition, the 2027 5.875% US Senior Notes, 2029 4.500% US Senior Notes and 2030 4.625% US Senior Notes have a rating of Ba3 from Moody's Investors Service ("**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.

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 numerical modifiers "1", "2", or "3". The modifier 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 – Credit Ratings".

In the last two years, Parkland paid fees to S&P, DBRS and Moody's for rating services, but did not make payments for any other service provided by these credit rating organizations to Parkland.

## MARKET FOR SECURITIES

The Common Shares are listed for trading on the TSX and trade under the symbol "**PKI**". The following table sets forth the price ranges and trading volumes for the Common Shares that traded on the TSX, as reported by Bloomberg Terminal, for the financial year ended December 31, 2023:

| Month | High | Low | Volume Traded |
|---|---|---|---|
| January | $32.46 | $28.95 | 11,334,376 |
| February | $31.70 | $29.36 | 7,352,677 |
| March | $32.70 | $27.50 | 17,589,191 |
| April | $33.05 | $30.29 | 8,580,088 |
| May | $34.87 | $30.82 | 9,442,834 |
| June | $35.12 | $32.16 | 7,651,857 |
| July | $37.09 | $32.14 | 6,109,385 |
| August | $37.62 | $35.00 | 8,376,178 |
| September | $40.19 | $36.10 | 11,930,005 |
| October | $42.07 | $38.61 | 9,228,738 |
| November | $44.97 | $41.10 | 9,919,215 |
| December | $44.90 | $42.14 | 7,966,800 |

For information in respect of options to purchase Common Shares, performance-based restricted share units and deferred share units that have been issued by Parkland during the most recently completed financial year, see note 18 of the Annual Financial Statements, which is incorporated by reference into this Annual Information Form and available on SEDAR+ at www.sedarplus.ca.

# DIRECTORS AND EXECUTIVE OFFICERS

## Directors

The following individuals are the directors of Parkland as at December 31, 2023. The term of each director will expire at the end of the next annual meeting of Shareholders or when a successor is duly elected or appointed.

Effective December 31, 2023, Marc Halley and Michael Christiansen resigned from the Board of Directors. Subsequent to December 31, 2023, Michael Jennings and James Neate were appointed to the Board of Directors, effective February 10, 2024, as part of Parkland's ongoing and strategic Board renewal process. Additionally, effective February 10, 2024, Mr. Jennings was appointed to the Governance, Nominating and Ethics Committee and the Environment, Safety and Sustainability Committee, and Mr. Neate was appointed to the Audit Committee and the Human Resources and Compensation Committee.

| Name and Jurisdiction of Residence | Principal Occupation During the Five Preceding Years | Director of Parkland Since |
|---|---|---|
| Lisa Colnett (1)(2)<br>Toronto, Ontario, Canada | Corporate Director. | May 8, 2014 |
| Nora Duke (1)(3)<br>St. John's, Newfoundland, Canada | Corporate Director. Executive Vice President, Sustainability and Chief Human Resource Officer of Fortis Inc. from December 2017 to June 2022. | July 6, 2023 |
| Robert B. Espey<br>Calgary, Alberta, Canada | President and Chief Executive Officer of Parkland since May 2011. | May 12, 2011 |
| Timothy Hogarth (3)(4)<br>Toronto, Ontario, Canada | President and Chief Executive Officer of The Pioneer Group Inc. since June 2015. | June 25, 2015 |
| Richard Hookway (2)(3)<br>London, United Kingdom | Corporate Director. Chief Executive Officer (Global Business Division) and executive member of the board of directors of Centrica plc from 2018 to 2020. | August 5, 2021 |
| Angela John (1)(4)<br>Houston, Texas, United States | Director, Business Development of New Energy Ventures of The Williams Companies, Inc. from January 2021 until September 2022. Prior thereto, Director, Structured Products of BP from 2017 until 2020. | August 5, 2021 |
| Steven Richardson (2)(5)<br>Toronto, Ontario, Canada | Corporate Director. | August 2, 2017 |
| Deborah Stein (2)(4)<br>Calgary, Alberta, Canada | Corporate Director. | May 13, 2016 |

Notes:
(1) Member of the Human Resources and Compensation Committee. Ms. Colnett is Chair of the Human Resources and Compensation Committee.
(2) Member of the Governance, Nominating and Ethics Committee. Mr. Richardson is the Chair of the Governance, Nominating and Ethics Committee.
(3) Member of the Audit Committee. Mr. Hookway is Chair of the Audit Committee. The members of the Audit Committee have been determined to be independent and financially literate and their relevant education and experience is detailed under the heading "Audit Committee Information".
(4) Member of the Environment, Safety and Sustainability Committee. Ms. Stein is Chair of the Environment, Safety and Sustainability Committee.
(5) Mr. Richardson is Chairman of the Board of Directors.

### Executive Officers

The following individuals are the executive officers of Parkland as at December 31, 2023, unless otherwise noted.

| Name and Jurisdiction of Residence | Principal Occupation During the Five Preceding Years |
|---|---|
| Robert B. Espey<br>Calgary, Alberta, Canada | President and Chief Executive Officer since May 2011. |
| Tariq Remtulla(1)<br>Calgary, Alberta, Canada | Senior Vice President, General Counsel and Corporate Secretary since July 2023. Associate General Counsel of Parkland from January 2021 to July 2023. Senior Legal Counsel and Assistant Corporate Secretary of Parkland from January 2017 to December 2020. |
| Pierre P.G. Magnan<br>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. |
| Donna Sanker<br>Houston, Texas, United States | President, USA since January 2023. President, Parkland Canada from November 2019 until December 31, 2022. Chief Operating Officer of BP (U.S.) from September 2017 to September 2019. |
| Darren Smart<br>Calgary, Alberta, Canada | Senior Vice President, Energy Transition & Corporate Development since February 2022. Senior Vice President, Strategy & Corporate Development of Parkland from January 2019 until December 2022 and served as Interim Chief Financial Officer of Parkland from November 2019 to November 2020. Vice President, Strategy & Integration of Parkland from January 2018 to December 2018. |
| Ian White<br>Toronto, Ontario, Canada | President, Parkland Canada since January 2023. Senior Vice President, Strategic Marketing & Innovation of Parkland from January 2019 until December 31, 2022. Vice President, Strategic Marketing of Parkland from February 2017 to December 2018. |
| Marcel Teunissen<br>Calgary, Alberta, Canada | Chief Financial Officer since December 2020. Executive Vice President of Finance of Integrated Gas and New Energies at Shell plc from November 2019 to November 2020. Vice President Finance Ventures of Shell plc from 2018 to 2019. Vice President Finance of Shell Canada Ltd. from 2015 to 2018. |
| Ferio Pugliese<br>Calgary, Alberta, Canada | Senior Vice President, People and Culture and HSE since December 2020. Senior Vice President, Regional Markets and Government Relations of Air Canada from August 2018 to December 2020. Executive Vice President, Customer Care & Corporate Affairs of Hydro One Ltd. from September 2016 to August 2018. |
| Uwe Stueckmann<br>Toronto, Ontario, Canada | Senior Vice President, Strategic Marketing and Innovation since July 17, 2023. Executive Vice President, Chief Customer Officer of Loblaw Companies from 2019 to 2021. Senior Vice President Marketing and Customer Relationship Management of Loblaws from 2009 to 2019. |

Notes:
(1) Christy Elliott resigned as Senior Vice President, General Counsel and Corporate Secretary of Parkland on June 30, 2023. Ms. Elliott served as Senior Vice President, General Counsel and Corporate Secretary of Parkland since December 2020.

As at December 31, 2023, the directors and executive officers of Parkland, as a group, beneficially owned, or controlled or directed, directly or indirectly, approximately 1,116,009 Common Shares, representing approximately 0.63% of the issued and outstanding Common Shares as at December 31, 2023.

### Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, 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 that was in effect for a period of more than 30 consecutive days (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.

To the knowledge of the Corporation, 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.

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.

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, and may continue to be, directors or officers of entities that are in competition with or are customers or suppliers of Parkland or certain entities in which Parkland holds an equity investment, or may be engaged in, and may continue to be engaged in, other activities in the industries in which the Corporation operates from time to time. As such, certain directors and officers of the Corporation may become subject to conflicts of interest in administration of their duties with respect to Parkland 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 and the Senior Note Indentures (see the section "Description of Capital Structure – Indebtedness").

## INTERESTS OF EXPERTS

The Corporation's independent auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have prepared an independent auditor's report dated February 27, 2024 in respect of the Annual Financial Statements. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings in respect of which Parkland is or was a party, or in respect of which any of Parkland's property is or was the subject of during the year ended December 31, 2023, nor are there any such proceedings known by Parkland to be contemplated, that involve a claim for damages exceeding 10% of Parkland's current assets. In addition, there have not been (i) any penalties or sanctions imposed against Parkland by a court relating to securities legislation or by a securities regulatory authority during the year ended December 31, 2023, (ii) any other penalties or sanctions imposed by a court or regulatory body against Parkland that would likely be considered important to a reasonable investor in making an investment decision, or (iii) settlement agreements entered into by Parkland before a court relating to securities legislation or with a securities regulatory authority during the year ended December 31, 2023.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of Parkland, or any associate or affiliate of these persons has, or has had, any material interest, direct or indirect, in any transaction or any proposed transaction that has materially affected, or is reasonably expected to materially affect, Parkland within the three most recently completed financial years or during the current financial year.

## 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 the Annual Financial Statements and Annual MD&A, which are incorporated by reference in this Annual Information Form and available on SEDAR+ at www.sedarplus.ca.

The Corporation's public disclosure documents can be found under its SEDAR+ profile, at www.sedarplus.ca, and Parkland's website, at www.parkland.ca. The content of, or otherwise accessible through, Parkland's website does not form part of this Annual Information Form and is not incorporated into this Annual Information Form by reference.

## TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada, located at 800 – 324 8 Avenue SW, Calgary, Alberta T2P 2Z2, Tel: 1-800-564-6253.

# APPENDIX 1 – MANDATE OF THE AUDIT COMMITTEE

### Overall Purpose / Objective

The Audit Committee (the "**Audit Committee**") is appointed by the Board of Directors (the "**Board**") of Parkland Corporation (the "**Corporation**") to oversee the financial reporting process with a goal of ensuring the balance, transparency and integrity of published financial information of the Corporation. The Audit Committee will also review: the effectiveness of the Corporation'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 the Corporation; and the Corporation's process for monitoring compliance with laws and regulations affecting financial reporting.

The Corporation will comply with the policies and procedures overseen or reviewed by the Audit Committee and use its 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, management and the external auditors. To perform his or her role effectively, each Audit Committee member ("**Members**") 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 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 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 and applicable rules and regulations. These are the responsibilities of management and the external auditor.

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 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 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) subject to applicable law and the rights of shareholders and the Board, be responsible for the appointment, compensation, retention and annual scope of work of the external auditor;

h) approve all proposed 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 Audit Committee shall consist of not less than three Members. All Members will be independent (within the meaning set forth in NI 52-110), non-executive directors of the Corporation. Replacements are appointed by the Board in case of resignation or vacancy.

b) Each Member shall be financially literate within the meaning set forth under NI 52-110.

### *Involvement of External Auditors*

a) 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.

b) 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

### *Internal Control*

The Audit Committee will:

a) have oversight responsibility for management reporting on internal controls;

b) periodically review the policies and practices of the Corporation respecting financial derivatives, financing, credit, insurance, taxation, commodities trading and related matters;

c) oversee the Board's risk management governance processes by conducting periodic reviews with the objective of appropriately reflecting the principal risks of the Corporation's business in the mandate of the Board and its Committees;

d) 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;

e) review confidential submissions by employees of the Corporation received via the Corporation's Whistleblower Hotline (which are sent directly to the Chair of the Audit Committee (the "**Audit Committee Chair**")) and make appropriate recommendations to the Board regarding same;

f) review the management of risks associated with the Corporation's information technology systems, including the effectiveness of the Corporation's cybersecurity practices;

g) review recommendations made by the external auditors;

h) monitor and review periodically the enterprise risk register and the management and mitigation of the Corporation's key risks;

i) monitor practices relating to directors' and officers' expenses and the reimbursement thereof and relating to any perquisites paid to directors and officers; and

j) review all related party transactions between the Corporation and any directors and officers, including affiliations of any directors or officers.

### *Financial Reporting*

The Audit Committee will:

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 and management's discussion and analysis, annual financial statements and annual management's discussion and analysis, 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 and events 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 that 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*

The Audit Committee will:

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*

The Audit Committee will:

a) advise the external auditors (who shall report directly to the Audit Committee) 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;

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 and compensation 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 management's proposed 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;

l) ensure the external auditors have access to the Audit Committee Chair 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***

The Audit Committee will:

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 this mandate and activities to be included in the interim financial statements and management's discussion and analysis, annual financial statements, annual management's discussion and analysis, Annual Information Form ("**AIF**"), management information circular ("**Information Circular**") and the Corporation's Sustainability Report.

d) review the disclosure contained in the Corporation's AIF as required by Form 52-110F1 *Audit Committee Information Required in an AIF* ("**Form 52-110F1**") attached to NI 52-110;

e) 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, be responsible for ensuring that the Corporation's Information Circular includes a cross-reference to the sections in the Corporation's AIF that contain the information required by Form 52-110F1;

f) ensure the preparation and filing of each annual certificate in Form 52-109F1 – *Certification of Annual Filings* and each interim certificate in Form 52-109F2 – *Certification of Interim Filings* 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 – *Certificate of Disclosure* in Issuers' Annual and Interim Filings as amended from time to time;

g) 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" (each as defined in NI 52-109) 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;

h) in respect of annual filings only, ensure that management of the Corporation evaluates the effectiveness of the Corporation's "disclosure controls and procedures" (as defined in NI 52-109) as of the end of the period covered by the annual filings and cause 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; and

i) monitor any changes in the Corporation's "internal control over financial reporting" (as defined in NI 52-109) and ensure 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*

The Audit Committee will:

a) evaluate the Audit Committee's own performance, both of individual members and collectively, on a regular basis; and

b) assess the achievements of the duties of the Audit Committee specified in this mandate and report the findings to the Board.

### Review of the Audit Committee Mandate

The Governance, Nominating and Ethics Committee, with input by all Board members and management, will review this mandate 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