



ANNUAL INFORMATION FORM
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016
March 31, 2017

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Glossary of Terms

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

"5.50% Senior Notes" has the meaning ascribed to it under the heading "Description of Capital Structure – Indebtedness – 5.50% Senior Notes";

"5.75% Senior Notes" has the meaning ascribed to it under the heading "Description of Capital Structure – Indebtedness – 5.75% Senior Notes";

"6.00% Senior Notes" has the meaning ascribed to it under the heading "Description of Capital Structure – Indebtedness – 6.00% Senior Notes";

"Applicable Environmental Laws" has the meaning ascribed to it under the heading "Risk Factors – Environmental Laws";

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

"Business" means the marketing, logistics and transportation of fuels and related petroleum products and services to commercial, industrial, retail and residential customers in Canada and the United States as currently carried on by Parkland and its subsidiaries, on a consolidated basis;

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

"Business Day" means any day other than a Saturday, Sunday or statutory holiday in the City of Calgary, Alberta;

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

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

"Competition Act" means the Competition Act (Canada);

"Competition Act Approval" has the meaning ascribed to it under the heading "Risk Factors – CST Acquisition – Competition Act Approval";

"Competition Bureau" means the Competition Bureau of Canada;

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

"Couche-Tard Acquisition" has the meaning ascribed to it under the heading "General Development of the Business – Recent Events";

"Credit Agreement" means the third amended and restated credit agreement among between Parkland Industries Ltd., Elbow River and Parkland (U.S.) Financing Corp., as borrowers, The Bank of Nova Scotia, as agent, and The Bank of Nova Scotia, Royal Bank of Canada, Wells Fargo Bank, N.A., Canadian Imperial Bank of Commerce, The Toronto-Dominion Bank, Bank of Montreal, National Bank of Canada, Alberta Treasury Branches, Canadian Western Bank, and such other persons as become parties thereto as lenders, dated as of June 30, 2014 and amended pursuant to the first amending agreement dated June 30, 2016;

"Credit Facility" means, collectively, Parkland's C\$320 million revolving extendible credit facility and USD\$30 million revolving extendible credit facility;

"CST Acquisition" has the meaning ascribed to it under the heading "General Development of the Business – Recent Events";

"CST Assets" has the meaning ascribed to it under the heading "General Development of the Business – Recent Events";

"CST Purchase Agreement" has the meaning ascribed to it under the heading "General Development of the Business – Recent Events";

"Elbow River" means Elbow River Marketing Ltd., a corporation incorporated under the Business Corporations Act;

"Imperial" means Imperial Oil Ltd.;

"Imperial Transaction" has the meaning ascribed to it under the heading "General Development of the Business – Recent Events";

"Merger Agreement" has the meaning ascribed to it under the heading "Risk Factors – CST Acquisition – Closing of the CST Acquisition";

"New Credit Facilities" means the new credit facilities contemplated in the commitment letter dated August 21, 2016 provided to Parkland by The Toronto-Dominion Bank and National Bank of Canada and accepted by Parkland on the same date, to be made available to Parkland pursuant to definitive financing documents to be entered into in replacement of the Credit Agreement and related documents which consist of a four year \$660 million senior secured revolving credit facility and a four year US\$30 million senior secured revolving credit facility;

"Notes Escrow Release Condition" has the meaning ascribed to it under the heading "Description of Capital Structure – Indebtedness – 5.75% Senior Notes";

"Parkland USA" means SPF Energy and the business of providing services to commercial, industrial, retail and residential customers in the United States through SPF Energy;

"Pioneer" means Pioneer Energy LP, a limited partnership formed under the laws of the Province of Ontario;

"Pioneer Energy Business" has the meaning ascribed to it under the heading "General Development of the Business – 2015";

"Pioneer Vendors" means Pioneer Petroleum Holding Limited Partnership, Pioneer, Pioneer Petroleum Transport Inc., Pioneer Fuels Inc., Pioneer Energy Management Inc., Pioneer Petroleum Holding Inc., 668086 N.B. Limited and 3269344 Nova Scotia Limited;

"PNO" means Propane Nord-Ouest Inc.;

"Senior Note Indentures" means, collectively, the trust indenture dated May 29, 2014 governing the terms of the 5.50% Senior Notes, the trust indenture dated November 21, 2014 governing the terms of the 6.00% Senior Notes and the trust indenture dated September 16, 2016 governing the terms of the 5.75% Senior Notes;

“Senior Notes” meaning, collectively, the 5.50% Senior Notes, the 6.00% Senior Notes and the 5.75% Senior Notes;

“Shareholders” means the holders of Common Shares;

“SPF Energy” means SPF Energy, Inc., a corporation incorporated under the laws of North Dakota;

“Subscription Receipts” means the subscription receipts of the Corporation issued pursuant to the Subscription Receipt Offering with each subscription receipt entitling the holder thereof to receive one Common Share upon the closing of the CST Acquisition;

“Subscription Receipts Escrow Release Condition” has the meaning ascribed to it under the heading “Description of Capital Structure – Subscription Receipts”;

“Subscription Receipt Offering” means the issuance by Parkland of 9,430,000 Subscription Receipts on September 7, 2016 at a price of \$24.50 per Subscription Receipt for aggregate gross proceeds of \$231,035,000; and

“TSX” means the Toronto Stock Exchange.

Presentation of Information

Unless otherwise noted, the information contained in this annual information form (“**Annual Information Form**” or “**AIF**”) is given as at or for the year ended December 31, 2016. All dollar amounts are in Canadian dollars unless otherwise noted. Unless the context otherwise requires, all references to the “Corporation” and to “Parkland”, “we”, “our” and “us” herein refer to Parkland Fuel

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 section “*Glossary of Terms*” section of this Annual Information Form.

Cautionary Statement Regarding Forward – Looking Information

This Annual Information Form contains forward-looking statements. Many of these statements can be identified by words such as “believe”, “plan”, “expect”, “could”, “seek”, “would”, “will”, “intend”, “strategy”, “project”, “anticipate”, “target”, “estimate”, “continue”, or similar words and expressions. In particular, this Annual Information Form contains forward-looking statements with respect to, among other things, business objectives (including the closing and integration of the CST Acquisition), expected growth and expansion, results of operations, performance, business projects, strategy and opportunities, anticipated closing of certain previously announced transactions, the expected impact of acquisitions, execution of supply strategies, integration of acquired assets, volume growth, expected impact of management systems and programs and financial results.

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

- general market conditions;
- micro and macro-economic trends and conditions;
- ability to execute on our business and growth strategy and realize the benefits therefrom;
- ability to realize the benefits from our core capabilities;
- ability to close certain previously announced transactions on terms satisfactory to Parkland or at all;
- ability to capture value in each step of the value chain;
- ability to realize on the expected benefits, synergies and opportunities from acquisitions;
- ability to secure future capital to support and develop our business, including the issuance of additional common shares;

- effectiveness of Parkland’s management systems and programs;
- factors and risks associated with retail pricing and margins;
- availability and pricing of petroleum product supply;
- volatility of crude oil prices;
- the competitive environment of our industry in Canada and the United States;
- environmental impact;
- risk of pending or future litigation;
- interest rate fluctuation; and
- availability of capital and operating funds.

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

Additional information on these and other factors that could affect the Corporation’s operations or financial results is discussed in this Annual Information Form, including our Management’s Discussion and Analysis for the year ended December 31, 2016 (available under the Corporation’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com or the Corporation’s website at www.parkland.ca), which is incorporated by reference in this Annual Information Form.

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

Corporate Structure

Parkland Fuel Corporation

Parkland was incorporated on March 9, 2010 under the Business Corporations Act for the purpose of participating in a corporate reorganization implemented effective December 31, 2010 under Section 193 of the Business Corporations Act, pursuant to which Parkland's predecessor public entity, reorganized from an income fund into a corporate structure. The Common Shares trade on the TSX under the symbol "PKI" and began trading on the TSX on January 7, 2011. The Subscription Receipts trade on the TSX under the symbol "PKI.R" and began trading on the TSX on January 11, 2017.

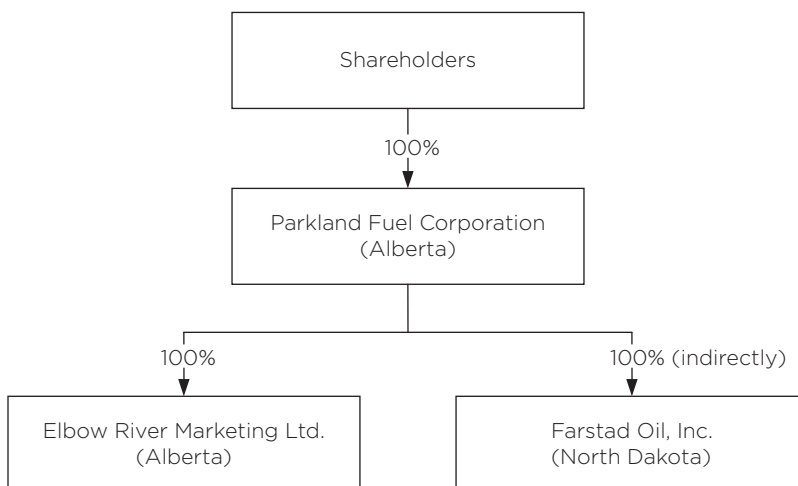
Parkland conducted a reorganization of its corporate structure effective January 1, 2017, pursuant to which, among other things, Parkland Fuel Corporation and its wholly-owned subsidiary,

Parkland Industries Ltd., effected a vertical short form amalgamation pursuant to Section 184(1) of the Business Corporations Act with the continuing entity retaining the name of Parkland Fuel Corporation (the "**Internal Reorganization**"). Following the Internal Reorganization, Parkland Fuel Corporation is both the public entity and principal operating entity.

The registered office and head office of the Corporation is located at 6302, 333 96th Avenue NE, Calgary, Alberta, T3K 0S3.

Subsidiaries of the Corporation

The following organization chart presents the name and the jurisdiction of certain of Parkland's subsidiaries as at January 1, 2017. The assets and revenues of excluded subsidiaries individually did not exceed 10%, and in the aggregate did not exceed 20%, of the total consolidated assets or total consolidated revenues of Parkland as at and for the year ended January 1, 2017. Please note that the following organization chart was identical as at December 31, 2016 except that Parkland Fuel Corporation and its previously wholly-owned subsidiary, Parkland Industries Ltd., were legally separate entities. As noted above, Parkland Fuel Corporation and Parkland Industries Ltd. were amalgamated pursuant to the Internal Reorganization.



General Development of the Business

The Corporation itself and through its subsidiary entities carries on the Business. The Corporation has three channels in which it reaches the market with its products: retail fuels, commercial fuels, and wholesale. Parkland's retail channel is focused on company owned and dealer owned gas stations and convenience stores. The commercial channel delivers fuel to industrial customers and home heating oil and fuel to rural customers.

Parkland's wholesale channel is focused on delivering wholesale fuel to resellers, serving internal Parkland operating segments, increasing Parkland's fuel storage capacity and growing Parkland's commodity marketing business. This segregation organizes the operating managers according to particular business lines.

Three Year History

2016

On March 8, 2016, Parkland entered into an agreement with Imperial to acquire Imperial's On the Run/Marché Express convenience store franchise system and related marks in Canada, as well as an agreement with Imperial to acquire the real estate assets, including the land, buildings and equipment, at 17 Esso-branded retail sites in Saskatchewan and Manitoba (collectively, the "**Imperial Transaction**"). The Imperial Transaction includes the franchise agreements for approximately 80 On the Run / Marché Express convenience stores currently operated by Esso-branded fuel dealers and distributors, which closed on October 5, 2016. The 17 Esso-branded retail sites acquired in the Imperial Transaction closed on July 6, 2016 and are currently operated by Parkland under long-term operating leases with Imperial.

On April 6, 2016, Parkland, through its wholly-owned subsidiary, Les Pétroles Parkland Limitée, closed the acquisition of the assets and business of PNO. The acquisition allows Parkland to supply propane to the mining industry and other residential and industrial customers of Québec. The transaction also includes exclusive access to the Mirault rail facility in Val D'Or for Parkland's all-season supply of propane as well as fuel and lubricant products.

On May 25, 2016, Parkland closed the acquisition of propane assets and business from Girard Bulk Service Ltd., which allows Parkland to expand its service of propane to commercial, residential and industrial customers in Saskatchewan.

On August 22, 2016, Parkland announced that it entered into an asset purchase agreement (the "**CST Purchase Agreement**") with Couche-Tard to acquire the majority of the Canadian business and assets of CST Brands, Inc. (the "**CST Assets**") for a preliminary purchase price of approximately \$965 million (the "**CST Acquisition**"). Concurrently with the execution of the CST Purchase Agreement, Couche-Tard announced a definitive agreement with CST Brands, Inc. under which Couche-Tard will acquire CST Brands, Inc. (the "**Couche-Tard Acquisition**") which is subject to customary closing conditions including the receipt of regulatory approvals. The assets acquired by Parkland as part of the CST Acquisition will consist of (i) approximately 490 Dealer and Commissioned Agent retail businesses, (ii) approximately 72 Commercial Cardlock sites, (iii) approximately 27 Commercial and Home Heating sites, (iv) a number of high quality company-operated retail sites to be determined following the Competition Bureau's review of the Couche-Tard Acquisition, and (v) a corporate presence in Montreal with French language support structure. The CST Acquisition is subject to the satisfaction of several closing conditions and adjustments and is conditional

upon the closing of the Couche-Tard Acquisition, which is expected to occur in Q2 2017. The acquisition adds the Ultramar brand to Parkland's brand profile and will allow Parkland to extend its fuel network coverage in Québec and Atlantic Canada and will further enhance Parkland's presence in Ontario. The acquisition also adds scale and diversity to its supply portfolio in Québec and Atlantic Canada while enhancing Parkland's current supply relationships. See "Risk Factors – CST Acquisition".

On September 7, 2016, Parkland announced the closing of the Subscription Receipt Offering. The net proceeds of the offering were placed into escrow until satisfaction of the applicable release conditions in connection with the CST Acquisition. Once released, the proceeds will be used to fund a portion of the CST Acquisition's purchase price. See "Description of Capital Structure – Subscription Receipts".

On September 16, 2016, Parkland announced the closing of its private placement of the 5.75% Senior Notes in the amount of \$300 million. The net proceeds of the offering were placed into escrow until satisfaction of the applicable release conditions in connection with the CST Acquisition. Once released, the proceeds will be used to fund a portion of the CST Acquisition's purchase price. See "Description of Capital Structure – Indebtedness – 5.75% Senior Notes".

On November 30, 2016, Parkland closed the acquisition of two trucks stops and one retail gas station in Cheyenne, Wyoming from 7-Eleven, Inc. This acquisition will add approximately 55 million litres of fuel on an annual basis.

On December 1, 2016, Parkland closed the acquisition of the assets and business of PNE Corporation, a national provider of propane cylinder exchange services. The acquisition expands the scope of Parkland's propane business to include a national 20-pound cylinder exchange offering in addition to a 33 and 100-pound cylinder propane offering in Ontario.

2015

On March 31, 2015 Parkland announced the acquisition of five retail stations in North Dakota. The acquisition extended Parkland's retail footprint into the Bismarck and Dickinson areas.

On April 7, 2015, Parkland closed its acquisition of 11 Chevron-branded service stations in British Columbia. The acquisition strengthened Parkland's brand portfolio and increased the density of Parkland's operations in British Columbia.

On June 25, 2015, Parkland closed its acquisition of substantially all of the assets and select liabilities that comprise Pioneer Energy (the “**Pioneer Energy Acquisition**”), pursuant to the terms of an assets purchase agreement dated September 17, 2014. On the closing date of the Pioneer Energy Acquisition, Pioneer Energy’s network consisted of 397 retailer and dealer operated service stations in Ontario and Manitoba, which included 152 Pioneer-branded and 230 Esso-branded service stations. Purchase consideration consisted of cash consideration of approximately \$254,090,000, 5,830,000 Common Shares and the assumption of standard operating liabilities. A business acquisition report related to the Pioneer Energy Acquisition was filed by Parkland with the applicable securities regulatory authorities on September 3, 2015 and is available under the Corporation’s profile on SEDAR at www.sedar.com.

On October 31, 2015 Parkland closed the acquisition of two retail stations in North Dakota. The acquisition extended Parkland’s retail footprint into the New Town and Wahpeton regions.

2014

On January 8, 2014, Parkland closed the acquisition of Parkland USA, the parent company of Farstad Oil Inc. and Superpumper

Inc. The acquisition was Parkland’s first in the United States and expanded Parkland’s operations to North Dakota, Montana, Minnesota, South Dakota and Wyoming and included trans-loading facilities and bulk storage facilities in Minot, North Dakota.

On April 2, 2014, Parkland closed its acquisition of 12 Chevron-branded service stations in northern British Columbia.

On May 29, 2014, Parkland closed its private placement of the 5.50% Senior Notes in the amount of \$200,000,000. The net proceeds of the offering were used to repay a portion of Parkland’s indebtedness under the Credit Facility and for general corporate purposes. See “Description of Capital Structure – Indebtedness – 5.50% Senior Notes”.

On November 21, 2014, Parkland announced the closing of its private placement of the 6.00% Senior Notes in the amount of \$200,000,000. The net proceeds of the offering were used by Parkland to fund a portion of the purchase price for the Pioneer Energy Business. See “Description of Capital Structure – Indebtedness – 6.00% Senior Notes”.

Outlook

In 2017, Parkland will be focused on closing and integrating the CST Acquisition and driving synergies to create shareholder value. Parkland anticipates building on the On the Run/Marché Express convenience store franchise system and related trademarks in Canada, providing a strong retail platform for Parkland to expand and support the Parkland Retail Fuels offering across Canada. Parkland will also continue to improve

supply costs as part of executing our supply strategy and adding additional volume through organic growth. We intend to maintain our ongoing focus on retaining existing customers and winning new customers in our various markets. Furthermore, in line with our disciplined strategy of acquiring prudently, Parkland will continue to review its acquisition pipeline for potential targets, and initiate acquisitions as strategic opportunities arise.

Description of the Business of the Corporation

Introduction

Parkland is Canada's largest and one of North America's fastest growing independent marketer of fuel and petroleum products. We deliver refined fuels and other high quality petroleum products to motorists, businesses, consumers and wholesale customers in Canada and the United States. We maintain a portfolio of supply relationships, storage infrastructure and third-party rail and highway carriers to ensure security of supply to our customers. Our mission is to be the partner of choice for our customers and suppliers, and we do this by building lasting relationships through outstanding service, reliability, safety and professionalism.

Parkland is committed to delivering competitive and sustainable returns to shareholders by being the partner of choice to both our suppliers and our customers. To be the partner of choice for our suppliers, we work hard to reliably and consistently purchase large volumes of product in the geographic markets in which we operate. To be the partner of choice to our customers, we focus on operating safely and delivering a differentiated service experience.

Given our purchase of the full range of refined products from suppliers, we have a variety of "owned" marketing channels through which we sell these products, including: retail gas stations; commercial diesel card-locks; commercial fuel and lubricant delivery branches; and propane delivery branches. We also use our wholesale and supply activities to optimize the value of the other excess "balanced barrel" products that are not sold through our "owned" marketing channels.

As the fuel distribution market remains significantly fragmented in North America, we believe we are well placed to be a leader in its consolidation given our potential supply and cost synergies on acquisitions and experience across all fuel marketing channels. Further, we believe our focus on safety and customer service enables us to grow organically in all fuel marketing channels. We believe that our combination of acquisitive and organic growth enables us to earn a competitive return for our shareholders.

Core Capabilities

While Parkland's reach extends across Canada and the Northern tier of the United States, its service is local.

Parkland's core capabilities include:

- North American supply and distribution reach and scope that allows it to identify opportunities between markets that other independents may not recognize or be able to capitalize on;
- a diverse portfolio of regional markets and products that assist with mitigating the risk of market, economic, operational and environmental disruptions in any one market;

- a dedicated supply team, allowing Parkland to secure economic benefit from its supply portfolio;
- supply security through supply relationships with all major refiners and a portfolio of contracts with certain established refiners; and
- distribution channels that provide a balanced sales portfolio of gasoline, diesel and propane that gives Parkland a competitive supply advantage and customers a broad product offering.

Operating Segments

Parkland's business is split into five segments for the purpose of reporting: Retail Fuels, Commercial Fuels, Parkland USA, Supply and Wholesale and Corporate.

Retail Fuels Segment

Parkland Retail Fuels sells fuel to the retail public through company owned retail gas stations and sells fuel as a wholesale fuel supplier to independent dealer owned gas stations that subsequently sell fuel to the retail public. Fuel is sold either on a branded or unbranded basis. Parkland owns four proprietary brands: Fas Gas Plus, Race Trac, Pioneer and On the Run / Marché Express, and is a branded wholesaler for both Esso and Chevron. Parkland's multi-brand strategy provides a robust

offering to satisfy many fuel market segments. Below is a short description of each brand.

- **Chevron** – The Chevron-branded wholesaler agreement provides Parkland with the opportunity to offer Chevron's premium brand to Parkland's owned or leased network and to independent dealers.
- **Esso** – The Esso-branded wholesaler agreement provides Parkland with the opportunity to offer Esso's nationally-recognized premium brand to Parkland's owned or leased network and to independent dealers.
- **Fas Gas Plus** – Fas Gas Plus is a community focused independent brand that brings consumers an urban offering in

non-urban markets through large, well-merchandised convenience stores, a strong loyalty program, and knowledgeable and friendly retailer operators and dealers. Parkland's strategy is to continue to maximize penetration of this brand throughout its traditional non-urban markets by acquiring new sites and modernizing and maintaining existing sites to the highest of Parkland's standards.

- **Race Trac** – Race Trac is designed for the dealer who wishes to operate independently in the retail market and not be restricted by the requirements of other brand offerings. Parkland has focused on enhancing the brand value of Race Trac. This brand is positioned for locations or markets where the Fas Gas Plus, Pioneer, Chevron or Esso brands are not well suited and is a complementary offering within Parkland's brand portfolio.
- **Pioneer** – Pioneer is an Ontario based brand with high customer value largely located in suburban/commuter markets that offers a market competitive fuel price, regionally relevant loyalty program and convenient locations. Other services include Snack Express or Verve branded convenience stores and Clean Express branded car washes.
- **On the Run / Marché Express convenience store brand** – Parkland acquired from Imperial the franchisor rights to approximately 80 On the Run / Marché Express convenience store franchise agreements and the associated trademarks in Canada. The On the Run / Marché Express acquisition provides Parkland with a national convenience store brand that is expected to grow and enhance its convenience store offering.
- **Other** – In most cases, "Other" represents brands that are being migrated to Parkland's primary brand offerings over time.

Business Models

Parkland Retail Fuels operates under the following business models:

- **Company Owned Retailer Operated** – These sites are either owned or leased by Parkland and operated and managed on its behalf by independent entrepreneurs (retailers). Parkland owns the fuel inventory and maintains control of the retail selling price at the pumps. The retailer owns the convenience store inventory. Parkland pays the retailer a "cents per litre" commission on the fuel sales and collects a fixed rent for the facilities plus a percentage rent on the convenience store sales.
- **Dealer Owned Dealer Operated** – These sites are either owned or leased by an independent third party dealer. Parkland secures a long-term wholesale fuel supply agreement with the dealer. Over the term of the agreement, Parkland supplies fuel to the dealer based on rack prices that fluctuate frequently. The dealer owns the fuel inventory and maintains control of the retail selling price at the pumps.
- **Consignment Dealer Operated** – These sites are either owned or leased by an independent dealer. Parkland secures a long term fuel consignment supply agreement between an independent third party dealer and Parkland. The dealer operates under the Pioneer, Esso, or Top Valu fuel brand banner and sells Parkland owned (consigned) fuel and receives compensation based on a variable rate commission scale. Retail fuel pricing is managed by Parkland.

Canadian Site Counts by Brand, Business Model and Geography

Operating Model	Pioneer	Fas Gas Plus	Race Trac	Esso	Chevron	Other	Total
Dealer operated	2	87	73	522	13	32	729
Retailer operated	120	87	1	68	31	0	307
Consignment Dealer	32	0	0	4		3	39
Total	154	174	74	594	44	35	1,075

Province	Retailer Operated	Dealer Operated	Consignment Dealer Operated	Total
Alberta		74	196	270
British Columbia		45	87	132
Manitoba		19	71	90
New Brunswick		0	5	5
Nova Scotia		0	3	3
Northwest Territories		0	4	4
Ontario	143		262	443
Prince Edward Island	0		4	4
Saskatchewan	30		88	118
Yukon Territories	0		4	4
Quebec	1			1
Total	312	724	39	1,075

In 2016, the sales and operating revenue was \$2.75 billion with fuel volume of approximately 3.72 billion litres compared to sales and operating revenue of \$2.16 billion and 2.75 billion litres in 2015. The increase in site count from the Pioneer Energy Business in June 2015 was the primary driver of the annual growth. The

increase was also driven by higher fuel margins and C-store growth in Eastern Canada. This was offset by volume shortfalls, primarily in Western Canada, reflective of current economic conditions. Parkland's retail business is seasonal, reflecting increased travel during the summer months. In general, the

second and third quarters are the busiest periods for Parkland Retail Fuels. See “Risk Factors” for a further description of factors which may impact Retail Fuels.

Commercial Fuels Segment

Parkland Commercial Fuels delivers bulk fuel, bulk and cylinder exchange propane, heating oil, lubricants and other related products and services to commercial, industrial and residential customers in Canada through an extensive delivery network. Parkland Commercial Fuels uses a variety of trade names, service marks and trademarks for use in its business, which Parkland regards as having significant value and as being important factors in the marketing of its products. The brands in this segment includes Bluewave Energy; Columbia Fuels; Sparlings Propane; Island Petroleum, Propane Nord-Ouest (PNO) and PNE.

Parkland Commercial Fuels' customer base is diverse, supplying across a broad cross-section of industries across Canada including oil and gas; residential propane and heating fuel customers; construction; mining; forestry; and fishing and transportation.

Parkland's Commercial Fuels' business is seasonal, reflecting fluctuations in heating requirements through the year and local industrial activity that may be more active in the winter than in the summer. In general, the first and fourth quarters are the busiest periods for Parkland Commercial Fuels. See “Risk Factors” for a further description of factors which may impact Commercial Fuels.

Canadian Site Counts by Business Offering and Geography

Province	Cardlock	Branch	Branch & Cardlock	Lube Distribution Centre	Total
Alberta	17	9	9	4	39
British Columbia	16	12	7	2	37
Manitoba				1	1
New Brunswick			1		1
Nova Scotia	4	9	3	1	17
Northwest Territories			2		2
Ontario	1	13	8	1	23
Prince Edward Island	10	2			12
Quebec		4			4
Saskatchewan		4	1	2	7
Yukon			1		1
Total	48	53	32	11	144

In 2016, the sales and operating revenue was \$1.06 billion with fuel volume of approximately 1.37 billion litres compared to sales and operating revenue of \$1.21 billion and 1.40 billion litres in 2015. The decline in fuel volume is mainly attributable to reduced economic activity in Western Canada and as a result of a warmer winter season in the first quarter of 2016. This was partially offset by a growth in propane sales.

Parkland USA Segment

Parkland USA is an independent fuel marketer headquartered in Minot, North Dakota. Parkland USA supplies and distributes refined petroleum products throughout North Dakota, Montana, Minnesota, South Dakota and Wyoming. Parkland USA is a platform for growth in the Northwest United States and provides Parkland with export opportunities for product from Western Canada. Additionally, this segment enhances supply capabilities by leveraging Parkland's rail assets. The brands in this segment includes Farstad Oil and Superpumper.

Parkland USA operations are conducted from the following divisions:

- **Wholesale** – Parkland USA's Farstad Oil is responsible for managing Parkland USA's fuel supply contracts, purchasing fuel from suppliers, distribution through third party rail and highway carriers as well as serving wholesale customers. Through Farstad Oil, Parkland USA has 40,000 barrels of distribution capacity in Minot, North Dakota and supplies fuel to

retailers, small resellers and commercial operators. Parkland USA owns a fleet of approximately 75 trucks that deliver wholesale fuels and commercial lubricants to its customers.

- **Retail** – This division operates and services a network of retail service stations. Parkland USA owns and operates “Superpumper”, a proprietary convenience store brand. Parkland USA is also a branded wholesaler for Cenex, Conoco, Exxon, Shell, Sinclair and Tesoro within the United States. Parkland USA operates service stations under the following business models:
 - **Dealer Owned/Operated:** Dealers own or lease their own sites and enter into a contract with Parkland USA for fuel supply, the rights to a brand offering and a point-of-sale system. Over the term of the agreement, Parkland supplies fuel to the dealer based on rack prices that can fluctuate frequently. The dealer owns the fuel inventory and maintains control of the retail selling price at the pumps. This division supplies a number of multi-site dealer chains with both branded and unbranded relationships.
 - **Parkland USA Owned/Operated** – Parkland USA owns 25 Superpumper sites and operates these sites directly with Parkland USA employees, often co-branded with a major refinery brand in the forecourt.
- **Lubricants** – Parkland USA delivers Exxon Mobil lubricants to commercial, industrial and wholesale customers through an extensive delivery network in the regions that we operate.

In 2016, the sales and operating revenue was \$586 million with fuel volume of approximately 912 million litres in 2016 compared to sales and operating revenue of \$753 million and 1.06 billion litres in 2015. The decrease in Parkland USA's fuel volume is primarily attributable to lower wholesale gas and diesel volumes and margins due to the reduced economic activity in the Bakken oil region and a warmer winter in the first quarter of 2016. This was partially offset by increased retail volumes due to the acquisition of three service stations in 2016. Sales and operating revenue decreased primarily due to a decline in volume and decreased petroleum prices. See "Risk Factors" for a further description of factors which may impact Parkland USA.

Supply and Wholesale Segment

Parkland's Supply and Wholesale segment manages fuel supply by contracting and purchasing fuel from refiners and other suppliers, distributing through third party rail and highway carriers, storing fuel in owned and leased facilities and serving wholesale and reseller customers in Canada and in the United States. Major sales categories are:

- wholesale gas and diesel;
- refined products, which includes gas, diesel, gasoline blend stock and drilling fluids;
- crude, asphalt, and fuel oils, which includes gas oils;
- liquid petroleum gas, which includes propane, butane, condensate and natural gas liquid mix; and
- renewable fuels, which includes ethanol and biodiesel.

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

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

Storage – Parkland has approximately 227,000 barrels of storage capacity at its Bowden, Alberta terminal. Parkland also has leased storage capacity in Québec and throughout other parts of North America.

Elbow River Marketing – Elbow River, a wholly-owned subsidiary of Parkland, is a North American transporter, supplier and marketer of petroleum products, including liquefied petroleum gases (butane, propane, and condensate), crude oil, heavy fuel oil and a growing portfolio of refined fuel and bio-fuel products. Within Elbow River, there are three business segments: the Liquefied Petroleum Gasoline business, which includes the marketing, transportation and supply of propane, butane and natural gas liquids ("NGLs"); the fuel oil business, which includes, the marketing, transportation and supply of crude oil, heavy fuel oils, diesel and asphalt; and the renewable fuels business, which primarily includes the marketing, transportation and supply of bio-fuel and ethanol. Suppliers to Elbow River are generally major oil and gas companies in Canada and the United States. Elbow River pays for and takes title of the product, and arranges and pays for transportation and delivery, mainly by rail tank cars. The product prices are normally determined by the spot market price. Elbow River typically has low product risk as the delivery price is generally fixed at the time Elbow River takes title.

In 2016, the sales and operating revenue was \$1.86 billion with fuel volume of approximately 4.41 billion litres compared to sales and operating revenue of \$2.17 billion and 4.40 billion litres in 2015. Fuel volume increased primarily due to a 256.2 million litre increase in LPG volumes resulting from expanding propane sales in Mexico and strong US transloading operations. These increases were offset by lower gas and diesel sales in Ontario and Quebec driven by increased competition and 104.6 million litre decline in condensate and 90.9 million litre decrease in butane. Sales and operating revenue decreased year-over-year primarily due to lower commodity prices. See "Risk Factors" for a further description of risks that may impact Supply and Wholesale.

Corporate Segment

The corporate segment includes centralized administrative services and expenses, incurred to support operations, but which are not specifically allocated to Parkland's businesses.

In 2016, the corporate segment reported \$7.6 million of increased expenses to \$79.3 million compared to \$71.7 million in 2015. Acquisition, integration and other costs are highly variable based on Parkland's acquisition and integration activities, and increased primarily due to the impact of the CST Acquisition and other acquisitions announced during the year. See "Risk Factors" for a further description of factors which may impact Corporate.

Supplemental Operational Information

Capital Expenditures

During 2016, the Corporation made \$102.7 million in capital investments, of which \$45.3 million was classified as maintenance capital and \$57.4 million was classified as growth capital and intangibles.

Employees

As at December 31, 2016, Parkland had approximately 2,300 active full and part-time employees.

Environmental Initiatives

Parkland is committed to ensuring a safe working environment that protects employees, customers and the environment and compliance with all applicable federal, provincial and local health, safety and environmental requirements in the communities in which we operate. The Parkland Environmental Management System ("EMS") includes programs that enable Parkland to reduce environmental impacts while increasing operating and cost efficiency and address regulatory obligations in a systematic manner. EMS goals include the following: improve environmental performance, enhance compliance, reduce pollution, conserve resources, increase efficiency/reduce costs, enhance employee

morale, enhance image with customers, markets, the general public, regulators, lenders and investors, and enhance employee awareness of environmental issues and responsibilities.

The EMS programs include the following:

- **Regulatory Compliance** – Operations are routinely reviewed to ensure compliance with industry standards and regulations. Parkland receives an annual Certificate of Recognition (“COR”) for developing, maintaining, and improving upon health, safety and environmental programs that meet established standards. The COR is issued by Alberta Jobs, Skills, Training and Labor and is co-signed by Certifying Partners.
- **Emergency Response & Preparedness** – Emergency response plans are in place at all Parkland facilities. This program involves coordination with operations to evaluate hazard-related risk, to secure emergency supplies and equipment, and to ensure scheduling and completion of drills and training exercises. Overall goals of this program are to ensure that Parkland facilities and personnel are prepared and trained to address emergency situations and maintain compliance with COR audit requirements. Parkland maintains a pre-qualified list of emergency consultants and contractors for immediate and comprehensive land and water-based response and rectification in compliance with applicable regulations. Parkland continually strives to reduce risk relating to product shipment by ensuring all carriers have adequate emergency preparedness and response programs.
- **Chemical Release Management** – This program serves to track, analyze, prepare for and minimize severity associated with spill incidents. It involves spill incident investigation and severity ranking, as well as employee training. Training methods consist of onsite classroom and field exercises, tabletop mock incident exercises and online training. A regimen of ongoing facility inspection and monitoring is in place at all Parkland locations. This includes daily reconciliation of inventory balances and installation of on-site test wells at all retail stations. The overall goal of this initiative is to foster a preventative approach to spill incidents and to ensure all Parkland employees have adequate training to respond confidently to minimize impacts where possible in the event of an incident.
- **Property Stewardship** – This program involves documentation of the formal corporate processes and procedures associated with physical condition assessment, risk ranking and reduction, management, and determination and reporting of Asset Retirement Obligation information relating to environmental aspects of Parkland property and infrastructure. The overall goals of this program are to monitor ongoing regulatory compliance activities relating to environmental aspects of acquisition, maintenance, and divestiture of Parkland properties. The program includes key performance metrics for overall network condition. Remediation programs are managed by experienced Parkland professional technical personnel and involve retention of professional environmental consultants that satisfy Parkland's comprehensive procurement pre-qualification protocols.
- **Transportation** – Parkland is involved with the Natural Resources Canada Office of Energy Efficiency SmartWay® Transport Partnership and maintains an Idle Smart initiative primarily focused on reduction of airborne emissions from Parkland fleet vehicles. The initiative involves specification and communication of the requirements for managing vehicle idling, roles, and responsibilities. This program serves to facilitate overall reduction of emissions as well as fueling and maintenance operating costs related to engine idling.
- **Waste Management** – The impact of the use and disposal of resources on our local and global environment is recognized by Parkland and Parkland is committed to reducing this impact through the waste management program. This program is a systematic approach to understanding our waste and identifying and prioritizing viable opportunities to reduce waste outputs and resource inputs. The program strives for continuous improvement and staff engagement to support company-wide initiatives. Current initiatives include paper, container, and e-waste reduction and recycling.
- **Water Management** – Parkland's effluent management initiative involves all oil/water separators and improvement of the processes and procedures to ensure infrastructure is satisfactorily maintained and documented accordingly. The overall goals of this initiative are to ensure corporate records are complete relating to the location and condition of all oil/water separator-related infrastructure, and to ensure compliance with related regulation.

Health & Safety Initiatives

Parkland is committed to ensuring a safe working environment in its operations across the country. Parkland's responsibilities and specialties include: risk and hazard management, incident management and investigation, transportation regulations, occupational health and hygiene, injury management and return to work, safety training, statistical recordkeeping and analysis, audits and inspections, and overall promotion of a safe and healthy work environment.

Each year, Parkland's Health Safety and Environment (“HSE”) department creates and implements an action plan to reduce risk and create awareness of health and safety in all of Parkland's operations. For 2016, accomplished objectives included:

- Conducted respiratory fit testing for all drivers to address regulatory compliance with benzene exposure risks.
- Produced a Driver Orientation video to highlight risks and drive improvement.
- Completed the COR internal audit for B.C., and implemented the COR action plan for Alberta to maintain certification.
- Trained Incident Commanders to improve emergency response procedures.
- Implemented an incident classification standard and adjudication committee to improve incident management.
- Continued offerings of the “Safe By Choice” course for all workers to build our safety culture foundation.
- Rolled out a Stretch and Flex program to improve the health of all employees.
- Initiated training for the WHMIS 2015 system to align with new global standards.
- Began translation of policies and procedures into French to support new areas of the business.

Social Policies

At Parkland, we believe in giving back to the communities in which we serve. As such, Parkland Fuel Corporation donated more than \$1.4M in 2016 to charitable organizations across the

country. A few examples of how Parkland has contributed to its community are as follows:

- Partnering with the Alberta Cancer Foundation through its “Fas Gas Plus” program to provide gasoline and diesel fuel to power the Digital Mammography Screening Program.
- Sponsoring the Central Alberta Ronald McDonald House in Red Deer, which houses approximately 11,000 children from rural communities each year.
- Through our Pioneer brand, supporting our Canadian soldiers and their families through our annual “Operation Yellow Ribbon” campaign, which raises funds for unexpected emergencies, practical and moral support for our soldiers and their families deployed and at home.
- Donating to the Banff Centre’s Midsummer Ball, which helps raise funds to make the Banff Centre the global leader in arts, culture and creativity.
- Donating to the Glenbow Museum’s annual fundraising event, which helps support arts and culture in Alberta and enriches the lives and learning of over 63,000 Alberta students each year.
- Following the devastating wildfire incident in Fort McMurray Alberta, Parkland employees donated \$66,260 to relief efforts, which was doubled to \$132,520 through Parkland’s matching campaign.

Additionally, Parkland introduced in 2013 a charitable matching program that is driven by its employees. This program, called “Parkland Pledge”, allows Parkland employees to give to those charities and community organizations that they would like to support. In 2016, Parkland employees donated approximately \$159,748 to over 400 charitable organizations. Parkland is continuing the Parkland Pledge program that supports employee-led initiatives within the communities they live and work. Parkland will donate to charities and not-for-profit organizations on behalf of employees to a predefined maximum.

Rail Risk Mitigation

Parkland has focused its attention on mitigating its exposure to various business risks in connection with its rail operations.

Parkland’s Enterprise Risk Management (“**ERM**”) program targets strategic risk areas to determine additional prevention or mitigation plans that can be undertaken to either reduce risk or enable opportunities to be realized. The rail portion of the ERM program focuses on several areas in order to achieve these results, these areas include, but are not limited to: maintaining a suitable insurance program, classifying products and testing procedures, developing and communicating emergency response plans, monitoring regulatory developments and required fleet upgrades, contract administration and legal support. In 2016 Parkland continued to make significant progress towards formalizing product classification and documentation procedures, in addition to developing Risk Assessment driven guidelines for evaluating new terminals and storage locations. Fleet upgrades were undertaken as required by regulatory requirements which will continue into 2017. In addition to the foregoing, Parkland is a plan participant with Emergency Response Assistance Canada (“**ERAC**”), a non-profit corporation created by industry stakeholders to provide emergency response for liquefied petroleum gas and flammable liquid related incidents; emergency response services are provided by LPG Emergency Response Corp pursuant to the ERAC plan.

Technology and Business Integration

Parkland is continuing to enhance and mature its business processes and invest in technologies to support its current business and future growth plans. It utilizes best practices in its Information Technology operations to consistently and securely support its stakeholders and is continuously improving its methodologies to integrate people, processes, and technologies of those companies it acquires. Parkland has specific programs to ensure C-sox compliance and adherence to regulatory guidelines; has controls in place to ensure the privacy of customer and payment information; operates redundant data centers to ensure business continuity due to unforeseen events; and has safeguards in place to mitigate cyber security threats.

Competitive Conditions Overview

The fuel marketing industry is highly competitive, with significant competition in respect of each of wholesale supply of fuel, the marketing of fuel and the retail sale of fuel. Parkland competes with the major national and international integrated oil companies (“**Majors**”), 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 and also several non-traditional retailers have entered the retail fuel business in recent years, including major grocery chains, supermarkets, club stores and mass merchants. These non-traditional motor fuel retailers have obtained a material share of the motor fuel market and are significant retail competitors.

Strategy and Competitive Advantages

The Retail Fuels segment has historically focused on owning, operating and supplying retail fuel stations in rural markets and has expanded to increasingly include urban markets. The Retail Fuels segment is currently extending its retail network coverage in Québec and Atlantic Canada while continuing to enhance its

geographic presence in other regions. The Commercial Fuels segment serves customers in a variety of industries. Each segment focuses on being a low-cost operator and supplier with the Commercial Fuels business providing market diversification and counter-seasonal earnings to our original base retail business.

Parkland's brands, reputation for value and its transportation and supply arrangements have provided a base for profitability in each of the Retail Fuels and Commercial Fuels segments.

Supply and Wholesale also markets fuel, petroleum products and refined products. Elbow River, a wholly-owned subsidiary of Parkland, is a North American transporter, supplier and marketer of petroleum products, including liquefied petroleum gases (butane, propane, and condensate), crude oil, heavy fuel oil and a growing portfolio of refined fuel and bio-fuel products. Elbow River has differentiated itself in this space through its rail car logistics capabilities and management of a fleet of approximately 2,000 leased rail cars as at December 31, 2016. Its strategy of geographic arbitrage leverages a strong network of relationships to match purchase and sales contracts. Elbow River's risk adverse approach to marketing, which combines expertise and logistical capabilities to rapidly respond to emerging opportunities, has provided Parkland a competitive advantage in the marketplace.

Through Parkland USA, Parkland supplies and distributes approximately 900 million litres of gasoline and distillates through a set of wholesale, commercial and retail business channels that

are very similar to Parkland's Canadian operations. Parkland USA's retail network includes more than 200 independent gasoline stations in the northern tier of the United States, 60 of which are branded stations that include nationally recognized names such as Cenex, Conoco, Exxon, Shell, Sinclair, Mobil and Tesoro. Parkland USA also owns and operates 25 Superpumper convenience stores in four U.S. states and rail trans-loading facilities and approximately 40,000 barrels of refined product storage in Minot, North Dakota.

The above operating, supply and retail strategies are underscored by a strong loyalty program for customers and retailers as well as a strong focus on customer service, studying customer behavior's, patterns and paying close attention to customer preferences in order to consolidate the gains derived from the competitive advantage. Competitive headway is also dependent on our ability not only to anticipate, but in response, to react to changing consumer demands and preferences in a timely manner, while continuing to supply products that are relevant to the consumer.

Risk Factors

Current investors and prospective purchasers of Parkland's securities should consider carefully the following risk factors, as well as the other information contained in documents filed by Parkland pursuant to applicable securities laws, including our annual and quarterly management's discussion and analysis. If any event arising from these risks occurs, our business, prospects, financial condition, results of operations or cash flows, or your investment in Parkland's securities could be materially adversely affected.

An investment in Parkland's securities is subject to various risks, including those risks inherent to the industry in which we operate. If any of the events or circumstances contemplated by these risk

factors occurs, our financial performance and financial condition could be materially harmed, which may adversely affect the value and trading price of Parkland's securities and its ability to pay dividends.

Security holders and prospective security holders of Parkland should carefully review and consider the risk factors set out below as well as all other information contained and incorporated by reference in this Annual Information Form before making a decision on investment and should consult their own experts where necessary.

Economic Conditions

Changes in economic conditions generally, or in the regions in which Parkland operates, could adversely affect consumer spending patterns and recreational and industrial travel in certain of the Corporation's markets. These economic conditions 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 Parkland's operations are located. Demand for transportation fuels is strongly connected with such economic conditions, with weakening economic conditions having an adverse effect on the Corporation's revenue, profitability and ability to pay dividends.

Parkland services a number of different industries and its business, financial condition and results of operations are directly and indirectly affected by the economic conditions which affect such sectors. In particular:

- The oil and gas exploration sector is subject to changes in commodity prices, general economic conditions, access to capital and other factors applicable to such industry which impacts the budgets of the Corporation's customers. This largely affects oilfield fluids, propane and bulk fuel sales directly as well as impacting communities in primary exploration regions in Alberta and northern British Columbia, which consequently can impact Parkland's business, financial condition and results of operations and the demand for Parkland's products by customers operating within this sector. Any decline in exploration activity in the oil production sector

reduces the demand for propane and related products, which consequently can impact Parkland's business, financial condition and results of operations and the demand for Parkland's products by customers operating within this sector.

- Forestry has been a volatile industry in recent years and is susceptible to international pricing, general economic conditions, demand for the product and other factors applicable to such industry which consequently can impact Parkland's business, financial condition and results of operations and the demand for Parkland's products by customers operating within this sector.
- Mining is susceptible to variations in commodity prices, general economic conditions and other factors applicable to such industry. The Corporation's fuel customers include several mines producing different metals and their demand for fuel may decline, which consequently can impact Parkland's business, financial condition and results of operations and the demand for Parkland's products by customers operating within this sector.
- The Corporation serves the farm trade and this sector is subject to weather variation and commodity price fluctuation, general economic conditions and other factors applicable to such industry which consequently can impact Parkland's business, financial condition and results of operations and the demand for Parkland's products by customers operating within this sector.

Acquisition Strategy

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

- identify suitable businesses;
- negotiate the purchase of those businesses (or investment in the businesses) on acceptable terms;

- complete the transactions within the expected time frame;
- fund the transaction;
- obtain necessary regulatory, other approvals or required consents of third parties within the expected time frame;
- improve the results of operations of the businesses that it buys and successfully integrate the operations, financial reporting and personnel of acquired business with Parkland;

- achieve the anticipated synergies in the acquired business or strategic investments;
- retain key employees, customers or suppliers of the acquired business; and
- effectively address any regulatory requirements in connection with such acquisitions.

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

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

Under the *Competition Act*, the Commissioner of Competition (“**Commissioner**”) may review any “merger” (as defined in the *Competition Act*), which includes acquisitions of fuel distribution businesses and of retail gas stations, to assess whether such merger would likely result in a substantial lessening or prevention of competition in any market. In the event the Commissioner believes that such merger would likely result in a substantial

lessening or prevention of competition in any market, the Commissioner may apply to the Competition Tribunal for a remedial order, including prohibiting completion of the merger or ordering a divestiture of all or part of the business acquired.

Parkland’s presence in certain markets may require that it effectively address concerns of the Commissioner, if any, arising in connection with future acquisitions. The principles set forth in the Settlement with the Commissioner in respect of the Pioneer Acquisition will assist Parkland to assess the likely competition concerns associated with future acquisitions. In addition, Parkland believes that the Settlement does not impede Parkland from continuing with its growth plans. However, effectively addressing the concerns of the Commissioner, if any, in connection with future acquisitions may adversely affect Parkland’s ability to achieve the anticipated benefits of such acquisitions, the financial projections related thereto and Parkland’s future business, prospects, strategy, results of operations and/or financial condition.

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

Unknown Liabilities from Acquisitions

In pursuing acquisitions, Parkland conducts due diligence on the business or assets being acquired and seeks detailed representations and warranties respecting the business or assets being acquired. Despite such efforts, there can be no assurance that Parkland will not become subject to undisclosed liabilities or litigation as a result of acquisitions. In addition, liabilities may exist which were not discovered during the due diligence process prior

to completing the 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 materially and adversely affect Parkland’s business, prospects, results of operations and/or financial condition.

Retail Pricing and Margin Erosion

Retail pricing for motor fuels is very competitive, with major oil companies and newer entrants such as grocery chains and large retailers active in the marketplace. From time to time, factors such as competitive pricing, seasonal over supply, and lack of responsiveness of retail pricing to changes in crude oil costs can lead to lower margins in Parkland’s business. This is normally limited to seasonal time frames or limited market areas but could occur on a broader scale.

Difficult market conditions for commercial fuel services may also adversely affect Parkland’s major customers and create increased

credit risk. These risks are partially mitigated by Parkland’s other sources of revenue, conservative credit policies, geographic diversification and the wholesale business, which typically would only share in a portion of any market erosion. However, there can be no assurances that such mitigation efforts will be adequate, in whole or in part and such market conditions may materially and adversely affect Parkland’s business, prospects, results of operations and/or financial condition.

Volatility in Crude Oil Prices and in Wholesale Petroleum Pricing and Supply

Parkland's fuel and petroleum product revenue are a significant component of total revenue. Domestic wholesale petroleum, crude oil, NGL markets currently display significant volatility. Parkland is susceptible to interruptions in supply and changes in relative market pricing of crude oil and NGLs that drive customer demand. General economic and market conditions, political conditions and instability in oil producing regions, particularly in the Middle East, Africa and South America, and the value of the U.S. or Canadian dollars relative to other foreign currencies, particularly those of oil producing nations, could significantly and adversely affect crude oil supplies and wholesale production costs. Volatility in fuel and petroleum product supply and costs could result in significant changes in the retail price of petroleum products and in lower fuel gross margin per litre. Higher supply and product costs can also result in increased working capital and corresponding financing requirements. In addition, increases and volatility in wholesale motor fuel costs could result in an increase in the retail price of petroleum products, which could dampen

consumer demand for motor fuel. These factors could materially influence Parkland's fuel and petroleum product volume and overall customer traffic which, in turn, could have a material adverse effect on the Corporation's operating results, adjusted gross profit and overall financial condition. The development of the oil sands in northern Alberta, together with upgraders producing a distillate stream, has the potential to add significant supply volume in the diesel market over time. Production at these facilities is subject to production interruptions which can periodically disrupt the availability of refined product in the region. Supply and Wholesale sales and volume are driven by the opportunity to market variations in pricing of crude oil and NGLs between geographical regions and markets. Changes in pricing and relative pricing of crude oil and NGLs impact the net earnings of Supply and Wholesale. Pipeline availability in various markets will impact the ability of Supply and Wholesale to profitably serve customers in those markets.

Competition

Parkland competes with the Majors, independent marketers, branded and unbranded independent wholesalers, independent retail stations, other commercial fuel and propane marketers, convenience store chains, independent convenience stores, large and small food retailers and also several non-traditional retailers that have entered the retail fuel business in recent years, including major grocery chains, supermarkets, club stores and mass merchants. These non-traditional motor fuel retailers have

obtained a significant share of the motor fuel market and are significant retail competitors. In some of Parkland's markets, competitors have been in existence longer and have greater financial, marketing and other resources than Parkland. Parkland may not be able to compete successfully against current and future competitors, and competitive pressures faced by Parkland could materially and adversely affect Parkland's business, prospects, results of operations and/or financial condition.

Climate Change Developments

Legislative developments aimed at reducing greenhouse gas emissions' contribution to climate change may decrease the demand or increase the cost of petroleum-based motor fuels. The Corporation does not operate any industrial sites and is not a major emitter of greenhouse gases, however, the implementation of emissions legislation and regulations is expected to result in a decline of consumption of petroleum products over time, which would have an adverse effect on the financial condition of the Corporation. Parkland may also incur increased costs for its product which it may not be able to pass along to its customers.

New technologies in vehicle engineering, which increase fuel efficiency, reduce consumption or offer alternative vehicle power sources may also result in decreased demand for petroleum-based motor fuel. Government efforts to steer the public toward non-petroleum-based fuel dependent modes of transportation may foster a negative perception toward motor fuel or increase costs for our product, thus affecting the public's attitude toward petroleum-based fuel and, as such, impact our effectiveness to market and sell such product.

Cap-and-Trade/Carbon Levy Developments

The federal and provincial governments in Canada have implemented and are continuing to formulate laws and regulations designed to limit greenhouse gas emissions through the use of a cap on emissions/carbon pricing plan as well as levies/taxes on carbon. These developments, which affect Parkland's range of products, will increase the price per litre of

petroleum products and potentially reduce consumption, as well as increase the costs of supply and impose reporting and other regulatory obligations on Parkland. These could potentially have a material adverse effect on our business, financial condition, ability to compete and results of operations.

Technological Developments

New technologies that increase fuel efficiency, offer alternative vehicle power sources or accelerate autonomous adoption will reduce consumption of the petroleum-based motor fuels. Parkland's success depends on its ability to anticipate and respond in a timely manner to changing consumer demands and preferences while continuing to sell products and services that

remain relevant to the consumer and thus will positively impact overall gross profit. These technological developments could potentially have a material adverse effect on the Corporation's business, financial condition and results of operations if the Corporation does not adapt to changing consumer demands.

Credit

Credit risk is the risk that Parkland's counterparties will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Parkland manages its exposure to credit risk through a variety of means, including, but not limited to: i) rigorous credit granting procedures, which includes reviewing of each new customer's credit history before extending credit and imposing short payment terms or security interests where applicable; ii) ongoing credit evaluations of its customers, which includes reviewing financial conditions and credit performance of its customers and the industries in which they operate; iii) ongoing monitoring of outstanding amounts, which includes making a provision when an amount is deemed uncollectible; and iv) usage of standby and commercial letters of credit for certain customers, where applicable.

Parkland does not have significant credit exposure to any individual customer. While credit risk is minimized by Parkland's broad customer and geographic base, 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. Counterparties for all risk management activities transacted by Parkland are major financial institutions or counterparties with investment grade credit ratings.

Environmental Laws

Parkland's business and properties are subject to extensive local, provincial, territorial, state and federal laws including, but not limited to, those relating to emission to the air, discharges into water, releases of hazardous and toxic substances and remediation of contaminated sites ("**Applicable Environmental Laws**"). Applicable Environmental Laws require that Parkland's operations, and certain properties associated with Parkland's retail and storage operations, be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such Applicable Environmental Laws may require significant expenditures by Parkland, including capital costs to maintain and upgrade

equipment and facilities and expenditures to ensure compliance with new Applicable Environmental Laws. Failure to comply with such Applicable Environmental Laws to which our operations are subject may result in penalties and costs that could adversely affect our business and our operating results.

Any changes in the Applicable Environmental Laws that are adverse to us and our properties could affect our operating and financial performance. In addition, new regulations are proposed from time to time which, if adopted, could have a material adverse effect on our operating results and financial condition.

Health, Safety and Insurance

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, explosions, fires and natural disasters. These risks expose Parkland to potential liability for personal injury, loss of life, business interruption, property damage or destruction and pollution and other environmental damages under applicable federal, provincial, territorial, state and municipal safety and environmental laws and regulations.

Parkland has safety policies, which include training and monitoring programs, in place to mitigate certain of these risks and to be prepared in the event Parkland experiences any such occurrences. Parkland has also obtained insurance in accordance

with industry practice in an effort to address and mitigate such risks and also have operational and emergency response procedures, and safety and environmental programs in place to reduce potential loss exposure. Although the Corporation has a comprehensive insurance program in effect, there can be no assurance that the potential liabilities will not exceed the applicable coverage limits under its insurance policies. Consistent with industry practice, not all hazards and risks are covered by insurance and no assurance can be given that insurance will be consistently available or be available on an economically feasible basis. The Corporation maintains insurance coverage for most environmental risk areas, excluding underground tanks at service stations. Although not insured, these risks are managed through ongoing monitoring, inventory reconciliations and tank

replacement programs. Liability for uninsured risks could significantly increase expenses and the occurrence of a significant

event for which Parkland is not fully insured could materially and adversely affect Parkland's business, prospects, results of operations and/or financial condition.

Supply Disruption

Parkland's business depends to a large extent on a small number of fuel suppliers, a number of which are parties to long-term supply agreements with Parkland. An interruption or reduction in the supply of products and services by such suppliers could adversely affect Parkland's financial condition. Furthermore, if any of the long-term supply agreements are terminated or end in accordance with their terms, Parkland may experience disruptions in its ability to supply customers with products until a new source of supply can be secured. Such a disruption may have a material negative impact on Parkland's financial condition and

its reputation. Additionally, Parkland cannot ensure that it will be able to renegotiate such agreements or negotiate new agreements on terms favourable to Parkland. Parkland strives to mitigate this risk by maintaining a diverse supply portfolio to include substantial volume from each of its major suppliers and growing to a level of annual sales volume that will offer potential suppliers a compelling share of the fuel supply business in the markets the Corporation serves. However, there can be no certainty that such mitigation efforts will be adequate, in whole or in part.

Weather and Seasonality

The Corporation's sales volume and profitability are subject to weather influences, particularly winter temperatures. The Corporation's sales volumes and profitability can see increased volatility due to abnormal weather patterns. The Corporation's heating oil and propane sales are greatest in the winter months but can decline if winter temperatures are warmer than normal. The Corporation has propane and heating oil operations in Atlantic Canada, Ontario, Quebec, Alberta, British Columbia and the Yukon Territory which all experience different weather patterns which can mitigate the impacts of regional winter temperature differences.

Furthermore, oil prices, wholesale motor fuel costs, motor fuel sales volumes and motor fuel gross profits can be subject to seasonal fluctuations. For example, consumer demand for motor

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

Dependence on Key Personnel

The Corporation's success is substantially dependent on the ability, expertise, judgment, discretion, integrity and continued service of senior management. The loss of the services of one or more members of senior management could adversely affect the Corporation's operating results. In addition, the Corporation's continued growth depends on the ability of the Corporation to

attract and retain skilled operating managers and employees and the ability of its key personnel to manage the Corporation's growth and to consolidate and integrate its operations. There can be no assurance that the Corporation will be successful in attracting and retaining such managers, employees and other personnel.

Effective Internal Controls

Effective internal controls are necessary for the Corporation to provide reliable financial reports, manage the Corporation's risk exposure and to help prevent fraud. Although the Corporation undertakes a number of procedures in order to help ensure the reliability of its financial reports, including those imposed on it under Canadian securities laws, the Corporation cannot be certain that such measures will ensure that the Corporation will maintain adequate control over financial processes and reporting. Failure

to implement required new or improved controls, or difficulties encountered in their implementation, could impact the Corporation's results of operations or cause it to fail to meet its reporting obligations. If the Corporation or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Corporation's financial statements and reduce the trading price of the Common Shares.

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. This is mitigated by system redundancies, emergency response plans and back-up procedures. However, there can be no certainty that such mitigation efforts will be successful in all circumstances.

IT Cyber Security

In the normal course of our business, we obtain large amounts of personal data, including credit and debit card information from our customers. While we have invested significant amounts in the protection of our IT systems and maintain what we believe are adequate security controls over individually identifiable customer, employee and vendor data provided to us, a breakdown or a breach in our systems that results in the unauthorized release of individually identifiable customer or other sensitive data could nonetheless occur. Cyber-attacks are rapidly evolving and

becoming increasingly sophisticated. A successful cyber-attack resulting in the loss of sensitive customer, employee or vendor data could adversely affect our reputation, results of operations, financial condition and liquidity, and could result in litigation against us or the imposition of penalties. Moreover, a security breach could require that we expend significant additional resources to upgrade further the security measures that we employ to guard against cyber-attacks.

Debt Service

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. Parkland is exposed to fluctuations in short-term Canadian interest rates as a result of the use of a floating debt rate under its Credit Agreement. Although management believes the Credit Facility 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.

Parkland's lenders have been provided with security over all or substantially all of the Corporation's assets. Additionally, if the

Corporation becomes unable to pay its debt service or otherwise commits an event of default under the Credit Agreement, a lender may foreclose on or sell the Corporation's assets or enforce or realize upon any guarantee or share pledge. Similarly, upon the occurrence of an event of default under the Senior Note Indentures, the outstanding principal and accrued interest on the Debentures and Senior Notes may become immediately due and payable. If amounts outstanding under the Credit Agreement, the Senior Note Indentures were to be accelerated, or if Parkland was unable to borrow under the Credit Agreement, Parkland could become insolvent or be forced into insolvency proceedings.

Debt Agreements

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

- incur or guarantee additional debt or other obligations, issue certain equity securities or enter into sale and leaseback transactions;
- pay dividends on shares or repurchase shares, redeem subordinated debt or make other restricted payments;
- incur dividend or other payment restrictions affecting certain subsidiaries;
- issue equity securities of subsidiaries;
- change the nature of Parkland's business or operations in any material respect;

- make certain investments or acquisitions;
- create liens on Parkland's assets;
- enter into transactions with affiliates;
- consolidate, merge or transfer all or substantially all of Parkland's assets; and
- transfer or sell assets, including shares of subsidiaries.

The Credit Agreement also requires Parkland to maintain specified financial ratios and satisfy specified financial tests. Parkland's ability to meet these financial ratios and tests can be affected by events beyond Parkland's control, and Parkland may be unable to meet those tests.

As a result of these covenants, Parkland's ability to respond to changes in business and economic conditions and to obtain additional financing, if needed, may be significantly restricted, and the Corporation may be prevented from engaging in transactions that might otherwise be considered beneficial to Parkland. The breach of any of these covenants could result in an event of default under the Credit Agreement, the Senior Note Indentures or any future credit agreements. Under the Credit Agreement, Parkland's failure to pay certain amounts when due to other creditors, or the acceleration of such other indebtedness, would also result in an event of default. Upon the occurrence of an event of default under the Credit Agreement or future credit agreements, the lenders could elect to stop lending to Parkland or declare all amounts outstanding under such credit facilities to be immediately due and payable. Similarly, upon the occurrence of an event of default under the Senior Note Indentures, the outstanding principal and accrued interest on the Senior Notes may become immediately due and payable. If amounts outstanding under such credit agreements and the Senior Note Indentures were to be accelerated, or if we were not able to borrow under the Credit Agreement, we could become insolvent or be forced into insolvency proceedings.

Also, Parkland anticipates additional borrowing under the New Credit Facility in connection with the CST Acquisition. Such borrowings, along with the issuance of the 5.75% Senior Notes, will represent an increase in Parkland's consolidated indebtedness. Such additional indebtedness will increase Parkland's interest expense and debt service obligations and may

have a negative effect on Parkland's results of operations. The increased indebtedness will also make Parkland's results more sensitive to increases in interest rates. There is no guarantee that Parkland will be able to obtain additional indebtedness or other financing on terms favourable to Parkland or at all in order to repay the principal on such indebtedness when it becomes due.

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

- it may limit Parkland's ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;
- it may limit Parkland's ability to declare dividends on its common shares;
- certain of Parkland's borrowings are at variable rates of interest and expose Parkland to the risk of increased interest rates;
- it may limit Parkland's ability to adjust to changing market conditions and place Parkland at a competitive disadvantage compared to its competitors that have less debt;
- Parkland may be vulnerable in a downturn in general economic conditions; and
- Parkland may be unable to make capital expenditures that are important to its growth and strategies.

Risk of Pending and Future Legal Proceedings

Alleged failure by Parkland to comply with laws and regulations may lead to the imposition of fines, penalties, or the denial, revocation or delay of the renewal of permits and licenses by governmental authorities. In addition, governmental authorities as well as third parties may claim that Parkland is liable for environmental damages. Also, Parkland may be the subject of litigation by customers, suppliers and other third parties.

A significant judgment against Parkland, the loss of a significant permit or other approval or the imposition of a significant fine or penalty may materially and adversely affect Parkland's business, prospects, results of operations and/or financial condition. Litigation is expensive, time consuming and may divert management's attention away from the operation of the Business.

Government Legislation

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

Further, transportation fuel sales are taxed by the federal, provincial, state and, in some cases, municipal governments. Increases in taxes or changes in tax legislation are possible and could have a material effect on the profitability of the Corporation. In addition, various federal, state and local agencies have the authority to prescribe specific product quality specifications to the sale of commodities. Changes in product

quality specifications, such as reduced sulfur content in refined petroleum products, or other more stringent requirements for fuels, could reduce Parkland's ability to procure product and its sales volume, require Parkland to incur additional handling costs, and/or require the expenditure of capital. If Parkland is unable to procure product or to recover these costs through increased sales, its ability to meet its financial obligations could be adversely affected. Failure to comply with these regulations could result in substantial penalties.

Any changes in the laws or regulations that are adverse to us or our properties could affect our operating and financial performance. In addition, new regulations are proposed from time to time which, if adopted, could have a material adverse effect on our operating results and financial condition.

Bowden Terminal Operating Permit

Parkland's terminal at Bowden, Alberta has operated as a toll-based petrochemical processing site and bulk fuel logistics terminal. The Corporation obtained a renewed permit in 2007 to allow for continued use or for alternative uses of the facility until October 2017. If the Corporation allows the permit to lapse, or if the terms and conditions of the permit are significantly amended by an applicable regulatory authority during the term of the permit, such event may materially and adversely affect Parkland's business, prospects, and results of operations and/or financial condition. An estimate of the potential future remediation cost has been accrued and provided for in the Corporation's financial statements.

Parkland has commenced activities related to application renewal for the Bowden terminal with the Alberta Environment & Parks well ahead of the October 2017 permit expiry. The permit approval process is usually completed within a timeline of six to nine months from the date of submission of the permit application. The Corporation's internal environmental technical support group is directing this process and has engaged an external consultant with specialized capability and experience to ensure a smooth permit renewal process.

Fuel Storage and Distribution

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

- oil spills and other environmental mishaps;
- fires, collisions and other catastrophic disasters;
- injuries and loss of life;
- severe damage to and destruction of property and equipment; and
- loss of product and business interruption.

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

suffer from the occurrence of one or more of the risks described above.

In addition, if we are involved in a spill, leak, fire or other accident involving hazardous substances or if there are releases of fuel or fuel products we own or have custody of, our operations could be disrupted. We could also be subject to material liabilities, such as the cost of investigating and remediating contaminated properties or claims by customers, employees or others who may have been injured, or whose property may have been damaged. These liabilities, to the extent not covered by insurance, could have a material adverse effect on our business, financial condition and results of operations. Any of these occurrences, and any resulting negative media coverage, could have a material adverse effect on our stock price and on our business, financial condition and results of operations.

Future Capital Needs

Parkland may find it necessary in the future to obtain additional debt or equity financing to support Parkland's ongoing operations, undertake capital expenditures, finance expansion, develop new services, respond to competitive pressures, acquire complementary businesses, repay existing or future indebtedness or take advantage of unanticipated opportunities. There can be no assurance that such additional funding, if needed, will be available on terms acceptable to Parkland, or at all, and any volatility or uncertainty in the credit markets in the future may increase costs associated with issuing debt. If adequate funds are not available on acceptable terms, Parkland may be unable to

develop or enhance its business, take advantage of future opportunities or respond to competitive pressures, any of which could have a material adverse effect on its business, financial conditions and operating results. In addition, in the event that Parkland's activities are financed partially or wholly with debt, such debt levels may exceed industry standards and the level of Parkland's indebtedness from time to time could impair Parkland's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Credit Ratings

Credit ratings affect Parkland's financing costs, liquidity and operations over the long term and are intended as an independent measure of the credit quality of long-term debt. Credit ratings affect Parkland's ability to obtain short and long-term financing and the cost of this financing, and Parkland's ability to engage in certain business activities cost-effectively.

Credit ratings may not reflect all risks associated with an investment in any of Parkland's securities. The credit ratings applied to the Senior Notes are an assessment by the relevant ratings agency of Parkland's ability to pay its obligations as of the respective dates the ratings are assigned. The credit ratings may not reflect the potential impact of risks related to structure, market or other factors discussed herein on the value of the notes. Credit

ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. The credit ratings accorded to the Senior Notes are not a recommendation to purchase, hold or sell any of the Senior Notes, because ratings do not comment as to market price or suitability for a particular investor. There cannot be any assurance that any credit rating assigned to any of the Senior Notes will remain in effect for any

given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering or withdrawal of such rating may have an adverse effect on the market value of the Senior Notes. In addition, real or anticipated changes in credit ratings can affect the cost at which Parkland can access public or private debt markets.

Credit Markets and Liquidity Risk

The ability of Parkland to make scheduled payments on or refinance its debt obligations or access financing depends on Parkland's financial condition and operating performance, which are subject to a number of factors beyond Parkland's control. Volatility in the credit markets in the future may increase costs associated with debt instruments due to increased spreads over relevant interest rate benchmarks or 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, which may have an adverse effect on the industry in which Parkland operates and its business, including future operating results. Parkland may be unable to maintain a level of cash flows from operating activities sufficient to permit Parkland to pay the principal, premium, if any, and interest on its indebtedness.

If Parkland's cash flows and capital resources are insufficient to fund its debt service obligations, Parkland could face substantial liquidity problems and could be forced to reduce or delay

investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance its indebtedness, including the Senior Notes. Parkland may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow Parkland to meet its scheduled debt service obligations. The Credit Agreement and the Senior Note Indentures will restrict Parkland's ability to dispose of assets and use the proceeds from those dispositions and may also restrict Parkland's ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. Parkland may not be able to consummate any such dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. Parkland's inability to generate sufficient cash flows to satisfy its debt obligations, or to refinance its indebtedness on commercially reasonable terms or at all, would materially and adversely affect Parkland's business, results of operations, financial condition and its ability to satisfy its obligations under its indebtedness.

Reputation

There is the potential for negative impacts that could result in the deterioration of the Corporation's reputation with key customers and suppliers. Reputational risk is inherent in every business

decision and any decision that has the effect of reducing the Corporation's reputation will have a material adverse effect on the Corporation's business, financial condition and future prospects.

Growth

Parkland's growth strategy may place significant demands on its financial, operational and management resources. Parkland has been active in growth oriented activities in the past and in order to continue growth in the future, Parkland will need to add administrative, management and other personnel, and make additional investments in operations and systems. Parkland may not be able to find and train qualified personnel, or do so on a timely basis or expand operations and systems to the extent, and

in the time, required. The success of expansion and growth generally is dependent upon timing, the size and quality of opportunities, the ability to integrate complementary businesses, available debt capacity and market conditions. There can be no guarantee that Parkland will be successful in its plans or the method chosen to expand its operations, or that such expansion will be a financial success.

Volatility of Market Price in the Corporation's Securities

The market price of Parkland's securities may be subject to significant fluctuations in response to variations in results of operations and other factors. Developments affecting Parkland's customers, including national and international economic conditions, could also have a significant impact on the market price of Parkland's securities. In addition, the stock market can experience price and volume fluctuations that are often unrelated

or disproportionate to the operating performance of companies including Parkland. Therefore, as a result of these fluctuations, which are beyond Parkland's control, the price of the Common Shares or the Debentures could be affected, which may have indirect consequences such as a possible take-over or other business combination.

Common Shares

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

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

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

Additionally, Parkland may issue additional Common Shares in the future to finance certain capital expenditures, including acquisitions. Parkland is permitted to issue an unlimited number of additional Common Shares without the approval of the Shareholders. 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 sole discretion to determine the number issued and the rights, privileges, restrictions and conditions attached to such shares.

Dividends

We have paid regular cash dividends on a quarterly basis and we expect to continue the practice of paying regular quarterly cash dividends. However, the timing, declaration, amount and payment

of future dividends to Shareholders will fall within the discretion of the Board of Directors. There can be no assurance that we will continue to pay any dividends.

Nature of Senior Notes

The Senior Notes are direct senior unsecured obligations of Parkland and rank *pari passu* with all other existing and future senior indebtedness of Parkland and rank senior in right of payment to any future subordinated indebtedness of Parkland. The Senior Notes are effectively subordinated to all secured indebtedness of Parkland, to the extent of the value of the assets securing such secured indebtedness and structurally subordinated in right to payment of all indebtedness and other liabilities, including trade payables, of Parkland's non-Guarantor

Subsidiaries. Accordingly, if Parkland is involved in any bankruptcy, dissolution, liquidation, reorganization or other insolvency proceeding, the secured indebtedness holders would be paid before the holders of Senior Notes receive any amounts due under the notes to the extent of the value of the assets securing the secured indebtedness. In such an event, a holder of Senior Notes may not be able to recover any principal or interest due to it under the Senior Notes.

Lack of Market for Senior Notes

The Senior Notes are not listed on any exchange and Parkland does not intend to apply for a listing of either the 5.50% Senior Notes or the 6.00% Senior Notes. Accordingly, holders of Senior Notes may not be able to resell the Senior Notes. This may affect the pricing of the Senior Notes in any secondary market, the transparency and availability of trading prices and the liquidity of the Senior Notes. There can be no assurance that a secondary market for the Senior Notes will develop or, if a secondary market does develop, that it will provide holders of the Senior Notes with liquidity for their investment or that it will continue until the maturity date of the Senior Notes. The market price and value of

the Senior Notes may be affected by changes in general market conditions, fluctuations in the market for equity and debt securities, and numerous other factors beyond Parkland's control. Prevailing interest rates will affect the market price or value of the Senior Notes. Generally, the market price or value of the Senior Notes will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline. Fluctuations in interest rates may also impact Parkland's borrowing costs, which may adversely affect Parkland's creditworthiness.

Calamitous Events

Calamitous events, such as terrorist attacks, technological attacks, escalation of military activity, or domestic and global trade disruption may have significant effects on general economic conditions, consumer confidence, consumer spending, travel, and tourism, all of which could have a material adverse effect on the Corporation. Strategic targets, such as energy-

related assets, may be at greater risk of possible future attacks than other targets within the geographic area that the Corporation operates. It is possible that any of these events could occur and have a material adverse effect on the Corporation's business, financial condition and future prospects.

Transportation

Parkland's products are transported and supplied using a variety of methods and Parkland may be subject to any interruptions or restrictions to such transportation which may limit Parkland's ability to deliver Parkland's products and could have a material adverse effect on the Corporation's business, results of operations or prospects. In addition, the delivery of Parkland's products by railcar through Elbow River may be impacted by service delays, inclement weather or derailment. Parkland's products or railcars may be involved in a derailment or incident that results in legal liability or reputational harm. In addition, recent amendments to the *Transportation of Dangerous Goods Regulations*, SOR/2001-286, by the Canadian government impose new safety standards, and update certain existing safety standards, relating to the transportation of dangerous goods by rail car including, but not limited to, upgraded safety standards for rail tank cars, new emergency response assistance plans and

more rigorous classification testing requirements for certain products including petroleum crude oil. These amendments may increase Parkland's overall cost of business and the economics associated with rail transportation. Further, the introduction of new laws or regulations related to the transportation of products by rail may also adversely affect Parkland's ability to deliver Parkland's products by rail or the economics associated with rail transportation.

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

Foreign Exchange Risk

Parkland is exposed to foreign exchange risk through its investments in the United States including, but not limited to, its wholly-owned subsidiary, Parkland USA. Changes in the Canada/United States exchange rate could impact the earnings of Parkland, the value of the United States investments and the cash generated from the United States businesses. Parkland's net investment in Parkland USA, which has a US dollar functional

currency, presents a foreign currency risk to the Corporation, which has a Canadian dollar functional currency. Parkland is using a net investment hedge to partially mitigate this risk. Given the volatility of exchange rates, we may not be able to manage our currency risks effectively or at all, which could have a material adverse effect on our financial condition or results of operations.

CST Acquisition

Closing of the CST Acquisition

The closing of the CST Acquisition is subject to commercial risks and certain conditions that are outside the control of Parkland, including the closing of the Couche-Tard Acquisition, various third party consents and regulatory approvals (including those required under the *Competition Act* (Canada)), which may cause the CST Acquisition to not close on the terms negotiated or at all. The closing of the Couche-Tard Acquisition is also subject to various closing conditions, third party consents and regulatory approvals including, but not limited to, certain conditions contained in the merger agreement setting forth the terms and conditions of the Couche-Tard Acquisition (the "**Merger Agreement**"), the expiration or termination of applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and receipt of the necessary approvals or the expiry of waiting periods under the *Competition Act* (Canada). CST

Brands, Inc. is also entitled to change its recommendation or terminate the Merger Agreement in limited circumstances. The Merger Agreement contains certain termination rights, which, if exercised, may result in the failure of Couche-Tard to complete the Couche-Tard Acquisition. The Merger Agreement may also be terminated by either party if the Couche-Tard Acquisition is not completed by May 22, 2017 or, if all conditions are satisfied as of May 22, 2017 other than with respect to the receipt of the requisite antitrust clearances, by August 22, 2017.

The occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement; the inability of the parties to complete the CST Transaction in a timely manner or at all, including due to the failure to receive necessary governmental or regulatory approvals required to complete the transactions contemplated by the Merger Agreement; the outcome of any legal proceedings that may be instituted against

the parties following announcement of the Merger Agreement and transactions contemplated therein; and the possibility that the parties to the Merger Agreement may be adversely affected by other economic, business, and/or competitive factors may result in the Couche-Tard Acquisition and, accordingly, the CST Acquisition not occurring.

In the event that the CST Acquisition does not close on or before August 22, 2017, Parkland must (i) return the gross proceeds of the Subscription Receipts currently being held in escrow to the holders of the Subscription Receipts and (ii) cause to be redeemed the 5.75% Senior Notes. See “Description of Capital Structure – Subscription Receipts” and “Description of Capital Structure – Indebtedness – 5.75% Senior Notes”.

If the CST Acquisition is not completed, Parkland will have incurred significant costs associated therewith and is likely to have a material adverse effect on Parkland's share price.

Competition Act Approval

The CST Acquisition is subject to certain conditions that are outside of the control of Parkland including, without limitation, the receipt of an advance ruling certificate or a “no action letter” from the Commissioner under the *Competition Act* (the “**Competition Act Approval**”). As a condition of obtaining the Competition Act Approval, Parkland may be required to agree to dispose of certain of its assets or assets that comprise a portion of the CST Assets or agree to another remedy, which remedies may adversely affect Parkland's ability to achieve the anticipated benefits of the CST Acquisition, financial projections related thereto or the anticipated timing of closing of the CST Acquisition. There can also be no assurance that the Competition Bureau will not seek to challenge the closing of the CST Acquisition under the *Competition Act*.

Financial Information Relating to the CST Assets

The financial information relating to the CST Assets has been prepared in accordance with US GAAP and, where used by Parkland to provide information relating to Parkland on a combined basis after giving effect to the CST Acquisition, has been converted by Parkland to Canadian dollars at averaged historical exchange rates on a quarterly basis and has not been reconciled to IFRS. In addition, since the exact number and locations of the CST-operated retail sites to be acquired by Parkland is not determinable as of the date hereof, all financial information relating to Parkland that is presented on a combined basis with the CST Assets after giving effect to the CST Acquisition is based on certain estimates, expectations and assumptions made by management in respect of the CST Assets that will be acquired by Parkland, including, without limitation, the number, locations, nature and financial performance thereof, and the financial information relating thereto. No assurance can be given that these, estimates, expectations and assumptions will prove to be correct or accurate. These factors may adversely

affect Parkland's ability to achieve the anticipated benefits of the CST Acquisition and financial projections related thereto.

Significant Acquisition and Related Costs

Parkland expects to incur a significant amount of costs and expenses associated with the closing of the CST Acquisition and the integration of the CST Assets and operations. The majority of such costs will be non-recurring expenses and will consist of transaction costs related to the closing of the transaction, facilities and systems consolidation and employment-related costs. Additional unanticipated costs may be incurred in connection with the integration of Parkland and the CST Assets.

CST-Operated Retail Site Allocation

The exact number and locations of the company owned and operated retail sites to be acquired by Parkland pursuant to the CST Acquisition will be determined prior to the closing of the Acquisition. Such site allocation is subject to review by the Competition Bureau and, as such, there can be no assurance as to which sites will be allocated to Parkland or the future financial and operating performance of any such sites when integrated with Parkland's operations.

Failure to Realize the Anticipated Benefits of the Acquisition

Achieving the benefits of the CST Acquisition includes, but is not limited to, the timely and efficient consolidation of functions, the integration of operations, procedures and personnel and the ability to realize the anticipated growth opportunities, synergies and operating expense reductions. The integration of the CST Assets requires 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. The integration process may also result in the loss of key employees and the disruption of ongoing business, supplier, customer and employee relationships. These factors may adversely affect Parkland's ability to achieve the anticipated benefits of the CST Acquisition and financial projections related thereto.

Potential Undisclosed Liabilities associated with the Acquisition

Although Parkland conducted what it believes to be a prudent and thorough level of legal, financial, tax, environmental and operational due diligence in connection with the CST Acquisition, an unavoidable level of risk remains regarding any unknown or undisclosed liabilities of, or issues concerning, the CST Assets, including issues related to tax and litigation. The existence of undisclosed liabilities could have a material adverse effect on Parkland's business, financial condition and results of operations.

Elbow River

Products

Inventory may be accumulated during the summer months for delivery to customers during the winter season. The cost of inventory may be higher or lower than market prices at the time of sale and can impact profitability. Over the long term, Elbow River's business will depend, in part, on the level of demand for petroleum products in the geographic areas in which deliveries are made and the ability and willingness of shippers having access or rights to supply such demand.

Reliance on Principal Customers, Suppliers and Operators

Elbow River relies on a few significant customers, suppliers and operators to carry on business. If for any reason these parties are unable to perform their obligations under the various agreements with Elbow River, Parkland's business, prospects, results of operations and/or financial condition could be materially and adversely affected.

Hedging

Elbow River uses hedging transactions in order to mitigate the risk associated with its marketing transactions. In many circumstances, purchase and sale contracts are not perfectly matched as they are entered into at different times and at different values. In all of Elbow River's businesses, margins can vary significantly from period to period and volatility in the markets for these products may cause distortions in financial results from period to period that are not replicable. There is no guarantee that hedging and other efforts to manage the

marketing and inventory risks will generate profits or mitigate all the market and inventory risk associated with these activities. As well, by Elbow River hedging its commodity price exposure, it may forego the benefits that may otherwise be experienced if commodity prices were to increase.

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

Variations in Foreign Exchange Rates

Elbow River takes on foreign exchange risk with respect to its purchase and sale of commodities and with respect to its U.S. investments. Commodity prices are often quoted in U.S. dollars and the price paid and received by it for these commodities is therefore affected by the Canadian – U.S. exchange rate which may fluctuate over time and such fluctuations could have an adverse effect on Elbow River's financial condition.

Foreign Operations

Elbow River is actively involved in U.S. markets, in which it makes a significant percentage of its sales and purchases. Elbow River's significant reliance on these markets means that it is subject to downturns in the U.S. economy, weather patterns in the U.S., protectionist actions by U.S. legislators and other political developments, all of which could have an adverse impact on Elbow River's financial results. Similarly, Elbow River is developing a growing business in Mexico and is therefore subject to the same risks as in the U.S., in addition to any risks associated with a unique regulatory and cultural environment in Mexico.

Parkland USA

Cost of Compliance with U.S. Laws and Regulations

Parkland USA is subject to numerous United States federal, state and local provisions regulating Parkland's business and operations and it incurs and expects to incur significant capital and operating expenses to comply with these laws and regulations. Parkland USA may be unable to pass on those expenses to customers without experiencing volume and margin losses.

Parkland USA has established reserves for the future cost of known compliance obligations, such as remediation of identified environmental impacts. However, these reserves may prove inadequate to meet its actual liability. Moreover, amended, new or more stringent requirements, stricter interpretations of existing requirements or the future discovery of currently unknown compliance issues may require it to make material expenditures or subject it to liabilities that it currently does not anticipate. Furthermore, Parkland USA's failure to comply with applicable laws and regulations could subject it to administrative penalties and injunctive relief, civil remedies, including fines and injunctions and recalls of its products.

Parkland USA has in the past and may in the future maintain hedges to manage the price risks associated with its commercial

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

Convenience Store Merchandise Inventory Suppliers

Parkland USA purchases convenience store merchandise inventory from a small number of suppliers for its owned and operated convenience stores. A change of merchandise suppliers, a disruption in supply or a significant change in Parkland USA's relationships with its principal merchandise suppliers could have an adverse effect on Parkland USA's financial condition and results of operations.

Audit Committee Information

Audit Committee Mandate

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

Composition of the Audit Committee

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

Deborah Stein

From 2008 to 2015 Ms. Stein was Senior Vice President Finance and Chief Financial Officer of AltaGas Ltd. Ms. Stein also held the role of Chief Financial Officer and Corporate Secretary of AltaGas Utility Group Inc. from 2005 to 2006. She is Chairman of the National Board of Financial Executives International, Canada and was a Trustee of the Calgary Zoo from 2011 to 2015. Prior to holding the position of CFO at AltaGas Ltd. she held the position of VP Finance, VP Controller and VP Corporate Risk. Ms. Stein was employed at TransCanada Corporation from 1999 to 2005. In her early career she led finance functions as Director of Finance at Wendy's Restaurants of Canada and Controller of Paramount's Canada's Wonderland. Ms. Stein holds a designation from the Institute of Corporate Directors, CA, CPA, Financial Risk Management and Bachelor of Arts degree in Economics (Honours) from York University and is the Chair of the Audit Committee.

Jim Pantelidis

Mr. Pantelidis has over 30 years of experience in the petroleum industry. Mr. Pantelidis has been chairman and director of EnerCare Inc. since 2002. He also serves on the board of Intertape Polymer Group Inc. (member of the Audit Committee). From May 2004 to March 2016, Mr. Pantelidis was on the Board of Rona Inc. (Chairman of the Human Resources and Compensation Committee and member of the Development Committee). From 2002 to 2015 Mr. Pantelidis served on the board of Industrial Alliance Insurance and Financial Services Inc. (Chairman of the Investment Committee and member of the Human Resources and Compensation Committee). From 2002 to 2006 Mr. Pantelidis was on the Board of FisherCast Global Corporation and served as Chairman and Chief Executive Officer from 2004 to 2006. Mr. Pantelidis also previously served on the board of Equinox Minerals Limited (Chairman of the Human Resources and

Compensation Committee and member of the Audit Committee). Mr. Pantelidis has a Bachelor of Science degree and a Master of Business Administration degree, both from McGill University. Mr. Pantelidis has served on the Board of Directors since September 7, 1999 and he is Chairman of the Board of Directors and a member of the Audit Committee. He also serves as Chair of the Supply and Business Development Advisory Committee.

Domenic Pilla

Mr. Pilla is currently the CEO of McKesson Canada. Prior to this, he served as the President of Shoppers Drug Mart Corporation, a subsidiary of Loblaw Companies Limited, and served as a Director of Loblaw Companies Limited from April 1, 2014 until January 9, 2015. Mr. Pilla served as Chief Executive Officer and sat on the Board of Directors of Shoppers Drug Mart Corporation from November 1, 2011 until March 31, 2014. Mr. Pilla brings nearly 30 years of leadership experience in the health care and retailing sectors to the Corporation. Prior to his current roles, Mr. Pilla served on the board of Domtar Corporation and also served on the Human Resources and Compensation Committee of Domtar Corporation until January 3, 2017. Also, from January 2001 to October 2011, Mr. Pilla led McKesson Canada (a wholly-owned subsidiary of McKesson Corporation), serving as Executive Vice-President and Chief Operating Officer, before being appointed President in January 2007. Mr. Pilla has also served as President of Canadian Operations of RNG Group Inc., a privately owned Toronto-based company. As well, during an 18-year tenure with Petro-Canada, Mr. Pilla held a number of senior positions in distribution, sales, and retail, including Vice-President of the Central Region. Mr. Pilla graduated from McGill University with a Bachelor of Engineering in Chemical Engineering.

Mr. Pilla was appointed to the Audit Committee on January 5, 2015 and replaced Mr. Dinning who served as a member of the Audit Committee prior to the annual general meeting of the Corporation held on May 6, 2014. Prior to the date of Mr. Dinning's departure from the Board to the date of Mr. Pilla's appointment to the Audit Committee, the Corporation undertook an extensive external search to identify an additional Board member having the requisite education, experience and financial literacy to act not only as a member of the Board but also as a member of the Audit Committee. During the period commencing on May 6, 2014 and ending on the date that Mr. Pilla was appointed to the Audit Committee, the Audit Committee was comprised of Messrs. Rogers and Pantelidis.

Pre-approval Policies and Procedures

Under the Audit Committee Mandate, the Audit Committee is required to approve the terms of the engagement and the compensation to be paid to the external auditor of the Corporation. In addition, the Audit Committee is required to

review and pre-approve non-audit services provided by the external auditor as required by National Instrument 52-110 *Audit Committees*.

External Auditor Services Fees by Category

PricewaterhouseCoopers LLP were first appointed auditors of a predecessor to the Corporation in 2004. In 2016 and 2015, Parkland incurred fees to its external auditors, PricewaterhouseCoopers LLP, as follows:

Description	2016	2015
Audit fees ⁽¹⁾	\$ 930,000	\$ 895,000
Audit-related fees ⁽²⁾	\$ 536,000	\$ 380,500
Tax fees ⁽³⁾	\$ 72,700	\$ 194,400
All other fees ⁽⁴⁾	\$ 159,600	\$ 140,900
Total	\$ 1,698,300	\$ 1,610,800

(1) "Audit Fees" means the aggregate fees billed by the issuer's external auditor for audit services.

(2) "Audit-Related Fees" means the aggregate fees billed for the last fiscal year for assurance and related services by the issuer's external auditor that are reasonably related to the performance of the audit or review of the issuer's financial statements and are not reported under clause (1) above. Activities in 2016 include the review of interim consolidated financial statements, review of purchase price allocations, system conversion and upgrade testing, and procedures performed for the at-the-market offering prospectus and supplement and the offering memorandum. Activities in 2015 include the review of interim consolidated financial statements, review of purchase price allocations, and review of financial statements for the purpose of the business acquisition report.

(3) "Tax Fees" means the aggregate fees billed in the last fiscal year for professional services rendered by the issuer's external auditor for tax compliance, tax advice and tax planning.

(4) "All Other Fees" means the aggregate fees billed in the last fiscal year for products and services provided by the issuer's external auditor, other than the services reported under clauses (1), (2) and (3), above. Activities in both 2016 and 2015 include renewable fuels regulations compliance audit, NI 52-102 testing, and IT project management services.

Dividends

Dividends Paid by the Corporation and Dividend Policy

Commencing in January 2011 through February 2013; the Corporation declared and paid a monthly dividend of \$0.085 per Common Share. The Corporation increased its monthly dividend to \$0.0867 per Common Share equivalent to \$1.04 per Common Share annually and declared and paid dividends of such amount from March 2013 through February 2014. The Corporation increased its monthly dividend to \$0.0883 per Common Share equivalent to \$1.06 per Common Share annually and declared and paid dividends of such amount from March 2014 through February 2015. The Corporation increased its monthly dividend to \$0.09 per Common Share equivalent to \$1.08 per Common Share annually and declared and paid dividends of such amount from March 2015 through February 2016. The Corporation increased its monthly dividend to \$0.0945 per Common Share equivalent to \$1.134 per Common Share annually and declared and paid dividends of such amount from March 2016 through December 2016.

The declaration of dividends is at the sole discretion of the Board of Directors and the amount of dividends declared by the Corporation and the frequency of payment thereof, if any, may vary from time to time as a consequence of a number of factors, including, without limitation, retail pricing and margins, availability and pricing of petroleum product supply, volatility of crude oil prices, capital expenditure requirements, operating costs and compliance with any restrictions on the declaration and payment of dividends contained in any agreement to which Parkland is a party from time to time (including, without limitation, the Credit Agreement and the Senior Note Indentures) and the satisfaction of the liquidity and solvency tests imposed by the Business Corporations Act for the declaration and payment of dividends.

Dividend Reinvestment Plan

In 2011, the Corporation established a Premium Dividend™ and Dividend Reinvestment Plan. The Premium Dividend plan was discontinued as of April 1, 2016 and the annual dividend was increased by 5% as a result. The effect of these two changes provides a more favourable tax treatment for eligible Canadian shareholders.

Shareholders who wish to participate in the Dividend Reinvestment Plan receive a 5% discount on Common Shares purchased through the plan.

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

Description of Capital Structure

Share Capital

The authorized capital of the Corporation consists of an unlimited number of Common Shares and preferred shares issuable in series. The following is a summary of the rights, privileges,

restrictions and conditions attaching to the securities of the Corporation which comprise the share capital of the Corporation.

Common Shares

As at March 21, 2017, there were 96,550,182 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.

Subscription Receipts

As at March 20, 2017, there were 9,430,000 Subscription Receipts of the Corporation issued and outstanding.

Each Subscription Receipt will entitle the holder to the right to receive one Common Share in the capital of the Corporation, together with an amount per Subscription Receipt equal to the amount that would have been declared as dividends on the Common Shares issuable on the exchange of such Subscription Receipt. The proceeds from the Subscription Receipt Offering less 50% of the fees payable to the underwriters pursuant to the Subscription Receipt Offering on the closing date of the Subscription Receipt Offering will be held in escrow, pending satisfaction or waiver of all conditions precedent to the completion of the CST Acquisition by Parkland (other than the payment of the purchase price for the CST Acquisition) (the **"Subscription Receipt Escrow Release Condition"**). If the Subscription Receipt Escrow Release Condition is satisfied on or before August 22, 2017 the escrowed proceeds from the Subscription Receipt Offering, net of the remaining fees payable

to the underwriters and dividend equivalent payments payable to the holders of the Subscription Receipts, will be released to Parkland and used by Parkland to fund a portion of the purchase price for the CST Acquisition. If the Subscription Receipt Escrow Release Condition is not satisfied by August 22, 2017, or the CST Acquisition is terminated at an earlier time, the gross proceeds and *pro rata* entitlement to interest earned on the escrowed proceeds thereon will be paid to holders of the Subscription Receipts. The holders of Subscription Receipts will be entitled to \$24.50 for each Subscription Receipt held by such holder, plus such holder's pro-rata portion of earned interest and pro-rata portion of any deemed interest, less any withholding taxes required to be withheld in respect thereof applies equally in any distribution of the assets of the Corporation upon the liquidation, dissolution, bankruptcy or winding-up of the Corporation or other distribution of its assets among its shareholders for the purpose of winding-up its affairs.

Shareholder Rights Plan

At the annual general meeting held in 2014, Shareholders approved an ordinary resolution confirming the adoption of a shareholder rights plan (the **"Rights Plan"**) dated as of March 18, 2014 between Parkland and Computershare, as rights agent. The objectives of the Rights Plan are to ensure, to the extent possible, that all Shareholders are treated equally and fairly in connection with any take-over bid or similar proposal to acquire Common Shares. The Rights Plan provides the Board of Directors and the Shareholders with more time to fully consider any unsolicited take-over bid for Parkland without undue pressure, to allow the Board of Directors to pursue, if appropriate, other alternatives to maximize shareholder value and to allow additional time for competing bids to emerge.

The Rights Plan is not intended to prevent a take-over of Parkland, to secure continuance of current management or the directors in office, or to deter fair offers for the Common Shares. The Rights Plan may, however, increase the price paid by a potential offeror to obtain control of Parkland and may discourage certain transactions.

The Rights Plan does not affect in any way Parkland's financial condition. The initial issuance of the rights will not dilute the Common Shares and will not affect reported earnings or cash flow per share until the rights separate from the underlying Common Shares and become exercisable. The Rights Plan will not lessen or affect the duty of the Board of Directors to give due and

proper consideration to any offer that is made and to act honestly, in good faith, and in the best interests of Parkland and its Shareholders. The Rights Plan is designed to provide the directors with the means to negotiate with an offeror and with sufficient time to seek out and identify alternative transactions on behalf of the Shareholders.

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

Preferred Shares

As at March 20, 2017, 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

5.50% Senior Notes

General

On May 29, 2014, the Corporation issued \$200,000,000 aggregate principal amount of 5.50% senior notes (the "**5.50% Senior Notes**") with a final maturity date of May 28, 2021. The 5.50% 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. The 5.50% Senior Notes bear interest at the rate of 5.50% per annum, payable semi-annually in arrears on May 28 and November 28 of each year.

Redemption

At any time prior to May 28, 2017, the Corporation may on any one or more occasions redeem up to an aggregate of 35% of the aggregate principal amount of 5.50% Senior Notes, upon not less than 30 days' nor more than 60 days' notice, at a redemption price of 105.50% of the aggregate principal amount of 5.50% Senior Notes redeemed, plus accrued and unpaid interest, if any, to the redemption date, with the net cash proceeds of one or more equity offerings; provided that: (i) at least 65% of the aggregate principal amount of 5.50% Senior Notes remains outstanding immediately after the occurrence of such redemption; and (ii) each such redemption occurs within 90 days of the date of the closing of the related equity offering.

At any time prior to May 28, 2017, the Corporation may on any one or more occasions redeem all or a part of the 5.50% Senior Notes, upon not less than 30 days' nor more than 60 days' notice, at the make-whole price which is equal to the greater of (a) the Canada yield price (as defined in the indenture governing the 5.50% Senior Notes) and (b) 101% of the aggregate principal amount of the 5.50% Senior Notes redeemed, plus accrued and unpaid interest, if any, to the date of redemption.

Except pursuant to the preceding paragraphs, the 5.50% Senior Notes are not redeemable at the Corporation's option prior to May 28, 2017.

On or after May 28, 2017, the Corporation may, on any one or more occasions, redeem all or a part of the 5.50% Senior Notes upon not less than 30 days' nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, on the 5.50% Senior Notes redeemed, to the applicable redemption date, if redeemed during the twelve-month period beginning on May 28, of the years indicated below:

Redemption Year	Redemption Price
2017	104.125%
2018	102.750%
2019	101.375%
2020 and thereafter	100.000%

Change of Control

Upon the occurrence of a change of control (as defined in the indenture governing the 5.50% Senior Notes), the holders may require the Corporation to repurchase such holder's notes, in whole or in part, at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

6.00% Senior Notes

General

On November 21, 2014, the Corporation issued \$200,000,000 aggregate principal amount of 6.00% senior notes (the "**6.00% Senior Notes**") with a final maturity date of November 21, 2022. The 6.00% 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. The 6.00% Senior Notes bear interest at the rate of 6.00% per annum, payable semi-annually in arrears on May 21 and November 21 of each year.

Redemption

At any time prior to November 21, 2017, the Corporation may on any one or more occasions redeem up to an aggregate of 35% of the aggregate principal amount of 6.00% Senior Notes, upon not less than 30 days' nor more than 60 days' notice, at a redemption price of 106.00% of the aggregate principal amount of 6.00% Senior Notes redeemed, plus accrued and unpaid interest, if any, to the redemption date, with the net cash proceeds of one or more equity offerings; provided that: (i) at least 65% of the aggregate principal amount of 6.00% Senior Notes remains outstanding immediately after the occurrence of such redemption; and (ii) each such redemption occurs within 90 days of the date of the closing of the related equity offering.

At any time prior to November 21, 2017, the Corporation may on any one or more occasions redeem all or a part of the 6.00% Senior Notes, upon not less than 30 days' nor more than 60 days' notice, at the make-whole price which is equal to the greater of (a) the Canada yield price (as defined in the indenture governing the 6.00% Senior Notes) and (b) 101% of the aggregate principal amount of the 6.00% Senior Notes redeemed, plus accrued and unpaid interest, if any, to the date of redemption.

Except pursuant to the preceding paragraphs, the 6.00% Senior Notes are not redeemable at the Corporation's option prior to November 21, 2017.

On or after November 21, 2017, the Corporation may, on any one or more occasions, redeem all or a part of the 6.00% Senior Notes upon not less than 30 days' nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, on the 6.00% Senior Notes redeemed, to the applicable redemption date, if redeemed during the twelve-month period beginning on November 21, of the years indicated below:

Redemption Year	Redemption Price
2017	104.500%
2018	103.000%
2019	101.500%
2020 and thereafter	100.000%

Change of Control

Upon the occurrence of a change of control (as defined in the indenture governing the 6.00% Senior Notes), the holders may require the Corporation to repurchase such holder's notes, in whole or in part, at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

5.75% Senior Notes

General

On September 16, 2017 the Corporation issued \$300,000,000 aggregate principal amount of 5.75% senior notes (the "**5.75% Senior Notes**") with a final maturity date of September 16, 2024. The 5.75% 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. The 5.75% Senior Notes bear interest at the rate of 5.75% per annum, payable semi-annually in arrears on March 16 and September 16 of each year.

Escrow

The net proceeds of 5.75% Senior Notes offering were deposited into an escrow account held by Computershare Trust Company of Canada, as escrow agent and Parkland will contribute or cause to be contributed to such escrow account an amount of cash sufficient to pay the redemption price for the notes on the latest possible mandatory redemption date as described below. The proceeds of the 5.75% will be released from escrow upon the closing of the CST Acquisition.

Redemption

If the CST Acquisition Agreement has been terminated or if the conditions precedent to complete the CST Acquisition ("**Notes Escrow Release Condition**") have not been satisfied on or before August 22, 2017, Parkland must cause to be redeemed, in whole and not in part, the notes then outstanding, on or prior to the earlier of: (a) September 1, 2017 if the Notes Escrow Release Condition has not been satisfied for any reason by August 22, 2017; and (b) the 10th day (or if such day is not a business day, the first business day thereafter) following the public announcement by Parkland that the Notes Escrow Release Condition will not be satisfied for any reason. In the event of a mandatory redemption, the redemption price will be equal to 100% of the aggregate principal amount of the notes plus the accrued interest to, but not including, the redemption date. All amounts in the escrow account or accounts will be pledged for the ratable benefit of the holders of the notes.

At any time prior to September 16, 2019, the Corporation may on any one or more occasions redeem up to an aggregate of 35% of the aggregate principal amount of 5.75% Senior Notes, upon not less than 30 days' nor more than 60 days' notice, at a redemption price of 105.75% of the aggregate principal amount of 5.75% Senior Notes redeemed, plus accrued and unpaid interest, if any, to the redemption date, with the net cash proceeds of one or more equity offerings; provided that: (i) at least 65% of the aggregate principal amount of 5.75% Senior Notes remains outstanding immediately after the occurrence of such redemption; and (ii) each such redemption occurs within 90 days of the date of the closing of the related equity offering.

At any time prior to September 16, 2019, the Corporation may on any one or more occasions redeem all or a part of the 5.75% Senior Notes, upon not less than 30 days' nor more than 60 days' notice, at the make-whole price which is equal to the greater of (a) the Canada yield price (as defined in the indenture governing the 5.75% Senior Notes) and (b) 101% of the aggregate principal amount of the 5.75% Senior Notes redeemed, plus accrued and unpaid interest, if any, to the date of redemption.

Except pursuant to the preceding paragraphs, the 5.75% Senior Notes are not redeemable at the Corporation's option prior to September 16, 2017.

On or after September 16, 2017, the Corporation may, on any one or more occasions, redeem all or a part of the 5.75% Senior Notes upon not less than 30 days' nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, on the 5.75% Senior Notes redeemed, to the applicable

redemption date, if redeemed during the twelve-month period beginning on September 16, of the years indicated below:

Redemption Year	Redemption Price
2017	104.500%
2018	103.000%
2019	101.500%
2020 and thereafter	100.000%

Credit Agreement

The following is a summary of the material terms of the credit facilities available pursuant to the Credit Agreement:

Amount and Term

The credit facilities are made up of a maximum amount of C\$320,000,000 and US\$30 million credit facility with interest only payable at the banks' Canadian and US prime lending rates plus 0.50% to 2.75% per annum, depending on the facility and Parkland's debt covenant ratios. The credit facility also includes a \$200 million accordion feature that could potentially increase the total lending capacity to \$520 million and US\$30 million. The maturity date of the credit facilities is November 30, 2020, with an option on the part of Parkland Industries Ltd. ("**Parkland Industries**") to request that the lenders extend, at their discretion, the facilities to a new maturity date not to exceed four years from the date of the extension request.

Letters of Credit

Letters of credit are available in Canadian or U.S. dollars under the credit facilities in an aggregate amount not to exceed C\$100,000,000 and USD\$10,000,000.

Interest Rates and Fees

The interest rate on loans that are denominated in U.S. dollars will, at Parkland Industries', Elbow River's or Parkland (U.S.) Financing Corp.'s option, be either a margin over a U.S. base rate or a margin over LIBOR. The interest rate on loans denominated in Canadian dollars will, at Parkland Industries', Elbow River's or Parkland (U.S.) Financing Corp.'s option, be either a margin over the Canadian prime rate or a margin over the bankers' acceptance rate; such margins will be based on the then applicable ratio of total funded debt to EBITDA (the "**Margin Ratio**").

The credit facilities also provide for (a) a standby fee for each lender calculated on the unused amount of its commitment at a percentage based on the applicable Margin Ratio; (b) an issuance fee on the outstanding amount of the letters of credit equal to the margin applicable to LIBOR loans (subject to reduction in fees for non-financial letters of credit); and (c) an acceptance fee to be paid upon the acceptance of a lender of a bankers' acceptance at a percentage based on the applicable Margin Ratio.

Repayment

The credit facilities contain a requirement that they be repaid in full on November 30, 2020, subject to the optional extension referenced above.

Guarantees and Security

Parkland Industries, Elbow River, Parkland (U.S.) Financing Corp., the Corporation and the material subsidiaries of the Corporation

have each pledged substantially all of their respective assets, secured by a perfected first priority lien, subject to certain encumbrances, as security for their obligations to the agent and the lenders under the Credit Facility. In addition, the Corporation and its material subsidiaries have each guaranteed the obligations of Parkland Industries, Elbow River and Parkland (U.S.) Financing Corp. to the agent and lenders under the Credit Facility.

Certain Covenants and Events of Default

Subject to certain exceptions, the Credit Agreement contains a number of covenants that, among other things, restrict Parkland Industries', Elbow River's and Parkland (U.S.) Financing Corp.'s (and, in certain cases, the Corporation's, Parkland Industries', Elbow River's and Parkland (U.S.) Financing Corp.'s subsidiaries' and the Corporation'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 debt other than in limited circumstances; make certain investments over a certain limit; grant certain guarantees or other forms of financial assistance; pay dividends on shares, repurchase shares, repay debt or make other restricted payments; enter into hedges other than in limited circumstances; enter into transactions with affiliates; consolidate, merge or transfer all or substantially all of their assets; make certain acquisitions over a certain limit; change their fiscal year; the Senior Notes; and use drawdowns to repay principal under the Senior Notes.

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

The Credit Agreement also requires Parkland Industries, Elbow River and Parkland (U.S.) Financing Corp. to maintain specified financial ratios and satisfy specified financial tests.

Credit Ratings

The Senior Notes are rated BB- from Standard & Poor's Rating Services, a division of McGraw-Hill Companies ("**S&P**") and BB from DBRS Limited ("**DBRS**").

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.

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issuer of

securities. The credit ratings accorded to the notes are not recommendations to purchase, hold or sell such securities inasmuch as such ratings are not a comment upon the market price of the securities or their suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant. A revision or withdrawal of a credit rating could have a material adverse effect on the pricing or liquidity of the notes in the secondary

markets, should such markets develop. Parkland undertakes no obligation to maintain the ratings or to advise holders of the Senior Notes of any change in ratings. Each agency's rating should be evaluated independently of any other agency's rating. See "Risk Factors".

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

Market for Securities

Trading Price and Volume of Common Shares

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

Month	High	Low	Volume Traded
January	\$ 23.44	\$ 19.76	4,017,369
February	\$ 22.76	\$ 19.69	3,988,330
March	\$ 22.58	\$ 20.70	5,490,623
April	\$ 24.35	\$ 20.50	4,411,870
May	\$ 24.23	\$ 22.30	3,568,638
June	\$ 23.54	\$ 21.64	3,879,069
July	\$ 23.46	\$ 22.42	2,868,343
August	\$ 29.55	\$ 22.68	7,590,789
September	\$ 31.61	\$ 28.93	5,939,391
October	\$ 31.77	\$ 30.39	3,604,180
November	\$ 31.67	\$ 26.64	5,908,595
December	\$ 28.32	\$ 26.81	3,403,592

Directors and Officers

Directors

The following table sets forth the name, jurisdiction of residence, committee memberships, principal occupations or employment for the preceding five years and the date of first being appointed as a director of Parkland for each of the directors of the Corporation as at December 31, 2016. The term of each director will expire at the end of the next annual meeting of Shareholders or when their successors are duly elected or appointed.

Name and Jurisdiction of Residence	Principal Occupation During the Five Preceding Years	Director of Parkland Since
John F. Bechtold ⁽¹⁾⁽²⁾ Montreal, Québec, Canada	Corporate Director.	August 10, 2006
Lisa Colnett ⁽¹⁾ Toronto, Ontario, Canada	Retired. Interim Human Resources Executive of Silver Standard Resources Inc. from April, 2014 – August, 2014. Senior Vice President, Human Resources and Corporate Services of Kinross Gold from November, 2008 to October 2013.	May 8, 2014
Robert B. Espey ⁽⁵⁾⁽⁶⁾ Calgary, Alberta, Canada	President and Chief Executive Officer of Parkland since May 1, 2011. President and Chief Operating Officer of Parkland from March 15, 2011 to April 30, 2011. Chief Operating Officer of Parkland from January, 2010 to March, 2011. Vice President of Retail Markets of Parkland from November, 2008 to December, 2009.	May 12, 2011
Timothy Hogarth ⁽¹⁾⁽²⁾ Toronto, Ontario, Canada	President and CEO of The Pioneer Group Inc. Chairman and Chief Executive Officer of Pioneer Energy prior thereto.	June 25, 2015
James Pantelidis ⁽²⁾⁽³⁾⁽⁴⁾⁽⁷⁾ Toronto, Ontario, Canada	Corporate Director.	September 7, 1999
Domenic Pilla ⁽²⁾⁽³⁾⁽⁴⁾ Toronto, Ontario, Canada	CEO of McKesson Canada. President of Shoppers Drug Mart Corporation, a subsidiary of Loblaw Companies Limited from April 1, 2014 to January 9, 2015. Chief Executive Officer of Shoppers Drug Mart Corporation from November 1, 2011 until March 31, 2014.	January 5, 2015
Deborah Stein ⁽³⁾⁽⁴⁾ Calgary, Alberta, Canada	Corporate Director. Senior Vice President Finance and Chief Financial Officer at AltaGas Ltd. from 2008 to 2015.	May 13, 2016
David A. Spencer ⁽⁸⁾ Calgary, Alberta, Canada	Partner with Bennett Jones LLP.	May 5, 2005

Notes:

- (1) Member of the Human Resources and Corporate Governance Committee. Chair of the Compensation and Corporate Governance Committee is Ms. Colnett.
- (2) Member of the Supply and Business Development Advisory Committee. Chair of the Supply and Business Development Advisory Committee is Mr. Pantelidis.
- (3) Member of the Audit Committee. Chair of the Audit Committee is Ms. Stein. Parkland is required under applicable securities regulations to have an Audit Committee. Deborah Stein was added to the Audit Committee after her appointment to Parkland's board on May 13th, 2016 and was appointed chair in November 2016 following the retirement of Mr. Rogers.
- (4) The members of the Audit Committee have been determined to be financially literate. The education and experience of each Audit Committee member is detailed at page 29 herein under the heading Audit Committee Information.
- (5) Mr. Espey is President and Chief Executive Officer of each Parkland entity.
- (6) Mr. Espey, prior to November 10, 2008 was President and CEO of FisherCast Global Corporation. Mr. Espey was an officer of FisherCast when it filed for protection on June 4, 2008 under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") and became President and Chief Executive Officer during the period of protection. Pursuant to a CCAA order issued on August 20, 2008, the assets of FisherCast were sold and the proceeds of such sale were distributed. Mr. Espey resigned as President and Chief Executive Officer of FisherCast on August 27, 2008. FisherCast Global Corporation became bankrupt on August 28, 2010.
- (7) Mr. Pantelidis is Chairman of the Board of Directors.
- (8) Mr. Spencer is a partner with Bennett Jones LLP, a law firm that provides services to Parkland.

Officers and Senior Management

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

Name and Jurisdiction of Residence	Principal Occupation During the Five Preceding Years
Robert B. Espey ⁽¹⁾ Calgary, Alberta, Canada	President and Chief Executive Officer since May 2011. President and Chief Operating Officer of Parkland from March 15, 2011 to April 30, 2011. Chief Operating Officer of Parkland from January 2010 to March 2011. Vice President of Retail Markets of Parkland from November 2008 to December 2009.
Michael S. H. McMillan Toronto, Ontario, Canada	Chief Financial Officer since February 11, 2015. Vice President and Treasurer of Parkland from December 2011 to February 2015. Director, Business Development of Parkland from June 2011 to December 2011. Controller, Retail Markets, Parkland, December 2009 to June 2011. Vice President, Professional Services of a private consulting firm prior thereto.
C. Peter Kilty ⁽²⁾ Sylvan Lake, Alberta, Canada	Vice President, Operations, Retail and Commercial Fuels of Parkland since February 2017. Vice President, Retail of Parkland since April 2012. Senior Vice President, Dealer Relations, Canadian Tire Corporation from July 2006 to April 2012. President, Canadian Tire Petroleum from November 2000 to June 2006.
Pierre P.G. Magnan Calgary, Alberta, Canada	Vice President, General Counsel and Corporate Secretary since December 17, 2015. Independent Counsel from April 2014 to December 2015 and Principal of Deer Grove Inc., a private investment company. Partner at Gowling Lafleur Henderson LLP from February 2009 – March 2014. Prior to 2009, Partner at Osler, Hoskin & Harcourt LLP.
Paul Lapensée ⁽²⁾ Mount Royal, Québec, Canada	Vice President, Commercial Fuels since April 2014. Director, Canadian Propane Association since June 2016. Director, Effenco Inc. since September 2013. President, Alta Vista Consultants Inc. from October 2007 to March 2014. Director, GCS Médical from July 2012 to August 2015. Lecturer, HEC Montreal from March 2011 to March 2014. Director, Avjet Holding Inc. from December 2010 to April 2013. Director, Bluewave Energy Limited Partnership from December 2007 to January 2010.
David Wade Calgary, Alberta, Canada	Vice President, Supply and Trading since August 4, 2016. President, Air BP, Canada LLC and Vice President, BP Air, Americas from 2008 to August 2016.
Darren Smart Calgary, Alberta, Canada	Vice President, Corporate Development since September 2015. Director Corporate Development of Parkland from August 2014 to September 2015. Portfolio Manager, Teachers' Private Capital from June 2005 to July 2014.

Note:

- (1) Robert B. Espey, prior to November 10, 2008 was President and CEO of FisherCast Global Corporation. Mr. Espey was an officer of FisherCast when it filed for protection on June 4, 2008 under the CCAA and became President and Chief Executive Officer during the period of protection. Pursuant to a CCAA order issued on August 20, 2008, the assets of FisherCast were sold and the proceeds of such sale were distributed. Mr. Espey resigned as President and Chief Executive Officer of FisherCast on August 27, 2008. FisherCast Global Corporation became bankrupt on August 28, 2010.
- (2) Effective March 31, 2017, Paul Lapensée is retiring from Parkland. Effective February 8, 2017, Peter Kilty assumed the role of Vice President, Operations, Retail and Commercial Fuels.

As of December 31, 2016, the directors and senior management of Parkland, as a group, beneficially owned, or controlled or directed, directly or indirectly, approximately 549,792 Common Shares, representing approximately 0.6% of the issued and outstanding Common Shares as of December 31, 2016.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Corporate Cease Trade Orders

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 (an “**order**”) that was issued while the director or executive officer was acting in the

capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Corporate Bankruptcies

To the knowledge of the Corporation, other than as set forth in the notes to the tables under the heading “*Directors and Officers*”, no director, executive officer or controlling securityholder of the Corporation is, as of the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company that, while that person was

acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

To the knowledge of the Corporation, no director, executive officer or controlling securityholder of the Corporation has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or

insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the knowledge of the Corporation, no director, executive officer or controlling securityholder of the Corporation has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a

securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of the directors and officers of the Corporation are engaged in, and may continue to be engaged in, other activities in the industries in which the Corporation operates from time to time. As a result of these and other activities, certain directors and officers of the Corporation may become subject to conflicts of interest from time to time. The Business Corporations Act provides that in the event that an officer or director is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or material transaction or proposed material contract or proposed material

transaction, such officer or director shall disclose the nature and extent of his or her interest and shall refrain from voting to approve such contract or transaction, unless otherwise provided under the Business Corporations Act. To the extent that conflicts of interests arise, such conflicts will be resolved in accordance with the provisions of the Business Corporations Act.

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

Material Contracts

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by Parkland within the most recently completed financial year, or before the most recently completed financial year but which are still material and are still in effect, is the Credit Agreement (see the section

"Description of Capital Structure - Indebtedness - Credit Agreement") and the CST Purchase Agreement (see the section *"General Development of the Business - Three Year History - 2016"*).

Interests of Experts

Our independent auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have issued an independent auditor's report in respect of our consolidated financial statements. PricewaterhouseCoopers LLP has advised

that they are independent to us within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Alberta.

Legal Proceedings and Regulatory Actions

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

Interest of Management and Others in Material Transactions

The Corporation is not aware of any material interest, direct or indirect, of any director or officer of the Corporation, any director or officer of a corporation that is an insider or subsidiary of the Corporation, or any other insider of the Corporation, or any associate or affiliate of any such person, in any transaction since

the commencement of the Corporation's last three completed financial years, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its subsidiaries.

Additional Information

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, is contained in the information circular for Parkland's most recent annual meeting of security holders. Additional financial information is provided in Parkland's annual consolidated financial statements and management's discussion and analysis for the year ended December 31, 2016. The annual consolidated financial statements and management's discussion and analysis for the year ended December 31, 2016 are deemed to be incorporated by reference into this Annual Information Form. Copies of such documents are filed and available on SEDAR at www.sedar.com and may be obtained in the manner set forth above.

The Corporation routinely files all required documents through the SEDAR website and on its own website. Internet users may retrieve such material through the SEDAR website www.sedar.com. Parkland's website is located at www.parkland.ca but Parkland's website is not incorporated by reference into this Annual Information Form.

Registrar and Transfer Agent

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

Appendix 1 Mandate of the Audit Committee

1. Overall Purpose / Objective

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

Parkland will comply with the policies and procedures overseen or reviewed by the Audit Committee and use their best efforts to ensure that these policies and procedures are implemented.

In performing its duties, the Audit Committee will maintain effective working relationships with the Board of Directors, management and the external auditors. To perform his or her role effectively, each Audit Committee member will need to develop and maintain his or her skills and knowledge, including an understanding of the Audit Committee’s responsibilities and of the Corporation’s business operations and risks.

The members of the Audit Committee will be financially literate and independent as defined by National Instrument 52-110.

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

2. Authority

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

- (a) Perform activities within the scope of this Mandate;
- (b) Engage and compensate independent counsel and other advisers as it deems necessary to carry out its duties;
- (c) Ensure the attendance of Corporate Officers at meetings as appropriate;
- (d) Request and gain access to members of management, employees and relevant information to perform this Mandate;
- (e) Establish procedures for dealing with the confidential, anonymous submissions by employees of the Corporation regarding accounting, internal control or auditing matters;
- (f) Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters;

- (g) Approve the appointment, compensation, retention and annual scope of work of the external auditor;
- (h) Approve all engagement fees and terms as well as reviewing policies for the provision of audit and non-audit services by the external auditors and the pre-approval of such non-audit work as required by National Instrument 52-110; and
- (i) Communicate directly with the internal and external auditors.

3. Organization

Membership

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

Meetings

- (a) Only Audit Committee members are entitled to attend meetings. The Audit Committee may invite such other persons to its meetings as it deems necessary.
- (b) The external auditors will be invited to make presentations to the Audit Committee as appropriate.
- (c) Meetings will be held not less than four times a year and should correspond with the Corporation’s financial reporting cycle.
- (d) Other meetings may be convened as required by the Audit Committee or the external auditors.
- (e) The secretary of the Audit Committee will circulate the agenda and supporting documentation to the Audit Committee members at a reasonable period in advance of each meeting.
- (f) The secretary of the Audit Committee will circulate the minutes of meetings to members of the Board, members of the Audit Committee, and where appropriate to the external auditors.
- (g) At least one member of the Audit Committee will attend the Board meeting at which the financial statements are approved.

- (h) Members of the Audit Committee should make every attempt to be available for every meeting of the Audit Committee in person or by conference call.
- (i) The Audit Committee may call a meeting with outside legal counsel if it is deemed necessary.
- (j) 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.
- (k) 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.

4. Roles and Responsibilities

The Audit Committee will:

Internal control

- (a) Have oversight responsibility for management reporting on internal controls;
- (b) Review with the external auditors of the Corporation the adequacy of internal control procedures and management information systems and make inquiries to management of the Corporation and the external auditors of the Corporation about significant risks and exposures to the Corporation that may have a material adverse impact on the Corporation's financial statements and about the efforts of the management of the Corporation to mitigate such risks and exposures;
- (c) Review recommendations made by the external auditors; and
- (d) Monitor policies and procedures relating to directors' and officers' expenses and the reimbursement thereof and relating to any perquisites paid to directors and officers.

Financial Reporting

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

- (f) Review with the external auditors of the Corporation and/or management of the Corporation the results of the annual audit, and make appropriate recommendations to the Board having regard to, among other things:
 - (i) the financial statements;
 - (ii) management's discussion and analysis and related financial disclosure contained in continuous disclosure documents;
 - (iii) significant changes, if any, to the audit plan;
 - (iv) accounting and reporting decisions relating to significant current year events and transactions;
 - (v) the management letter, if any, outlining the external auditors' findings and recommendations, together with management's response, with respect to internal controls and accounting procedures; and
 - (vi) any other matters relating to the conduct of the audit, including such other matters which should be communicated to the Committee under generally accepted auditing standards.
- (g) Review significant adjustments, material unadjusted differences, significant disagreements with management and critical accounting policies and practices and the Corporation's responses to these queries; and
- (h) Ensure its compliance with all of the applicable requirements of National Instrument 52-110 and for reporting any non-compliance with such requirements to the Board, including the reasons for such non-compliance.

Annual Operating and Capital Budgets

- (a) Review the annual operating and capital budgets and recommend approval to the Board.

Compliance with Laws and Regulations

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

Working with Auditors

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

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

Reporting Responsibilities

- (a) Regularly update the Board about Audit Committee activities and make appropriate recommendations;
- (b) Ensure the Board is aware of matters brought to the attention of the Audit Committee that may significantly impact on the financial condition or affairs of the Corporation;
- (c) Prepare any reports required by regulations on the Audit Committee's Mandate and activities to be included in the section on Corporate Governance in the Annual Report; and
- (d) Review the disclosure contained in the Corporation's annual information form as required by Form 52-110F1 Audit Committee Information Required in an AIF attached to National Instrument 52-110. If management of the Corporation solicits proxies from shareholders of the Corporation for the purpose of recommending persons to be elected as directors of the Corporation, the Audit Committee shall be responsible for ensuring that the Corporation's information circular includes a cross-reference to the sections in the Corporation's annual information form that contain the information required by Form 52-110F1 Audit Committee Information Required in an AIF.
- (e) Ensure the preparation and filing of each annual certificate in Form 52-109F1 and each interim certificate in Form 52-109F2 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 National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings as amended from time to time;
- (f) Ensure that management of the Corporation establishes and maintains disclosure controls and procedures for the Corporation that are designed to provide reasonable assurance that material information relating to the Corporation, including its consolidated subsidiaries, is made known to management of the Corporation by others within those entities, particularly during the period in which the annual filings or interim filings are being prepared and that management of the Corporation establishes and maintains internal control over financial reporting for the Corporation that has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Corporation's generally accepted accounting principles. In respect of annual filings only, the Audit Committee is also responsible for ensuring that management of the Corporation evaluates the effectiveness of the Corporation's disclosure controls and procedures as of the end of the period covered by the annual filings and has caused the Corporation to disclose in the annual management's discussion and analysis its conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the annual filings based on such evaluation. The terms "annual filings," "interim filings," "disclosure controls and procedures" and "internal control over financial reporting" shall have the meanings set forth under National Instrument 52-109; and
- (g) Monitor any changes in the Corporation's internal control over financial reporting and for ensuring that any change that occurred during the Corporation's most recent interim period that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over

financial reporting is disclosed in the Corporation's annual management's discussion and analysis.

Evaluating Performance

- (a) Evaluate the Audit Committee's own performance, both of individual members and collectively, on an annual basis; and
- (b) Assess the achievements of the duties of the Audit Committee specified in the Mandate and report the findings to the Board.

5. Review of the Audit Committee Mandate

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

