

# MANDATE OF THE GOVERNANCE AND ETHICS COMMITTEE

## Overall Purpose / Objective

The Governance and Ethics Committee (the “**GE Committee**”) is appointed by the Board of Directors (the “**Board**”) of Parkland Corporation (the “**Corporation**”) to assist the Board in carrying out its responsibility for the stewardship of the Corporation, as well as in meeting its disclosure and continued listing requirements. The GE Committee has the general responsibility for maintaining and enhancing the Corporation’s approach to governance issues and recommending effective corporate governance processes to the Board consistent with the Toronto Stock Exchange guidelines (and any other exchange on which the securities of the Corporation may be listed on from time to time). The GE Committee will, in accordance with this mandate: (i) oversee the Corporation’s ethics, reporting and compliance activities; and (ii) assess the performance of the Board, individual members of the Board, committees of the Board (“**Board Committees**”), chairs of Board Committees (“**Committee Chairs**”) and the chair of the Board (“**Board Chair**”).

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

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

## Authority

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

- a) perform activities within the scope of this mandate;
- b) ensure the attendance of the Corporation’s officers at meetings, as appropriate;
- c) request and gain access to relevant information via members of the senior leadership team and employees;
- d) obtain such advice and assistance from external advisors as the GE Committee determines to be necessary or advisable in connection with the discharge of its duties and responsibilities hereunder;
- e) approve the usual and customary expenses and charges of any external advisors that are incurred by the Corporation, or any other expenses or charges as determined necessary or advisable by the GE Committee; and
- f) establish procedures for dealing with the various aspects of this mandate.

## Organization

### Membership

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

## Roles and Responsibilities

### Corporate Governance

The GE Committee will:

- a) recommend and report to the Board on corporate governance issues, principles and guidelines for review, discussion, approval or other action by the Board;
- b) review the Corporation’s governance disclosure as may be required by relevant regulatory authorities or stock exchanges and ensure that the Corporation’s governance practices are fully disclosed in, inter alia, the information circular and annual information form, as appropriate;
- c) monitor best governance practices and annually review the Corporation’s governance practices and governance-related risks, with a view of maintaining high standards of corporate governance, taking into account governance performance as assessed by proxy rating agencies and other relevant governance bodies or advisors; and
- d) take all reasonable steps to ensure that the Corporation’s governance documents and policies, specifically including, but not limited to, the Corporation’s policies on business conduct and ethics, the management information circular, the annual information form, the sustainability report, and all Board and key Board Committee mandates and position descriptions for the Board, are publicly available.

## **Board, Committees and Appointments**

The GE Committee will:

- a) annually review the size, composition and scope of the Board and the Board Committees, and the duties and responsibilities of the members of the Board and the Board Chair, and recommend any changes where advisable;
- b) recommend the formation, change in role or responsibility, or dissolution of Board Committees;
- c) recommend candidates to fill Board Committee and Committee Chair vacancies;
- d) recommend, when required, a candidate for appointment to the office of Board Chair considering the candidate's performance, independence, qualifications, competencies, skills, financial acumen, other expertise and ability to devote sufficient time and resources to the duties of the Board Chair, as a whole, to ensure effective governance and satisfy applicable law and make recommendations to the Board for review, discussion, approval or other action;
- e) review Board diversity policy effectiveness and progress towards targets and recommend changes, as applicable;
- f) advise the Board when an issue of conflict or potential conflict arises which may result in the tendering of a resignation by a director;
- g) ensure that the Corporation develops an orientation program and facilitates ongoing training necessary for the Board to effectively carry out its responsibilities; and
- h) facilitate continuing education opportunities for all directors.

## **Operation of the Board**

The GE Committee will:

- a) annually review Board processes and recommend changes to the Board where appropriate including, but not limited to, reviewing the following:
  - i) number and duration of Board meetings;
  - ii) annual schedule for regular agenda items for Board meetings; and
  - iii) information provided to directors both before and during Board meetings.
- b) annually review the Corporation's governance structures to ensure that the Board is able to function independently of the senior leadership team; and
- c) facilitate effective communication between the Board and the senior leadership team.

## **Assessment**

The GE Committee will:

- a) establish a process to review and monitor the effectiveness of the Board as a whole, Board Committees, individual Board members, the Board Chair, and Committee Chairs and make recommendations to the Board to enhance the development of corporate governance; and
- b) oversee the implementation of assessment processes and report the results and findings of assessments to the Board.

## **Director Compensation and Shareholder Engagement**

The GE Committee will:

- a) monitor compliance with the share ownership policy for directors;
- b) oversee the senior leadership team's preparations for the Corporation's annual general or special meeting of shareholders, as applicable;
- c) working with the senior leadership team and the Board Chair, develop and implement a shareholder engagement plan, and engage with governance advisory firms, proxy rating agencies and other relevant governance bodies or advisors, including, but not limited to, the Canadian Coalition for Good Governance, Institutional Shareholder Services, and Glass Lewis;
- d) annually review and assess the position descriptions for the Board Chair, each Committee Chair and the Chief Executive Officer and, in the GE Committee's discretion, recommend any changes to the Board for consideration;
- e) Annually review and assess the mandates for the Board and each Board Committee and recommend any changes to the Board Committees or Board, as applicable, for consideration; and
- f) Review and approve the annual regulatory disclosure of corporate governance compliance, as required.

## **Ethics**

The GE Committee will:

- a) regularly review and assess the Corporation's policies on business conduct and ethics, and other governance policies, and recommend any changes to the Board for consideration, including:
  - i) Code of Conduct and Conflict of Interest Guidelines;
  - ii) Business Code of Conduct;
  - iii) Whistleblower Policy;
  - iv) Diversity Policy; and
  - v) Preventing Workplace Discrimination and Harassment Policy.
- b) review the Corporation's structures and procedures to ensure that the Board is functioning independently of the senior leadership team.

## **Reporting Responsibilities**

The GE Committee will:

- a) at each regular meeting of the Board, update the Board on GE Committee activities and make appropriate recommendations; and
- b) ensure the Board is aware of matters that may significantly impact the Corporation.

## **Other**

The GE Committee will:

- a) consider and approve, in advance and if considered appropriate, reasonable requests from individual directors to engage external advisors in accordance with the Corporation's policy on the use of external advisors;
- b) review and make recommendations on functional and operational matters relating to the Board such as the requirement for Board meetings without management present;
- c) annually review directors' and officers' indemnification and third-party liability insurance coverage;
- d) exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities of the GE Committee specified herein, or as may from time to time be delegated by the Board;
- e) review the GE Committee mandate at least annually or, where circumstances warrant, at such shorter intervals as is necessary, and discuss any required changes with the Board;
- f) annually evaluate the performance of the Committee; and
- g) ensure that the mandate is approved or re-approved by the Board.