



**NOTICE OF MEETING**

**- AND -**

**MANAGEMENT INFORMATION CIRCULAR**

**For the Annual and Special Meeting of Shareholders  
To be held on Wednesday, May 2, 2012**

**February 21, 2012**



## NOTICE OF ANNUAL AND SPECIAL MEETING

NOTICE IS HEREBY GIVEN that an annual and special meeting of Shareholders of Superior Plus Corp. (the “**Corporation**”) will be held in the Bonavista Room of the Westin Calgary, 320 – 4<sup>th</sup> Avenue SW, Calgary, Alberta, Canada on Wednesday, May 2, 2012, at 2:00 p.m. (Calgary time) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2011, and the auditors’ report thereon;
2. to elect ten (10) directors of the Corporation;
3. to appoint the auditors of the Corporation and to authorize the Board of Directors of the Corporation to fix the auditors’ remuneration;
4. to consider and, if deemed appropriate, to pass a special resolution to reduce the stated capital of the Corporation, as more particularly described in the accompanying information circular;
5. to consider and, if deemed appropriate, to pass a special resolution to approve and ratify a Shareholder Rights Plan, as more particularly described in the accompanying information circular; and
6. to transact such other business as may properly come before the meeting or any adjournment thereof.

DATED at Calgary, Alberta, this 21<sup>st</sup> day of February, 2012.

By order of the Board of Directors  
of Superior Plus Corp.

*“Luc Desjardins”*

Luc Desjardins,  
President and Chief Executive Officer

Shareholders who are unable to attend the meeting in person are requested to complete, date and sign the enclosed form of proxy and return it, in the envelope provided, to Computershare Trust Company of Canada, Proxy Department, 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, so that it is received no later than 2:00 p.m. (MST) on Monday, April 30, 2012.

# INFORMATION CIRCULAR

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*All dollar amounts expressed in this Information Circular are in Canadian dollars, unless otherwise specified.*

## VOTING INFORMATION

This Information Circular is furnished in connection with the solicitation of proxies by management of Superior Plus Corp. (the “Corporation” or “Superior”), for use at the annual and special meeting (the “Meeting”) of holders of record of common shares (“Common Shares”) of the Corporation (“Shareholders”) called for May 2, 2012. This Information Circular and a form of proxy will be mailed on or about March 19, 2012, to the Shareholders of record on March 6, 2012 (the “Record Date”). Information contained herein is given as of February 21, 2012, unless otherwise specifically stated.

### Voting Securities, Quorum and Principal Holders of Voting Securities

Only persons who are Shareholders on March 6, 2012 shall be entitled to attend and vote at the Meeting and to vote thereat. The outstanding Common Shares are listed and posted for trading on the Toronto Stock Exchange (the “TSX”) under the symbol “SPB”. As of February 21, 2012, 111,218,784 Common Shares were issued and outstanding. Shareholders are entitled to one vote for each Common Share held at all Meetings of Shareholders. A quorum for the transaction of business at the Meeting is at least two individuals present in person at the commencement of the Meeting holding, or representing by proxy, Common Shares carrying in the aggregate not less than 5% of the votes eligible to be cast at the Meeting.

To the best of the knowledge of the directors and officers of the Corporation, no person beneficially owns, controls or directs, directly or indirectly, Common Shares carrying more than 10% of all the votes attached to the outstanding Common Shares of the Corporation.

### Questions and Answers on Voting

#### **Q: Am I entitled to vote?**

**A:** If you are a holder of Common Shares at the close of business on March 6, 2012, you are entitled to vote at the Meeting, or at any adjournment of that Meeting, on the items of business set forth in the Notice of the Meeting of Shareholders.

#### **Q: Am I a registered or beneficial Shareholder?**

**A:** You are a *registered Shareholder* if you hold Common Shares in your own name. These Common Shares will be represented by a Common Share certificate.

You are a *beneficial Shareholder* if you hold Common Shares which are registered in the name of a nominee (a bank, trust company, securities broker or other). These Common Shares are not typically represented by a Common Share certificate, but rather, are recorded on an electronic system.

#### **Q: How many votes am I entitled to?**

**A:** You are entitled to one vote for every Common Share you hold on the Record Date.

#### **Q: What items of business am I voting on?**

**A:** The following items of business will be voted upon at the Meeting:

1. election of directors of the Corporation to hold office until the next annual meeting of Shareholders, or until his or her successor is duly elected or appointed;
2. appointment of auditors of the Corporation and authorization to the Board of Directors of the Corporation to fix the auditors’ remuneration;
3. reduction of the stated capital of the Corporation, as more particularly described in this Information Circular;

4. adoption of a Shareholder Rights Plan, as more particularly described in this Information Circular; and
5. any other business that may be properly brought before the Meeting or any adjournment thereof.

**How will these items of business be decided at the Meeting?**

**A:** A simple majority of votes cast (50% plus one vote), by the Shareholders present, in person or represented by proxy, will constitute approval of the election of directors, the appointment of auditors and the approval and ratification of the Shareholder Rights Plan. The special resolution to reduce the stated capital of the Corporation is required to be passed by not less than 66 2/3% of the votes cast by the Shareholders present, in person or represented by proxy.

**Q: How do I vote?**

**A:** If you are a registered Shareholder, you can vote in person at the Meeting or by proxy.

1. *To vote in person* – Do not complete and return the form of proxy but simply attend the Meeting where your vote will be taken and counted. Be sure to register with Computershare Trust Company of Canada (“**Computershare**”), the Corporation’s transfer agent and registrar, when you arrive at the Meeting.
2. *To vote by proxy* – You can convey your voting instructions by mail, internet, telephone or facsimile and by doing so your Common Shares will be voted at the Meeting. Instructions as to how to convey your voting instructions by any of these means are set forth on the back of the form of proxy and should be carefully followed.

**Your voting instructions must be received by 2:00 p.m. (MST) on Monday, April 30, 2012.**

If you are a beneficial Shareholder, your Common Shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc.), which acts as nominee for many Canadian brokerage firms. Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting Common Shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from beneficial Shareholders in advance of shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder (the nominee) on how to vote on behalf of the beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails a Voting Instruction Form in lieu of the form of proxy. The beneficial Shareholder is requested to complete and return the Voting Instruction Form to Broadridge by mail or facsimile. Alternatively, the beneficial Shareholder can follow specific telephone or other voting procedures to vote the Common Shares held by the beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A beneficial Shareholder receiving a Voting Instruction Form from Broadridge cannot use that Voting Instruction Form to vote Common Shares directly at the Meeting as the Voting Instruction Form must be returned as directed by Broadridge, or the alternate voting procedures must be completed, well in advance of the Meeting in order to have the Common Shares voted.

**Q: As a beneficial Shareholder can I vote in person at the Meeting?**

**A:** Yes, however, the Corporation does not have the names of the beneficial Shareholders. As such, if you attend the Meeting, you must ensure that your nominee has appointed you as proxyholder. To be appointed, you should insert your own name in the space provided on the Voting Instruction Form provided to you by your nominee and carefully follow the instructions provided. Do not otherwise complete the form. This will allow you to attend the Meeting and vote your Common Shares in person. Be sure to register with Computershare when you arrive at the Meeting.

**Q: Can I appoint someone other than the management nominees, Luc Desjardins and Wayne M. Bingham, to act as my proxyholder at the Meeting?**

**A:** Each of the persons named in the enclosed form of proxy to represent Shareholders at the Meeting is a director or officer of the Corporation. **Each Shareholder has the right to appoint some other person to represent him/her at the Meeting and may exercise this right by inserting such other person's name in the blank space provided in the enclosed form of proxy or by completing another form of proxy.** A person so appointed to represent a Shareholder at the Meeting need not be a Shareholder.

**Q: Who is soliciting my proxy?**

**A:** The Corporation is soliciting your proxy and the cost of this solicitation will be borne by the Corporation. It is expected that the solicitation of proxies from the Shareholders for use at the Meeting will be primarily by mail, but proxies may also be solicited personally by the directors and officers of the Corporation.

**Q: How will my proxy be voted?**

**A:** On any ballot that may be called for at the Meeting, all Common Shares in respect of which the persons named in the enclosed form of proxy have been appointed to act will be voted or withheld from voting in accordance with the specifications made in the proxy. **If a specification is not made with respect to any matter, the Common Shares will be voted FOR each of the resolutions to be voted on at the Meeting.**

**Q: What if there are amendments or variations to the items of business set forth in the Notice of Meeting or other matters are brought before the Meeting?**

**A:** The form of proxy confers discretionary authority upon the persons appointed with respect to amendments to the matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. The Corporation knows of no matters to come before the Meeting other than the matters identified in the Notice of Meeting. If any matters which are not known should properly come before the Meeting, the persons named in the enclosed form of proxy will vote on such matters in accordance with their best judgment.

**Q: Can I change my mind once I have submitted my proxy?**

**A:** Yes, you can revoke your proxy at any time before it is acted upon. As a registered Shareholder, if your proxy was submitted by facsimile or mail, you can revoke it by instrument in writing executed by you, or by your attorney authorized in writing, or if the Shareholder is a corporation, under corporate seal or by an officer or attorney duly authorized, and deposit such instrument in writing at the registered office of the Corporation. If you conveyed your voting instructions by telephone or internet, then conveying new instructions will revoke prior instructions.

Instructions can be revoked at any time up to and including 2:00 p.m. (MST) on Monday, April 30, 2012, or by depositing the revoking instrument with the Chair of the Meeting on the day of the Meeting, or any

adjournment of that Meeting; or in any other manner permitted by law, including personal attendance at the Meeting, or any adjournment of that Meeting.

If an instrument of revocation is deposited with the Chair of the Meeting, it will not be effective with respect to any item of business that has been voted upon prior to the deposit.

If you are a beneficial Shareholder, you should contact your nominee for instructions on how to revoke your proxy.

**Q: Who counts the votes?**

**A:** Computershare, as the Corporation's transfer agent and registrar, who will also act as scrutineer at the Meeting.

**Q: How are my Common Shares voted if a ballot is called at the Meeting on any of the items of business?**

**A:** Your Common Shares will be voted as you specified in your proxy. If no such specification is made, then your Common Shares will be voted FOR the election of directors, the appointment of auditors, the reduction of the stated capital of the Corporation and the approval and ratification of the Shareholder Rights Plan.

**Q: Who can I contact if I have any further questions on voting at the Meeting?**

**A:** You may contact Computershare, our transfer agent and registrar by telephone at (800) 564-6253.

## **MATTERS TO BE ACTED UPON AT THE MEETING**

### **1. RECEIPT OF FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Corporation for the year ended December 31, 2011 will be placed before the Shareholders at the Meeting. These financial statements were audited by Deloitte & Touche, LLP, Chartered Accountants, of Calgary, Alberta.

### **2. ELECTION OF DIRECTORS**

The Board of Directors of the Corporation (the "**Board**") is responsible for overseeing the management of the business and affairs of the Corporation and Shareholders are entitled to elect the directors of the Corporation at each annual meeting of the Corporation.

Currently, Superior's Board consists of 11 members, ten (10) of whom are standing for re-election by the Shareholders at the Meeting. Mr. Peter Valentine, who has been a director of Superior since 2004, is not standing for re-election to the Board at the Meeting. All nominees were duly elected at the last annual meeting of Shareholders held on May 4, 2011 with the exception of Mr. Luc Desjardins, who was appointed by the Board, effective November 14, 2011.

At the Meeting, Shareholders will be asked to elect the persons listed below as directors of the Corporation. To be approved, such resolution must be passed by the affirmative votes cast by holders of more than 50% of the Common Shares represented in person or by proxy at the Meeting that vote on such resolution. Each of the proposed nominees has consented to be named in this Information Circular and to serve as a director of the Corporation, if elected. In the election of directors, votes are cast in favour or withheld from voting for each director individually. The Corporation has no reason to believe that any proposed nominee will be unable to serve as a director, but should any such nominee become unable to do so for any reason prior to the Meeting, the persons named in the enclosed form of proxy, unless directed to withhold from voting, reserve the right to vote for other nominees in their discretion.

The ten (10) nominees for election as directors of Superior by Shareholders are as follows:

Catherine M. Best  
Grant D. Billing  
Luc Desjardins  
Robert J. Engbloom  
Randall J. Findlay  
Norman R. Gish  
Peter A.W. Green  
James S.A. MacDonald  
Walentin (Val) Mirosh  
David P. Smith

For more information on the director nominees, see section “Director Nominees and Compensation” beginning on page 13.

### Majority Voting for Directors

The Board has adopted a policy which provides that if a director nominee has more votes withheld than are voted in favour of him or her, the nominee will submit his or her resignation promptly after the Meeting for the Corporate Governance and Nominating Committee’s consideration. The Committee will make a recommendation to the Board after reviewing the matter, and the Board’s decision to accept or reject the resignation will be disclosed to the public. The nominee will not participate in any Committee or Board deliberations considering their resignation. The policy does not apply in circumstances involving contested director elections.

### 3. APPOINTMENT OF AUDITOR

At the Meeting, the Shareholders will be asked to vote for the appointment of Deloitte & Touche LLP, Chartered Accountants, as the auditor of the Corporation until the close of the next annual general meeting, at such remuneration as may be approved by the Board. Deloitte & Touche LLP was first appointed auditor of Superior Plus Income Fund (the “Fund”) effective August 2, 1996. To be approved, such resolution must be passed by the affirmative votes cast by holders of more than 50% of the Common Shares represented in person or by proxy at the Meeting that vote on such resolution.

### Audit Fees

Fees payable and paid to Deloitte & Touche LLP for the years ended December 31, 2011 and December 31, 2010 are detailed in the following table:

	Year Ended December 31, 2011 (\$)	Year Ended December 31, 2010 (\$)
Audit fees	840,619	1,128,509
Audit-related fees	541,154	530,585
All other fees	673,587	698,562
<b>Total fees</b>	<b>2,055,360</b>	<b>2,357,656</b>

Audit fees were paid for professional services rendered by the auditors for the audit of the Corporation’s and the Superior Plus LP’s (the “Partnership”) annual financial statements or services provided in connection with statutory and regulatory filings. Audit-related fees were paid for review of quarterly financial statements of Superior, attendance at quarterly audit meetings, pension plan audits, regulatory reviews, and for services provided in connection with financings, including French translation services provided in connection therewith.

“All other fees” reported in the above table in respect of 2011 consists of fees paid to Deloitte and Touche LLP in connection with International Financial Reporting Standards (“IFRS”) conversion work, insurance



claim review, prospectus matters and diagnostic review of the E1 system implementation. “All other fees” reported in the above table in respect of 2010 consists of fees paid to Deloitte and Touche LLP in connection with IFRS reviews and due diligence with respect to prospectus and tax matters. All permissible categories of non-audit services require approval from the Audit Committee.

#### **4. REDUCTION OF STATED CAPITAL**

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve a special resolution to reduce the stated capital of the Common Shares, without a payment to Shareholders, from the current amount such that the stated capital per share is \$4.00, such reduction to take effect on the date to be determined by the Board but in any event no later than 90 days from the date of the Meeting.

##### **Background and Reasons for the Reduction of Stated Capital**

Under the *Canada Business Corporations Act* (the “**Act**”), a corporation must maintain a separate capital account for each class of shares it issues. Subject to certain limited exceptions, the Act requires that a corporation add to each stated capital account the full amount of any consideration it receives for the shares it issues.

Under the Act, a corporation is prohibited from taking certain actions, including declaring or paying dividends on its shares or purchasing its own shares, if, among other things, there are reasonable grounds for believing that the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes of the corporation's shares.

At a meeting of the Board held on February 16, 2012, the realizable value of the Corporation's assets, its liabilities and the existing level of the stated capital account for the Common Shares, the current volatility of the financial and capital markets as well as the potential future tax benefits of maintaining the existing level of stated capital were discussed. Based on such discussions, it was determined that in order to give the Board flexibility in managing the Corporation's capital structure given the recent volatility in financial and capital markets and, in particular, to provide flexibility for the Board to continue to declare and pay dividends where it determines it is prudent to do so, a special resolution to reduce the stated capital of the Common Shares would be submitted to the Shareholders for their approval at the Meeting.

The Act further provides that a corporation may not reduce its stated capital if there are reasonable grounds for believing that:

- (a) the corporation is, or would after the reduction be, unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would be less than the aggregate of its liabilities.

The Corporation does not have reasonable grounds to believe that it is, or would after the proposed reduction be, unable to pay its liabilities as they become due or that the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities.

##### **Certain Canadian Federal income Tax Consequences**

The following is a summary of the principal Canadian federal income tax considerations generally applicable to Shareholders who hold their Common Shares as capital property and deal at arm's length with the Corporation and are not affiliated with the Corporation, all for purposes of the *Income Tax Act* (Canada) (the “**Tax Act**”).

This summary is based on the current provisions of the Tax Act, the regulations to the Tax Act, all amendments to the Tax Act proposed by the Minister of Finance (Canada) prior to the date hereof and the

current administrative policies and practices published by the Canada Revenue Agency. This summary assumes that any proposed amendments to the Tax Act will be enacted in the form currently proposed.

This summary is not applicable to (i) a Shareholder that is a “financial institution”, as defined in the Tax Act for purposes of the mark-to-market rules, (ii) a Shareholder an interest in which would be a “tax shelter investment” as defined in the Tax Act, (iii) a Shareholder that is a “specified financial institution” as defined in the Tax Act or (iv) a Shareholder who makes or has made a functional currency reporting election pursuant to section 261 of the Tax Act. Any such Shareholder should consult its own tax advisor.

This summary is not exhaustive of all Canadian federal income tax considerations, nor does it take into account any provincial or territorial tax laws of Canada or any tax laws of any jurisdiction outside Canada. This summary is of a general nature only and is not intended to be, and should not be construed to be, legal or tax advice to any particular Shareholder. Each Shareholder should obtain advice from his or her own independent tax advisors with respect to his or her particular tax position as such consequences can vary depending upon the particular circumstances of each Shareholder.

**The proposal to reduce the stated capital of the Common Shares will not result in any immediate Canadian income tax consequences to Shareholders. The reduction in the stated capital of the Common Shares will not result in an actual or deemed dividend or result in a deemed disposition of such shares by a holder thereof, nor will it affect the Shareholder's adjusted cost base (“ACB”) of the Common Shares for purposes of the Tax Act.**

The reduction in the stated capital will, however, reduce the paid-up capital (“PUC”) of the Common Shares for purposes of the Tax Act by an amount equal to the reduction in stated capital. PUC is generally the aggregate of all of the amounts received by the Corporation upon issuance of its shares (by class) adjusted in certain circumstances in accordance with the Tax Act over the total outstanding number of shares of that class. PUC differs from the ACB of shares to any particular Shareholder as ACB is calculated based on the amount paid by a Shareholder to acquire shares of the Corporation, whether on issuance by the Corporation or through the marketplace.

A reduction of PUC without a distribution of assets to Shareholders will generally not have current Canadian tax consequences. However a reduction of PUC could result in increased future Canadian taxes depending on the nature of certain future transactions undertaken by the Corporation. For example, PUC may be beneficial in a future transaction to effect a distribution of assets from the Corporation to Shareholders potentially without Shareholder level tax. In the absence of PUC, such distributions from the Corporation would generally be characterized as a taxable dividend.

### **Vote Required and Recommendation of the Board of Directors**

The text of the special resolution, which will be submitted to Shareholders at the Meeting, is set forth below. For the reasons and after considering the implications indicated above, the Board believes that the proposed reduction of stated capital of the Corporation is in the best interests of the Corporation and its Shareholders and, accordingly, recommends that Shareholders vote FOR the special resolution. To be approved, such special resolution must be passed by the affirmative votes cast by holders of not less than 66 2/3% of the Common Shares represented in person or by proxy at the Meeting that vote on such resolution. **Except where a Shareholder who has given the proxy directs that his or her Common Shares be voted against such resolution, the appointees named in the accompanying Form of Proxy will vote the Common Shares represented by such proxy FOR such resolution.**

“WHEREAS there are no reasonable grounds for believing that the Corporation is, or would after the reduction of the stated capital of its Common Shares to a value of \$4.00 per share, be unable to pay its liabilities as they become due or that the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities.

BE IT RESOLVED as a special resolution of the Shareholders of the Corporation that:

1. the stated capital account maintained in respect of the Common Shares of the Corporation is reduced such that the stated capital per share is \$4.00, such reduction to take effect on the date to be determined by the Board but in any event no later than 90 days from the date of the Meeting;
2. notwithstanding that this special resolution has been passed by the Shareholders, the Board of the Corporation may, in its sole discretion and without further approval of the Shareholders, revoke this special resolution at any time before it is acted upon; and
3. any director or officer of the Corporation is authorized and directed, for and on behalf of the Corporation, to execute and deliver, or cause to be executed and delivered, all such documents and instruments, and to do all such other acts and things as in the opinion of such director or officer may be necessary or useful in order to give full effect to the intent and purpose of this resolution.”

As indicated in the text of the resolution, the Board has the authority to revoke the resolution at any time before it is acted upon without having to obtain further approval from the Shareholders.

## 5. ADOPTION OF SHAREHOLDER RIGHTS PLAN

### Approval of the Shareholder Rights Plan

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, approve a shareholder rights plan agreement in the form attached as Appendix “A” (the “**Shareholder Rights Plan**”). The following is a brief summary of the Shareholder Rights Plan which is qualified in its entirety by reference to the complete text of the Shareholder Rights Plan Agreement set out in Appendix “A”. The approval of the Shareholder Rights Plan is not being recommended in response to or in contemplation of any known takeover bid or other similar transaction.

Unless otherwise defined below, all capitalized terms shall have the meanings specified in the Shareholder Rights Plan Agreement.

### *Purpose of the Plan*

The objectives of the Shareholder Rights Plan are to ensure, to the extent possible, that all Shareholders are treated equally and fairly in connection with any takeover bid for the Corporation. Takeover bids may be structured to be coercive or may be initiated at a time when the Board will have a difficult time preparing an adequate response to the offer. Accordingly, such offers do not always result in Shareholders receiving equal or fair treatment or full or maximum value for their investment. Under current Canadian securities legislation, a takeover bid is required to remain open for 35 days, a period of time which may be insufficient for the directors to: (i) evaluate a takeover bid (particularly if it includes share consideration); (ii) explore, develop and pursue alternatives which are superior to the takeover bid and which could maximize Shareholder value; and (iii) make reasoned recommendations to the Shareholders.

The Shareholder Rights Plan discourages discriminatory, coercive or unfair takeovers of the Corporation and gives the Board time if, in the circumstances, the Board determines it is appropriate to take such time, to pursue alternatives to maximize Shareholder value in the event an unsolicited takeover bid is made for all or a portion of the outstanding Common Shares. As set forth in detail below, the Shareholder Rights Plan discourages coercive hostile takeover bids by creating the potential that any Common Shares which may be acquired or held by such a bidder will be significantly diluted. The potential for significant dilution to the holdings of such a bidder can occur as the Shareholder Rights Plan provides that all holders of Common Shares who are not related to the bidder will be entitled to exercise rights issued to them under the Shareholder Rights Plan and to acquire Common Shares at a substantial discount to prevailing market prices. The bidder or the persons related to the bidder will not be entitled to exercise any Rights (defined below)

under the Shareholder Rights Plan. Accordingly, the Shareholder Rights Plan will encourage potential bidders to make takeover bids by means of a Permitted Bid (as defined below) or to approach the Board to negotiate a mutually acceptable transaction. The Permitted Bid provisions of the Shareholder Rights Plan are designed to ensure that in any takeover bid for outstanding Common Shares of the Shareholders, all Shareholders are treated equally and are given adequate time to properly assess such takeover bid on a fully-informed basis.

The Shareholder Rights Plan is not being proposed to prevent a takeover of the Corporation, to secure the continuance of management or the directors of the Corporation in their respective offices or to deter fair offers for the Common Shares.

### ***Term***

Provided the Shareholder Rights Plan is approved at the Meeting, the Shareholder Rights Plan (unless terminated earlier) will remain in effect until termination of the annual meeting of Shareholders in 2015 unless the term of the Shareholder Rights Plan is extended beyond such date by resolution of Shareholders at such meeting.

### ***Issuance of Rights***

The Shareholder Rights Plan provides that one right (a “**Right**”) will be issued by the Corporation pursuant to the Shareholder Rights Plan in respect of each Voting Share outstanding as of the close of business (Calgary time) (the “**Record Time**”) on the Effective Date. “**Voting Shares**” include the Common Shares and any other shares of the Corporation entitled to vote generally in the election of all directors. One Right will also be issued for each additional Voting Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time, subject to the earlier termination or expiration of the Rights as set out in the Rights Agreement.

As of the Effective Date, the only Voting Shares outstanding will be the Common Shares. The issuance of the Rights is not dilutive and will not affect reported earnings or operating cash flow per share until the Rights separate from the underlying Common Shares and become exercisable or until the exercise of the Rights. The issuance of the Rights will not change the manner in which Shareholders trade their Common Shares.

### ***Certificates and Transferability***

Prior to the Separation Time, the Rights will be evidenced by a legend imprinted on certificates for Common Shares issued after the Record Time. Rights are also attached to Common Shares outstanding on the Effective Date, although share certificates issued prior to the Effective Date will not bear such a legend. Shareholders are not required to return their certificates in order to have the benefit of the Rights. Prior to the Separation Time, Rights will trade together with the Common Shares and will not be exercisable or transferable separately from the Common Shares. From and after the Separation Time, the Rights will become exercisable, will be evidenced by Rights Certificates and will be transferable separately from the Common Shares.

### ***Separation of Rights***

The Rights will become exercisable and begin to trade separately from the associated Common Shares at the “**Separation Time**” which is generally (subject to the ability of the Board to defer the Separation Time) the close of business on the tenth trading day after the earliest to occur of:

1. a public announcement that a person or group of affiliated or associated persons or persons acting jointly or in concert has become an “**Acquiring Person**”, meaning that such person or group has acquired Beneficial Ownership (as defined in the Rights Plan) of 20% or more of the outstanding Voting Shares other than as a result of: (i) a reduction in the number of Voting Shares outstanding; (ii) a “**Permitted Bid**” or “**Competing Permitted Bid**” (as

defined below); (iii) acquisitions of Voting Shares in respect of which the Board has waived the application of the Rights Agreement; (iv) other specified exempt acquisitions and pro rata acquisitions in which shareholders participate on a pro rata basis; or (v) an acquisition by a person of Voting Shares upon the exercise, conversion or exchange of a security convertible, exercisable or exchangeable into a Voting Share received by a person in the circumstances described in (ii), (iii) or (iv) above;

2. the date of commencement of, or the first public announcement of an intention of any person (other than the Corporation or any of its subsidiaries) to commence a takeover bid (other than a Permitted Bid or a Competing Permitted Bid) where the Voting Shares subject to the bid owned by that person (including affiliates, associates and others acting jointly or in concert therewith) would constitute 20% of more of the outstanding Voting Shares; and
3. the date upon which a Permitted Bid or Competing Permitted Bid ceases to qualify as such.

Promptly following the Separation Time, separate certificates evidencing rights (“**Rights Certificates**”) will be mailed to the holders of record of the Voting Shares as of the Separation Time and the Rights Certificates alone will evidence the Rights.

### ***Rights Exercise Privilege***

After the Separation Time, each Right entitles the holder thereof to purchase one Common Share at an initial “**Exercise Price**” equal to three times the “**Market Price**” at the Separation Time. The Market Price is defined as the average of the daily closing prices per share of such securities on each of the 20 consecutive trading days through and including the trading day immediately preceding the Separation Time. Following a transaction which results in a person becoming an Acquiring Person (a “**Flip-In Event**”), the Rights entitle the holder thereof to receive, upon exercise, such number of Common Shares which have an aggregate Market Price (as of the date of the Flip-In Event) equal to twice the then Exercise Price of the Rights for an amount in cash equal to the Exercise Price. In such event, however, any Rights beneficially owned by an Acquiring Person (including affiliates, associates and other acting jointly or in concert therewith), or a transferee of any such person, will be null and void. A Flip-In Event does not include acquisitions approved by the Board or acquisitions pursuant to a Permitted Bid or Competing Permitted Bid.

### ***Permitted Bid Requirements***

A bidder can make a takeover bid and acquire Voting Shares without triggering a Flip-In Event under the Rights Plan if the takeover bid qualifies as a Permitted Bid.

The requirements of a “**Permitted Bid**” include the following:

- the takeover bid must be made by means of a takeover bid circular;
- the takeover bid is made to all holders of Voting Shares on the books of the Corporation, other than the offeror;
- no Voting Shares are taken up or paid for pursuant to the takeover bid unless more than 50% of the Voting Shares held by Independent Shareholders: (i) shall have been deposited or tendered pursuant to the take-over bid and not withdrawn; and (ii) have previously been or are taken up at the same time;
- the takeover bid contains an irrevocable and unqualified provision that, no Voting Shares will be taken up or paid for pursuant to the takeover bid prior to the close of business on the date which is not less than 60 days following the date of the takeover bid;

- the takeover bid contains an irrevocable and unqualified provision that, Voting Shares may be deposited pursuant to such takeover bid at any time during the period of time between the date of the takeover bid and the date on which Voting Shares may be taken up and paid for and any Voting Shares deposited pursuant to the takeover bid may be withdrawn until taken up and paid for; and
- the takeover bid contains an irrevocable and unqualified provision that, if on the date on which Voting Shares may be taken up and paid for under the takeover bid, more than 50% of the Voting Shares held by Independent Shareholders have been deposited pursuant to the takeover bid and not withdrawn, the offeror will make public announcement of that fact and the takeover bid will remain open for deposits and tenders of Voting Shares for not less than 10 business days from the date of such public announcement.

The Shareholder Rights Plan also allows for a competing Permitted Bid (a “**Competing Permitted Bid**”) to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all of the requirements of a Permitted Bid except that it may expire on the same date as the Permitted Bid, subject to the requirement that it be outstanding for a minimum period of 35 days (the minimum period required under Canadian securities laws).

### *Permitted Lock-Up Agreements*

A person will not become an Acquiring Person by virtue of having entered into an agreement (a “**Permitted Lock-Up Agreement**”) with a Shareholder whereby the Shareholder agrees to deposit or tender Voting Shares to a takeover bid (the “**Lock-Up Bid**”) made by such person, provided that the agreement meets certain requirements including:

1. the terms of the agreement are publicly disclosed and a copy of the agreement is publicly available not later than the date of the Lock-Up Bid or, if the Lock-Up Bid has not been made prior to the date on which such agreement is entered into, not later than the first business day following the date of such agreement;
2. the holder who has agreed to tender Voting Shares to the Lock-Up Bid made by the other party to the agreement is permitted to terminate its obligation under the agreement, and to terminate any obligation with respect to the voting of such Voting Shares, in order to tender Voting Shares to another takeover bid or to support another transaction where: (i) the offer price or value of the consideration payable under the other takeover bid or transaction is greater than the price or value of the consideration per share at which the holder has agreed to deposit or tender Voting Shares to the Lock-Up Bid, or is greater than a specified minimum which is not more than 7% higher than the price or value of the consideration per share at which the holder has agreed to deposit or tender Voting Shares under the Lock-Up Bid; and (ii) if the number of Voting Shares offered to be purchased under the Lock-Up Bid is less than all of the Voting Shares held by Shareholders (excluding Voting Shares held by the offeror), the number of Voting Shares offered to be purchased under the other takeover bid or transaction (at an offer price not lower than in the Lock-Up Bid) is greater than the number of Voting Shares offered to be purchased under the Lock-Up Bid or is greater than a specified number which is not more than 7% higher than the number of Voting Shares offered to be purchased under the Lock-Up Bid; and
3. no break-up fees, top-up fees, or other penalties that exceed in the aggregate the greater of 2.5% of the price or value of the consideration payable under the Lock-Up Bid and 50% of the increase in consideration resulting from another takeover bid or transaction shall be payable by the holder if the holder fails to deposit or tender Voting Shares to the Lock-Up Bid.

### ***Waiver and Redemption***

If a potential offeror does not desire to make a Permitted Bid, it can negotiate with, and obtain the prior approval of, the Board to make a takeover bid by way of a takeover bid circular sent to all holders of Voting Shares on terms which the Board considers fair to all Shareholders. In such circumstances, the Board may waive the application of the Shareholder Rights Plan thereby allowing such bid to proceed without dilution to the offeror. Any waiver of the application of the Shareholder Rights Plan in respect of a particular takeover bid shall also constitute a waiver of any other takeover bid which is made by means of a takeover bid circular to all holders of Voting Shares while the initial takeover bid is outstanding. The Board may also waive the application of the Shareholder Rights Plan in respect of a particular Flip-in Event that has occurred through inadvertence, provided that the Acquiring Person that inadvertently triggered such Flip-in Event reduces its beneficial holdings to less than 20% of the outstanding Voting Shares within 14 days or such earlier or later date as may be specified by the Board. With the prior consent of the holders of Voting Shares, the Board may, prior to the occurrence of a Flip-in Event that would occur by reason of an acquisition of Voting Shares otherwise than pursuant to the foregoing, waive the application of the Shareholder Rights Plan to such Flip-in Event.

The Board may, with the prior consent of the holders of Voting Shares, at any time prior to the occurrence of a Flip-in Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 per Right. Rights are deemed to be redeemed following completion of a Permitted Bid, a Competing Permitted Bid or a takeover bid in respect of which the Board has waived the application of the Rights Plan.

### ***Protection Against Dilution***

The Exercise Price, the number and nature of securities which may be purchased upon the exercise of Rights and the number of Rights outstanding are subject to adjustment from time to time to prevent dilution in the event of dividends, subdivisions, consolidations, reclassifications or other changes in the outstanding Common Shares, pro rata distributions to holders of Common Shares and other circumstances where adjustments are required to appropriately protect the interests of the holders of Rights.

### ***Exemptions for Investment Advisors***

Investment advisors (for client accounts), trust companies (acting in their capacity as trustees or administrators), statutory bodies whose business includes the management of funds (for employee benefit plans, pension plans, or insurance plans of various public bodies) and administrators or trustees of registered pension plans or funds acquiring greater than 20% of the Voting Shares are exempted from triggering a Flip-in Event, provided they are not making, either alone or jointly or in concert with any other person, a takeover bid.

### ***Duties of the Board***

The adoption of the Shareholder Rights Plan will not in any way lessen or affect the duty of the Board to act honestly and in good faith with a view to the best interests of the Corporation. The Board, when a takeover bid or similar offer is made, will continue to have the duty and power to take such actions and make such recommendations to Shareholders as are considered appropriate.

### ***Amendment***

The Corporation may make amendments to the Shareholder Rights Plan at any time to correct any clerical or typographical error and may make amendments which are required to maintain the validity of the Shareholder Rights Plan due to changes in any applicable legislation, regulations or rules. The Corporation may, with the prior approval of Shareholders (or the holders of Rights if the Separation Time has occurred), supplement, amend, vary, rescind or delete any of the provisions of the Shareholder Rights Plan.

### ***Vote Required and Recommendation of the Board of Directors***

The text of the resolution, which will be submitted to Shareholders at the Meeting, is set forth below. In addition to approving the Shareholder Rights Plan, the resolution also approves any amendments to the Shareholder Rights Plan to respond to any requirements which may be raised by any stock exchange or professional commentators on shareholder rights plans in order to conform the Shareholder Rights Plan to versions of shareholder rights plans currently prevalent for reporting issuers in Canada. The Corporation believes that the Shareholder Rights Plan is consistent with the form of shareholder rights plans now prevalent for public corporations in Canada and so does not anticipate that any such further amendments will be required, but the resolution provides the Corporation with the necessary authority to make any such amendments should the need arise.

The Board believes that the adoption of the Shareholder Rights Plan is in the best interests of the Corporation and its Shareholders and, accordingly, recommends that Shareholders vote FOR the resolution. To be approved, such resolution must be passed by the affirmative votes cast by Independent Shareholders of not less than a majority of the Common Shares represented in person or by proxy at the Meeting that vote on such resolution. In effect, all shareholders will be considered Independent Shareholders provided they are not, at the relevant time, an Acquiring Person or making a takeover bid for the Corporation. The Corporation is not aware of any shareholder whose vote at the Meeting would be excluded for purposes of the approval requirement under the Shareholder Rights Plan. The TSX requires that the resolution be passed by the affirmative votes cast by holders of not less than a majority of the Common Shares represented in person or by proxy at the Meeting. **Except where a Shareholder who has given the proxy directs that his or her Common Shares be voted against such resolution, the appointees named in the accompanying Form of Proxy will vote the Common Shares represented by such proxy FOR such resolution.**

“BE IT RESOLVED that:

1. The Shareholder Rights Plan between the Corporation and Computershare Trust Company of Canada as described in the Information Circular of the Corporation dated February 21, 2012 is hereby approved, confirmed and ratified and the Corporation is authorized to issue Rights pursuant thereto, and
2. The making on or prior to the date hereof of any other amendments to the Shareholder Rights Plan as the Corporation may consider necessary or advisable to satisfy the requirements of any stock exchange or professional commentators on shareholder rights plans in order to conform the Shareholder Rights Plan to versions of shareholder rights plans currently prevalent for reporting issuers in Canada is hereby approved.”

## **DIRECTOR NOMINEES AND COMPENSATION**

### **Retirement Policy and Director Succession**


During 2011, the Board established a retirement age of 72 years, with existing directors being grandfathered and with the ability of a term extension after the age of 72 on a year by year basis. In consideration of the age of several of the directors, the Governance and Nominating Committee commenced a director nomination process in late 2010 to facilitate an orderly replacement. To advance the Board renewal process, Mr. Peter Valentine, who has been a director of Superior since 2004, is not standing for re-election to the Board at the Meeting.


### **Director Nominee Information**


The following pages set out information for each of the persons proposed to be nominated for election as a director, including the names, municipalities of residence, ages, and the year each current director first





became a director of the Corporation or its predecessor, as well as the number and value of Common Shares, deferred share units (“**DSUs**”), restricted share units (“**RSUs**”) and, in the case of the President and Chief Executive Officer, the performance share units (“**PSUs**”) held as at December 31, 2011 and for the prior year, as applicable. The principal occupations for the five preceding years, career experience and qualifications of the directors of the Corporation (supplemented by qualifications particularly relevant to acting as a director of Superior), Board and committee membership, meeting attendance, and information as to the other reporting issuers for which Superior director nominees currently serve as directors are also shown.


		<p><b>Catherine (Kay) M. Best</b> <i>B.I.D., FCA, ICD.D</i></p> <p>Age: 58 Calgary, Alberta, Canada Director since: 2007</p> <p><b>Independent</b></p>		<p>Ms. Best is a corporate director and consultant. She was Executive Vice-President, Risk Management and Chief Financial Officer of the Calgary Health Region from 2000 to 2008, and Executive Vice-President and Chief Financial Officer of Alberta Health Services until March, 2009. Prior to that, Ms. Best was a partner with Ernst &amp; Young in Calgary.</p> <p>In addition to her extensive experience in the areas of finance, audit, strategic planning, and human resources/compensation, Ms. Best has oil &amp; gas production and development, as well as chemical business experience.</p>	
<b>Board/Committee Membership</b>		<b>Attendance<sup>(3)</sup></b>			
Board of Directors		8 of 8		100%	
Audit Committee		3 of 4		75%	
<b>Other Public Board Directorships</b>		<b>Other Public Board Committee Memberships</b>			
AltaGas Ltd. (TSX)		Member of the Audit Committee			
Canadian Natural Resources Limited (TSX, NYSE)		Chair of Audit Committee			
Enbridge Income Fund Holdings (TSX)		Member of Compensation Committee			
		Chair of Audit Committee			
<b>2011 Securities Held as at December 31, 2011 (at a Market Value of \$5.75 per Common Share as at December 31, 2011)</b>					
<b>Year</b>	<b>Common Shares<sup>(7)</sup></b>	<b>DSUs/RSUs<sup>(8)</sup></b>	<b>Total Market Value of Common Shares, DSUs and RSUs<sup>(9)</sup></b>		<b>Meets Ownership Requirements<sup>(11)</sup></b>
2010	7,000	8,592	\$172,759		Yes
2011	7,000	12,544	\$112,378		Yes


		<p><b>Grant D. Billing</b> <i>BSc., CA</i></p> <p>Age: 60 Calgary, Alberta, Canada Director since: 1994</p> <p><b>Not Independent</b></p>		<p>Mr. Billing served as Chairman and Chief Executive Officer of Superior since July 2006. On November 14, 2011, he retired as Chief Executive Officer and continues to serve as non-executive Chairman of the Board. Prior to that, Mr. Billing was the Executive Chairman of Superior, since 1998.</p> <p>Mr. Billing has extensive strategic and business experience gained over a period of more than 30 years in various CEO/senior management capacities, including as president and CEO of Norcen Energy Resources Ltd. He has served as chairman and director of a number of public companies and as director and chairman of the Canadian Association of Petroleum Producers.</p>	
<b>Board/Committee Membership</b>		<b>Attendance<sup>(3)</sup></b>			
Board of Directors (Chairman)		8 of 8		100%	
<b>Other Public Board Directorships</b>		<b>Other Public Board Committee Memberships</b>			
Provident Energy Ltd. (TSX, NYSE)		Chair of Audit Committee			
<b>2011 Securities Held as at December 31, 2011<sup>(6)</sup> (at a Market Value of \$5.75 per Common Share as at December 31, 2011)</b>					
<b>Year</b>	<b>Common Shares<sup>(7)</sup></b>	<b>RSUs/PSUs DSUs<sup>(8)</sup></b>	<b>Total Market Value of Common Shares, DSUs, RSUs and PSUs<sup>(9)(10)</sup></b>		<b>Meets Ownership Requirements<sup>(11)</sup></b>
2010	1,977,674	306,102	\$25,304,238		Yes
2011	2,115,217	133,967	\$12,932,808		Yes


		<p><b>Luc Desjardins</b> <i>MBA</i></p> <p>Age: 59 Calgary, Alberta, Canada Director since: 2011</p> <p><b>Not Independent</b></p>	<p>Mr. Desjardins joined Superior as President and Chief Executive Officer on November 14, 2011. Prior to his current position, Mr. Desjardins was operating partner of The Sterling Group LP, a private equity firm. He also served as Chief Executive Officer of Transcontinental Inc., a leading publisher of consumer magazines, from 2004 to 2008 and as its President and Chief Operating Officer from 2000 to 2004.</p> <p>Mr. Desjardins has extensive strategic, finance, U.S. and Canadian business experience, including in the areas of strategic planning, risk management, human resources, and operational management. During his partnership with The Sterling Group LP, he was Executive Chairman of three enterprises involved in the distribution industry, as well as the energy products and services industry. He is a director of Velcon Filters Inc., a manufacturer and distributor of twin filtration products to the energy industry.</p>	
<b>Board/Committee Membership</b>		<b>Attendance<sup>(3)</sup></b>		
Board of Directors		N/A		
<b>Other Public Board Directorships</b>		<b>Other Public Board Committee Memberships</b>		
CIBC, a Canadian Chartered Bank		Member of Management Resources and Compensation Committee		
<b>2011 Securities Held as at December 31, 2011 (at a Market Value of \$5.75 per Common Share as at December 31, 2011)</b>				
<b>Year</b>	<b>Common Shares<sup>(7)</sup></b>	<b>RSUs/PSUs<sup>(8)</sup></b>	<b>Total Market Value of Common Shares, RSUs and PSUs<sup>(9)</sup></b>	<b>Meets Ownership Requirements<sup>(10)</sup></b>
2011	112,000	405,855	\$2,977,666	Yes


		<p><b>Robert J. Engbloom</b> <i>BA., LLB, Q.C.</i></p> <p>Age: 61 Calgary, Alberta, Canada Director since: 1996</p> <p><b>Independent</b></p>	<p>Mr. Engbloom is Deputy Chair of Norton Rose Canada LLP, (formerly Macleod Dixon LLP) and has been a partner since 1999.</p> <p>Mr. Engbloom practices primarily corporate, mergers and acquisitions and securities law for a board range of businesses operating in Canada and internationally in the natural resource industry, including the oil sands sector, as well as a number of other industries. Mr. Engbloom acts as a lead counsel on a wide variety of significant transactions and has extensive experience in providing advice on mergers and acquisitions, reorganizations and related party transactions. Mr. Engbloom's practice includes advising boards of directors and special committees on both governance matters and substantive transactions. He is a corporate secretary or director of a number of public and private corporations.</p>	
<b>Board/Committee Membership</b>		<b>Attendance<sup>(3)</sup></b>		
Board of Directors		7 of 8		
Governance and Nominating Committee		3 of 3		
88%		100%		
<b>Other Public Board Directorships <sup>(4)</sup></b>		<b>Other Public Board Committee Memberships</b>		
Parex Resources Inc. (TSX)		Member of the Operations Committee and the Corporate Governance and Human Resources Committee		
<b>2011 Securities Held as at December 31, 2011 (at a Market Value of \$5.75 per Common Share as at December 31, 2011)</b>				
<b>Year</b>	<b>Common Shares<sup>(7)</sup></b>	<b>DSUs/RSUs<sup>(8)</sup></b>	<b>Total Market Value of Common Shares, DSUs and RSUs<sup>(9)</sup></b>	<b>Meets Ownership Requirements<sup>(11)</sup></b>
2010	17,352	8,592	\$287,460	Yes
2011	17,352	12,544	\$171,902	Yes


	<b>Randall J. Findlay</b> <i>B.A.Sc., P.Eng.</i>		Mr. Findlay is a corporate director. He was the President of Provident Energy Ltd. from 2001 until his retirement in 2006. <sup>(1)</sup>		
	Age: 61 Calgary, Alberta, Canada Director since: 2007  <b>Independent</b>		Mr. Findlay has extensive strategic and business experience, including oil and natural gas experience with focus in the exploration and production, transportation, midstream and marketing sectors. He was a senior vice president and member of the executive leadership team at TransCanada Pipelines and president of TransCanada's North American mid-stream business. Mr. Findlay currently serves on the board of a number of public and private companies and non-profit organizations.		
<b>Board/Committee Membership</b>			<b>Attendance<sup>(3)</sup></b>		
Board of Directors			7 of 8	88%	
Governance and Nominating Committee			3 of 3	100%	
<b>Other Public Board Directorships</b>			<b>Other Public Board Committee Memberships</b>		
Canadian Helicopters Group Inc. (TSX)			Chairman of the Board		
Charger Energy Inc. (TSX-V)			Member of Audit, and Governance and Nominating committees		
Compton Petroleum Corporation (TSX, NYSE)			Chair of Reserves Committee		
Pembina Pipeline Corporation (TSX)			Member of Audit Committee		
Provident Energy Ltd. (TSX, NYSE)			Chair of Reserves, Health and Safety Committee		
Whitemud Resources Inc. (TSX-V)			Member of Audit Committee		
Pembina Pipeline Corporation (TSX)			Chair of Human Resources and Compensation Committee		
Provident Energy Ltd. (TSX, NYSE)			Member of Governance Committee		
Whitemud Resources Inc. (TSX-V)			Member of Environmental, Health and Safety Committee		
Whitemud Resources Inc. (TSX-V)			Chair of Audit Committee		
<b>2011 Securities Held as at December 31, 2011<sup>(6)</sup> (at a Market Value of \$5.75 per Common Share as at December 31, 2011)</b>					
<b>Year</b>	<b>Common Shares<sup>(7)</sup></b>	<b>DSUs/RSUs<sup>(8)</sup></b>	<b>Total Market Value of Common Shares, DSUs and RSUs<sup>(9)</sup></b>		<b>Meets Ownership Requirements<sup>(11)</sup></b>
2010	20,000	8,592	\$316,799		Yes
2011	20,000	12,544	\$187,128		Yes

	<b>Norman R. Gish</b> <i>B.A., LLB</i>		Mr. Gish is an independent businessman and corporate director. He served as trustee of the Corporation from September 2000 to October 2003 and as Chairman of ICG Propane Inc. ("ICG"), a predecessor entity to Superior from December 1998 to September 2000. <sup>(2)</sup>		
	Age: 76 Calgary, Alberta, Canada Director since: 2003  <b>Independent</b>		Mr. Gish has extensive business experience, including international business expertise. He served as a Canadian Government Trade Commissioner in Hong Kong and is a past managing director of Fracmaster China. As a past senior executive of British Columbia Forest Products Limited, Mr. Gish has valuable business experience in the pulp and paper business; and as past Chairman, President & CEO of the Alliance group of companies, he also has expertise in natural gas liquids extraction, fractionation and distribution.		
<b>Board/Committee Membership</b>			<b>Attendance<sup>(3)</sup></b>		
Board of Directors			8 of 8	100%	
Compensation Committee (Chair)			4 of 4	100%	
<b>Other Public Board Directorships</b>			<b>Other Public Board Committee Memberships</b>		
Provident Energy Ltd. (TSX, NYSE)			Chair of Governance and Human Resources Committee		
<b>2011 Securities Held as at December 31, 2011<sup>(6)</sup> (at a Market Value of \$5.75 per Common Share as at December 31, 2011)</b>					
<b>Year</b>	<b>Common Shares<sup>(7)</sup></b>	<b>DSUs/RSUs<sup>(8)</sup></b>	<b>Total Market Value of Common Shares, DSUs and RSUs<sup>(9)</sup></b>		<b>Meets Ownership Requirements<sup>(11)</sup></b>
2010	39,640	8,592	\$534,411		Yes
2011	41,140	12,544	\$308,683		Yes

		<p><b>Peter A.W. Green</b></p> <p>Age: 74 Campbellville, Ontario, Canada Director since: 1996</p> <p><b>Independent</b></p>	<p>Mr. Green is Chairman of the Frog Hollow Group Inc. (international business advisors), a position he has held for the past 16 years.</p> <p>Mr. Green was appointed Lead Director of Superior on August 11, 2003.</p> <p>Mr. Green is a chartered accountant (UK) and international business advisor with over 30 years of experience in senior executive roles, including 25 years as CEO or in chief operating officer roles of international companies. He is also past chairman of Patheon Inc., a global pharmaceutical company.</p>	
<b>Board/Committee Membership</b>		<b>Attendance<sup>(3)</sup></b>		
Board of Directors (Lead Director)		8 of 8	100%	
Audit Committee		4 of 4	100%	
Governance and Nominating Committee (Chair)		3 of 3	100%	
<b>Other Public Board Directorships</b>		<b>Other Public Board Committee Memberships</b>		
Gore Mutual Insurance Company <sup>(5)</sup>		Chair of Investment Committee Member of Audit Committee Member of Human Resources Committee		
<b>2011 Securities Held as at December 31, 2011 (at a Market Value of \$5.75 per Common Share as at December 31, 2011)</b>				
Year	Common Shares <sup>(7)</sup>	DSUs/RSUs <sup>(8)</sup>	Total Market Value of Common Shares, DSUs and RSUs <sup>(9)</sup>	Meets Ownership Requirements <sup>(11)</sup>
2010	20,466	8,592	\$321,963	Yes
2011	20,466	12,544	\$189,808	Yes

		<p><b>James S.A. MacDonald</b> <i>BA(Hons), MBA</i></p> <p>Age: 66 Toronto, Ontario, Canada Director since: 2000</p> <p><b>Independent</b></p>	<p>Mr. MacDonald is non-executive Chairman of Cormark Securities Inc. and a corporate director. Prior thereto, he was Managing Partner of Enterprise Capital Management Inc., (an investment management company).</p> <p>From May 1998 to September 2000, he served as a director of ICG.</p> <p>Mr. MacDonald has extensive investment banking and management experience and has served on the board of a number of public and private companies throughout his career. He also served as Deputy Chairman of Scotia McLeod Inc. with responsibilities for merger and acquisition advisory activities.</p>	
<b>Board/Committee Membership</b>		<b>Attendance<sup>(3)</sup></b>		
Board of Directors		8 of 8	100%	
Compensation Committee		4 of 4	100%	
<b>Other Public Board Directorships</b>		<b>Other Public Board Committee Memberships</b>		
Cymbria Inc.		N/A		
<b>2011 Securities Held as at December 31, 2011<sup>(6)</sup> (at a Market Value of \$5.75 per Common Share as at December 31, 2011)</b>				
Year	Common Shares <sup>(7)</sup>	DSUs/RSUs <sup>(8)</sup>	Total Market Value of Common Shares, DSUs and RSUs <sup>(9)</sup>	Meets Ownership Requirements <sup>(11)</sup>
2010	147,811	8,592	\$1,732,945	Yes
2011	167,664	12,544	\$1,036,196	Yes

	<b>Valentin (Val) Mirosh</b> <i>BSc., MASC., LLB</i>		Mr. Mirosh is a corporate director and President of Mircan Resources Ltd. (a private investment and consulting company). Mr. Mirosh has extensive experience in business development and corporate strategy. From 2003 to 2009, he was Vice-President of NOVA Chemicals Corp., a producer and marketer of ethylene, polyethylene and styrenics. He also served as special advisor to the president and COO of Nova. Previously, Mr. Mirosh was a partner at the law firm of Macleod Dixon LLP where he practiced primarily in the areas of energy and international law, with specialization in oil and gas marketing, midstream, pipeline and regulatory matters and project development.	
	Age: 66 Calgary, Alberta, Canada Director since: 2007  <b>Independent</b>			
<b>Board/Committee Membership</b>			<b>Attendance<sup>(3)</sup></b>	
Board of Directors			8 of 8	100%
Compensation Committee			4 of 4	100%
<b>Other Public Board Directorships</b>			<b>Other Public Board Committee Memberships</b>	
Murphy Oil Corporation (NYSE) TC Pipelines, LP (NYSE)			Member of Compensation Committee Member of Audit Committee	
<b>2011 Securities Held as at December 31, 2011<sup>(6)</sup> (at a Market Value of \$5.75 per Common Share as at December 31, 2011)</b>				
<b>Year</b>	<b>Common Shares<sup>(7)</sup></b>	<b>DSUs/RSUs<sup>(8)</sup></b>	<b>Total Market Value of Common Shares, DSUs and RSUs<sup>(9)</sup></b>	
2010	3,000	8,592	\$128,439	
2011	5,000	12,544	\$100,878	
			<b>Meets Ownership Requirements<sup>(11)</sup></b>	
			Yes	
			Yes	

	<b>David P. Smith</b> <i>CFA</i>		Mr. Smith is a corporate director. Prior thereto, he was Managing Partner of Enterprise Capital Management Inc. Mr. Smith has almost 30 years of experience in the investment banking, investment research and management industry. His areas of expertise include investment research, mergers & acquisitions, project finance, privatization and corporate finance.	
	Age: 53 Toronto, Ontario, Canada Director since: 1998  <b>Independent</b>			
<b>Board/Committee Membership</b>			<b>Attendance<sup>(3)</sup></b>	
Board of Directors			8 of 8	100%
Audit Committee (Chair)			4 of 4	100%
<b>Other Public Board Directorships</b>			<b>Other Public Board Committee Memberships</b>	
Xinergy Ltd. (TSX)			Chair of Governance Committee Member of Audit and Compensation Committees	
<b>2011 Securities Held as at December 31, 2011 (at a Market Value of \$5.75 per Common Share as at December 31, 2011)</b>				
<b>Year</b>	<b>Common Shares<sup>(7)</sup></b>	<b>DSUs/RSUs<sup>(8)</sup></b>	<b>Total Market Value of Common Shares, DSUs and RSUs<sup>(9)</sup></b>	
2010	31,048	8,592	\$439,211	
2011	46,048	12,544	\$336,904	
			<b>Meets Ownership Requirements<sup>(11)</sup></b>	
			Yes	
			Yes	

**Notes:**

- Randall J. Findlay was a director of Wellpoint Systems Inc. (“**Wellpoint**”) from June 2008 to January 31, 2011. Wellpoint was placed into receivership by two of its lenders on January 31, 2011. Wellpoint is a TSX Venture Exchange company, supplying software to the energy industry in Canada, the U.S. and internationally.
- Norman R. Gish was until August 20, 2009 a director of 4504020 Canada Inc. (formerly Railpower Technologies Corp. (“**Railpower**”)), a reporting issuer in all provinces and territories of Canada that filed for court protection under the Companies’ Creditors Arrangement Act (Canada) in Canada and under Chapter 15 of the U.S. Bankruptcy Code with the United States Bankruptcy Court for the Western District of Pennsylvania on February 4, 2009 and February 6, 2009, respectively. On May 29, 2009, Railpower concluded the sale of all of its assets, except cash on hand and on deposit in financial institutions, the land and property located in St-Jean-sur-Richelieu (Québec) and two road

switching locomotives, to R.J. Corman Railroad Group, LLC, a Kentucky limited liability company. The largest creditor, Ontario Teacher's Pension Plan, subsequently filed a Petition in Bankruptcy against Railpower which was granted on March 8, 2010.

3. For details of Board and committee meetings held during 2011 and each director's attendance, see "Board and Committee Meetings Held in 2011" in this Information Circular.
4. Mr. Engbloom acts as Corporate Secretary to Vermillion Energy Inc. and CE Franklin Ltd.
5. Regulated by the office of Superintendent of Financial Institutions; not a public issuer.
6. As of February 21, 2012, in addition to the stated securities, the following directors also own:

Director	Convertible Debentures (\$)	Senior Unsecured Debentures (\$)
Grant D. Billing	4,427,000	1,800,000
Randall J. Findlay	50,000	30,000
Norman R. Gish	118,000	-
James S.A. MacDonald	-	250,000
Walentin (Val) Mirosh	120,000	-

7. The number of Common Shares beneficially owned, or controlled or directed by each director as at the date of this Information Circular is the same as shown in the respective table as at December 31, 2011. As of February 21, 2012, the directors as a group beneficially owned or controlled, or directed, directly or indirectly, 2,556,144 Common Shares of the Corporation, representing approximately 2.3% of the outstanding Common Shares. The information as to the ownership or control or direction of Common Shares, not being within the knowledge of the Corporation, has been furnished by the directors and nominees individually.
8. For details, including the terms of DSUs, RSUs and PSUs see "Director Long-Term Incentive – DSU Plan", "Director Compensation Table", "Director Outstanding Share-Based and Option-Based Awards" and "Director Incentive Plan Awards - Value Vested or Earned During the Year" and "Long-Term Incentive and Retention Programs" in this Information Circular.
9. The value of DSUs and RSUs reflect the accounting for the notional reinvestment of dividends since the date of grant, multiplied by the closing market price of the Common Shares on the Toronto Stock Exchange ("TSX") at December 31, 2010 (\$11.08) and 2011 (\$5.75). The value of Mr. Billing's 2010 and Mr. Desjardins 2011 PSUs, as disclosed in the above table, is the sum of the number of PSUs granted, adjusted to reflect notional reinvestment of distributions and dividends since the date of grant, multiplied by the closing market price of the Common Shares on the TSX at December 31, 2010 and 2011, as applicable, and assumes a performance multiplier of 1. The value of Superior PSUs upon actual vesting is dependent on both the market price of the Common Shares (as calculated under the terms of the LTIP) as at the vesting date, as well as a performance multiplier. For calculation of the performance multiplier see page 33 of this Information Circular. Therefore, the value of the PSUs as stated in this Information Circular may vary significantly over the respective vesting period.
10. There are no RSUs and PSUs outstanding as at December 31, 2011. Mr. Billing accepted 116,315 DSUs as part of his retirement payout as Chief Executive Officer of Superior on November 14, 2011. For further information, see "Grant Billing – Retirement Payouts" on page 46 of this Information Circular.
11. For details on the ownership requirements, see "Director Share Ownership Requirements" in this Information Circular.

## Interlocking Directorships

Messrs. Billing, Findlay and Gish each serve as a member of the board of directors of Provident Energy Inc. but do not sit on the same committees. The Board is of the view that this does not adversely impact the effectiveness of these directors.

## Independence of Board and Committee Members

Director independence is determined by the Board based on the definition of independence in National Instrument 58-101 – "Disclosure of Corporate Governance Practices" (the "**Corporate Governance Rule**") and National Policy 58-201 - "Corporate Governance Guidelines" which refers to sections of National Instrument 52-110 - "Audit Committees" (the "**Audit Committee Rule**"). Director independence for the Corporation's Audit Committee is determined in accordance with the Audit Committee Rule.

Of the ten members of the Board, eight are independent. Mr. Desjardins, President and Chief Executive Officer, is a non-independent director. Mr. Billing is non-executive Chairman of the Board and, based on the terms of the Corporate Governance Rule, cannot be regarded as independent until three years following his November 14, 2011 retirement as Chief Executive Officer. Mr. Green serves as Lead Director to ensure greater independence of the Board from management.

The Board is supported by three standing committees. All members of the Audit Committee, Governance and Nominating Committee and the Compensation Committee are independent. All members of the Audit Committee are independent under additional regulatory requirements in the Audit Committee Rule for audit committee members.

Director	Independent		Audit Committee	Governance and Nominating Committee	Compensation Committee
	Yes	No			
Catherine (Kay) M. Best	✓		✓		
Grant D. Billing, Chairman		✓			
Luc Desjardins		✓			
Robert J. Engbloom, Q.C. <sup>(1)</sup>	✓			✓	
Randall J. Findlay	✓			✓	
Norman R. Gish	✓				Chair
Peter A.W. Green Lead Director	✓		✓	Chair	
James S.A. MacDonald	✓				✓
Valentin (Val) Mirosh	✓				✓
David P. Smith	✓		Chair		

**Notes:**

1. The Board has considered the circumstances of Mr. Engbloom, a partner in a law firm that provides legal services to the Corporation and has determined that he meets the independence requirements of the Corporate Governance Rule, other than for purposes of membership on the Audit Committee.
2. The Corporation does not have an Executive Committee.

**Advisory Committees**

In August, 2006, Superior formed Advisory Committees for each of its businesses. The Advisory Committees are composed of three independent directors and senior corporate management. The Advisory Committees were formed with the intent of allowing for more detailed operational reviews at the different business levels which would result in a more focused strategic review at the Board level. Although not formal Board committees, the Advisory Committee structure provides the directors with additional time to address business opportunities, risks, strategies and challenges and allows the members of the Advisory Committee to provide advice where appropriate and act as the sounding board prior to bringing strategic matters and initiatives to the Board. Membership rotation for the Advisory Committees occurs from time to time in order to provide each Board member with maximum exposure to each of the businesses of Superior.

**Board and Committee Meetings Held in 2011**

The following tables provide a summary of Board and committee meetings and director attendance at such meetings during 2011. Although not committees of the Board, the attendance of the Advisory Committee meetings has been added for informational purposes. In-camera meetings without management present were held at every regular meeting of the Board and each committee meeting during 2011.

Meeting	Total Number of Meetings Held
Board of Directors	8
Audit Committee	4
Governance and Nominating Committee	3
Compensation Committee	4
Energy Services Advisory Committee	4
Specialty Chemicals Advisory Committee	4
Construction Products Distribution Advisory Committee	4

Director	Board Meetings <sup>(1)</sup>	Audit Committee (Chair: Smith)	G&N Committee (Chair: Green)	Compensation Committee (Chair: Gish)	Advisory Committees
Catherine (Kay) M. Best	8 of 8	3 of 4	-	-	4 of 4
Grant D. Billing	8 of 8	-	-	-	11 of 11
Luc Desjardins	N/A	-	-	-	2 of 2
Robert J. Engbloom	7 of 8	-	3 of 3	-	4 of 4
Randall J. Findlay	7 of 8	-	3 of 3	-	4 of 4
Norman R. Gish	8 of 8	-	-	4 of 4	4 of 4
Peter A.W. Green	8 of 8	4 of 4	3 of 3	-	4 of 4
James S.A. MacDonald	8 of 8	-	-	4 of 4	4 of 4
Valentin (Val) Mirosh	8 of 8	-	-	4 of 4	4 of 4

Director	Board Meetings <sup>(1)</sup>	Audit Committee (Chair: Smith)	G&N Committee (Chair: Green)	Compensation Committee (Chair: Gish)	Advisory Committees
David P. Smith	8 of 8	4 of 4	-	-	4 of 4
Peter Valentine	8 of 8	4 of 4	-	-	4 of 4
<b>Total</b>	78/80 98%	15/16 94%	9 of 9 100%	16 of 16 100%	49 of 49 100%
<b>Overall Number and Percentage of Meetings Attended</b> (excluding Advisory Committee Meetings)				118 of 121 98%	

**Note:**

1. Includes a two-day strategy session of the Board, at which all of the directors were present.

## Director Compensation

The objectives of Superior’s compensation program for non-executive directors are to: attract and retain highly qualified Board members by providing market competitive compensation which recognizes the increasing responsibilities, time commitment and accountability of Board members; appropriately reflect the risks, size and complexity of the businesses; and align the interests of the directors with the Shareholders.

The Compensation Committee performs an annual review of Superior’s director compensation program to ensure that it continues to achieve the objectives listed above and that these objectives continue to be appropriate. The Compensation Committee formulates and makes recommendations to the Board regarding the form and amount of compensation for directors and the Board considers and approves such compensation for directors based on these recommendations.

Other than for periodic increases in committee chair retainers, there were no substantial increases in Board compensation since the Board retainer was last increased in 2006. In 2010, the Compensation Committee reviewed two broadly available Canadian industry surveys, based on which an increase in certain areas would have been warranted to maintain director compensation levels targeted at the median or middle of the market place. Due to economic challenges and the difficult operating environments in some of the Superior’s businesses that prevailed during 2010, and considering that there were no salary increases at the senior management levels, no changes were made to the independent director compensation levels for 2010, consistent with the general restraint practiced throughout the organization.

To bring total Board compensation levels in line with current market practices, in 2011, based on the same review, recommendation and approval mechanism used in 2010, the Board (a) approved an increase to the annual long-term incentive and retention value awarded to directors in share-based compensation to \$40,000 from \$27,000, bringing the total annual retainer from \$57,000 to \$70,000 (\$30,000 cash retainer and \$40,000 target value of share-based compensation), (b) approved an increase to the annual Audit Committee chair retainer from \$14,000 to \$17,000, and (c) established the annual compensation for the non-executive Chairman of the Board, consisting of a \$100,000 cash retainer on a flat fee basis (does not receive meeting fees) and \$100,000 target value of share-based compensation. For details, see “Schedule of Annual Retainers and Meeting Fees for Non-Executive Directors”.

Effective November 2, 2011, a Deferred Share Unit Plan (the “**DSU Plan**”) was established to provide non-employee directors with the opportunity to acquire DSUs in order to allow them to participate in the long-term success of Superior and to promote greater alignment of interests of the non-executive directors with those of the Shareholders. Accordingly, commencing in 2011, the non-executive directors will no longer be awarded RSUs under the terms of the Corporation’s LTIP. For more information on the terms of the RSUs or the LTIP, see “Compensation Discussion and Analysis - Long Term Incentive and Retention Programs” and for details regarding the DSU Plan, see “Director Long-Term Incentive - DSU Plan” in this Information Circular.



## Schedule of Annual Retainers and Meeting Fees for Non-Executive Directors

Independent directors receive an annual retainer for membership on the Board, any Board committee and the Advisory Committee, as well as a fee for each meeting attended. The Chairman of the Board receives an annual retainer on a flat fee basis and does not receive meeting fees. The Lead Director and the chair of the three Board committees receive an additional annual retainer. Superior reimburses the directors for out-of-pocket expenses incurred to attend meetings.

The annual compensation rates for the non-executive directors of the Corporation are as follows:

Item	Annual Compensation 2010 (\$)	Annual Compensation 2011 (\$)
Annual Board Retainer <sup>(1)</sup>	30,000	30,000
Annual Board Chair Retainer (Flat Fee)	N/A	100,000
Lead Director Retainer	35,000	35,000
Attendance per Board Meeting and Committee Meeting (non-Chair) <sup>(2)</sup>	1,500	1,500
Attendance per Board Meeting and Committee Meeting (teleconference) <sup>(2)</sup>	1,500	1,500
Annual Committee Retainer <sup>(2)</sup>	5,000	5,000
Annual Committee Chair Retainer (in addition to Annual Committee Retainer)	9,000	9,000
Annual Audit Committee Chair Retainer (in addition to Annual Committee Retainer)	14,000	17,000
Attendance per Committee Meeting (Chair)	2,000	2,000
Director Long Term Incentive and Retention (annual value awarded)		
Board Chair	N/A	100,000
Board Member	27,000	40,000

### Notes:

1. With the adoption of the DSU Plan in November 2011, Board members may elect to receive all or a portion of their annual cash retainer in the form of DSUs.
2. Includes Advisory Committee retainers/meeting fees.
3. In 2011, a Search Committee was formed in respect of the Executive Search for the President and Chief Executive Officer (the "CEO Search Committee"). The independent directors who assisted in the Executive Search process received a retainer fee of \$5,000 and full and half day meeting fees of \$3,000 and \$1,500 per day, respectively.

## Director Compensation Table

The following table sets forth the total amount of compensation paid to the non-executive directors of the Corporation in respect of services provided during the year ended December 31, 2011. Compensation to independent directors for services provided during the year ended December 31, 2010 is included for comparative purposes.

Name	Fees Earned <sup>(1)</sup> (\$)		Share-Based Awards <sup>(2)(3)</sup> (\$)		CEO Search Committee Fees 2011 (\$)	Total (\$)	
	2010	2011	2010	2011		2010	2011
Catherine (Kay) M. Best	62,500	62,500	27,000	40,000	-	89,500	102,500
Grant D. Billing <sup>(4)(5)</sup>	-	12,603	-	100,000	-	-	112,603
Luc Desjardins <sup>(4)</sup>	-	-	-	-	-	-	-
Robert J. Engbloom	62,500	61,000	27,000	40,000	17,000	89,500	118,000
Randall J. Findlay	62,500	61,000	27,000	40,000	18,500	89,500	119,500
Norman R. Gish	71,500	70,000	27,000	40,000	14,000	98,500	124,000
Peter A.W. Green	113,500	112,500	27,000	40,000	14,000	140,500	166,500
James S.A. MacDonald	65,500	64,000	27,000	40,000	-	92,500	104,000
Valentin (Val) Mirosh	65,500	64,000	27,000	40,000	-	92,500	104,000
David P. Smith	75,000	76,500	27,000	40,000	-	102,000	116,500
Peter Valentine	61,000	64,000	27,000	40,000	-	88,000	104,000
Total	639,500	648,103	243,000	460,000	63,500	882,500	1,171,603

### Notes:

1. Includes both annual retainers and meeting attendance fees.
2. On November 11, 2010 and on November 18, 2011 each of the directors, with the exception of Messrs. Billing and Desjardins, received 2,542 RSUs and 6,203 DSUs, respectively. On November 18, 2011, Mr. Billing received 15,508 DSUs as part of his director compensation.

3. RSUs and DSUs in this table are valued as at the date of grant. The closing market price on the TSX (as calculated under the terms of the LTIP and the DSU Plan) on November 11, 2010 and November 18, 2011 was \$10.62 and \$6.448, respectively. Please refer to Director Nominee Information in this Information Circular which indicates the value of the director RSU and DSU grants as at December 31, 2011, after accounting for the notional reinvestment of dividends since the date of grant.
4. Mr. Billing was Chairman and Chief Executive Officer of the Corporation and, until his retirement as Chief Executive Officer on November 14, 2011, did not receive any compensation for serving as a director of the Corporation. Mr. Desjardins joined Superior as President and Chief Executive Officer on November 14, 2011 and does not receive any compensation for serving as a director of the Corporation. Information relating to the compensation received by Messrs. Billing and Desjardins for acting as executive officers of the Corporation is included in the "Summary Compensation Table" found on page 38 of this Information Circular.
5. Mr. Billing is eligible to participate in the Corporation's benefit program provided by Superior to employees, excluding participation in the savings or pension portions of the plan.

Each director of the Board is compensated for all reasonable out-of-pocket expenses incurred incidental to attending Board/committee meetings. For the 2010 and 2011 fiscal years, an aggregate of \$87,285 and \$81,203 respectively, was reimbursed to the directors for such out-of-pocket expenses.

### **Director Long-Term Incentive – DSU Plan**

In November 2011, the Board adopted a DSU Plan for non-employee directors to replace the annual grant of RSUs to directors as part of their total compensation package. The DSU Plan provides a mechanism to allow non-employee directors to participate in the long term success of Superior and promotes a greater alignment of interests between such directors and Shareholders. For information on the RSUs previously granted to independent directors under the terms of the Corporation's LTIP adopted by the Board in 2006, see "Compensation Discussion and Analysis - Long Term Incentive and Retention Programs" in this Information Circular.

The DSU Plan provides for non-employee directors to elect each year to receive all or a portion of their annual Board member retainer in the form of DSUs. In addition, the Board has the ability under the terms of the DSU Plan to approve discretionary grants to eligible participants, which is used to provide directors with the equity-based component of their overall director compensation in the form of DSUs. The Board will consider, prior to approving such grants, the compensation levels and policies adopted by the Board.

All DSUs granted to directors will be credited to a notional account. DSUs granted in respect of a director's annual Board member retainer will be credited to such notional amount in quarterly instalments at the time such retainers are typically paid. The number of DSUs to be issued under the DSU Plan at any time is generally determined by dividing the amount awarded or to be paid to a director by the Market Value (as defined herein) of the Common Shares on the particular date. Market Value under the Plan on any particular date is equal to the volume weighted average trading price of the Common Shares on the TSX on the five trading days starting on the second day following such date (or, in the event such date is a date on which a blackout is in effect as defined under the Insider Trading Policy of Superior, for the five trading days starting on the second day following the date the blackout ends). A director's DSU account will also be credited with dividend equivalents in the form of additional DSUs on each dividend payment date in respect of which normal cash dividends are paid on the Common Shares.

Directors are entitled to payments from the Corporation in satisfaction of the DSUs only after they cease to be a director of the Corporation. Under the Plan, directors may elect up to two payment dates for the Corporation to make payments in satisfaction of the DSUs (which date(s) cannot be earlier than 90 days following the date the director ceased to be a member of the Board) and, in any event, all of the director's DSUs must be paid out by the Corporation prior to the last business day of the calendar year following the calendar year in which the director ceases to be a member of the Board. The Corporation may, at its option, satisfy its obligations under the DSUs by paying directors the cash value of the DSUs which is equal to Market Value of the Common Shares on the payment date(s) elected by the director or by delivering Common Shares equal in number to the number of DSUs being satisfied, which Common Shares shall be purchased in the secondary market. The DSU Plan does not provide for the issuance of Common Shares from treasury. Upon the death of a director, a cash payment in respect of the DSUs shall be made to the estate of such director on or about the 30th day after the Corporation is notified of the death. The cash payment for each DSU shall be equal to the Market Value of the Common Shares on the date of death of such director.

The Corporation is authorized to deduct from any amount paid or credited under the DSU Plan, withholding taxes and other source deductions as it may be required by law to withhold pursuant to applicable law.

### Director Share Ownership Requirements

Non-executive directors are required to own Common Shares, RSUs and DSUs equal to the value of three times the annual Board retainer fees (currently \$30,000 per year), of which directors must own at least a number of Common Shares equivalent in value to the current annual Board retainer. The required shareholdings must be attained no later than three years after the effective date of the appointment of such director. In the event that the Board retainer increases, the directors will have three years from the time of the increase to acquire additional Common Shares needed to meet the guidelines.

The President and Chief Executive Officer (the only non-executive director) is also subject to share ownership requirements. The Chief Executive Officer is required to hold four times his annual salary in Common Shares. The required ownership must be attained no later than four years after the effective date of the appointment of such executive. For further information see “Senior Executive Share Ownership Guidelines” on page 34 of this Information Circular.

### Director Outstanding Share-Based and Option-Based Awards

The following table sets forth information with respect to the outstanding awards granted under the LTIP to the Corporation’s directors as of December 31, 2011, which includes awards granted prior to January 1, 2011.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Un-exercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$)	Number of Shares or Units of Shares that Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested <sup>(1)</sup> (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed <sup>(2)</sup> (\$)
Catherine (Kay) Best	-	-	-	-	6,240 RSUs	35,880	36,248
Grant Billing <sup>(3)</sup>	-	-	-	-	-	-	90,626
Luc Desjardins <sup>(4)</sup>	-	-	-	-	-	-	-
Robert J. Engbloom	-	-	-	-	6,240 RSUs	35,880	36,248
Randall J. Findlay	-	-	-	-	6,240 RSUs	35,880	36,248
Norman R. Gish	-	-	-	-	6,240 RSUs	35,880	36,248
Peter A.W. Green	-	-	-	-	6,240 RSUs	35,880	36,248
James S.A. MacDonald	-	-	-	-	6,240 RSUs	35,880	36,248
Valentin (Val) Mirosh	-	-	-	-	6,240 RSUs	35,880	36,248
David P. Smith	-	-	-	-	6,240 RSUs	35,880	36,248
Peter Valentine	-	-	-	-	6,240 RSUs	35,880	36,248

**Notes:**

1. Market value of RSUs based on the closing market price of the Common Shares on the TSX on December 31, 2011 of \$5.75 per Common Share. The numbers of RSUs disclosed take into consideration the notional reinvestment of dividends from the date of grant to December 31, 2011.
2. Market value of DSUs based on the closing market price of the Common Shares on the TSX on December 31, 2011 of \$5.75 per Common Share. The numbers of DSUs disclosed take into consideration the notional reinvestment of dividends from the date of grant to December 31, 2011. No payments are made pursuant to DSUs until the director ceases to be a director.
3. Mr. Billing was Chairman and Chief Executive Officer of the Corporation and, until his retirement as Chief Executive Officer on November 14, 2011, did not receive any compensation for serving as a director of the Corporation. For outstanding DSUs granted to Mr. Billing on retirement as Chief Executive Officer, see NEO “Summary Compensation Table”, “NEO Outstanding Share-Based and Option-Based Awards” and “Grant Billing – Retirement Payouts” on pages 38, 39 and 46, respectively, of this Information Circular.
4. Mr. Desjardins joined Superior as President and Chief Executive Officer on November 14, 2011 and does not receive any compensation for serving as a director of the Corporation. Information relating to outstanding awards granted to Mr. Desjardins as an executive officer of the Corporation under the LTIP is included in the “NEO Outstanding Share-Based and Option-Based Awards Table” found on page 39 of this Information Circular.

**Director Incentive Plan Awards - Value Vested or Earned During the Year**

The following table sets forth information with respect to the value of DSUs and RSUs granted to the Corporation’s directors pursuant to the DSU Plan and LTIP respectively, which have vested during the year ended December 31, 2011.

Name	Option-Based Awards - Value Vested During Year (\$)	Share-Based Awards - Value Vested During Year <sup>(1)</sup> (\$)	Non-Equity Incentive Plan Compensation- Value Earned During Year (\$)
Catherine (Kay) M. Best	-	72,297	-
Grant D. Billing <sup>(2)</sup>	-	100,000	-
Luc Desjardins <sup>(2)</sup>	-	-	-
Robert J. Engbloom	-	72,297	-
Randall J. Findlay	-	72,297	-
Norman R. Gish	-	72,297	-
Peter A.W. Green	-	72,297	-
James S.A. MacDonald	-	72,297	-
Walentin (Val) Mirosh	-	72,297	-
David P. Smith	-	72,297	-
Peter Valentine	-	72,297	-

**Notes:**

1. Director RSUs are granted at the market price of the Common Shares (as calculated under the terms of the LTIP) on the day of grant and vest on the third anniversary of the date of grant. Their value upon vesting is dependent on the market price of the Common Shares, in addition to the notional reinvestment of dividends over the vesting period. DSUs are granted at the market price of the Common Shares (as calculated under the terms of the DSU Plan) and vest immediately but cannot be redeemed until a director ceases to be a director. The value of the director RSUs and DSUs is based on the number of RSUs and DSUs that have vested multiplied by the market price of the Common Shares (as calculated for RSUs under the terms of the LTIP and for DSUs under the terms of the DSU Plan) on the TSX on the date of vesting.
2. Mr. Billing was Chairman and Chief Executive Officer of the Corporation and, until his retirement as Chief Executive Officer on November 14, 2011, did not receive any compensation for serving as a director of the Corporation. Mr. Desjardins joined Superior as President and Chief Executive Officer on November 14, 2011 and does not receive any compensation for serving as a director of the Corporation. Information relating to value vested or earned during 2011 with respect to incentive awards for Messrs. Billing and Desjardins as officers of the Corporation is included in the “NEO Incentive Plan Awards – Value Vested or Earned During the Year Table” found on page 40 of this Information Circular.

**Directors’ and Officers’ Liability Insurance**

The Corporation and Superior General Partner Inc. (the “**General Partner**”) maintain directors’ and officers’ liability insurance for their respective directors and officers, including directors and officers of their respective subsidiaries. Under this insurance, the insurer pays, on behalf of the Corporation and the General Partner, for losses for which each of these entities indemnifies such directors and officers and, on behalf of

such persons, for losses which are suffered during the performance of their duties, which are not indemnified by the Corporation or the General Partner.

The policy has an aggregate coverage limit of US\$35,000,000, subject to a corporate deductible of US\$150,000 for losses in which the Corporation or the General Partner indemnifies such directors and officers. There is no deductible for losses which are non-indemnifiable by the Corporation or the General Partner. In addition, the Corporation has excess Side A coverage of US\$10,000,000 which preserves an additional US\$10,000,000 limit of insurance for directors and officers without increasing the corporate reimbursement coverage.

The annual premium paid by Superior in 2011 in respect of such directors and officers was US\$135,800. This premium is for a 12-month term, November 1, 2011 to October 31, 2012, to coincide with the corporate insurance program.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

This Compensation Discussion and Analysis outlines and explains senior executive pay at Superior. It also describes the policies and processes that the Compensation Committee and the Board use to determine the compensation for Superior's directors and executive officers. Certain director compensation disclosure is provided on pages 21 to 25 of this Information Circular.

### **Compensation Governance**

#### ***Compensation Committee***

The Compensation Committee consists of three directors, namely Messrs. Gish (Chair), MacDonald and Mirosh, all of whom are independent, as determined by the Board based on the definition of independence within the meaning of the Corporate Governance Rule. All members of the Compensation Committee have extensive experience in executive compensation and risk management through experience as senior leaders of diverse organizations.

Mr. Gish is an independent businessman and corporate director. He holds a law degree and has extensive national and international business experience. As past president, CEO, chairman and director of a number of public companies, including the Alliance group of companies, North Canadian Oils, and Turbo Resources Limited, he has direct experience related to compensation programs, design and implementation, as well as risk management. Mr. Gish also held senior management positions with British Columbia Forest Products Limited and served as Canadian Government Trade Commissioner in Hong Kong and was a managing director of Fracmaster China. His human resources and labour related experience spans across various industries and continents.

Mr. MacDonald is non-executive Chairman of Cormark Securities Inc. and a corporate director. He holds an MBA and has over 30 years' experience in the investment banking, investment research and management industry. Mr. MacDonald has extensive experience in corporate finance, risk management and compensation programs in public and private companies.

Mr. Mirosh is a corporate director and President of Mircan Resources Ltd, a private investment and consulting company. He holds a law degree and has extensive experience in business development, corporate strategy, and operations. Mr. Mirosh was chair of the Compensation committee of Taylor NGL Limited Partnership and currently serves on the Compensation committee of Murphy Oil Corporation. As a former partner in the law firm of Macleod Dixon, LLP and as past senior executive of NOVA Chemicals Corp. and special advisor to the President and Chief Operating Officer of Nova, Mr. Mirosh has extensive legal and

business expertise, including in the areas of human resource practices, policies, risk management and regulatory matters.

Based on the Compensation Committee members demonstrated experience in, among other areas, human resources, law, business, risk management and finance, the Board believes that, collectively, it has the knowledge, experience and background required to fulfill its mandate.

### ***Compensation Committee Responsibilities, Powers and Operation***

The Compensation Committee has a written Mandate, which is available at the Corporation's website and in print to any Shareholder who requests a copy from the Vice-President, Investor Relations.

The Compensation Committee assists the Board in fulfilling its oversight responsibilities in relation to human resources, compensation and pension matters. Its role includes making recommendations to the Board with respect to director and executive compensation, human resources policies, as well as management succession and development. The Compensation Committee also evaluates the performance of the Chief Executive Officer and recommends his compensation for approval by the independent directors of the Board. In-camera sessions without management present and non-independent directors (if applicable), are held at every meeting. The Compensation Committee has the authority to engage its own outside consultants and advisors, including independent counsel.

### ***Key Compensation Committee Activities in 2011***

In fulfilling its mandate, the key activities undertaken by the Compensation Committee in 2011 were as follows:

- In consultation with the Board, conducted its annual review of Superior's human resources and compensation policies and was satisfied that its long-term human resource strategies are appropriate for Superior and its businesses.
- In consultation with the CEO Search Committee, reviewed and monitored transition and compensation matters relating to Mr. Desjardins assumption of the job of President and Chief Executive Officer as of November 14, 2011.
- Reviewed the adequacy and form of directors' compensation for 2011.
  - Established and recommended to the Board Non-Executive Chair compensation for Mr. Billing, effective as of November 14, 2011; and
  - Established and recommended to the Board new DSU Plan to replace the annual grant of RSUs as a more appropriate form of equity-based compensation for directors and to better align the interests of directors with those of the Shareholders.
- Reviewed and recommended to the Board Superior's executive compensation and incentive programs for 2011.
- Reviewed senior management goals, assessed performance and made 2011 executive compensation (including Chief Executive Officer) recommendations to the Board.
- Confirmed that appropriate succession plans are in place for senior management roles.
  - Reviewed with the Board matters relating to organizational structure at the officer level of Superior and its businesses and recommended officer appointments to the Board.
- Reviewed and discussed compensation risks and was satisfied that Superior had put in place sufficient safeguards to mitigate its risks and that its compensation programs did not encourage a senior executive of Superior or any of its businesses to take inappropriate or excessive risks.
- Reviewed and monitored the financial position of Superior's pension plans and the activities of the Management Pension Review Committee.

- Carried out other regular administrative, monitoring and disclosure matters, including:
  - Monitored labour, pension, compensation and governance trends;
  - Reviewed and amended the Compensation Committee mandate;
  - Evaluated and were satisfied with the Compensation Committee performance; and
  - Reviewed compensation disclosure and recommended approval to the Board prior to publication.

### ***Compensation Consultant***

The Compensation Committee periodically retains the services of an independent compensation consultant to provide information, analyses, and recommendations on market conditions and appropriate competitive market practices.

For the past two years, the Compensation Committee has not engaged a compensation consultant to assist in determining compensation for any of Superior’s directors or executive officers, given the diversified nature of the Corporation’s businesses. Executive compensation related fees for the year ended December 31, 2011 consisted of \$12,465 (\$5,100 for the year ended 2010) paid to Mercer Human Resources Consulting LLC (“**Mercer**”) for receipt of industry surveys. A total amount of \$26,450 was paid to Mercer in 2010 relating to providing the Corporation with an estimate of the PSU performance multiplier.

Effective November 2, 2011, should an independent compensation consultant be engaged by the Compensation Committee to assist in determining director or senior executive compensation, the Compensation Committee must pre-approve other services that such independent compensation consultant may provide to Superior or its businesses at the request of management.

### **Named Executive Officers**

The following is a discussion of the compensation arrangements for the President and Chief Executive Officer, the past Chairman and Chief Executive Officer, the Executive Vice-President and Chief Financial Officer and the other three most highly compensated executive officers of Superior and its businesses acting in such capacity as at end of the most recently completed financial year (each a “**Named Executive Officer**” or a “**NEO**” and collectively the “**Named Executive Officers**” or “**NEOs**”). For the period ended December 31, 2011, the Corporation had the following six NEOs:

Luc Desjardins	President and Chief Executive Officer
Grant Billing	Past Chairman and Chief Executive Officer
Wayne Bingham	Executive Vice-President and Chief Financial Officer
Eric McFadden	Executive Vice-President, Business Development
Paul Timmons	President, Specialty Chemicals
Greg McCamus	President, U.S. Refined Fuels and Superior Energy Management

### ***Review Process and Benchmarking***

The performance and compensation of the Chief Executive Officer (the “**CEO**”) is reviewed annually by the Compensation Committee. Upon evaluating the CEO’s performance in light of established goals and objectives, the Compensation Committee makes a recommendation to the Board with respect to the compensation of the CEO. The CEO annually assesses the individual performance and development of each executive officer, including the NEOs and establishes target compensation levels based on (a) individual performance and contribution, (b) strategic value to the Corporation’s future plans and compensation history; and (c) relative level of total compensation compared to marketplace, which he then reviews and recommends for approval to the Compensation Committee.

In determining the appropriate range of total compensation to be paid to NEOs in respect of 2011 performance, other than for the new President and CEO, the Compensation Committee reviewed broad Canadian industry surveys. No peer group has been identified due to the geographic and industry diversified

nature of Superior’s businesses. The Canadian industry surveys reviewed reflected a trend towards weighing the value of total compensation in favour of long-term incentive programs and annual bonuses with less emphasis being placed on base salary and benefits.

Mr. Desjardins joined Superior on November 14, 2011 as President and CEO. His compensation was determined based on the recommendations of the CEO Search Committee, with input from Korn/Ferry International, engaged by the CEO Search Committee to assist with the executive search and related matters.

### Compensation Principles, Objectives and Program Design

The Corporation utilizes a “pay-for-performance” approach to compensation. As such, executive compensation programs focus on rewarding performance and contributions to the achievement of corporate and business goals and objectives. The programs reflect a total compensation philosophy for all employees. The guiding principle is to align employee and executive interests with those of the Shareholders. To this end, compensation programs are competitive and market-based within the industries from which the Corporation recruits, and base salaries and benefits are targeted at the median. The incentive programs are designed to reward performance at Superior’s corporate and business level, depending on the executive’s position within the organization. Sustained strong performance is rewarded through the short and long-term incentive plans with compensation that can exceed the executive’s annual base salary.

### Elements of Compensation

The compensation package for officers and senior employees, including the NEOs has three components:

- base salary and benefits;
- annual bonus program; and
- long-term incentive programs.

The Corporation provides a significant proportion of pay at risk through the annual bonus and long-term incentive programs. The actual compensation mix varies by executive level. Generally, the higher the level of responsibility, the greater the proportion of total target compensation that is variable or at risk.

For 2011, approximate target compensation components for the executive officers (other than for the new President and CEO) consisted of:

Position	Fixed Compensation	Variable or “At Risk” Compensation		
	Base Salary	Annual Bonus	Long-Term Incentives	Total Pay At-Risk
Chief Executive Officer	30%	15%	55%	70%
Executive Vice-President and Chief Financial Officer	40%	20%	40%	60%
Other NEOs	40%	20%	40%	60%

A significant portion of “at risk” compensation consists of long-term incentives in the form of PSUs and RSUs which better aligns compensation with the risk horizon and focuses senior executives on generating long-term and sustainable value for Shareholders.

### Base Salary and Benefits

The Corporation pays base salary in order to provide a fixed level of income to its executives. In determining base salaries, Superior and its businesses review competitive data obtained from Canadian industry surveys in order to compare the Corporation’s compensation programs with other companies whose operations, general business activities, number of employees and geographical location are similar. The base pay for each employee, including that of each NEO, is targeted at the median or middle of the market place and is compared to other employees and executive officers to ensure internal equity.



For 2009, in light of the difficult economic environment, Superior instituted salary control mechanisms, including salary reductions in those areas that were particularly affected by these economic challenges. Due to a slower than anticipated economic recovery and the difficult operating environment that prevailed during 2010, there were no salary increases for NEOs and management for 2010, other than for promotions and special adjustments. For 2011, other than for the past CEO who did not receive a salary increase, modest salary increases were made to remain competitive in the market place and to move towards normal salary progression levels. It is anticipated that this trend will continue for 2012. The annual salary of the President and CEO will be reviewed commencing in January 2013, based on the terms of his employment agreement.

Benefit plans provided by Superior and its businesses are in the form of group life, health and medical, pension/savings plans and other benefits. The NEOs participate in the same benefit plans as are made available to all salaried, and a majority of hourly employees of the Corporation. Benefits are evaluated for each of Superior's businesses and are set at competitive rates. From time to time Superior's businesses conduct reviews of their benefit packages with the assistance of third party consultants.

### ***Annual Bonus Program***

The annual bonus program rewards employees for their contribution to the overall performance of Superior and in the case of the business employees, to the performance of their respective business. The principal performance measures are based on financial targets and other key objectives for the period for both corporate and business employees and if such set objectives are met, payout levels may range from 0% to 150% of base salary, depending on the employee's position. A payout band has been established to set minimum and maximum opportunities. The payout band varies for different businesses but is generally between 90% to 110% of the financial targets. In general, the achievement of financial targets is given more significance (70% - 80% of the total bonus award) than the realization of key objectives (20% - 30% of the total bonus award) in determining bonus amounts.

The financial targets and other key objectives used to assess bonuses are established at the beginning of each year in a goal document prepared for each NEO. Performance of the NEO is assessed against these targets and objectives by the Board, in the case of the CEO, and by the CEO, in the case of all other NEOs. The bonus assessments take place at the beginning of the year which follows the year in respect of performance being evaluated. The Board and the CEO, as the case may be, meet with the NEOs to assess whether the prescribed key objectives have been satisfied in a given year.

Notwithstanding the foregoing, the Compensation Committee and the Board, at their discretion, may adjust the absolute and relative financial performance and the weight given to the achievement of financial targets and key objectives and the amount of the incentive bonus to the extent that there were elements of (a) unusual business environment challenges in which the results were achieved, (b) extra-ordinary, unusual or non-recurring items, and (c) performance that was not contemplated in the goal document for the particular NEO. The adjustment to the incentive bonus can be positive or negative depending on the nature of the unforeseen factor(s). The Compensation Committee and the Board did not make any adjustments to the bonus payouts for 2011.

For the year ended December 31, 2011, the Corporation generated consolidated adjusted operating cash flow ("AOCF") of \$1.65 per Common Share (\$1.70 after normalization for one-time extra-ordinary items, as contemplated under the bonus plan payout calculations) which was within the annual guidance range of \$1.55 to \$1.90 per Common Share, but below the financial bonus plan target of \$1.77 to allow for a full bonus payout at the 100% target level for corporate NEOs. Mr. Desjardins joined the Corporation as President and CEO in November 2011 and was not eligible to participate in the annual bonus program for 2011. Mr. Billing retired as CEO in November, 2011 and was not eligible to receive a bonus payout for 2011.

For the year ended December 31, 2011, the Specialty Chemicals business achieved strong financial performance beyond target. Accordingly, the annual bonus payout for Mr. Timmons, President of the Speciality Chemicals business, was at the upper range of the financial target threshold. Mr. McCamus is President of U.S. Refined Fuels and Superior Energy Management. For the year ended December 31, 2011,

Superior Energy Management achieved record levels of EBIDTA while the financial performance of U.S. Refined Fuels was slightly below the annual bonus target payout level. The bonus payouts for Mr. McCamus reflect the relative performance of each business. For the business presidents, 80% of the total bonus award is measured on financial targets.

All of the NEOs met or exceeded their key personal objectives. The personal objectives for each NEO eligible to receive a bonus payout for 2011, are set out in the table below. For the 2011 cash bonus amounts paid to the NEOs, see “Summary Compensation Table.”

Name	Target/ Weight	Goals
Wayne Bingham Executive Vice President, and Chief Financial Officer	Key Objectives 20%	Assessing sustainability of business and related dividend, including developing a refinancing plan for 2012 debentures; enhancing banking relationship, implementing IFRS reporting and providing guidance and support to the Vice-President of Finance and the President of Superior Propane regarding E1 system issues.
Eric McFadden Executive Vice- President, Business Development	Key Objectives 50%	Developing and maintaining acquisition opportunities to profitably grow the businesses and to support the business development activities within each business, as well as supporting and contributing to strategic planning activities.
Paul Timmons President, Specialty Chemicals	Key Objectives 20%	Continuing achievement of growth in various business areas, including the completion of supply projects and advancing management succession plans.
Greg McCamus President of U.S. Refined Fuels and Superior Energy Management	Key Objectives 20%	Advancing sales and marketing and product expansion strategies, minimizing cost structure and attaining integration synergies; focusing on leadership structure, including executive succession planning, and continue to build culture and employee engagement.

**Note:**

1. For a description of how AOCF and EBITDA is calculated, please refer to Superior’s 2011 Management Discussion and Analysis (“MD&A”) for the year ended December 31, 2011.

***Long-Term Incentive and Retention Programs***

Established in 2006, the purpose of the LTIP is to attract and to provide proper incentives to retain key employees, as well as to focus management on the operating and financial performance of Superior and long-term Shareholder return. The LTIP does not provide for the issuance of Common Shares or any rights to acquire Common Shares and provides only for the granting of cash awards.

The LTIP is available to employees, directors and officers of Superior and its businesses. Effective November 2, 2011, a DSU Plan was established for non-employee directors, replacing their participation in the LTIP. For further information on the DSU Plan, see “Director Long-Term Incentive – DSU Plan” on page 23 of this Information Circular.

Under the terms of the LTIP, participants are eligible to receive grants of RSUs or PSUs annually, or as otherwise may be required (i.e. executive recruitment). The number of RSUs or PSUs granted is evaluated using a combination of measures including, the desire and ability of the grantee to be promoted within Superior, the exhibition by the grantee of leadership qualities, a demonstrated competence by the grantee in the skills required to excel in his or her role and level and the market demand for the particular skills and qualifications possessed by the grantee. RSUs for employees at the Superior level (“**Superior RSUs**”) are issued at the market price of the Common Shares and adjustments are made to simulate the reinvestment of dividends. For purposes of RSU grants made prior to November, 2011, the market price was based on the average closing price of Common Shares on the TSX for five consecutive trading days commencing on the second day following the day of approval of the grant by the Board. RSUs for business employees (“**Business RSUs**”) are issued based on a notional valuation for each business which takes into account,

among other factors, the previous twelve months of cash flow for the business as well as, for those issued prior to November 2011, a relative valuation of the Common Shares. Adjustments are made to Business RSUs to simulate the reinvestment of dividends based on the cash generated by the business after growth capital and investment in working capital. RSUs vest over a three year period (33.3% at the end of year one and half of the remaining amount at the end of year two and the remaining amount at the end of year three) except in the case of RSUs issued to directors of the Corporation which vest on the third anniversary of the date of grant. For each RSU, the market price of the Common Shares (or the value of the business) upon vesting, plus an adjustment to account for the value of the dividends (or value of the cash generated by the business) notionally reinvested into Common Shares (or notional units of the business) over the year, will be paid to the participant in cash at each vesting date which is typically, other than in the case of RSUs granted to directors, the first, second, and third anniversary from the date of the original grant. The market price of the Common Shares upon vesting for RSUs issued prior to November 2011 is based on the closing price of the Common Shares on the TSX for the five consecutive trading days immediately prior to the vesting date. The value of the business for Business RSUs is based on the most recent approved quarterly business unit valuation. RSUs granted to the presidents of the businesses have been disclosed as “share-based awards” in the executive compensation tables in this Information Circular to provide clearer disclosure, given the nature of the instruments and to maintain consistency with the disclosure in the Corporation’s financial statements.

The Corporation instituted the LTIP in 2006 and the first grant of PSUs for employees at the Superior level (“**Superior PSUs**”) occurred in July, 2006. Superior PSUs are granted at the market price of the Common Shares. For purposes of Superior PSU grants made prior to November 2011, the market price was based on the average closing price of Common Shares on the TSX for five consecutive trading days commencing on the second day following the day of approval of the grant by the Board. Superior PSUs vest on the third anniversary of the date of grant. For each Superior PSU, the market price of the Common Shares upon vesting, plus an adjustment to account for the value of the dividends notionally reinvested into Common Shares over three years, multiplied by a performance multiplier, will be paid to the participant in cash at the end of such three year period. The market price of the Common Shares upon vesting for Superior PSUs issued prior to November 2011 is based on the closing price of the Common Shares on the TSX for the five consecutive trading days immediately prior to the vesting date. The first grant of PSUs for business employees (“**Business PSUs**”) was made in August, 2008. Business PSUs are issued based on a notional valuation for each business which takes into account, among other factors, the previous twelve months of cash flow for the business as well as, for those issued prior to November, 2011, a relative valuation of the Common Shares. Adjustments are made to Business PSUs to simulate the reinvestment of dividends based on the cash generated by the business after growth capital and investment in working capital. Business PSUs vest on the third anniversary of the date of grant. For each Business PSU, the notional per share value of the respective business on vesting (based on the most recent approved quarterly business valuation), plus an adjustment to account for the value of the cash generated by the business notionally reinvested into notional shares of the business, multiplied by a performance multiplier, will be paid to the participant in cash at the end of such three year period.

In August, 2008, the Board approved an amendment to the LTIP which allowed holders of RSUs, other than in the case of RSUs granted to directors, to defer the payment of the award due to the holder upon vesting of RSUs (the “**Deferred RSUs**”) until such date (the “**Deferral Date**”) that is chosen by the holder (which date can be chosen by the holder at any time during the deferral period), provided that such date is not more than two years from the date of grant of the Deferred RSUs. Since RSUs vest over a three year period, 33.3% of the payment of an RSU award can be deferred for up to two years from the date of grant of the Deferred RSUs, half of the remaining amount can be deferred for up to one year from the date of grant of the Deferred RSUs and the remaining amount cannot be deferred. The amount to be paid by the Corporation to an officer of the Corporation upon realization of the benefit of the Deferred RSUs on the Deferral Date is based upon the market price of the Common Shares on the TSX determined in accordance with the LTIP on the Deferral Date. The amount to be paid by the Corporation to an officer of one of the divisions upon the realization of the benefit of the Deferred RSUs on the Deferral Date is determined based upon the last approved quarterly business unit valuation for the division immediately prior to the Deferral Date.

Effective November 1, 2010, the LTIP was amended to remove the ability to defer the vesting/payout provisions of the RSUs. During 2010 and 2011, none of the payments to NEOs were deferred.

In November, 2011, the Board approved certain changes to the LTIP, including changing the calculation of the number of Superior PSUs from being based on a five day average closing price of the Common Shares on the TSX to a five day volume weighted average trading price and changing the calculation of the payment obligation under Superior PSUs from being based on the five day average closing price of the Common Shares on the TSX to a two day volume weighted average trading price. In addition, the calculation of the timing of determining the payment obligations under Superior PSUs was changed from an automatic calculation on the third anniversary of the grant to a default automatic calculation on the date that is 30 months following the Approval Date (the “**Default Date**”). However, holders of Superior PSUs are entitled, on notice to the Corporation, to extend that date up to the third anniversary of the date of grant and the amounts to be paid out will be determined based on the two trading day volume weighted average closing price of the Common Shares on the TSX and the performance multiplier in effect immediately following such extended date. The Board also amended the LTIP in respect of the Business RSUs and Business PSUs to remove any reference in the calculation of the notional value of such Business RSUs and Business PSUs to the market price or value of the Common Shares. These changes are only effective for grants that occur on or after November 2, 2011.

**Calculation of Performance Multiplier:** Commencing with Superior PSU grants made in 2008, the Corporation moved from a peer group analysis to targeting achieving a 10% total return on the Common Shares (the “**Total Shareholder Return Target**”) during the three year vesting period for the purposes of calculating the performance multiplier to be applied upon vesting of an award, which can vary from 0 to 2. If the total shareholder return is below 50% of the Total Shareholder Return Target, the contribution of the performance measure to the weighted performance multiplier is zero. If the total shareholder return is between 50% and 150% of the Total Shareholder Return Target, the multiplier will be adjusted linearly between zero and two, and if the total shareholder return is above 150% of the Total Shareholder Return Target, the multiplier will be two. The impetus for the change included the Corporation’s conversion from an income fund structure to a corporation, the resulting difficulty in making peer comparisons due to the types of businesses that Superior owns and the shrinking group of public peer markets.

The performance multiplier, in the case of Business PSUs, is calculated in reference to the performance of the business, based on targeting a total return to the business on notional units of the business of 10% during the three-year vesting period and can vary from 0 to 2.

The vesting provisions attached to the RSUs and PSUs provide that in the event of any Takeover Bid Transaction (as defined in the LTIP document) payment shall be made on outstanding RSUs and PSUs on the earlier of: (i) the payment date determined in accordance with the provisions of the grant of RSUs or PSUs, and (ii) the date which is immediately prior to the date upon which a Takeover Bid Transaction is completed. The LTIP also provides for the vesting of RSU and PSU awards in the event of death of a holder and termination of RSU and PSU awards in the event of the cessation of employment. The cost of the LTIP is expensed in the consolidated financial statements of the Corporation on a quarterly basis in accordance with IFRS.

All of the NEOs received a grant of RSUs and PSUs pursuant to the LTIP in 2011. See “Common Share Ownership Guidelines”, “Summary Compensation Table”, “NEO Outstanding Share-Based and Option-Based Awards” and “NEO Incentive Plan Awards - Value Vested or Earned During the Year”.

The performance multiplier for the Superior PSUs granted on January 1, 2008 and paid out on January 1, 2011 was 1.6 calculated in compliance with the terms of the LTIP. For certain PSUs granted during the second half of 2008 and paid out on their respective vesting dates in 2011, the Compensation Committee used discretion and, on August 3, 2011, approved an adjustment to the PSU multiplier to 1 in case it should fall below 1 on the vesting date, due to the then prevailing short-term volatility in the price of the Common Shares. The estimated payout multiplier as at June 30, 2011 was 1.1. The adjusted multiplier of 1 was applied to 2011 PSU payouts of three NEOs.

The performance multiplier for the Business PSUs granted in August 2008 that had vested in August 2011 ranged between 0 and 2, depending on the performance of the respective business, as calculated in compliance with the terms of the LTIP.

## Executive Hedging

Under Superior's Insider Trading Policy all of Superior's director, officers, employees or consultants are prohibited from short-selling securities of Superior where such person does not own or has not fully paid for the securities being sold. On November 2, 2011, the Insider Trading Policy was amended to include an explicit provision prohibiting Superior's directors and officers from hedging equity-based compensation awards and securities held under share ownership requirements.

## Senior Executive Share Ownership Guidelines

Superior maintains share ownership guidelines for senior executives to further align executive and Shareholder interests, as follows:

**Chief Executive Officer:** Required to hold four times annual salary in Common Shares. The required ownership must be attained no later than four years after the effective date of the appointment of such executive.

**Executive Vice-Presidents:** Required to hold three times annual salary in Common Shares, PSUs and RSUs. The Executive Vice-Presidents must hold at least one times annual salary in Common Shares. The required ownership must be attained no later than three years after the effective date of the appointment of such executive.

**Business Presidents:** Required to hold three times current annual salary in Common Shares, PSUs and RSUs. The business Presidents must hold at least one times current annual salary in Common Shares. Business Presidents appointed prior to March 6, 2007 are encouraged, but not required to meet the current guideline to hold one times current annual salary in Common Shares. The required ownership must be attained no later than three years after the effective date of the appointment of such executive.

In calculating Common Share ownership, other than for the CEO, the guidelines allow for the value of RSUs and PSUs to be considered. Any options, warrants or convertible debentures are excluded from the calculation. Included in the Common Share ownership calculation shall be Common Share holdings over which the director and/or Senior Executive exercises control or direction (such as in relation to a trust or in relation to minor children or spouse) and securities which are indirectly owned (such as in RRSPs or through a wholly-owned corporation), as filed under Insider Reporting requirements.

As detailed below, all of the NEOs exceed the current senior executive share ownership guidelines, except for Mr. Timmons who, temporarily, was slightly below his ownership requirements as at December 31, 2011. For Mr. Billing's share ownership requirement, see "Director Share Ownership Requirement" in this Information Circular.

Name & Position	Common Shares Held	RSUs Held	PSUs Held	Estimated Value of Common Shares <sup>(1)</sup>	Current Ownership Requirement of Common Shares	Estimated Value of Common Shares, RSUs and PSUs <sup>(1)(2)(3)(4)</sup>	Current Ownership Requirement of Common Shares, RSUs and PSUs
Luc Desjardins President and CEO	112,000	267,934	137,921	\$644,000	\$3,000,000 <sup>(5)</sup>	\$2,977,666	N/A
Wayne Bingham Executive VP and CFO	138,616	52,998	79,650	\$797,042	\$365,000	\$1,559,768	\$1,095,000
Eric McFadden Executive VP, Business Development	228,601	74,986	67,987	\$1,314,456	\$335,000	\$2,136,551	\$1,005,000

Name & Position	Common Shares Held	RSUs Held	PSUs Held	Estimated Value of Common Shares <sup>(1)</sup>	Current Ownership Requirement of Common Shares	Estimated Value of Common Shares, RSUs and PSUs <sup>(1)(2)(3)(4)</sup>	Current Ownership Requirement of Common Shares, RSUs and PSUs
Paul Timmons President, Specialty Chemicals	16,291	30,170	74,388	\$93,673	Nil	\$953,095	\$1,080,000
Greg McCamus President U.S. Refined Fuels and Superior Energy Management	16,751	37,609	80,003	\$96,318	Nil	\$1,172,379	\$1,080,000

**Notes:**

- The estimated value of the Common Shares is the sum of the total number of Common Shares held as at December 31, 2011 multiplied by the closing market price of the Common Shares on the TSX as at December 31, 2011 (\$5.75).
- The estimated value of the RSUs held by Messrs. Desjardins, Bingham and McFadden is the sum of the total number of RSUs held as at December 31, 2011 (including the notional reinvestment of dividends since the date of grant), multiplied by the closing market price of Common Shares on the TSX as at December 31, 2011 (\$5.75).
- The estimated value of the RSUs held by Messrs. Timmons and McCamus is based on the notional valuation of the respective business as at December 31, 2011, in addition to an adjustment to account for the value of the cash generated by the business, notionally reinvested into notional shares of the business.
- Messrs. Desjardins, Bingham and McFadden hold Superior PSUs, while Messrs. Timmons and McCamus hold a combination of Superior and Business PSUs. The value of the Superior PSUs is the number of PSUs granted (including the notional reinvestment of dividends since the date of grant) multiplied by the closing market price of Common Shares on the TSX as at December 31, 2011 (\$5.75) and a performance multiplier. The estimated value of the Business PSUs is the number of Business PSUs granted (including an adjustment to amount for the value of the cash generated by the business notionally invested into notional shares of the business) multiplied by the notional per share valuation of the respective business as at December 31, 2011 and in each case a performance multiplier of 1 is assumed. The value of PSUs is dependent on both the market price of the Common Shares or the business valuation, as the case may be, as at the vesting date, as well as a performance multiplier. For calculation of the performance multiplier see page 33 of this Information Circular. Therefore, the value of the PSUs as stated in this Information Circular may vary significantly over the respective vesting period.
- Mr. Desjardins joined Superior in November 2011 as President and CEO and has four years from the date of his appointment to meet the guidelines.

**Risk Assessment and Oversight**

Effective risk management is one of the key oversight responsibilities of the Board and critical to Superior’s success and achievement of its business strategies. The Board considers Superior’s overall risk profile and aims to achieve a proper balance between risks incurred and potential return to Shareholders. The committees of the Board assist in identifying, assessing and monitoring the Corporation’s risks.

Current and evolving operational and other key risks are continuously monitored at each of Superior’s businesses. At the corporate level, management reviews on a monthly basis, strategic, financial, operational, compliance and reputation risks, taking an enterprise-wide approach and ensures that appropriate systems, policies and procedures are in place to mitigate these risks.

The Audit Committee reviews with management their assessment of significant financial, derivative and disclosure risks and assesses the steps that management has taken to mitigate such risks. The results are reported to and reviewed by the Board at each regularly scheduled meeting together with reports on other key current and evolving operational and other enterprise-wide risks, including risk mitigation policies, processes and strategies.

Human resources, labour relations and executive compensation matters are an integral part of this risk assessment process with oversight support provided by the Compensation Committee. The Compensation Committee has discussed the implications of the risks associated with Superior’s compensation policies and practices and does not believe that its compensation programs encourage a senior executive of Superior or any of its businesses to take inappropriate or excessive risks. Reasons include the following:

- The compensation policies and practices for each of Superior’s business and at the corporate level have similar structures and fit within the Corporation’s overall compensation strategy.
- Superior’s overall compensation programs are market-based and aligned with its annual business and long-term strategic plans. Performance metrics used in determining compensation are consistent with and directly linked to our business goals.

- There are no compensation policies and practices that are structured significantly differently for any of Superior's senior executives.
- Compensation expense and incentive pools are linked to the financial risk management process and monitored on an ongoing basis.
- The compensation expense to our executive officers is not a significant percentage of Superior's revenue.
- The compensation package for officers and senior employees consists of fixed (base salary) and variable (Annual Bonus and LTIP) compensation, designed to balance the level of risk taking, while focusing on generating long-term and sustainable value for Shareholders.
- Bonus plan payouts and LTIP awards are capped based on a percentage of salary and subject to overall maximum thresholds.
- On an annual basis, senior executive goals and objectives, as well as performance assessments are reviewed and discussed.
- Discretion is permitted under Superior's compensation policies and judgment is applied when necessary, particularly to performance measures, in cases where performance targets are not attainable due to circumstances that are not within the executive's control to avoid potential diversion of focus to reach short-term goals and compromise long-term sustainability and growth.
- RSUs and PSUs vest over a three-year period and generally represent 40-55% of total senior executive compensation which further mitigates any short-term risk taking potential.
- An executive who resigns or is terminated for cause will forfeit all bonus and LTIP payouts.
- Senior executives and business presidents have share-ownership guidelines to further align executive and Shareholder interests. See "Senior Executive Share Ownership Guidelines".
- Superior's directors and officers are prohibited from hedging equity based compensation awards and securities held under share ownership requirements.
- Employment agreements and LTIP plan provisions are structured to provide fair treatment in the event of involuntary termination or change of control and provide a sense of security for Superior's senior executives.

The Compensation Committee intends to monitor compensation governance and risk assessment practices, as these continue to evolve.

### **Summary Remarks and 2012 Compensation Program Outlook**

The Compensation Committee has reviewed, discussed and recommended the CD&A to be included in this Information Circular.

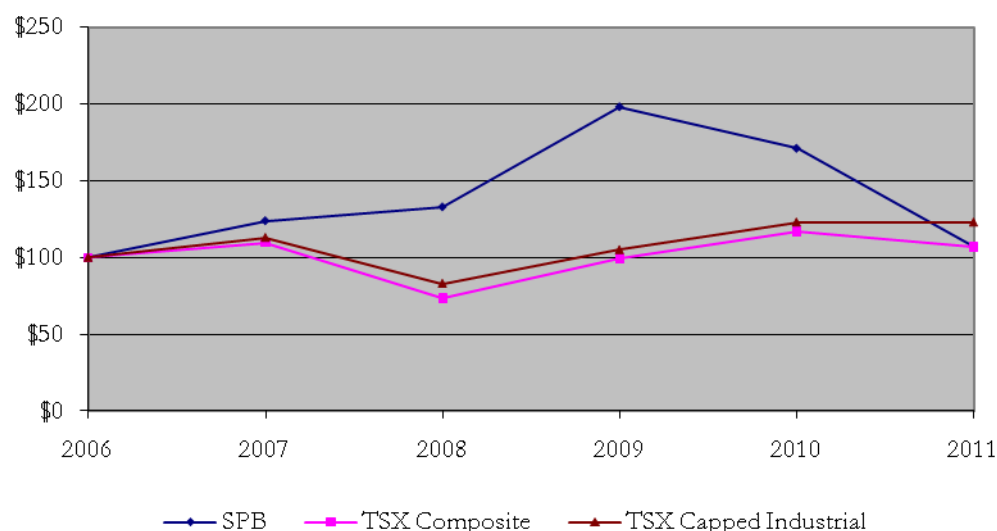
Superior is focused on the stability of its cash flow and the generation of value growth within its businesses. In support of Superior's corporate strategy, compensation philosophy and programs are periodically reviewed by the Compensation Committee to (a) assess their competitiveness, (b) be satisfied that they continue to meet the Corporation's compensation objectives, taking into account changing market conditions and Superior's risks and opportunities, and (c) improve its overall ability to attract experienced directors and to recruit, retain, and motivate high-performing employees. The Compensation Committee believes that it understands the long-term implications of the Corporation's executive compensation plans and is satisfied that its current executive compensation programs and levels of compensation are aligned with Superior's performance and reflect competitive market practices.

At this time, the Corporation does not intend to make significant changes to its compensation policies and practices for 2012.

### **Performance Graph**

The following graph illustrates changes from December 31, 2006 to December 31, 2011, in cumulative return to Shareholders of an investment in the Common Shares of the Corporation compared to the cumulative

total return on the Standard & Poors/TSX Composite Total Return Index (“**TSX Composite**”) and the cumulative total return on the Standard & Poors/TSX Capped Industrial Index (“**TSX Capped Industrial**”), assuming the reinvestment of cash distributions and/or dividends.



	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2011
SPB	100	124	133	198	171	107
TSX Composite	100	110	74	99	117	107
TSX Capped Industrial	100	113	83	105	123	123

In April 2006, Superior initiated a comprehensive strategic review process intended to maximize unitholder value and, in connection therewith, Mr. Billing took on the role of Chief Executive Officer in addition to serving as Chairman of the Fund. In 2006, management successfully executed on several main elements of the strategic plan and continued to make significant strides in executing its strategic plan over the subsequent two years, including the completion of the Conversion on December 31, 2008. In 2009, Superior successfully completed several strategic growth initiatives, despite the general economic downturn that prevailed throughout most of the year. The full impact of the recession and record warm weather impacted Superior’s businesses in 2010. NEO salaries were frozen along with most management positions and bonus levels were minimal with a few exceptions where significant achievements were rewarded. In February 2011, the Board approved and Superior reduced its Common Share dividend by 3.5 cents per month to align the payout with the estimated performance of the businesses; and in November 2011, a further reduction of 5 cents per month was made as part of a focused debt reduction program in response to volatile capital markets. Superior recorded a 2011 AOCF of \$1.65 per share, which was within its forecasted guidance of \$1.55 to \$1.90 per share. Modest salary increases were made in 2011 to remain competitive in the market place. Over the five year period ending December 31, 2011, Superior has achieved a cumulative total return to Shareholders comparable to that of the TSX Composite.

LTIP programs form a significant part of executive compensation. Due to the link between the value of Superior RSUs/PSUs and fluctuations in the market price of the Common Shares, the underlying value of the LTIP awards tends to correspond with Superior’s cumulative total return over the five year period represented by the graph. The trend in executive compensation is generally in line with broad industry compensation trends for those industries that Superior serves. It also reflects the progress made in adjusting the strategy and positioning the Corporation for long-term sustainable growth.



## Summary Compensation Table

The following table sets out a summary of the NEOs executive compensation for the three years ended December 31, 2011.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$) <sup>(2)</sup>	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$) <sup>(1)</sup>	Long-Term Incentive Plans (\$)			
Luc Desjardins President and Chief Executive Officer <sup>(3)</sup>	2011	86,538	2,575,000 <sup>(4)(5)</sup>	-	-	-	6,923	-	2,668,461
Grant Billing Past Chairman and Chief Executive Officer <sup>(6)</sup>	2011	533,078	750,000 <sup>(7)</sup>	-	N/A <sup>(8)</sup>	-	11,485	1,833,267 <sup>(9)(12)</sup>	3,127,830
	2010	600,000	1,200,000 <sup>(4)</sup>	-	300,000	-	11,225	36,775 <sup>(12)</sup>	2,148,000
	2009	600,000	1,200,000 <sup>(4)</sup>	-	Nil <sup>(8)</sup>	-	11,000	43,846 <sup>(12)</sup>	1,854,846
Wayne Bingham Executive Vice- President and Chief Financial Officer	2011	365,000	438,000 <sup>(4)</sup>	-	160,000	-	11,485	19,098 <sup>(12)</sup>	993,583
	2010	352,000	352,000 <sup>(4)</sup>	-	125,000	-	11,225	20,915 <sup>(12)</sup>	861,140
	2009	352,000	352,000 <sup>(4)</sup>	-	100,000	-	11,000	23,206 <sup>(12)</sup>	838,206
Eric McFadden Executive Vice- President, Business Development	2011	335,000	535,000 <sup>(4)(11)</sup>	-	135,000	-	11,485	15,575 <sup>(12)</sup>	1,032,060
	2010	325,000	325,000 <sup>(4)</sup>	-	100,000	-	11,225	14,775 <sup>(12)</sup>	776,000
	2009	325,000	325,000 <sup>(4)</sup>	-	200,000	-	11,000	14,250 <sup>(12)</sup>	875,250
Paul Timmons President, Specialty Chemicals	2011	360,000	360,000 <sup>(10)</sup>	-	360,000	-	67,000	12,600 <sup>(12)</sup>	1,159,600
	2010	350,000	350,000 <sup>(10)</sup>	-	200,000	-	26,000	12,250 <sup>(12)</sup>	926,000
	2009	350,000	350,000 <sup>(10)</sup>	-	50,000	-	51,000	12,192 <sup>(12)</sup>	813,192
Greg McCamus President, U.S. Refined Fuels and Superior Energy Management	2011	360,000	435,600 <sup>(10)</sup>	-	200,000	-	11,485	17,300 <sup>(12)</sup>	1,024,385
	2010	350,000	350,000 <sup>(10)</sup>	-	100,000	-	11,225	16,775 <sup>(12)</sup>	828,000
	2009	350,000	350,000 <sup>(10)</sup>	-	280,000	-	11,000	18,046 <sup>(12)</sup>	1,009,046

### Notes:

- The reported amounts represent bonuses which are based on prior year performance, but paid in the first quarter of the current year (2011 bonuses are based on the achievement of goals in 2011, but paid in the first quarter of 2012). See “Annual Bonus Program – 2011 Bonus Program Payouts”.
- The benefit provisions of Superior’s pension and savings plan provide employees with a defined contribution benefit pension/savings plan option. Superior matches an employee’s contribution under this plan from 4% to 8% of base salary. The plan is available to employees generally, except for employees of the Specialty Chemicals and Construction Products Distribution businesses. The Specialty Chemicals business has a similar plan matching up to 3.5% of base salary.
- Mr. Desjardins joined Superior as President and Chief Executive Officer on November 14, 2011.
- Includes Superior RSUs and PSUs. The grant date fair market value of the Superior RSUs and PSUs is based on the market price of the Common Shares (as calculated under the terms of the LTIP) on the grant date consistent with IFRS 2 - Share-based Payments (“IFRS 2”). Using the market price of the Common Shares as the grant date fair market value is seen as being an effective way to determine the fair market value of the Superior RSUs and PSUs as such information is constantly being updated. See “Compensation Discussion and Analysis - Long-Term Incentive and Retention Programs” for additional information relating to the Corporation’s RSUs and PSUs.
- Includes a one-time grant of RSUs and PSUs for a total value of \$1,450,000 based on the terms of Mr. Desjardins’ employment agreement (See “Employment Contract”).
- Mr. Billing retired as Chief Executive Officer on November 14, 2011 and continues to serve as non-executive Chairman of the Board. For compensation received in 2011 as Chairman of the Board, see “Director Compensation Table” in this Information Circular.
- Represents DSUs granted to Mr. Billing on retirement in exchange for termination of all rights under his outstanding RSUs and PSUs, including those granted in 2011 with a grant date fair value of \$1,200,000.
- Due to his retirement in November, 2011, Mr. Billing was not eligible to receive a bonus payout for 2011. For 2009, he declined to accept his bonus award, in light of the overall 2009 financial performance of the Corporation.
- Includes \$1,800,000 cash received by Mr. Billing upon retirement under the terms of his employment agreement and the LTIP. For information on the retirement payouts see “Grant Billing – Retirement Payouts” on page 46 of this Information Circular and \$33,267 contributed to his non-registered savings plan by Superior.
- Includes Superior PSUs, Business PSUs and Business RSUs. Refer to note 4 above for details regarding the methodology employed to calculate the grant date fair market value of the Superior PSUs. The grant date fair market value of the Business RSUs and PSUs is based on the most recently completed quarterly notional value of the business which takes into account, among other factors, the previous twelve months of cash flow for the business as well as, for grants prior to November, 2011, a relative valuation of Superior Common

Shares consistent with IFRS 2. This methodology of determining the grant date fair market value of the Business RSUs and PSUs is employed because the relevant information can be best collected on a quarterly basis. See “Compensation Discussion and Analysis - Long-Term Incentive and Retention Programs” for additional information relating to the RSUs and PSUs.

11. Includes a value of \$200,000 for 31,017 RSUs awarded on November 18, 2011 to Mr. McFadden at a grant date fair market value of \$6.448 in lieu of payment for his 2008 PSU grant that vested in 2011.
12. Represents the amounts contributed to the non-registered savings plans by Superior or its businesses on behalf of the NEO. Perquisites and other personal benefits did not exceed \$50,000 or 10% of the total of the annual salary of the NEO for the financial year.

## NEO Outstanding Share-Based and Option-Based Awards

The following table sets forth information with respect to the outstanding awards granted under the LTIP to the Corporation’s NEOs as of December 31, 2011, which includes awards granted prior to January 1, 2011.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Un-exercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Un-exercised In-the-Money Options (\$)	Number of Shares or Units of Shares that Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested <sup>(1)(2)(3)</sup> (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$)
Luc Desjardins President and Chief Executive Officer	-	-	-	-	267,934 RSUs 137,921 PSUs	2,333,666	Nil
Grant Billing Past Chairman and Chief Executive Officer	-	-	-	-	-	-	679,684 <sup>(4)</sup>
Wayne Bingham Executive Vice-President and Chief Financial Officer	-	-	-	-	52,998 RSUs 79,560 PSUs	762,209	Nil
Eric McFadden Executive Vice-President, Business Development	-	-	-	-	74,986 RSUs 67,987 PSUs	822,095	Nil
Paul Timmons President, Specialty Chemicals	-	-	-	-	30,170 RSUs 74,388 PSUs	859,422	Nil
Greg McCamus President, U.S. Refined Fuels and Superior Energy Management	-	-	-	-	37,609 RSUs 80,003 PSUs	1,076,061	Nil

### Notes:

1. The estimated value of the unvested RSUs held by Messrs. Desjardins, Bingham and McFadden is the total number of RSUs held as at December 31, 2011 (including the notional reinvestment of dividends since the date of grant), multiplied by the closing market price of Common Shares on the TSX as at December 31, 2011 (\$5.75).
2. The estimated value of the unvested Business RSUs held by Messrs. Timmons and McCamus is the total number of Business RSUs held as at December 31, 2011 (including an adjustment to account for the value of the cash generated by the business notionally reinvested into notional shares of the business) multiplied by the notional per share valuation of the respective business as at December 31, 2011.
3. Messrs. Desjardins, Bingham and McFadden hold Superior PSUs, while Messrs. Timmons and McCamus hold a combination of Superior and Business PSUs. The value of the Superior PSUs is the number of PSUs granted (including the notional reinvestment of dividends since the date of grant) multiplied by the closing market price of Common Shares on the TSX as at December 31, 2011 (\$5.75) and the estimated value of the Business PSUs is the number of Business PSUs granted (including an adjustment to account for the value of the cash generated by the business, notionally reinvested into notional shares of the business) multiplied by the notional per share valuation of the respective business as at December 31, 2011 in each case multiplied by the performance multiplier. For both Superior and Business PSUs, a performance multiplier of 1 is assumed. The value of PSUs is dependent on both the market price of the Common Shares, in case of the Superior PSUs and the notional per share valuation of the respective business, in case of the Business PSUs, as at the vesting date, as well as a performance multiplier. Therefore, the value of the PSUs as stated in this Information Circular may vary significantly over the

respective vesting period. For calculation of the performance multiplier see page 33 of this Information Circular. See “Compensation Discussion and Analysis - Long-Term Incentive Plan” for additional details regarding the PSUs.

4. Market value of DSUs granted to Mr. Billing on retirement as Chief Executive Officer based on the closing market price of the Common Shares on the TSX on December 31, 2011 of \$5.75 per Common Share. See “Summary Compensation Table” and “Grant Billing – Retirement Payouts” in this Information Circular.

### NEO Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth information with respect to the value of awards granted to NEOs pursuant to the LTIP that have vested during the year ended December 31, 2011 and bonuses paid to NEOs in respect of achievements attained over the same period.

Name	Option-Based Awards - Value Vested During Year (\$)	Share-Based Awards - Value Vested During Year (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation- Value Earned During Year (\$) <sup>(2)</sup>
Luc Desjardins President and Chief Executive Officer	-	-	-
Grant Billing Past Chairman and Chief Executive Officer	-	2,091,658	-
Wayne Bingham Executive Vice-President and Chief Financial Officer	-	425,551	160,000
Eric McFadden Executive Vice-President, Business Development	-	345,540	135,000
Paul Timmons President, Specialty Chemicals	-	330,965	360,000
Greg McCamus President, U.S. Refined Fuels and Superior Energy Management	-	1,080,192	200,000

#### Notes:

1. Consists of the cash payouts made, as applicable to each NEO, in respect of the following, on an aggregate basis:
  - (a) For Superior RSUs, the final 33.3% granted in 2008, the second 33.3% granted in 2009, and the first 33.3% granted in 2010. Superior RSUs are granted at the market price of the Common Shares (as calculated under the terms of the LTIP) on the day of grant and their value upon vesting is dependent on the market price of the Common Shares (as calculated under the terms of the LTIP) in addition to the notional reinvestment of dividends over the three year vesting period. For the purposes of this table, the value of the Superior RSUs is based on the number of RSUs that have vested (including the notional reinvestment of dividends since the date of grant) multiplied by the market price of the Common Shares on the TSX (as calculated under the terms of the LTIP) on the date of vesting.
  - (b) The Superior PSUs granted in January, 2008 and those granted during the second half of 2008, which vested in 2011, had a performance multiplier of 1.6 and 1.0, respectively. Superior PSUs vest on the third anniversary of the date of grant. The value of the Superior PSUs is the number of PSUs granted (including the notional reinvestment of dividends since the date of grant) multiplied by the closing market price of Common Shares on the TSX (as calculated under the terms of the LTIP) as at the vesting date and multiplied by the performance multiplier. For the calculation of the performance multiplier, see page 33 of this Information Circular; and
  - (c) Business RSUs are issued based on a notional valuation for each business and adjustments are made to simulate the reinvestment of dividends based on the cash generated by the business. See “Compensation Discussion and Analysis - Long-Term Incentive Plan” for details regarding the Business RSUs.
  - (d) Business PSUs granted in August 2008, which vested in 2011, had a performance multiplier between 0 and 2, depending on the performance of the respective business. Business PSUs vest on the third anniversary of the date of grant. The value of the Business PSUs is the number of Business PSUs granted (including an adjustment made to account for the value of the cash generated by the business, notionally reinvested into notional shares of the business) multiplied by the notional per share valuation of the business at the vesting date and multiplied by a performance multiplier. For calculation of the performance multiplier see page 33 of this Information Circular.
2. Bonuses are based on prior year performance, but paid in the first quarter of the current year (2011 bonuses are based on the achievement of goals in 2011, but paid in the first quarter of 2012).

## Pension Plan Benefits

### Defined Benefits Plans

Mr. Timmons is the only NEO who participates in a defined benefit pension plan. The following table sets forth information with respect to the pension plans that provide for payments or benefits at, following, or in connection with the retirement of Mr. Timmons, President of Specialty Chemicals and ERCO Worldwide, excluding defined contribution plans.

Name	Number of Years Credited Service (#)	Annual Benefits Payable (\$)		Opening Present Value of Defined Benefit Obligation (\$)	Compensatory Change (\$)	Non-Compensatory Change (\$)	Closing Present Value of Defined Benefit Obligation (\$)
		At year End <sup>(1)</sup>	At Age 65 <sup>(2)</sup>				
Paul Timmons President, Specialty Chemicals	30.5	193,000	212,000	2,142,000	67,000	297,000	2,506,000

#### Notes:

1. Includes both the registered defined benefit entitlement of \$78,000 as well as an ERCO unfunded supplemental pension of \$115,000.
2. Includes both the registered defined benefit entitlement of \$87,000 as well as an ERCO unfunded supplemental pension of \$125,000.

Obligations at the beginning of the year are calculated using the same assumptions and methods as were used for financial statement reporting purposes for preparing the Corporation's financial statements for the year ended December 31, 2010; specifically this includes use of a discount rate of 5.25% per annum, a salary scale of 3.25% and the projected unit credit cost method pro-rated by service. Obligations at the end of the year are calculated using the same assumptions and methods as were used for financial statement reporting purposes for preparing the Corporation's financial statements for the year ended December 31, 2011; specifically this includes use of a discount rate of 4.25% per annum, a salary scale of 3.25% and the projected unit credit cost method pro-rated by service. The compensatory change includes the service cost for 2011 as well as any increases or decreases in pension liability that the plan experienced due to salary increases being different than assumed. Non-compensatory changes include all other effects, mainly changes in liability due to changes in assumptions.

The annual retirement benefit is equal to the sum of: (i) 1.25% of the best average earnings up to and including the final three-year average yearly maximum pensionable earnings ("YMPE") (average is \$47,267 at December 31, 2011); and (ii) 1.875% of the best average earnings in excess of the three-year average YMPE, multiplied by the number of years and completed months of credited service. Earnings or remuneration for defined benefit pension purposes consist of base salary. Normal retirement is at age 65, however retirement is allowed as early as age 55. An unreduced pension is payable if retirement is after age 60 with 25 or more years of service, or after attainment of age 65. Early retirement reductions apply if a retirement occurs prior to meeting these requirements. Mr. Timmons became eligible for an unreduced pension on his 60th birthday. The normal form of pension pays a pension for the life of the member, and is guaranteed for the first 60 monthly payments. There is no maximum applied to credited services, nor is there any offset or reduction at age 65 due to Canada Pension or Old Age Security.

### Defined Contribution Plans

The following table sets forth information with respect to the pension plans that provide for payments or benefits at, following, or in connection with retirement of certain of the NEOs of Superior, excluding defined benefit plans. The NEO of the Specialty Chemicals business does not participate in a defined contribution plan. The disclosure in the following table was prepared by using the same assumptions and methods used for financial statement reporting purposes under the accounting principles used to prepare the Corporation's financial statements.

Name	Accumulated Value at Start of Year (\$)	Compensatory (\$)	Accumulated Value at Year End (\$)
Luc Desjardins President and Chief Executive Officer	0	6,923	13,846
Grant Billing Past Chairman and Chief Executive Officer	278,270	11,485	291,323
Wayne Bingham Executive Vice-President and Chief Financial Officer	97,811	11,485	119,928
Eric McFadden Executive Vice-President, Business Development	49,652	11,485	68,486
Paul Timmons <sup>(1)</sup> President, Specialty Chemicals	-	-	-
Greg McCamus President, U.S. Refined Fuels and Superior Energy Management	137,932	11,485	149,417

**Notes:**

1. Mr. Timmons does not participate in a defined contribution plan.

All NEOs for whom values are provided in the above table participate in the Superior Propane employee pension plan (the “**Pension Plan**”). The Pension Plan is a registered pension plan governed by provincial/federal pension legislation and the *Income Tax Act* (Canada). All full-time and part-time employees of Superior Propane working at least 20 hours a week may participate in the Pension Plan on the first day of the month following the commencement of their employment. For salaried employees, there is no mandatory requirement to participate in the Pension Plan. Non-salaried employees must begin to make contributions to the program no later than the first day in January which follows their 39th birthday. NEOs can contribute from 1% to 8% of their base pay earnings (which include base pay, vacation pay, statutory holiday pay and short term disability pay and excludes overtime pay, taxable benefits and incentive compensation). For NEOs, Superior provides an 8% company-matched contribution on the first 8% of base pay. The money purchase limits for contributions to the Pension Plan is the lesser of 18% of the current year’s compensation or \$22,970. All contributions to the Pension Plan are vested immediately and no withdrawals are allowed from the Pension Plan while the employee is employed by Superior. The Pension Plan defines retirement as any date subsequent to the date that the employee reaches an age of 55 and no later than December 1st of the year in which the employee reaches age 69.

**Termination and Change of Control Benefits**

**Employment Contracts**

Each of the NEOs, has an Employment Agreement with Superior (each an “**Employment Agreement**”) with the exception of Mr. Timmons. Should Mr. Timmons be removed from his current positions at Superior for reasons other than for cause, it is anticipated that he would receive compensation in connection with general industry practice.

Each Employment Agreement has an indefinite term and provides for the salary, short and long-term incentives and benefits to be paid to the NEOs as set forth below. For the amount of salary and bonus paid to each of the NEOs, please refer to the “Summary Compensation Table” in this Information Circular.

***Luc Desjardins***

Mr. Desjardins is party to an Employment Agreement dated October 13, 2011 and effective November 14, 2011 with Superior. Pursuant to the terms of his Employment Agreement, Mr. Desjardins receives an annual

salary of \$750,000 (as at the effective date of the Employment Agreement). The annual salary will be reviewed annually, commencing in January 2013, and may be increased to reflect the market. In addition, Mr. Desjardins is entitled to participate in the Pension Plan and receive any and all fringe benefits, coverages and other perquisites made available from time to time to Superior's senior officers and executives.

Mr. Desjardins' Employment Agreement provides that he is entitled to receive an annual bonus between 0% and 150% of his annual salary, with a target bonus value of 75%, based on whether Mr. Desjardins satisfies the performance criteria set forth in the goal document prepared for him for the given year. In addition, the Employment Agreement provided for a one-time grant of RSUs and PSUs at a total value of \$1,450,000. In addition, Mr. Desjardins is eligible to receive annual LTIP grants with target values totalling 150% and a maximum of 250% of his annual salary, such amounts to be determined by the Board. Mr. Desjardins received an initial grant of RSUs and PSUs with a value of \$1,125,000 in November, 2011.

### ***Grant Billing***

Mr. Billing retired as Chief Executive Officer on November 14, 2011 (the "**Retirement Date**") and continues to serve as non-executive Chairman of the Board.

For information on his payouts based on the retirement terms of his Employment Agreement and the LTIP, see "Termination of Employment and Change of Control – Grant Billing Retirement Payouts" below.

### ***Wayne Bingham***

Mr. Bingham is party to an Employment Agreement dated October 11, 2006 with the General Partner. Pursuant to the terms of the Employment Agreement, Mr. Bingham's initial annual salary was \$325,000 (as at the date of such Employment Agreement) and has subsequently increased to \$365,000 since that time. In addition, he is entitled to participate in the Pension Plan and receive any and all fringe benefits, coverages and other perquisites made available from time to time to Superior's senior officers and executives.

Mr. Bingham's Employment Agreement provides that he is entitled to receive an annual bonus of between 0% and 100% of his current annual salary, based on whether Mr. Bingham satisfies the performance criteria set forth in the goal document prepared for him for the given year.

### ***Eric McFadden***

Mr. McFadden is party to an Employment Agreement dated October 1, 2008 with the General Partner. Pursuant to the terms of the Employment Agreement, Mr. McFadden's initial annual salary was \$325,000 (as at the date of such Employment Agreement) and has subsequently increased to \$335,000 since that time. In addition, he is entitled to participate in the Pension Plan and receive any and all fringe benefit plans, coverages and other perquisites made available from time to time to Superior's senior officers and executives.

Mr. McFadden's Employment Agreement provides that he is entitled to receive an annual bonus of between 0% and 100% of his current annual salary, based on whether Mr. McFadden satisfies the performance criteria set forth in the goal document prepared for him for the given year. In addition, Mr. McFadden was also provided with a LTIP grant of 12,884 RSUs and 19,326 PSUs valued at \$130,000 and \$195,000, respectively (as at the second day following the date of such Employment Agreement).

### ***Greg McCamus***

Mr. McCamus is party to an Employment Agreement dated September 6, 2005 with SEM, a business of the General Partner. Under the Employment Agreement, Mr. McCamus's initial annual salary was \$300,000 (as at the date of such Employment Agreement), and has subsequently increased to \$360,000 since that time. In addition, he is entitled to participate in the Pension Plan and in any and all other incentive compensation plans and to receive any and all fringe benefits, coverages and other perquisites made available from time to time to Superior's senior executives.

## Confidentiality and Non-Compete Provisions

Each of the above-referenced Employment Agreements contains extensive confidentiality provisions whereby for the duration of the NEOs employment and at any time thereafter, he has, subject to certain limited exceptions set forth in the Employment Agreement, agreed to hold all confidential information in confidence and to comply with the policies established by Superior in connection with such information. Any breach of the confidentiality provisions set forth in the Employment Agreement will constitute grounds for termination of employment for Cause (as defined below).

The Employment Agreement for Mr. Desjardins and for Mr. McCamus contain both confidentiality and non-compete provisions.

Mr. Desjardins agreed that for the duration of his employment and for a term of 18 months immediately following the date of termination, Mr. Desjardins will not be employed by, consult with or otherwise perform services for, own, manage, operate, join, control or participate in the ownership, management, operations or control of or be connected with, in any manner, a competitor who carries on business anywhere in Canada. In addition, Mr. Desjardins is prohibited from soliciting any employees or consultants of Superior or its affiliated corporations for the purpose of having such person employed or in any way engaged by another person, firm or corporation, to the detriment of Superior or its affiliated corporations.

Mr. McCamus agreed that for the duration of his employment and for a term of 12 months immediately following the date of termination, Mr. McCamus will not provide services to any entity in Canada or the United States which competes, directly or indirectly, or is engaged in activities which are substantially the same as the business carried on by Superior, its subsidiaries or businesses. In addition, Mr. McCamus is prohibited from soliciting any employee of Superior, its subsidiaries or businesses with the view of having that employee resign his or her employment to accept employment with any other entity.

## Termination of Employment and Change of Control

Pursuant to and in accordance with the terms of their respective Employment Agreements, the employment of a NEO may be terminated upon the occurrence of certain events.

Generally, Superior may at any time terminate the employment of the NEO, subject to certain variances in individual contracts:

- (a) “with cause” is defined to include, but is not limited to, the continued failure of the NEO to perform his duties in accordance with the terms of his employment after receiving notice of such failure, a material breach of any term of the Employment Agreement including confidentiality provisions, the conviction of the NEO of an indictable offence, fraud or a violation of securities laws or regulation or fraud, theft or willful misconduct by the NEO that relates to or affects Superior or the NEO’s employment with Superior (each or any of them referred to as an event constituting “**Cause**”); or
- (b) at any time without Cause.

Alternatively, the NEO may terminate his employment with Superior:

- (a) upon written notice setting forth the circumstances for which he is terminating such employment including, but not limited to, a material change in the NEO’s position, duties, title or office, reduction in annual salary or other such benefits, and in certain employment agreements a transfer to an area that does not also contain the executive offices of Superior (unless by mutual agreement) and harassment designed to cause the NEO to resign (each or any of them referred to as an event constituting “**Good Reason**”); or
- (b) at any time without Good Reason.

In circumstances whereby Superior terminates the employment of the NEO for Cause or the NEO elects to terminate his employment with Superior without Good Reason (“**Termination For Cause**”), the NEO is entitled to receive (subject to variances in individual Employment Agreements as set forth below):

- (a) the amount, if any, of earned but unpaid annual salary up to and including the date of termination;
- (b) the amount of any declared but unpaid bonus; and
- (c) all outstanding vacation pay and expense reimbursements.

In circumstances whereby Superior terminates the employment of the NEO without Cause or the NEO elects to terminate his employment with Superior with Good Reason (“**Termination Without Cause**”), the NEO is entitled to (subject to variances in individual Employment Agreements as set forth below):

- (a) the amount, if any, of earned but unpaid annual salary up to and including the date of termination;
- (b) the amount of any declared but unpaid bonus;
- (c) all outstanding vacation pay and expense reimbursements; and
- (d) termination pay according to the terms of the Employment Agreement upon receipt of an executed release (the “**Termination Amount**”).

Assuming that (a) the date of termination is the last day of the most recently completed financial year of Superior; and (b) any allowable vacation has been taken in full, the following sets forth estimates of the payments owed to the NEOs pursuant to the terms of their respective Employment Agreements. The Corporation’s practice is to declare and pay bonuses in the first quarter of a given year in respect of the prior year’s performance. As such, having assumed that the date of termination is the last day of the most recently completed financial year, bonuses in respect of 2011 performance have not been included in the estimate of the payments owed to the NEOs pursuant to the terms of their respective Employment Agreements as such bonuses were not declared until February, 2012. No bonus amounts would have been owed to any of the NEOs on December 31, 2011 in respect of 2011 performance. In addition, pursuant to the LTIP, there would be no payments due and owing to any of the NEOs in respect of RSUs as at the assumed date of termination. In addition, the estimates set forth below with respect to the payments owed to each of the NEOs in respect of PSUs assume a performance multiplier of 1. Finally, the LTIP generally provides that in the event of a “takeover bid transaction” which is defined as a takeover bid transaction or other transaction which results in the Common Shares of Superior ceasing to be listed and posted for trading on the TSX, that is completed pursuant to an offer made generally to the holders of Common Shares to acquire, directly or indirectly, the outstanding Common Shares and which is in the nature of a “takeover bid” as defined in the *Securities Act* (Alberta) and, where the Common Shares are listed and posted for trading on a stock exchange, is not exempt from the formal bid requirements of the *Securities Act* (Alberta), and includes a statutory plan of arrangement which results in the Common Shares of Superior ceasing to be listed and posted for trading on the TSX, that is completed pursuant to applicable corporate law (“**takeover bid transaction**”), all existing awards of PSUs or RSUs accelerate and vest immediately prior to completion of such transaction.

### ***Luc Desjardins***

Pursuant to the terms of Mr. Desjardins’ Employment Agreement, upon an event of Termination For Cause, Mr. Desjardins is entitled to receive, and Superior is obligated to pay (a) the amount, if any, of earned but unpaid annual salary up to and including the date of termination, (b) any declared but unpaid bonus, and (c) any incurred but unpaid vacation and expense reimbursements (in each case, less applicable withholdings and deductions).



Upon an event of Termination Without Cause, Mr. Desjardins is entitled to receive, and Superior is obligated to pay (a) the amount, if any, of earned but unpaid annual salary up to and including the date of termination, (b) any declared but unpaid bonus, (c) any incurred but unpaid vacation and expense reimbursements and (d) upon receipt of an executed release, the Termination Amount equal to an aggregate payment of \$2,625,000, calculated as Mr. Desjardins' annual salary plus his annual bonus times two where the annual bonus is equal to the average of the bonuses paid to Mr. Desjardins over the immediately preceding three years, provided that if three years of employment history have not been established, then the target bonus shall be used for the purposes of the calculation (in each case less applicable withholdings and deductions). In addition, Mr. Desjardins would be entitled to receive an aggregate payment of approximately \$33,045 in respect of PSUs issued to him prior to the assumed date of termination of December 31, 2011, such amount having been pro-rated to reflect the length of time Mr. Desjardins was employed during the three year period over which the PSUs vest in accordance with the provisions of the LTIP. In addition, Mr. Desjardins would be entitled to retain his one-time grant of RSUs and PSUs (with a grant date value of \$1,450,000) until they vest and are paid out in accordance with their terms.

Mr. Desjardins' Employment Agreement includes a double trigger change of control clause, such that in the event of a change of control (as defined below), the severance, bonus payout and other benefits become payable only in the event that there was a change of control and Mr. Desjardins had good reason (as defined in the Employment Agreement) to treat the employment relationship as terminated. In the event of (a) the acquisition and/or exercise of direct or indirect control over 20% of the issued and outstanding voting securities or securities having the right to acquire voting securities of Superior (the "**Voting Securities**"), excluding the acquisition of direct or indirect control over 20% of the Voting Securities by a holder who does not exercise any votes to elect a member of the Board of Directors of Superior other than the directors nominated by Superior or (b) a change of three or more of the members of the Board of Directors of Superior which is initiated, other than by management of Superior, through a proxy solicitation process (a "**Change of Control**"), Superior shall pay to Mr. Desjardins, upon receipt of an executed release, the Termination Amount as calculated above. However, if the Change of Control occurs within three years of the effective date of the Employment Agreement, the Termination Amount shall be three times (i) the annual salary, plus (ii) the average of the bonuses paid to Mr. Desjardins over the immediately preceding three years, provided that if three years of employment history have not been established, then the target bonus shall be used for the purposes of the calculation (in each case less applicable withholdings and deductions) for an aggregate payment of \$3,937,500. In addition, pursuant to the LTIP, Mr. Desjardins would be entitled to receive an aggregate payment of approximately \$33,045 representing the value attributable to PSUs that had vested in accordance with the LTIP prior to the assumed date of termination of December 31, 2011, such amount having been pro-rated to reflect the length of time Mr. Desjardins was employed during the three year period over which the PSUs vest in accordance with the provisions of the LTIP. If the Change of Control also constituted a takeover bid transaction, Mr. Desjardins would be entitled to receive an aggregate payment of \$2,333,666 rather than \$33,045, representing the value attributable to PSUs and RSUs that had accelerated and vested in accordance with the LTIP prior to the assumed date of the takeover bid transaction of December 31, 2011. If neither Superior nor Mr. Desjardins exercise the option to terminate employment, the employment of Mr. Desjardins shall continue in accordance with the terms of the Employment Agreement or on such other terms as mutually agreed upon.

#### ***Grant Billing – Retirement Payouts***

Pursuant to the terms of Mr. Billings Employment Agreement, upon retirement after June 30, 2008, Superior was obligated to pay him (a) the amount, if any, of earned but unpaid annual salary up to and including the date of termination, (b) any declared but unpaid annual bonus, (c) any incurred but unpaid vacation and expense reimbursements and (c) the Termination Amount calculated as Mr. Billing's annual salary plus his annual bonus times two and for greater clarity, the annual bonus shall be equal to the greater of (i) the annual bonus received in the previous year prior to the date of termination and (ii) the average of the annual bonus awarded in the two years prior to the date of termination (in each case, less applicable withholdings and deductions). In addition, pursuant to the LTIP, Mr. Billing was or would be entitled to receive payment pursuant to outstanding RSUs and PSUs, such amounts being pro-rated to reflect the length of time Mr.

Billing was employed during the three year period over which the RSUs and PSUs vest in accordance with the provisions of the LTIP.

On his retirement, effective November 14, 2011, Mr. Billing received a cash payment of \$1,800,000 calculated in compliance with the retirement provisions of his Employment Agreement and accepted a one-time grant of 116,315 DSUs at a grant date fair market value of \$6.448 per DSU, valued at a total of \$750,000 in satisfaction of all other retirement rights and entitlements pursuant to the terms of the Employment Agreement and the LTIP, including any entitlements pursuant to his outstanding RSUs and PSUs described above.

### ***Wayne Bingham***

Pursuant to the terms of Mr. Bingham's Employment Agreement, upon an event of Termination For Cause, Mr. Bingham is entitled to receive, and Superior is obligated to pay (a) the amount, if any, of earned but unpaid annual salary up to and including the date of termination and (b) any incurred but unpaid expense reimbursements (in each case, less applicable withholdings and deductions).

Upon an event of Termination Without Cause, Mr. Bingham is entitled to receive, and Superior is obligated to pay (a) the amount, if any, of earned but unpaid annual salary up to and including the date of termination, (b) any incurred but unpaid expense reimbursements and (c) upon receipt of an executed release, the Termination Amount equal to an aggregate payment of \$730,000 (calculated as two times Mr. Bingham's annual salary) (in each case, less applicable withholdings and deductions). In addition, pursuant to the LTIP, Mr. Bingham would be entitled to receive an aggregate payment of approximately \$169,642 in respect of PSUs issued to him prior to the assumed date of termination of December 31, 2011, such amount having been pro-rated to reflect the length of time Mr. Bingham was employed during the three year period over which the PSUs vest in accordance with the provisions of the LTIP.

In the event of a Change of Control, Superior shall pay to Mr. Bingham, upon receipt of an executed release, the Termination Amount as calculated above for an aggregate payment of \$730,000. In addition, pursuant to the LTIP, Mr. Bingham would be entitled to receive an aggregate payment of approximately \$169,642 representing the value attributable to PSUs that had vested in accordance with the LTIP prior to the assumed date of termination of December 31, 2011, such amount having been pro-rated to reflect the length of time Mr. Bingham was employed during the three year period over which the PSUs vest in accordance with the provisions of the LTIP. If the Change of Control also constituted a takeover bid transaction, Mr. Bingham would be entitled to receive an aggregate payment of \$762,209 (rather than \$169,642), representing the value attributable to PSUs and RSUs that had accelerated and vested in accordance with the LTIP prior to the assumed date of the takeover bid transaction of December 31, 2011. If neither Superior nor Mr. Bingham exercise the option to terminate employment, the employment of Mr. Bingham shall continue in accordance with the terms of the Employment Agreement or on such other terms as mutually agreed upon.

### ***Eric McFadden***

Pursuant to the terms of Mr. McFadden's Employment Agreement, upon an event of Termination For Cause, Mr. McFadden is entitled to receive, and Superior is obligated to pay (a) the amount, if any, of earned but unpaid annual salary up to and including the date of termination and (b) any incurred but unpaid expense reimbursements (in each case, less applicable withholdings and deductions).

Upon an event of Termination Without Cause, Mr. McFadden is entitled to receive, and Superior is obligated to pay (a) the amount, if any, of earned but unpaid annual salary up to and including the date of termination, (b) any incurred but unpaid expense reimbursements and (c) upon receipt of an executed release, the Termination Amount equal to an aggregate payment of \$670,000 (calculated as two times Mr. McFadden's annual salary) (in each case, less applicable withholdings and deductions). In addition, Mr. McFadden would be entitled to receive an aggregate payment of approximately \$155,302 in respect of PSUs issued to him prior to the assumed date of termination of December 31, 2011, such amount having been pro-rated to reflect the length of time Mr. McFadden was employed during the three year period over which the PSUs vest in accordance with the provisions of the LTIP.

In the event of a Change of Control, Superior shall pay to Mr. McFadden, upon receipt of an executed release, the Termination Amount as calculated above for an aggregate payment of \$670,000. In addition Mr. McFadden would be entitled to receive an aggregate payment of approximately \$155,302 in respect of PSUs issued to him prior to the assumed date of termination of December 31, 2011, such amount having been pro-rated to reflect the length of time Mr. McFadden was employed during the three year period over which the PSUs vest in accordance with the provisions of the LTIP. If the Change of Control also constituted a takeover bid transaction, Mr. McFadden would be entitled to receive an aggregate payment of \$822,095 rather than \$155,302, representing the value attributable to PSUs and RSUs that had accelerated and vested in accordance with the LTIP prior to the assumed date of the takeover bid transaction of December 31, 2011. If neither Superior nor Mr. McFadden exercise the option to terminate employment, the employment of Mr. McFadden shall continue in accordance with the terms of the Employment Agreement or on such other terms as mutually agreed upon.

### ***Paul Timmons***

Mr. Timmons is not party to an employment agreement, however, Mr. Timmons is a beneficiary under a defined benefit plan and participates in Superior's LTIP. For details of his retirement benefits, see "Defined Benefits Plans". Pursuant to the terms of the LTIP, upon an event of Termination Without Cause or retirement, Mr. Timmons would be entitled to receive an aggregate payment of approximately \$216,171 in respect of PSUs issued to him prior to the assumed date of termination of December 31, 2011, such amount having been pro-rated to reflect the length of time Mr. Timmons was employed during the three year period over which the PSUs vest in accordance with the provisions of the LTIP. In the event of a takeover bid transaction, Mr. Timmons would be entitled to receive an aggregate payment of \$859,422 rather than \$216,171 representing the value attributable to PSUs and RSUs that had accelerated and vested in accordance with the LTIP prior to the assumed date of the takeover bid transaction of December 31, 2011.

### ***Greg McCamus***

Pursuant to the terms of Mr. McCamus's Employment Agreement, upon an event of Termination For Cause or as a result of the death or Complete Disability of Mr. McCamus, he is entitled to receive, and Superior is obligated to pay (a) the amount, if any, of earned but unpaid annual salary up to and including the date of termination and (b) any amounts required to be paid by law (in each case, less applicable withholdings and deductions).

Upon an event of Termination Without Cause, Mr. McCamus is entitled to receive, and Superior is obligated to pay, conditional upon the receipt of a fully executed release from Mr. McCamus, (a) the amount, if any, of earned but unpaid annual salary up to and including the date of termination, (b) any incurred but unpaid expense reimbursements and (c) the Termination Amount equal to an aggregate payment of \$594,000 (calculated as 18 months of Mr. McCamus's then current annual salary plus 10% of the Termination Amount as compensation for the loss of employment benefits) (in each case, less applicable withholdings and deductions). In addition, Mr. McCamus would be entitled to receive an aggregate payment of approximately \$301,261 in respect of PSUs issued to him prior to the assumed date of termination of December 31, 2011, such amount having been pro-rated to reflect the length of time Mr. McCamus was employed during the three year period over which the PSUs vest in accordance with the provisions of the LTIP. In the event of a takeover bid transaction, Mr. McCamus would be entitled to receive an aggregate payment of \$1,076,061 rather than \$301,261 representing the value attributable to PSUs and RSUs that had accelerated and vested in accordance with the LTIP prior to the assumed date of the takeover bid transaction of December 31, 2011.

## **CORPORATE GOVERNANCE PRACTICES**

The Corporation is committed to maintaining high standards of corporate governance and continually assesses its governance practices against evolving policies, practices and requirements.

This Statement of Corporate Governance Practices has been approved by the Governance and Nominating Committee of the Board of Directors of the Corporation. The Board has determined that Superior's corporate governance practices are aligned with the Canadian Securities Administrators' ("CSA") disclosure

standards. Set forth below is a description of certain corporate governance practices of the Corporation, as required by the Corporate Governance Rule.

## **Board of Directors**

The Board is responsible for administering the affairs of the Corporation in accordance with the requirements of the *Canada Business Corporations Act* (the “**CBCA**”).

The Board is responsible for the stewardship of the Corporation. Its role is to provide effective leadership and oversight of Superior. Superior has officers and employees responsible for the day-to-day management and conduct of the businesses of Superior and the implementation of the strategic plan approved by the Board. Fundamentally, the Board seeks to ensure that the Corporation conducts its business with honesty and integrity, with a view to creating sustainable and long-term value and profitable growth. Supported by its committees, the Board’s processes are designed to achieve an appropriate degree of independence from management; to oversee succession planning; to consider, approve and monitor the Corporation’s strategic, operating, capital and financial plans; to monitor safety and the environment as it applies to Superior’s businesses; and to monitor the risk management framework, including the integrity of internal financial and management systems. The duties and responsibilities of the Board are set out in a written mandate of the Board which can be found on the Corporation’s website at [www.superiorplus.com](http://www.superiorplus.com). and on SEDAR at [www.sedar.com](http://www.sedar.com) and, upon request, a copy will be provided promptly and free of charge to any Shareholder of the Corporation.

The Board is currently comprised of eleven members, ten (10) of whom are standing for re-election by the Shareholders at the Meeting. All of the directors possess extensive business and board experience and high standards of ethics. Of the ten nominee members, eight are independent. Mr. Desjardins, President and Chief Executive Officer, is a non-independent director. Mr. Billing is non-executive Chairman of the Board and, based on the terms of the Corporate Governance Rule, cannot be regarded as independent until three years following his November 14, 2011 retirement as Chief Executive Officer. Since 2003, Peter Green has served as lead director (the “**Lead Director**”) of Superior to strengthen the independence of the Board from management. Currently, the Lead Director also serves as Chair of the Governance and Nominating Committee. Key duties of the Lead Director include enhancing the ability of the Board to act independently of management and non-independent directors, reviewing conflict of interest issues that may arise, in conjunction with the Chairman and the relevant committees of the Board, reviewing and assessing director attendance, performance, compensation and the size and composition of the Board and its committees, and chairing Board meetings when the Chairman is unavailable or when there is any potential conflict. Position descriptions of the Chairman of the Board, the President and Chief Executive Officer and the Lead Director delineate their roles and responsibilities. To locate the complete text of these position descriptions, see “Position Descriptions” below.

The Board, with the assistance of the Governance and Nominating Committee, has assessed the independence of each director. For more information on the assessment and director independence, see “Independence of Board and Committee Members” on page 19. To ensure directors exercise independent judgment in considering transactions and agreements, at the beginning of each Board meeting, the directors are asked if there are any independence or conflict of interest issues that may compromise independent judgment. If, at any meeting, a director has a material interest in a matter being considered, such director would not be present for discussions relating to the matter and would not participate in a vote on the matter. Following each and every meeting, the Board and the committees conduct in-camera sessions, at which non-independent directors and management are not in attendance. For a summary of the Board and committee meetings held in 2011 and for the attendance record for each director, see page 20 of the Information Circular. Only independent directors within the meaning of the Corporate Governance Rule serve on committees of the Board and all independent members currently participate in at least one standing committee.

Currently, certain directors of Superior serve on board of directors of other public companies. For further information, see “Director Nominee Information” and “Interlocking Directorships” commencing on page 13 of the Information Circular.

## **Committees of the Board**

To assist the Board with its fiduciary responsibilities, the Board is supported by three standing committees; an Audit Committee, a Governance and Nominating Committee, and a Compensation Committee. In 2007, the Board formed advisory committees for each of the businesses, composed of three independent directors, and senior corporate management. The Board does not have any other standing committees. For further information, see “Advisory Committees” on page 20 of the Information Circular. All members of the Audit Committee, Governance and Nominating Committee and the Compensation Committee are independent.

The mandate of the Board, as well as the mandates of the Audit Committee, the Governance and Nominating Committee, and the Compensation Committee of the Corporation are posted on the Corporation’s website at [www.superiorplus.com](http://www.superiorplus.com).

## **Audit Committee**

### *Composition and Qualifications*

The Audit Committee consists of four directors, Mr. Smith (Chair), Ms. Best, and Messrs. Green and Valentine. Mr. Valentine will not be standing for re-election as a director at the Meeting and the Audit Committee will then consist of three directors. All of the members of the Audit Committee are “financially literate”, and “independent” within the meaning of the Audit Committee Rule. In considering criteria for the determination of financial literacy, the Board looks at the ability to read and understand a balance sheet, an income statement and a statement of cash flow of a public entity. Mr. Smith is a chartered financial analyst with almost 30 years’ experience in the investment banking, investment research and management industry. His experience includes investment research, mergers and acquisitions, project finance, privatization and corporate finance. Mr. Smith is a corporate director and was managing director and founding partner of Enterprise Capital Management Inc. Ms. Best is a chartered accountant with over 30 years’ experience. Ms. Best is a corporate director and consultant. Previously, she served as Executive Vice-President, Risk Management and Chief Financial Officer for the Calgary and Alberta Health Region where she was responsible for all finance functions, including financial operations, budgeting, forecasting and planning, business support for operating and corporate portfolios, performance reporting, business planning and treasury management. Ms. Best was a chartered accountant at Ernst & Young for nineteen years, the last ten years as Corporate Audit Partner. Mr. Green is a chartered accountant and international business advisor with over 30 years of experience in senior executive roles, including 25 years as Chief Executive Officer or Chief Operating Officer of international companies. Mr. Valentine is a consultant and corporate director. Mr. Valentine is a chartered accountant, served as Auditor General of Alberta from 1995 to 2002 and held various senior accounting, audit and advisory positions with KPMG LLP over a 38-year period. He served as a member of the Accounting Standards Committee and the Public Sector Accounting Standards Board of the Canadian Institute of Chartered Accountants. Mr. Valentine also served as senior advisor to the CEO, Calgary Health Region and senior advisor to the Dean of Medicine, University of Calgary until 2007.

### *Responsibilities and Terms of Reference*

The Audit Committee reviews with management and the external auditors, and recommends to the Board for approval, the annual and interim financial statements of the Corporation, the reports of the external auditors thereon and related financial reporting, including management’s discussion and analysis and financial press releases. The Audit Committee reviews and oversees, in conjunction with the external auditors and management, audit plans and procedures and meets with the auditors independent of management at each quarterly meeting. The Audit Committee is responsible for reviewing auditor independence, approving all non-audit services, reviewing and making recommendations to the Board on internal control procedures and management information systems. In addition, the committee is responsible for assessing and reporting to

the Board on financial risk management positions and monitoring the processes and compliance with respect to National Instrument 52-109 “Certification of Disclosure in Issuer’s Annual and Interim Filings” requirements. The mandate of the Audit Committee is posted on the Corporation’s website at [www.superiorplus.com](http://www.superiorplus.com).

### **Governance and Nominating Committee**

The Governance and Nominating Committee consists of three independent directors: Messrs. Green (Chair), Engbloom, and Findlay. The Governance and Nominating Committee has the overall responsibility for reviewing the corporate governance practices and assessing the functioning and effectiveness of the Board, its committees and individual members. It is also responsible for recommending suitable candidates to the Board and for maintaining plans for orderly succession of directors to keep the Board balanced in terms of skills and experience. In addition, the Governance and Nominating Committee oversees continuous education programs for Board members and effective orientation and education programs for new directors. In fulfilling its mandate, the Governance and Nominating Committee has developed and conducts an annual effectiveness survey designed to assess the effectiveness of the Board, its committees and individual directors. It also monitors developments in corporate governance issues and best practices among major Canadian companies and other business organizations to be satisfied that the Corporation continues to carry out high standards of corporate governance. The mandate of the Governance and Nominating Committee can be found on the Corporation’s website at [www.superiorplus.com](http://www.superiorplus.com).

### **Compensation Committee**

For a description of the mandate and composition of the Compensation Committee, see “Executive Compensation – Compensation Committee” on page 26 of this Information Circular.

### **Position Descriptions**

The Board has developed written position descriptions for the Chairman of the Board, the President and Chief Executive Officer, the Lead Director, and for the Chair of each of the Audit Committee, the Governance and Nominating Committee and the Compensation Committee. The complete text of these position descriptions can be found on the Corporation’s website at [www.superiorplus.com](http://www.superiorplus.com).

### **Orientation and Continuing Education**

The Corporate Governance and Nominating Committee is responsible for overseeing the orientation processes and/or education programs for new directors, as well as for the continuous education for Board members so that individuals may maintain and enhance their skills and abilities as directors, and to improve their knowledge of the Corporation and its businesses.

#### *Orientation:*

- The Chairman of the Board and the Lead Director discuss with new directors the role of the Board, their committees, governance, integrity and corporate values and the contribution individual directors are expected to make.
- The President and Chief Executive Officer and other members of senior management provide orientation and education on operations, the strategic plan, the financial position, risks and risk management processes and current issues facing Superior’s businesses.
- Trips to operating sites are arranged for directors.
- An information binder has been developed for new directors, containing the Corporation’s constating documents, public disclosure documents and policies and guidelines, as well as Board information,

including Board and committee mandates, meeting dates, remuneration and indemnification, and relevant business and operational information. The information binder is updated, as required.

*Continuing Education:*

- Directors are surveyed annually, in conjunction with the performance evaluation, to determine areas that would assist them in maximizing effectiveness. This information serves as a basis for developing an annual continuing education program.
- Board or Advisory Committee meetings are conducted from different locations to allow directors to tour Superior's plants and facilities.
- Presentations are made to the Board at all regularly scheduled board meetings to educate and keep them informed of changes within Superior and in regulatory and industry requirements and standards.
- Specific information on risks, commodity pricing, supply and demand and the current business commercial environment is regularly provided and discussed.
- Advisory Committees for each of Superior's businesses have been formed to better allow directors to review and consider financial and operating performance, strategic plans and communication strategies for each respective business.
- The Governance and Nominating Committee reviews information on available educational opportunities and ensures directors are aware of those opportunities.
- External parties are invited to present to the Board and committees topics of specific interest.
- Superior offers membership in the Institute of Corporate Directors ("ICD") to all members of the Board.
- Superior pays for director education.

Ms. Best and Mr. Valentine have completed a Directors Education Program and hold the ICD.D designation.

**Ethical Business Conduct**

The Corporation's ethics efforts have strong support by the Board. The President and Chief Executive Officer is responsible for fostering a corporate culture that promotes ethical conduct and integrity of the Corporation as well as ensuring that appropriate processes and rules are in place and observed so that ethical conduct and integrity is achieved in practice.

On August 9, 2005, Superior Plus Inc. adopted a written Code of Business Conduct and Ethics (the "Code"). The Code was last reviewed by the Board and amended on November 2, 2011. The Code supplements the Corporation's existing principles and value statements designed to promote honesty and integrity across its operating businesses. The Code addresses the following issues: (a) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest; (b) protection and proper use of corporate assets and opportunities; (c) confidentiality of corporate information; (d) fair dealing with the Corporation's Shareholders and Superior's customers, suppliers, competitors and employees; (e) compliance with laws, rules and regulations; and (f) reporting of any illegal or unethical behaviour. The Code applies to all directors, officers, employees and consultants of the Corporation. Superior has a process in place by which employees certify on an annual basis their familiarity with and adherence to the principles of the Code and to any other of the Corporation's policies, including the Communication and Disclosure Policy and Practices, Insider Trading, Anti-Corruption, Privacy and

Whistleblower policies. Results of annual certifications and any incidents of non-compliance are reported through the respective committees to the Board. The Code encourages employees to seek advice or report concerns without fear of retribution through the Whistleblower Policy, the administration of which is outsourced for greater anonymity. A waiver of the Code for directors, officers, employees and consultants may be granted only by the Board and must promptly be disclosed, as required by applicable rules and regulations. The Code is available on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at [www.superiorplus.com](http://www.superiorplus.com). The Communication and Disclosure Policy and Practices, Insider Trading, Anti-Corruption, Privacy and Whistleblower policies are also available on the Corporation's website.

The Board has not granted any waiver of the Code in favour of a director or executive officer during 2011. No material change report pertaining to conduct departing from the Code was required to be filed in 2011 or at any time prior thereto.

To ensure directors exercise independent judgment in considering transactions and agreements, at the beginning of each Board meeting, the directors are asked if there are any independence or conflict of interest issues that may compromise independent judgment. If at any Board meeting a director or executive officer has a material interest in a matter being considered, such director or officer would not be present for discussions relating to the matter and would not participate in any vote on the matter.

### **Nomination of Directors**

The Governance and Nominating Committee is responsible for assisting the Board in identifying suitable director candidates and for maintaining plans for orderly succession of directors to keep the Board balanced in terms of skills and experience. The Committee annually reviews a skills matrix, outlining the various skills and areas of expertise which were determined to be essential to the Board, and updates it as necessary. This matrix is then used as a basis in recruiting new members to the Board. The Committee has the authority to hire outside consultants to assist in identifying and screening qualified candidates. The Board will also consider whether a new nominee can devote sufficient time and resources to their duties as a director.

### **Board Assessments**

The Governance and Nominating Committee leads a full annual evaluation of the effectiveness and performance of the Board, all Board Committees and individual directors. The Committee has developed an annual board effectiveness survey which includes an individual director self-evaluation questionnaire and guide and evaluation of peer performance. The evaluation uses confidential director questionnaires which encourage candid and constructive commentary. The assessment mechanism is led by the Chair of the Committee, who is also the Lead Director. He tabulates, analyzes and reports the results to the Governance and Nominating Committee and the Board, after periodically conducting an interview with each director. Confidentiality of individual director comments is maintained.

The results of the last evaluation completed in November of 2011, indicated that the Board was the appropriate size and possessed the necessary competencies to efficiently discharge its duties and responsibilities. In consideration of the age of several of the directors, the Governance and Nominating Committee commenced a director nomination process in late 2010 to facilitate an orderly replacement. See "Retirement Policy and Director Succession" on page 13 of this Information Circular.

## **OTHER MATTERS**

### **Indebtedness of Directors and Executive Officers**

None of the directors or executive officers of the Corporation, nor any proposed nominee as a director of the Corporation, nor any associate or affiliate of any one of them, is or was indebted, directly or indirectly, to Superior at any time since the beginning of the year ended December 31, 2011.



## **Interest of Informed Persons in Material Transactions**

No informed person of the Corporation, nor any proposed nominee for the election as a director of the Corporation, nor any associate or affiliate of any of them, has or had, at any time since the beginning of the year ended December 31, 2011, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

## **Shareholder Proposals**

Shareholders who comply with the applicable provisions of the CBCA are, subject to certain conditions in the CBCA, entitled to have Superior include in its Information Circular any matter that the person proposes to raise at an annual meeting. Any Shareholder who intends to make such a proposal to be considered by Superior for the 2013 annual meeting must arrange for Superior to receive the proposal at its principal executive office no later than November 5, 2012. Shareholders should consult their legal advisors for more information.

## **Communication with the Board**

Shareholders who would like to communicate directly with the Board should direct their communication to: Grant D. Billing, Chairman of the Board or Peter A.W. Green, Lead Director, Superior Plus Corp., 840 - 7th Avenue SW, Suite 1400, Calgary, Alberta, T2P 3G2.

## **Additional Information**

Copies of this Information Circular, the Corporation's Annual Report which contains the financial statements, MD&A and the auditor's report thereon for the Corporation's most recently completed financial year, any interim financial statements of the Corporation subsequent to those statements contained in the Annual Report, and the Corporation's Annual Information Form for the fiscal year ended December 31, 2011, as filed with the applicable Canadian regulatory authorities, are available on SEDAR at [www.sedar.com](http://www.sedar.com) and on Superior's website at [www.superiorplus.com](http://www.superiorplus.com) and may also be obtained without charge by writing to the Vice President, Investor Relations and Treasury at 840 – 7th Avenue SW, Suite 1400, Calgary, Alberta, T2P 3G2 or by e-mail at [jbachman@superiorplus.com](mailto:jbachman@superiorplus.com).

## **Board Approval**

The Board has approved the contents of this Information Circular and the sending of this Information Circular to the Shareholders of the Corporation.

Dated at Calgary, Alberta this 21st day of February, 2012.

## **SUPERIOR PLUS CORP.**

***“Luc Desjardins”***

Luc Desjardins  
President and Chief Executive Officer

***“Wayne M. Bingham”***

Wayne M. Bingham  
Executive Vice-President and Chief Financial Officer

**SHAREHOLDER RIGHTS PLAN AGREEMENT**

**DATED AS OF**

**February 16, 2012**

**BETWEEN**

**SUPERIOR PLUS CORPORATION**

**AND**

**COMPUTERSHARE TRUST COMPANY OF CANADA**

**AS RIGHTS AGENT**

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## SHAREHOLDER RIGHTS PLAN AGREEMENT

MEMORANDUM OF AGREEMENT, dated as of February 16, 2012 between Superior Plus Corporation (the "**Corporation**"), a corporation incorporated under the laws of Canada and Computershare Trust Company of Canada, a trust company incorporated under the laws of Canada (the "**Rights Agent**");

WHEREAS the Board of Directors of the Corporation, in the exercise of its fiduciary duties to the Corporation, has determined that it is advisable for the Corporation to adopt a shareholder rights plan (the "**Rights Plan**") to take effect on the Effective Date (as hereinafter defined) to prevent, to the extent possible, a creeping takeover of the Corporation and to ensure that any offer to acquire shares of the Corporation is made to all shareholders and cannot be completed unless shareholders holding at least 50% of the outstanding shares (other than the offeror and related parties) are deposited or tendered in acceptance of the offer, to ensure, to the extent possible, the fair treatment of all shareholders in connection with any take-over bid for the securities of the Corporation, and to ensure that the Board of Directors is provided with sufficient time to evaluate unsolicited take-over bids and to explore and develop alternatives to maximize shareholder value;

AND WHEREAS in order to implement the adoption of a shareholder rights plan as established by this Agreement, the board of directors of the Corporation has:

- (a) authorized the issuance, effective at the close of business (Calgary time) on the Effective Date, of one Right (as hereinafter defined) in respect of each Share (as hereinafter defined) outstanding at the close of business (Calgary time) on the Effective Date (the "**Record Time**");
- (b) authorized the issuance of one Right in respect of each Voting Share (as hereinafter defined) of the Corporation issued after the Record Time and prior to the earlier of the Separation Time (as hereinafter defined) and the Expiration Time (as hereinafter defined); and
- (c) authorized the issuance of Rights Certificates (as hereinafter defined) to holders of Rights pursuant to the terms and subject to the conditions set forth herein;

AND WHEREAS each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth herein;

AND WHEREAS the Corporation desires to appoint the Rights Agent to act on behalf of the Corporation and the holders of Rights, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates, the exercise of Rights and other matters referred to herein;

NOW THEREFORE, in consideration of the premises and the respective covenants and agreements set forth herein, and subject to such covenants and agreements, the parties hereby agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Certain Definitions

For purposes of this Agreement, the following terms have the meanings indicated:

- (a) "**1934 Exchange Act**" means the *Securities Exchange Act of 1934* of the United States, as amended, and the rules and regulations thereunder as now in effect or as the same may from time to time be amended, re-enacted or replaced;

- (b) **"Acquiring Person"** shall mean any Person who is the Beneficial Owner of 20% or more of the outstanding Voting Shares; provided, however, that the term **"Acquiring Person"** shall not include:
- (i) the Corporation or any Subsidiary of the Corporation;
  - (ii) any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of one or any combination of:
    - (A) a Voting Share Reduction;
    - (B) Permitted Bid Acquisitions;
    - (C) an Exempt Acquisition;
    - (D) Pro Rata Acquisitions; or
    - (E) a Convertible Security Acquisition;provided, however, that if a Person becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares by reason of one or any combination of the operation of Paragraphs (A), (B), (C), (D) or (E) above and such Person's Beneficial Ownership of Voting Shares thereafter increases by more than 1% of the number of Voting Shares outstanding (other than pursuant to one or any combination of a Voting Share Reduction, a Permitted Bid Acquisition, an Exempt Acquisition, a Pro Rata Acquisition or a Convertible Security Acquisition), then as of the date such Person becomes the Beneficial Owner of such additional Voting Shares, such Person shall become an **"Acquiring Person"**;
  - (iii) for a period of ten days after the Disqualification Date (as defined below), any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of such Person becoming disqualified from relying on Clause 1.1(g)(B) because such Person is making or has announced a current intention to make a Take-over Bid, either alone or by acting jointly or in concert with any other Person. For the purposes of this definition, **"Disqualification Date"** means the first date of public announcement that any Person is making or intends to make a Take-over Bid;
  - (iv) an underwriter or member of a banking or selling group that becomes the Beneficial Owner of 20% or more of the Voting Shares in connection with a distribution of securities of the Corporation pursuant to an underwriting agreement with the Corporation; or
  - (v) a Person (a **"Grandfathered Person"**) who is the Beneficial Owner of 20% or more of the outstanding Voting Shares determined as at the Record Time, provided, however, that this exception shall not be, and shall cease to be, applicable to a Grandfathered Person in the event that such Grandfathered Person shall, after the Record Time, become the Beneficial Owner of any additional Voting Shares that increases its Beneficial Ownership of Voting Shares by more than 1% of the number of Voting Shares outstanding, other than through one or any combination of a Permitted Bid Acquisition, an Exempt Acquisition, a Voting Share Reduction, a Pro Rata Acquisition or a Convertible Security Acquisition; and provided, further, that a Person shall cease to be a Grandfathered Person in the event that such Person ceases to Beneficially Own 20% or more of the then outstanding Voting Shares at any time after the Record Time;

- (c) "**Affiliate**", when used to indicate a relationship with a specified Person, shall mean a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person;
- (d) "**Agreement**" shall mean this shareholder rights plan agreement dated as of February 16, 2012 between the Corporation and the Rights Agent, as amended or supplemented from time to time; "hereof", "herein", "hereto" and similar expressions mean and refer to this Agreement as a whole and not to any particular part of this Agreement;
- (e) "**annual cash dividend**" shall mean cash dividends paid in any fiscal year of the Corporation to the extent that such cash dividends do not exceed, in the aggregate on a per share basis, in any fiscal year, the greatest of:
  - (i) 200% of the aggregate amount of cash dividends, on a per share basis, declared payable by the Corporation on its Shares in its immediately preceding fiscal year; and
  - (ii) 300% of the arithmetic mean of the aggregate amounts of the cash dividends, on a per share basis, declared payable by the Corporation on its Shares in its three immediately preceding fiscal years;
- (f) "**Associate**" shall mean, when used to indicate a relationship with a specified Person, a spouse of that Person, any Person of the same or opposite sex with whom that Person is living in a conjugal relationship outside marriage, a child of that Person or a relative of that Person if that relative has the same residence as that Person;
- (g) A Person shall be deemed the "**Beneficial Owner**" of, and to have "**Beneficial Ownership**" of, and to "**Beneficially Own**",
  - (i) any securities as to which such Person or any of such Person's Affiliates or Associates is the owner at law or in equity;
  - (ii) any securities as to which such Person or any of such Person's Affiliates or Associates has the right to become the owner at law or in equity (where such right is exercisable within a period of 60 days, whether or not on condition or on the happening of any contingency) pursuant to any agreement, arrangement, pledge or understanding, whether or not in writing, or upon the exercise of any conversion, exchange or purchase right (other than the Rights) attaching to a Convertible Security; other than pursuant to (x) customary agreements between the Company and underwriters or between underwriters and/or banking group members and/or selling group members with respect to a distribution of securities by the Corporation, (y) pledges of securities in the ordinary course of business), and (z) any agreement between the Company and any Person or Persons relating to a plan of arrangement, amalgamation or other statutory procedure which is subject to the approval of the holders of Voting Shares;
  - (iii) any securities which are Beneficially Owned within the meaning of Clauses 1.1(g)(i) or (ii) by any other Person with which such Person is acting jointly or in concert;

provided, however, that a Person shall not be deemed the "**Beneficial Owner**" of, or to have "**Beneficial Ownership**" of, or to "**Beneficially Own**", any security:

- (A) where such security has been deposited or tendered pursuant to any Take-over Bid or where the holder of such security has agreed pursuant to a Permitted Lock-Up Agreement to deposit or tender such security pursuant to a Take-Over Bid, in each case made by such Person, made by any of such Person's Affiliates or Associates or made by any other

Person acting jointly or in concert with such Person, until such deposited or tendered security has been taken up or paid for, whichever shall first occur;

- (B) where such Person, any of such Person's Affiliates or Associates or any other Person referred to in Clause 1.1(g)(iii), holds such security provided that (1) the ordinary business of any such Person (the "**Investment Manager**") includes the management of mutual funds or investment funds for others (which others, for greater certainty, may include or be limited to one or more employee benefit plans or pension plans and/or includes the acquisition or holding of securities for a non-discretionary account of a Client (as defined below) by a dealer or broker registered under applicable securities laws to the extent required) and such security is held by the Investment Manager in the ordinary course of such business and in the performance of such Investment Manager's duties for the account of any other Person or Persons (a "**Client**"); or (2) such Person (the "**Trust Company**") is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons (each an "**Estate Account**") or in relation to other accounts (each an "**Other Account**") and holds such security in the ordinary course of such duties for such Estate Accounts or for such Other Accounts, or (3) such Person is a pension plan or fund registered under the laws of Canada or any Province thereof or the laws of the United States of America (a "**Plan**") or is a Person established by statute for purposes that include, and the ordinary business or activity of such Person (the "**Statutory Body**") includes, the management of investment funds for employee benefit plans, pension plans, insurance plans of various public bodies; or (4) such Person (the "**Administrator**") is the administrator or trustee of one or more Plans and holds such security for the purposes of its activities as an Administrator; provided, in any of the above cases, that the Investment Manager, the Trust Company, the Statutory Body, the Administrator or the Plan, as the case may be, is not then making and has not then announced an intention to make a Take-over Bid (other than an Offer to Acquire Voting Shares or other securities by means of a distribution by the Corporation or by means of ordinary market transactions (including prearranged trades) executed through the facilities of a stock exchange or organized over-the-counter market), alone or by acting jointly or in concert with any other Person;
- (C) where such Person or any of such Person's Affiliates or Associates is (1) a Client of the same Investment Manager as another Person on whose account the Investment Manager holds such security, (2) an Estate Account or an Other Account of the same Trust Company as another Person on whose account the Trust Company holds such security, or (3) a Plan with the same Administrator as another Plan on whose account the Administrator holds such security;
- (D) where such Person is (1) a Client of an Investment Manager and such security is owned at law or in equity by the Investment Manager, (2) an Estate Account or an Other Account of a Trust Company and such security is owned at law or in equity by the Trust Company or (3) a Plan and such security is owned at law or in equity by the Administrator of the Plan; or

- (E) where such person is the registered holder of securities as a result of carrying on the business of or acting as a nominee of a securities depository.
- (h) "**Board of Directors**" shall mean the board of directors of the Corporation or any duly constituted and empowered committee thereof;
- (i) "**Business Day**" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in Calgary, Alberta are authorized or obligated by law to close;
- (j) "**Canada Business Corporations Act**" shall mean the Canada Business Corporations Act, as amended, and the regulations made thereunder and any comparable or successor laws or regulations thereto;
- (k) "**Canadian Dollar Equivalent**" of any amount which is expressed in United States dollars shall mean on any day the Canadian dollar equivalent of such amount determined by reference to the U.S.- Canadian Exchange Rate in effect on such date;
- (l) "**close of business**" on any given date shall mean the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the transfer office of the transfer agent for the Shares (or, after the Separation Time, the principal transfer office of the Rights Agent) is closed to the public in the city in which such transfer agent or rights agent has an office for the purposes of this Agreement;
- (m) "**Competing Permitted Bid**" shall mean a Take-over Bid that:
- (i) is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry, termination or withdrawal of such Permitted Bid or Competing Permitted Bid;
  - (ii) satisfies all of the provisions of a Permitted Bid other than the condition set forth in Clause (iii) of the definition of a Permitted Bid; and
  - (iii) contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified provision that no Voting Shares will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on the date that is no earlier than the later of (A) 35 days after the date of the Take-over Bid constituting the Competing Permitted Bid; and (B) 60 days following the date on which the earliest Permitted Bid or Competing Permitted Bid which preceded the Competing Permitting Bid was made;
- (n) "**controlled**" a Person is considered to control another Person if the Person, directly or indirectly, has the power to direct the management and policies of the other Person by virtue of:
- (i) the ownership or direction of a majority of the voting securities of the other Person,
  - (ii) a written agreement or trust instrument,
  - (iii) being the general partner or controlling the general partner of the other Person, or
  - (iv) being the trustee of the other Person,
  - (v) and "**controls**", "**controlling**" and "**under common control with**" shall be interpreted accordingly;



- (o) **"Convertible Security"** shall mean a security convertible, exercisable or exchangeable into a Voting Share and a **"Convertible Security Acquisition"** shall mean an acquisition by a Person of Voting Shares upon the exercise, conversion or exchange of a Convertible Security received by a Person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition;
- (p) **"Co-Rights Agents"** shall have the meaning ascribed thereto in Subsection 4.1(a);
- (q) **"Disposition Date"** shall have the meaning ascribed thereto in Subsection 5.1(d);
- (r) **"Dividend Reinvestment Acquisition"** shall mean an acquisition of Voting Shares of any class pursuant to a Distribution Reinvestment Plan;
- (s) **"Dividend Reinvestment Plan"** shall mean a regular dividend reinvestment or other plan of the Corporation made available by the Corporation to holders of its securities where such plan permits the holder to direct that some or all of:
  - (i) dividends paid in respect of shares of any class of the Corporation;
  - (ii) proceeds of redemption of shares of the Corporation;
  - (iii) interest paid on evidences of indebtedness of the Corporation; or
  - (iv) optional cash payments;
 be applied to the purchase from the Corporation of Shares;
- (t) **"early warning requirements"** shall have the meaning ascribed thereto under National Instrument 62-103 *The Early Warning System* promulgated under the Securities Act;
- (u) **"Effective Date"** shall mean February 16, 2012;
- (v) **"Election to Exercise"** shall have the meaning ascribed thereto in Clause 2.2(d)(ii);
- (w) **"Exempt Acquisition"** shall mean an acquisition by a Person of Voting Shares and/or Convertible Securities (i) in respect of which the Board of Directors has waived the application of Section 3.1 pursuant to the provisions of Subsection 5.1(b), (c) or (d); (ii) pursuant to a distribution of Voting Shares and/or Convertible Securities made by the Corporation: (A) to the public pursuant to a prospectus, provided that such Person does not thereby become the Beneficial Owner of a greater percentage of Voting Shares so offered than the percentage of Voting Shares Beneficially Owned by such Person immediately prior to such distribution; or (B) pursuant to a private placement provided that: (x) all necessary stock exchange approvals for such private placement have been obtained and such private placement complies with the terms and conditions of such approvals; and (y) such Person does not thereby become the Beneficial Owner of Voting Shares equal in number to more than 25% of the Voting Shares outstanding immediately prior to the private placement and, in making this determination, the securities to be issued to such Person on the private placement shall be deemed to be held by such Person but shall not be included in the aggregate number of Voting Shares outstanding immediately prior to the private placement; or (iii) pursuant to an amalgamation, merger, arrangement or other statutory procedure requiring shareholder approval;
- (x) **"Exercise Price"** shall mean, as of any date, the price at which a holder may purchase the securities issuable upon exercise of one whole Right which, until adjustment thereof in accordance with the terms hereof, shall be:
  - (i) until the Separation Time, an amount equal to three times the Market Price, from time to time, per Share; and

- (ii) from and after the Separation Time, an amount equal to three times the Market Price, as at the Separation Time, per Share;
- (y) "**Expansion Factor**" shall have the meaning ascribed thereto in Clause 2.3(a)(x);
- (z) "**Expiration Time**" shall have the meaning ascribed thereto in Clause 5.15(a);
- (aa) "**Flip-in Event**" shall mean a transaction in or pursuant to which any Person becomes an Acquiring Person;
- (bb) "**holder**" shall have the meaning ascribed thereto in Section 2.8;
- (cc) "**Independent Shareholders**" shall mean holders of Voting Shares, other than:
  - (i) any Acquiring Person;
  - (ii) any Offeror, other than a Person referred to in Clause 1.1(g)(B);
  - (iii) any Affiliate or Associate of such Acquiring Person or Offeror;
  - (iv) any Person acting jointly or in concert with such Acquiring Person or Offeror; and
  - (v) any employee benefit plan, deferred profit sharing plan, stock participation plan and any other similar plan or trust for the benefit of employees of the Corporation or a Subsidiary of the Corporation, unless the beneficiaries of the plan or trust direct the manner in which the Voting Shares are to be voted or direct whether the Voting Shares are to be tendered to a Take-over Bid;
- (dd) "**Market Price**" per share of any securities on any date of determination shall mean the average of the daily closing prices per share of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the closing prices used to determine the Market Price on any Trading Days not to be fully comparable with the closing price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such closing price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the closing price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The closing price per share of any securities on any date shall be:
  - (i) the closing board lot sale price or, in case no such sale takes place on such date, the average of the closing bid and asked prices for each of such securities as reported by the principal Canadian stock exchange on which such securities are listed or admitted to trading;
  - (ii) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange, the last sale price or, in case no such sale takes place on such date, the average of the high bid and low asked prices for each of such securities in the Canadian over-the-counter market, as quoted by any reporting system then in use; or
  - (iii) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange or quoted by any such reporting system, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities selected in good faith by the Board of Directors;

- (iv) provided, however, that if for any reason none of such prices is available on such day, the closing price per share of such securities on such date means the fair value per share of such securities on such date as determined by a nationally or internationally recognized investment dealer or investment banker with respect to the fair value per share of such securities. The Market Price shall be expressed in Canadian dollars and, if initially determined in respect of any day forming part of the 20 consecutive Trading Day period in question in United States dollars, such amount shall be translated into Canadian dollars on such date at the Canadian Dollar Equivalent thereof;
- (ee) "**Nominee**" shall have the meaning ascribed thereto in Subsection 2.2(c);
- (ff) "**Offer to Acquire**" shall include:
  - (i) an offer to purchase or a solicitation of an offer to sell or a public announcement of an intention to make such an offer or solicitation; and
  - (ii) an acceptance of an offer to sell, whether or not such offer to sell has been solicited;or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an Offer to Acquire to the Person that made the offer to sell;
- (gg) "**Offeror**" shall mean a Person who has made a public announcement of a current intention to make or who is making a Take-over Bid but only so long as the Take-over Bid so announced or made has not been withdrawn or terminated or has not expired;
- (hh) "**Permitted Bid**" shall mean a Take-over Bid made by an Offeror by way of take-over bid circular which also complies with the following additional provisions:
  - (i) the Take-over Bid is made to all holders of Voting Shares on the books of the Corporation, other than the Offeror;
  - (ii) no Voting Shares are taken up or paid for pursuant to the Take-over Bid unless more than 50% of the Voting Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;
  - (iii) the Take-over Bid contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified provision that no Voting Shares will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on the date which is not less than 60 days following the date of the Take-over Bid;
  - (iv) the Take-over Bid contains an irrevocable and unqualified provision that unless the Take-over Bid is withdrawn, Voting Shares may be deposited pursuant to such Take-over Bid at any time during the period of time between the date of the Take-over Bid and the date on which Voting Shares may be taken up and paid for and that any Voting Shares deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and
  - (v) the Take-over Bid contains an irrevocable and unqualified provision that if, on the date on which Voting Shares may be taken up and paid for, more than 50% of the Voting Shares held by Independent Shareholders shall have been deposited pursuant to the Take-over Bid and not withdrawn, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Voting Shares for not less than ten Business Days from the date of such public announcement;

For purposes of this Agreement, (A) should a Take-over Bid which qualified as a Permitted Bid cease to be a Permitted Bid because it ceases to meet any or all of the requirements mentioned above prior to the time it expires (after giving effect to any extension) or is withdrawn, any acquisition of Voting Shares made pursuant to such Take-over Bid shall not be a Permitted Bid Acquisition and (B) the term "**Permitted Bid**" shall include a Competing Permitted Bid.

- (ii) "**Permitted Bid Acquisition**" shall mean an acquisition of Voting Shares made pursuant to a Permitted Bid or a Competing Permitted Bid;
  
- (jj) "**Permitted Lock-Up Agreement**" shall mean an agreement between a Person and one or more holders of Voting Shares pursuant to which such holders (each a "**Locked-Up Person**") agree to deposit or tender Voting Shares to a Take-Over Bid (the "**Lock-Up Bid**") made or to be made by such Person or any of such Person's Affiliates or Associates or any other Person with which such Person is acting jointly or in concert, provided that:
  - (i) the terms of such agreement are publicly disclosed and a copy of such agreement is made available to the public (including the Corporation) not later than the date of the Lock-Up Bid or, if the Lock-Up Bid has been made prior to the date on which such agreement is entered into, not later than the first business day following the date of such agreement;
  
  - (ii) the agreement permits a Locked-Up Person to terminate its obligation to deposit or tender Voting Shares to or not to withdraw such Voting Shares from the Lock-Up Bid, and to terminate any obligation with respect to the voting of such Voting Shares, in order to tender or deposit the Voting Shares to another Take-over Bid or to support another transaction:
    - (A) where the price or value of the consideration per Voting Share offered under such other Take-over Bid or transaction:
      - (1) is greater than the price or value of the consideration per Voting Share at which the Locked-Up Person has agreed to deposit or tender Voting Shares to the Lock-Up Bid; or
  
      - (2) exceeds by as much as or more than a specified amount (the "**Specified Amount**") the price or value of the consideration per Voting Share at which the Locked-Up Person has agreed to deposit or tender Voting Shares to the Lock-Up Bid, provided that such Specified Amount is not greater than 7% of the price or value of the consideration per Voting Share at which the Locked-Up Person has agreed to deposit or tender Voting Shares to the Lock-Up Bid; and
  
    - (B) if the number of Voting Shares offered to be purchased under the Lock-Up Bid is less than 100% of the Voting Shares held by Independent Shareholders, where the number of Voting Shares to be purchased under such other Take-over Bid or transaction at a price or value per Voting Share that is not less than the price or value per Voting Share offered under the Lock-Up Bid:
      - (1) is greater than the number of Voting Shares that the Offeror has offered to purchase under the Lock-Up Bid; or
  
      - (2) exceeds by as much as or more than a specified number (the "**Specified Number**") the number of Voting Shares that the Offeror has offered to purchase under the Lock-Up Bid, provided

that the Specified Number is not greater than 7% of the number of Voting Shares offered to purchased under the Lock-Up Bid,

and, for greater clarity, the agreement may contain a right of first refusal or require a period of delay to give such Person an opportunity to match a higher price in another Take-over Bid or transaction or other similar limitation on a Locked-up Person's right to withdraw Voting Shares from the agreement, so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Voting Shares during the period of the other Take-over Bid or transaction; and

(iii) no "**break-up**" fees, "**top-up**" fees, penalties, expenses or other amounts that exceed in aggregate the greater of:

(A) 2.5% of the price or value of the consideration payable under the Lock-Up Bid to a Locked-Up Person; and

(B) 50% of the amount by which the price or value of the consideration received by a Locked-Up Person under another Take-over Bid or transaction exceeds the price or value of the consideration that the Locked-Up Person would have received under the Lock-Up Bid,

shall be payable by such Locked-Up Person pursuant to the agreement if the Locked-Up Person fails to deposit or tender Voting Shares to the Lock-Up Bid, withdraws Voting Shares previously tendered thereto or supports another transaction;

(kk) "**Person**" shall include an individual, body corporate, firm, partnership, syndicate or other form of unincorporated association, trust, trustee, executor, administrator, legal personal representative, group, unincorporated organization, a government and its agencies or instrumentalities, or other entity whether or not having legal personality;

(ll) "**Pro Rata Acquisition**" shall mean an acquisition by a Person of Voting Shares pursuant to:

(i) a Dividend Reinvestment Acquisition;

(ii) a stock dividend, stock split or other event in respect of securities of the Corporation of one or more particular classes or series pursuant to which such Person becomes the Beneficial Owner of Voting Shares on the same pro rata basis as all other holders of securities of the particular class, classes or series; or

(iii) the acquisition or the exercise by the Person of rights to purchase Voting Shares issued by the Corporation to all holders of securities of the Corporation (other than holders resident in any jurisdiction where such issuance is restricted or impractical as a result of applicable law) of one or more particular classes or series pursuant to a rights offering or pursuant to a prospectus, provided that such rights are acquired directly from the Corporation and not from any other Person and the Person does not thereby acquire a greater percentage of such Voting Shares than the Person's percentage of Voting Shares Beneficially Owned immediately prior to such acquisition;

(mm) "**Record Time**" has the meaning set forth in the recitals hereto;

(nn) "**Redemption Price**" shall have the meaning attributed thereto in Subsection 5.1(a);

(oo) "**Right**" shall mean a right to purchase a Share of the Corporation, upon the terms and subject to the conditions set forth in this Agreement;

- (pp) **"Rights Certificate"** shall mean a certificate representing the Rights after the Separation Time, which shall be substantially in the form attached hereto as Attachment 1;
- (qq) **"Rights Register"** shall have the meaning ascribed thereto in Subsection 2.6(a);
- (rr) **"Securities Act"** shall mean the *Securities Act* (Alberta), as amended, and the regulations thereunder, and any comparable or successor laws or regulations thereto;
- (ss) **"Separation Time"** shall mean, subject to Subsection 5.1(d), the close of business on the tenth Trading Day after the earlier of:
- (i) the Share Acquisition Date;
  - (ii) the date of the commencement of or first public announcement of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid); and
  - (iii) the date on which a Permitted Bid or Competing Permitted Bid ceases to qualify as such;
- or such later time as may be determined by the Board of Directors, provided that, if any Take-over Bid referred to in clause (ii) above expires, is not made, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid shall be deemed, for the purposes of this definition, never to have been commenced, made or announced and further provided that if the Board of Directors determines, pursuant to Section 5.1, to waive the application of Section 3.1 to a Flip-In Event, then the Separation Time in respect of such Flip-In Event shall be deemed never to have occurred and further provided that if the foregoing results in the Separation Time being prior to the Record Time, the Separation Time shall be the Record Time;
- (tt) **"Share Acquisition Date"** shall mean the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to early warning requirements under applicable securities laws) by the Corporation or an Acquiring Person of facts indicating that a Person has become an Acquiring Person;
- (uu) **"Shares"** shall mean the common shares in the capital of the Corporation as presently constituted, as such shares may be subdivided, consolidated, reclassified or otherwise changed from time to time;
- (vv) **"Subsidiary"**: a Person is a Subsidiary of another Person if:
- (i) it is controlled by:
    - (A) that other; or
    - (B) that other and one or more Persons each of which is controlled by that other; or
    - (C) two or more Persons each of which is controlled by that other; or
  - (ii) it is a Subsidiary of a Person that is that other's Subsidiary;
- (ww) **"Take-over Bid"** shall mean an Offer to Acquire Voting Shares or Convertible Securities, if, assuming that the Voting Shares or Convertible Securities subject to the Offer to Acquire are acquired and are Beneficially Owned at the date of such Offer to Acquire by the Person making such Offer to Acquire, the Voting Shares Beneficially Owned by the

Person making the Offer to Acquire would constitute in the aggregate 20% or more of the outstanding Voting Shares at the date of the Offer to Acquire;

- (xx) "**Termination Time**" shall mean the time at which the right to exercise Rights shall terminate pursuant to Section 5.1(g);
- (yy) "**Trading Day**", when used with respect to any securities, shall mean a day on which the principal Canadian stock exchange on which such securities are listed or admitted to trading is open for the transaction of business or, if the securities are not listed or admitted to trading on any Canadian stock exchange, a Business Day;
- (zz) "**U.S. – Canadian Exchange Rate**" on any date shall mean:
  - (i) if on such date the Bank of Canada sets an average noon spot rate of exchange for the conversion of one United States dollar into Canadian dollars, such rate; and
  - (ii) in any other case, the rate for such date for the conversion of one United States dollar into Canadian dollars which is calculated in the manner which shall be determined by the Board of Directors from time to time acting in good faith;
- (aaa) "**Voting Share Reduction**" shall mean an acquisition or redemption by the Corporation of Voting Shares which, by reducing the number of Voting Shares outstanding, increases the percentage of outstanding Voting Shares Beneficially Owned by any Person to 20% or more of the Voting Shares then outstanding; and
- (bbb) "**Voting Shares**" shall mean the Shares and any other shares in the capital of the Corporation entitled to vote generally in the election of all directors of the Corporation.

## 1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada, unless otherwise specified.

## 1.3 Headings

The division of this Agreement into Articles, Sections, Subsections, Clauses, Paragraphs, Subparagraphs or other portions hereof and the insertion of headings, subheadings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

## 1.4 Calculation of Number and Percentage of Beneficial Ownership of Outstanding Voting Shares

- (a) For purposes of this Agreement, in determining the percentage of outstanding Voting Shares with respect to which a Person is or is deemed to be the Beneficial Owner, all unissued Voting Shares of which such person is deemed to be the Beneficial Owner shall be deemed to be outstanding.
- (b) For purposes of this Agreement, the percentage of Voting Shares Beneficially Owned by any Person shall be and be deemed to be the product (expressed as a percentage) determined by the formula:

$$100 \times A/B$$

where:

- A = the number of votes for the election of all directors of the Corporation generally attaching to the Voting Shares Beneficially Owned by such Person; and
- B = the number of votes for the election of all directors of the Corporation generally attaching to all outstanding Voting Shares.

The percentage of outstanding Voting Shares represented by any particular group of Voting Shares acquired or held by any Person shall be determined in like manner mutatis mutandis.

### **1.5 Acting Jointly or in Concert**

For purposes of this Agreement a Person is acting jointly or in concert with every Person who is a party to an agreement, commitment, arrangement or understanding, whether formal or informal or written or unwritten, with the first Person to acquire or Offer to Acquire any Voting Shares or Convertible Securities (other than (x) customary agreements with and between underwriters and/or banking group members and/or selling group members with respect to a distribution of securities by the Corporation, (y) pledges of securities in the ordinary course of business, and (z) Permitted Lock-Up Agreements).

### **1.6 Generally Accepted Accounting Principles**

Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be the recommendations at the relevant time of the Canadian Institute of Chartered Accountants, or any successor institute, applicable on a consolidated basis (unless otherwise specifically provided herein to be applicable on an unconsolidated basis) and which incorporates International Financial Reporting Standards as adopted by the Canadian Accounting Standards Board for periods beginning on or after January 1, 2011, as at the date on which a calculation is made or required to be made in accordance with generally accepted accounting principles. Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made for the purpose of this Agreement or any document, such determination or calculation shall, to the extent applicable and except as otherwise specified herein or as otherwise agreed in writing by the parties, be made in accordance with such generally accepted accounting principles applied on a consistent basis.

## **ARTICLE 2 THE RIGHTS**

### **2.1 Legend on Share Certificates**

Certificates representing Shares which are issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time, shall also evidence one Right for each Share represented thereby until the earlier of the Separation Time or the Expiration Time and shall have impressed on, printed on, written on or otherwise affixed to them the following legend:

Until the earlier of the Separation Time or the Expiration Time (as both terms are defined in the Shareholder Rights Agreement referred to below), this certificate also evidences and entitles the holder hereof to certain Rights as set forth in a Shareholder Rights Plan Agreement dated as of February 16, 2012, as may be amended or supplemented from time to time (the "**Shareholder Rights Agreement**"), between Superior Plus Corporation (the "**Corporation**") and Computershare Trust Company of Canada, as Rights Agent, the terms of which are incorporated herein by reference and a copy of which is on file at the principal executive offices of the Corporation. Under certain circumstances set out in the Shareholder Rights Agreement, the rights may be amended or redeemed, may expire or may become void (if, in certain cases they are "**Beneficially Owned**" by an "**Acquiring Person**" as such terms are defined in the Shareholder Rights Agreement, whether currently held by or on behalf of such Person or a subsequent holder) or may be evidenced by separate certificates and no longer evidenced by this certificate. The Corporation will mail or arrange for the mailing of a copy of the Shareholder Rights Agreement to



the holder of this certificate without charge as soon as practicable after the receipt of a written request therefor.

Certificates representing Shares that are issued and outstanding at the Record Time shall also evidence one Right for each Share represented thereby notwithstanding the absence of the foregoing legend, until the earlier of the Separation Time and the Expiration Time.

## **2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights**

- (a) Subject to adjustment as herein set forth, each Right will entitle the holder thereof, from and after the Separation Time and prior to the Expiration Time, to purchase one Share for the Exercise Price as at the Business Day immediately preceding the day of exercise of the Right (which Exercise Price and number of Shares are subject to adjustment as set forth below). Notwithstanding any other provision of this Agreement, any Rights held by the Corporation or any of its Subsidiaries shall be void.
- (b) Until the Separation Time,
  - (i) the Rights shall not be exercisable and no Right may be exercised; and
  - (ii) each Right will be evidenced by the certificate for the associated Voting Share registered in the name of the holder thereof (which certificate shall also be deemed to represent a Rights Certificate) and will be transferable only together with, and will be transferred by a transfer of, such associated Voting Share.
- (c) From and after the Separation Time and prior to the Expiration Time:
  - (i) the Rights shall be exercisable; and
  - (ii) the registration and transfer of Rights shall be separate from and independent of Voting Shares.

Promptly following the Separation Time, the Corporation will prepare or cause to be prepared and the Rights Agent will mail to each holder of record of Voting Shares as of the Separation Time and, in respect of each Convertible Security converted into Voting Shares after the Separation Time and prior to the Expiration Time, promptly after such conversion, the Corporation will prepare or cause to be prepared and the Rights Agent will mail to the holder so converting (other than in either case an Acquiring Person and any Transferee whose rights are or become null and void pursuant to Section 3.1(b) and, in respect of any Rights Beneficially Owned by such Acquiring Person or Transferee which are not held of record by such Acquiring Person or Transferee, the holder of record of such Rights (a "**Nominee**")), at such holder's address as shown by the records of the Corporation (the Corporation hereby agreeing to furnish copies of such records to the Rights Agent for this purpose):

- (x) a Rights Certificate appropriately completed, representing the number of Rights held by such holder at the Separation Time or at the time of conversion, as applicable, and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law, rule or regulation or judicial or administrative order made pursuant thereto or with any rule or regulation of any self-regulatory organization, stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage; and
- (y) disclosure statement describing the Rights,

provided that a Nominee shall be sent the materials provided for in (x) and (y) only in respect of all Shares held of record by it which are not Beneficially Owned by an Acquiring Person. In order for the Corporation to determine whether any Person is holding Shares which are Beneficially Owned by another Person, the Corporation may require such first Person to furnish such information and documentation as the Corporation deems necessary.

- (d) Rights may be exercised, in whole or in part, on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent at its office in Calgary, Canada or any other office of the Rights Agent in cities designated from time to time for that purpose by the Corporation with the approval of the Rights Agent:
  - (i) the Rights Certificate evidencing such Rights;
  - (ii) an election to exercise such Rights (an "**Election to Exercise**") substantially in the form attached to the Rights Certificate appropriately completed and duly executed by the holder or such holder's executors or administrators or other personal representatives or such holder's or their legal attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Rights Agent; and
  - (iii) payment by certified cheque, banker's draft, money order or wire transfer payable to the order of the Rights Agent, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Shares in a name other than that of the holder of the Rights being exercised.
- (e) Upon receipt of a Rights Certificate, together with a completed Election to Exercise executed in accordance with Clause 2.2(d)(ii), which does not indicate that such Right is null and void as provided by Subsection 3.1(b), and payment as set forth in Clause 2.2(d)(iii), the Rights Agent (unless otherwise instructed by the Corporation in the event that the Corporation is of the opinion that the Rights cannot be exercised in accordance with this Agreement) will thereupon as soon as practicable:
  - (i) requisition from the transfer agent certificates representing the number of such Shares to be purchased (the Corporation hereby irrevocably authorizing its transfer agent to comply with all such requisitions);
  - (ii) when appropriate, requisition from the Corporation the amount of cash to be paid in lieu of issuing fractional Shares;
  - (iii) after receipt of the certificates referred to in Clause 2.2(e)(i), deliver the same to or upon the order of the registered holder of such Rights Certificates, registered in such name or names as may be designated by such holder;
  - (iv) when appropriate, after receipt, deliver the cash referred to in Clause 2.2(e)(ii) to or to the order of the registered holder of such Rights Certificate; and
  - (v) remit to the Corporation all payments received on the exercise of Rights.
- (f) In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised (subject to the provisions of Subsection 5.5(a)) will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.
- (g) The Corporation covenants and agrees that it will:

- (i) take all such action as may be necessary and within its power to ensure that all Shares delivered upon exercise of Rights shall, at the time of delivery of the certificates for such Shares (subject to payment of the Exercise Price), be duly and validly authorized, executed, issued and delivered as fully paid and non-assessable;
- (ii) take all such action as may be necessary and within its power to comply with the requirements of the Canada Business Corporations Act, the Securities Act and the securities laws or comparable legislation of each of the provinces of Canada, and any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any Shares upon exercise of Rights;
- (iii) use reasonable efforts to cause all Shares issued upon exercise of Rights to be listed on the stock exchanges and markets on which such Shares were traded immediately prior to the Separation Time;
- (iv) pay when due and payable, if applicable, any and all federal, provincial and municipal transfer taxes and charges (not including any income or capital taxes of the holder or exercising holder or any liability of the Corporation to withhold tax) which may be payable in respect of the original issuance or delivery of the Rights Certificates, or certificates for Shares to be issued upon exercise of any Rights, provided that the Corporation shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Shares in a name other than that of the holder of the Rights being transferred or exercised; and
- (v) after the Separation Time, except as permitted by Sections 5.1 and 5.4, not take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

### **2.3 Adjustments to Exercise Price; Number of Rights**

The Exercise Price, the number and kind of securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3.

- (a) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time:
  - (i) declare or pay a dividend on Shares payable in Shares or Convertible Securities in respect thereof other than pursuant to any Dividend Reinvestment Plan;
  - (ii) subdivide or change the then outstanding Shares into a greater number of Shares;
  - (iii) consolidate or change the then outstanding Shares into a smaller number of Shares; or
  - (iv) issue any Shares (or Convertible Securities in respect thereof) in respect of, in lieu of or in exchange for existing Shares except as otherwise provided in this Section 2.3,

then the Exercise Price and the number of Rights outstanding (or, if the payment or effective date therefor shall occur after the Separation Time, the securities purchasable

upon exercise of Rights) shall be adjusted as of the payment or effective date in the manner set forth below.

If the Exercise Price and number of Rights outstanding are to be adjusted:

- (x) the Exercise Price in effect after such adjustment will be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Shares (or other capital stock) (the "**Expansion Factor**") that a holder of one Share immediately prior to such distribution, subdivision, change, consolidation or issuance would hold thereafter as a result thereof; and
- (y) each Right held prior to such adjustment will become that number of Rights equal to the Expansion Factor,

and the adjusted number of Rights will be deemed to be distributed among the Shares with respect to which the original Rights were associated (if they remain outstanding) and the Shares issued in respect of such dividend, subdivision, change, consolidation or issuance, so that each such Share (or other capital stock) will have exactly one Right associated with it.

For greater certainty, if the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment will be the securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such dividend, subdivision, change, consolidation or issuance would hold thereafter as a result of such dividend, subdivision, change, consolidation or issuance.

If, after the Record Time and prior to the Expiration Time, the Corporation shall issue any shares of capital stock other than Shares in a transaction of a type described in Clause 2.3(a)(i) or (iv), such shares of capital stock shall be treated herein as nearly equivalent to Shares as may be practicable and appropriate under the circumstances and the Corporation and the Rights Agent agree to amend this Agreement in order to effect such treatment.

If an event occurs which would require an adjustment under both this Section 2.3 and Section 3.1, the adjustment provided for in this Section 2.3 shall be in addition to, and shall be made prior to, any adjustment required under Section 3.1.

In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue any Shares otherwise than in a transaction referred to in this Subsection 2.3(a), each such Share so issued shall automatically have one new Right associated with it, which Right shall be evidenced by the certificate representing such associated Share.

- (b) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time fix a record date for the issuance of rights, options or warrants to all holders of Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Shares (or Convertible Securities in respect of Shares) at a price per Share (or, in the case of a Convertible Security, having a conversion, exchange or exercise price per share, including the price required to be paid to purchase such Convertible Security) less than the Market Price per Share on such record date, the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:
  - (i) the numerator of which shall be the number of Shares outstanding on such record date plus the number of Shares that the aggregate offering price of the total number of Shares so to be offered (and/or the aggregate initial conversion,

exchange or exercise price of the Convertible Securities, including the price required to be paid to purchase such Convertible Securities) would purchase at such Market Price per Share; and

- (ii) the denominator of which shall be the number of Shares outstanding on such record date plus the number of additional Shares to be offered for subscription or purchase (or into which the Convertible Securities so to be offered are initially convertible, exchangeable or exercisable).

In case such subscription price may be paid by delivery of consideration, part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights. Such adjustment shall be made successively whenever such a record date is fixed, and in the event that such rights, options or warrants are not so issued, or if issued, are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed, or to the Exercise Price which would be in effect based upon the number of Shares (or securities convertible into, or exchangeable or exercisable for Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

For purposes of this Agreement, the granting of the right to purchase Shares (whether from treasury or otherwise) pursuant to any Dividend Reinvestment Plan or any employee benefit plan, stock option plan or any similar plan shall be deemed not to constitute an issue of rights, options or warrants by the Corporation; provided, however, that, in the case of any Dividend Reinvestment Plan or share purchase plan, the right to purchase Shares is at a price per Share of not less than 90% of the current market price per share (determined as provided in such plans) of the Shares.

- (c) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time fix a record date for the making of a distribution to all holders of Shares (including any such distribution made in connection with a merger or amalgamation) of evidences of indebtedness, cash (other than an annual cash dividend or a dividend paid in Common Shares, but including any dividend payable in securities other than Common Shares), assets or rights, options or warrants (excluding rights, options or warrants expiring within 45 calendar days after such record date) to purchase Shares or Convertible Securities in respect of Shares, the Exercise Price in effect after such record date shall be equal to the Exercise Price in effect immediately prior to such record date less the fair market value (as determined in good faith by the Board of Directors) of the portion of the evidences of indebtedness, cash, assets, rights, options or warrants so to be distributed applicable to the securities purchasable upon exercise of one Right.
- (d) Notwithstanding anything herein to the contrary, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least one per cent in the Exercise Price; provided, however, that any adjustments which by reason of this Subsection 2.3(d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under Section 2.3 shall be made to the nearest cent or to the nearest ten-thousandth of a Share. Any adjustment required by Section 2.3 shall be made as of:
  - (i) the payment or effective date for the applicable dividend, subdivision, change, combination or issuance, in the case of an adjustment made pursuant to Subsection 2.3(a); or
  - (ii) the record date for the applicable dividend or distribution, in the case of an adjustment made pursuant to Subsection 2.3(b) or (c), subject to readjustment to reverse the same if such dividend or distribution shall not be made.

- (e) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue any shares (other than Shares), or rights, options or warrants to subscribe for or purchase any such shares, or securities convertible into or exchangeable for any such shares, in a transaction referred to in Clause 2.3(a)(i) or (iv) or Subsections 2.3(b) or (c), if the Board of Directors acting in good faith determines that the adjustments contemplated by Subsections 2.3(a), (b) and (c) in connection with such transaction will not appropriately protect the interests of the holders of Rights, the Board of Directors may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, notwithstanding Subsections 2.3(a), (b) and (c), such adjustments, rather than the adjustments contemplated by Subsections 2.3(a), (b) and (c), shall be made. Subject to Subsection 5.4(b) and (c), the Corporation and the Rights Agent may, with the prior approval of the holders of the Shares amend this Agreement as appropriate to provide for such adjustments.
- (f) Each Right originally issued by the Corporation subsequent to any adjustment made to the Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the number of Shares purchasable from time to time hereunder upon exercise of a Right immediately prior to such issue, all subject to further adjustment as provided herein.
- (g) Irrespective of any adjustment or change in the Exercise Price or the number of Shares issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Exercise Price per Share and the number of Shares which were expressed in the initial Rights Certificates issued hereunder.
- (h) In any case in which this Section 2.3 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Corporation may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of Shares and other securities of the Corporation, if any, issuable upon such exercise over and above the number of Shares and other securities of the Corporation, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional shares (fractional or otherwise) or other securities upon the occurrence of the event requiring such adjustment.
- (i) Notwithstanding anything contained in this Section 2.3 to the contrary, the Corporation shall be entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 2.3, as and to the extent that in their good faith judgment the Board of Directors shall determine to be advisable, in order that any:
- (i) consolidation or subdivision of Shares;
  - (ii) issuance (wholly or in part for cash) of Shares or securities that by their terms are convertible into or exchangeable for Shares;
  - (iii) stock dividends; or
  - (iv) issuance of rights, options or warrants referred to in this Section 2.3,
- hereafter made by the Corporation to holders of its Shares, subject to applicable taxation laws, shall not be taxable to such shareholders or shall subject such shareholders to a lesser amount of tax.
- (j) Whenever an adjustment to the Exercise Price is made pursuant to this Section 2.3, the Corporation shall:

- (i) promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment; and
- (ii) promptly file with the Rights Agent and with each transfer agent for the Shares a copy of such certificate and mail a brief summary thereof to each holder of Rights who requests a copy;

Failure to file such certificate or to cause such notice to be given as aforesaid, or any defect therein, shall not affect the validity of any such adjustment or change.

#### **2.4 Date on Which Exercise Is Effective**

Each Person in whose name any certificate for Shares or other securities, if applicable, is issued upon the exercise of Rights shall for all purposes be deemed to have become the absolute holder of record of the Shares or other securities, if applicable, represented thereon, and such certificate shall be dated the date upon which the Rights Certificate evidencing such Rights was duly surrendered in accordance with Subsection 2.2(d) (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the Share transfer books of the Corporation are closed, such Person shall be deemed to have become the record holder of such Shares on, and such certificate shall be dated, the next succeeding Business Day on which the Share transfer books of the Corporation are open.

#### **2.5 Execution, Authentication, Delivery and Dating of Rights Certificates**

- (a) The Rights Certificates shall be executed on behalf of the Corporation by any of its Chairman of the Board, President, Chief Executive Officer and Chief Financial Officer. The signature of any of these officers on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices either before or after the countersignature and delivery of such Rights Certificates.
- (b) Promptly after the Corporation learns of the Separation Time, the Corporation will notify the Rights Agent of such Separation Time and will deliver Rights Certificates executed by the Corporation to the Rights Agent for countersignature, and the Rights Agent shall countersign (manually or by facsimile signature in a manner satisfactory to the Corporation) and send such Rights Certificates to the holders of the Rights pursuant to Subsection 2.2(c) hereof. No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.
- (c) Each Rights Certificate shall be dated the date of countersignature thereof.

#### **2.6 Registration, Transfer and Exchange**

- (a) The Corporation will cause to be kept a register (the "**Rights Register**") in which, subject to such reasonable regulations as it may prescribe, the Corporation will provide for the registration and transfer of Rights. The Rights Agent, at its office in the City of Calgary, is hereby appointed registrar for the Rights (the "**Rights Registrar**") for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided and the Rights Agent hereby accepts such appointment. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.

After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Subsection 2.6(c), the Corporation will execute, and the Rights Agent will countersign and

deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.

- (b) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.
- (c) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder's attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.

## **2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates**

- (a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- (b) If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time:
  - (i) evidence to their reasonable satisfaction of the destruction, loss or theft of any Rights Certificate; and
  - (ii) such security or indemnity as may be reasonably required by them to save each of them and any of their agents harmless,

then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Corporation shall execute and upon the Corporation's request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.

- (c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.
- (d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence the contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.

## **2.8 Persons Deemed Owners of Rights**

The Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires,



the term "**holder**" of any Right shall mean the registered holder of such Right (or, prior to the Separation Time, of the associated Share).

## **2.9 Delivery and Cancellation of Certificates**

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9, except as expressly permitted by this Agreement. The Rights Agent shall, subject to applicable laws, destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation.

## **2.10 Agreement of Rights Holders**

Every holder of Rights, by accepting the same, consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights:

- (a) to be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of all Rights held;
- (b) that prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Voting Share certificate representing such Right;
- (c) that after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein;
- (d) that prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Voting Share certificate) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Voting Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Voting Share certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent shall be affected by any notice to the contrary;
- (e) that such holder of Rights has waived his right to receive any fractional Rights or any fractional shares or other securities upon exercise of a Right (except as provided herein);
- (f) that, subject to the provisions of Section 5.4, without the approval of any holder of Rights or Voting Shares and upon the sole authority of the Board of Directors, acting in good faith, this Agreement may be supplemented or amended from time to time pursuant to and as provided herein; and
- (g) that notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of preliminary or permanent injunctions or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulations or executive order promulgated or enacted by any governmental authority prohibiting or otherwise restraining performance of such obligation.

## **2.11 Rights Certificate Holder Not Deemed a Shareholder**

No holder, as such, of any Rights or Rights Certificate shall be entitled to vote, receive dividends or be deemed for any purpose whatsoever the holder of any Share or any other share or security of the Corporation which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Rights Certificate be construed or deemed or confer upon the holder of any Right or Rights Certificate, as such, any right, title, benefit or privilege of a holder of Shares or any other shares or securities of the Corporation or any right to vote at any meeting of shareholders of the Corporation whether for the election of directors or otherwise or upon any matter submitted to holders of Shares or any other shares of the Corporation at any meeting thereof, or to give or withhold consent to any action of the Corporation, or to receive notice of any meeting or other action affecting any holder of Shares or any other shares of the Corporation except as expressly provided herein, or to receive dividends, distributions or subscription rights, or otherwise, until the Right or Rights evidenced by Rights Certificates shall have been duly exercised in accordance with the terms and provisions hereof.

### **ARTICLE 3 ADJUSTMENTS TO THE RIGHTS**

#### **3.1 Flip-in Event**

- (a) Subject to Subsection 3.1(b) and Section 5.1, in the event that prior to the Expiration Time a Flip-in Event shall occur, each Right shall constitute, effective at the close of business on the tenth Trading Day after the Share Acquisition Date, the right to purchase from the Corporation, upon exercise thereof in accordance with the terms hereof, that number of Shares having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that after such consummation or occurrence, an event of a type analogous to any of the events described in Section 2.3 shall have occurred).
- (b) Notwithstanding anything in this Agreement to the contrary, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time or the Share Acquisition Date by:
  - (i) an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any other Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of such other Person); or
  - (ii) a transferee or other successor in title, directly or indirectly, (a "**Transferee**") of Rights held by an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any other Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of such other Person), where such Transferee becomes a transferee concurrently with or subsequent to the Acquiring Person becoming such in a transfer that the Board of Directors acting in good faith has determined is part of a plan, arrangement or scheme of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any other Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of such other Person), that has the purpose or effect of avoiding Clause 3.1(b)(i),

shall become null and void without any further action, and any holder of such Rights (including any Transferee) shall thereafter have no right to exercise such Rights under any provision of this Agreement and further shall thereafter not have any other rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The holder of any Rights represented by a Rights Certificate which is submitted to the Rights Agent upon exercise or for registration or transfer or exchange which does not contain the necessary certifications set forth in the Rights Certificate establishing that such Rights are not null and void under this Clause 3.1(b) shall be

deemed to be an Acquiring Person for the purposes of this Clause 3.1 and such Rights shall become null and void.

- (c) From and after the Separation Time, the Corporation shall do all such acts and things as shall be necessary and within its power to ensure compliance with the provisions of this Section 3.1, including without limitation, all such acts and things as may be required to satisfy the requirements of the Canada Business Corporations Act, the Securities Act and the securities laws or comparable legislation of each of the provinces of Canada in respect of the issue of Shares upon the exercise of Rights in accordance with this Agreement.
- (d) Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either Clause 3.1(b)(i) or (ii) or transferred to any nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain the following legend:

"The Rights represented by this Rights Certificate were issued to a Person who was an Acquiring Person or an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Shareholder Rights Agreement) or a Person who was acting jointly or in concert with an Acquiring Person or an Affiliate or Associate of such Person. This Rights Certificate and the Rights represented hereby are void or shall become void in the circumstances specified in Subsection 3.1(b) of the Shareholder Rights Agreement."

provided, however, that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall impose such legend only if instructed to do so by the Corporation in writing or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not a Person described in such legend and provided further that the fact that such legend does not appear on a certificate is not determinative of whether any Rights represented thereby are void under this Section.

#### **ARTICLE 4 THE RIGHTS AGENT**

##### **4.1 General**

- (a) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint such co-Rights Agents ("**Co-Rights Agents**") as it may deem necessary or desirable. In the event the Corporation appoints one or more Co-Rights Agents, the respective duties of the Rights Agent and Co-Rights Agents shall be as the Corporation may determine with the approval of the Rights Agent and the Co-Rights Agent. The Corporation agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder (including the fees and disbursements of any expert or advisor retained by the Rights Agent). The Corporation also agrees to indemnify the Rights Agent, and its officers, directors, employees and agents for, and to hold it and them harmless against, any loss, liability or expense, incurred without negligence, bad faith or wilful misconduct on the part of the Rights Agent or such persons, for anything done or omitted by the Rights Agent or such persons in connection with the acceptance and administration of this Agreement, including legal costs and expenses, which right to indemnification will survive the termination of this Agreement and the resignation or removal of the Rights Agent.

- (b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Shares, Rights Certificate, certificate for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.
- (c) The Corporation shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and, at any time upon request, shall provide to the Rights Agent an incumbency certificate certifying the then current officers of the Corporation.
- (d) No provision contained in this Agreement shall require the Rights Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

#### **4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent**

- (a) Any corporation into which the Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation, statutory arrangement or consolidation to which the Rights Agent is a party, or any corporation succeeding to the shareholder or stockholder services business of the Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4 hereof. In case at the time such successor Rights Agent succeeds to the agency created by this Agreement any of the Rights Certificates have been countersigned but not delivered, any successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights have not been countersigned, any successor Rights Agent may countersign such Rights Certificates in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.
- (b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

#### **4.3 Duties of Rights Agent**

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, all of which the Corporation and the holders of certificates for Shares and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

- (a) the Rights Agent may retain and consult with legal counsel (who may be legal counsel for the Corporation) and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion and the Rights Agent may also consult with such other experts as the Rights Agent may reasonably consider necessary or appropriate to properly carry out the duties and obligations imposed under this Agreement (at the expense of the Corporation) and the Rights Agent shall be entitled to act and rely in good faith on the advice of any such expert;

- (b) whenever in the performance of its duties under this Agreement, the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a Person believed by the Rights Agent to be the Chairman of the Board, President, Chief Executive Officer or Chief Financial Officer of the Corporation and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate;
- (c) the Rights Agent will be liable hereunder only for its own negligence, bad faith or wilful misconduct;
- (d) the Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Shares, or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Corporation only;
- (e) the Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any certificate for a Share or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Subsection 3.1(b) hereof) or any adjustment required under the provisions of Section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Shares to be issued pursuant to this Agreement or any Rights or as to whether any Shares will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable;
- (f) the Corporation agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement;
- (g) the Rights Agent is hereby authorized and directed to accept instructions in writing with respect to the performance of its duties hereunder from any individual believed by the Rights Agent to be the Chairman of the Board, President, Chief Executive Officer or Chief Financial Officer of the Corporation, and to apply to such individuals for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered by it in good faith in accordance with instructions of any such individual. It is understood that instructions to the Rights Agent shall, except where circumstances make it impractical or the Rights Agent otherwise agrees, be given in writing and, where not in writing, such instructions shall be confirmed in writing as soon as practicable after the giving of such instructions;
- (h) the Rights Agent and any shareholder or stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in Shares, Rights or other securities of the Corporation or become pecuniarily interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity; and

- (i) the Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

#### **4.4 Change of Rights Agent**

The Rights Agent may resign and be discharged from its duties under this Agreement upon 60 days' notice (or such lesser notice as is acceptable to the Corporation) in writing mailed to the Corporation and to each transfer agent of Shares by registered or certified mail and to the holders of Rights in accordance with Section 5.9. The Corporation may remove the Rights Agent upon 30 days' notice in writing, mailed to the Rights Agent and to each transfer agent of the Shares by registered or certified mail and to the holders of Rights in accordance with Section 5.9. If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Corporation will appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of 30 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent, then by prior written notice to the Corporation the resigning Rights Agent or the holder of any Rights (which holder shall, with such notice, submit such holder's Rights Certificate, if any, for inspection by the Corporation), may apply, at the Corporation's expense, to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Corporation or by such a court, shall be a corporation incorporated under the laws of Canada or a province thereof authorized to carry on the business of a trust company in the Province of Alberta. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall, upon payment in full of any outstanding amounts owing by the Corporation to the Rights Agent under this Agreement, deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Corporation will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Shares, and mail a notice thereof in writing to the holders of the Rights in accordance with Section 5.9. Failure to give any notice provided for in this Section 4.4, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of any successor Rights Agent, as the case may be.

### **ARTICLE 5 MISCELLANEOUS**

#### **5.1 Redemption and Waiver**

- (a) The Board of Directors acting in good faith may, with the prior approval of the holders of Voting Shares or of the holders of Rights given in accordance with Section 5.1(i) or (j), as the case may be, at any time prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived pursuant to the provisions of this Section 5.1, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 per Right appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that an event of the type analogous to any of the events described in Section 2.3 shall have occurred (such redemption price being herein referred to as the "**Redemption Price**").
- (b) The Board of Directors acting in good faith may, with the prior approval of the holders of Voting Shares given in accordance with Section 5.1(i), determine, at any time prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived pursuant to this Section 5.1, if such Flip-in Event would occur by reason of an acquisition of Voting Shares otherwise than pursuant to a Take-over Bid made by means of a take-over bid circular to all holders of record of Voting Shares and otherwise than in the circumstances set forth in Subsection 5.1(d), to waive the application of Section 3.1 to

such Flip-in Event. In the event that the Board of Directors proposes such a waiver, the Board of Directors shall extend the Separation Time to a date subsequent to and not more than ten Business Days following the meeting of shareholders called to approve such waiver.

- (c) The Board of Directors acting in good faith may, until the occurrence of a Flip-in Event and upon prior written notice delivered to the Rights Agent, determine to waive the application of Section 3.1 to such particular Flip-in Event provided that the Flip-in Event would occur by reason of a Take-over Bid made by way of take-over bid circular sent to all holders of Voting Shares (which for greater certainty shall not include the circumstances described in Subsection 5.1(d)); provided that if the Board of Directors waives the application of Section 3.1 to a particular Flip-in Event pursuant to this Subsection 5.1(c), the Board of Directors shall be deemed to have waived the application of Section 3.1 to any other Flip-in Event subsequently occurring by reason of any Take-over Bid which is made by means of a take-over bid circular to all holders of Voting Shares prior to the expiry of any Take-over Bid in respect of which a waiver is, or is deemed to have been, granted under this Subsection 5.1(c).
- (d) Notwithstanding the provisions of Subsections 5.1(b) and (c) hereof, the Board of Directors may waive the application of Section 3.1 in respect of the occurrence of any Flip-in Event if the Board of Directors has determined within ten Trading Days following a Stock Acquisition Date that a Person became an Acquiring Person by inadvertence and without any intention to become, or knowledge that it would become, an Acquiring Person under this Agreement, and in the event such waiver is granted by the Board of Directors, such Stock Acquisition Date shall be deemed not to have occurred. Any such waiver pursuant to this Subsection 5.1(d) must be on the condition that such Person, within 14 days after the foregoing determination by the Board of Directors or such earlier or later date as the Board of Directors may determine (the "**Disposition Date**"), has reduced its Beneficial Ownership of Voting Shares such that the Person is no longer an Acquiring Person. If the Person remains an Acquiring Person at the close of business on the Disposition Date, the Disposition Date shall be deemed to be the date of occurrence of a further Stock Acquisition Date and Section 3.1 shall apply thereto.
- (e) The Board of Directors, shall, without further formality, be deemed to have elected to redeem the Rights at the Redemption Price on the date that a Person which has made a Permitted Bid, a Competing Permitted Bid or a Take-Over Bid in respect of which the Board of Directors has waived, or is deemed to have waived, pursuant to Subsection 5.1(c) the application of Section 3.1, takes up and pays for Voting Shares in connection with such Permitted Bid, Competing Permitted Bid or Take-over bid, as the case may be.
- (f) Where a Take-over Bid that is not a Permitted Bid Acquisition is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price. Upon the Rights being redeemed pursuant to this Subsection 5.1(f), all the provisions of this Agreement shall continue to apply as if the Separation Time had not occurred and Rights Certificates representing the number of Rights held by each holder of record of Shares as of the Separation Time had not been mailed to each such holder and for all purposes of this Agreement the Separation Time shall be deemed not to have occurred.
- (g) If the Board of Directors elects or is deemed to have elected to redeem the Rights, and, in circumstances in which Subsection 5.1(a) is applicable, such redemption is approved by the holders of Voting Shares or the holders of Rights in accordance with Subsection 5.1(i) or (j), as the case may be, the right to exercise the Rights, will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price.

- (h) Within 10 Business Days after the Board of Directors elects or is deemed to elect, to redeem the Rights or if Subsection 5.1(a) is applicable within 10 Business Days after the holders of Shares of the holders of Rights have approved a redemption of Rights in accordance with Section 5.1(i) or (j), as the case may be, the Corporation shall give notice of redemption to the holders of the then outstanding Rights by mailing such notice to each such holder at his last address as it appears upon the registry books of the Rights Agent or, prior to the Separation Time, on the registry books of the transfer agent for the Voting Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. The Corporation may not redeem, acquire or purchase for value any Rights at any time in any manner other than specifically set forth in this Section 5.1 or in connection with the purchase of Shares prior to the Separation Time.
- (i) If a redemption of Rights pursuant to Subsection 5.1(a) or a waiver of a Flip-in Event pursuant to Section 5.1(b) is proposed at any time prior to the Separation Time, such redemption or waiver shall be submitted for approval to the holders of Voting Shares. Such approval shall be deemed to have been given if the redemption or waiver is approved by the affirmative vote of a majority of the votes cast by Independent Shareholders represented in person or by proxy at a meeting of such holders duly held in accordance with applicable laws.
- (j) If a redemption of Rights pursuant to Subsection 5.1(a) is proposed at any time after the Separation Time, such redemption shall be submitted for approval to the holders of Rights. Such approval shall be deemed to have been given if the redemption is approved by holders of Rights by a majority of the votes cast by the holders of Rights represented in person or by proxy at and entitled to vote at a meeting of such holders. For the purposes hereof, each outstanding Right (other than Rights which are Beneficially Owned by any Person referred to in clauses (i) to (v) inclusive of the definition of Independent Shareholders) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Corporation's by-laws and the Canada Business Corporations Act with respect to meetings of shareholders of the Corporation.

## **5.2 Expiration**

No Person shall have any rights whatsoever pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Section 4.1 of this Agreement.

## **5.3 Issuance of New Rights Certificates**

Notwithstanding any of the provisions of this Agreement or the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board of Directors to reflect any adjustment or change in the number or kind or class of securities purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

## **5.4 Supplements and Amendments**

- (a) The Corporation may make amendments to this Agreement to correct any clerical or typographical error or which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation or regulations or rules thereunder. The Corporation may, prior to the date of the shareholders' meeting referred to in Section 5.15(c), supplement, amend, vary, rescind or delete any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of the Rights generally) without the approval of any holders of Rights or Voting Shares in order to make any changes which the Board of Directors acting in good faith may deem necessary or desirable. Notwithstanding anything in this Section 5.4 to the contrary, no such supplement or amendment shall be made to the



provisions of Article 4 except with the written concurrence of the Rights Agent to such supplement or amendment.

- (b) Subject to Subsection 5.4(a) and the prior approval of the Toronto Stock Exchange (if required), the Corporation may, with the prior approval of the holders of Voting Shares obtained as set forth below, at any time before the Separation Time, supplement, amend, vary, rescind or delete any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such consent shall be deemed to have been given if the action requiring such approval is authorized by the affirmative vote of a majority of the votes cast by Independent Shareholders present or represented at and entitled to be voted at a meeting of the holders of Voting Shares duly called and held in compliance with applicable laws and the articles and by-laws of the Corporation.
- (c) Subject to Subsection 5.4(a), the Corporation may, with the prior approval of the holders of Rights, at any time on or after the Separation Time, supplement, amend, vary, rescind or delete any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally), provided that no such amendment, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto.
- (d) Any approval of the holders of Rights shall be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are void pursuant to the provisions hereof) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Corporation's by-laws with respect to meetings of shareholders of the Corporation.
- (e) Any amendments made by the Corporation to this Agreement pursuant to Subsection 5.4(a) which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation or regulations or rules thereunder shall:
  - (i) if made before the Separation Time, be submitted to the shareholders of the Corporation at the next meeting of shareholders and the shareholders may, by the majority referred to in Subsection 5.4(b), confirm or reject such amendment;
  - (ii) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called for on a date not later than immediately following the next meeting of shareholders of the Corporation and the holders of Rights may, by resolution passed by the majority referred to in Subsection 5.4(d), confirm or reject such amendment.

Any such amendment shall be effective from the date of the resolution of the Board of Directors adopting such amendment, until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the shareholders or the holders of Rights or is not submitted to the shareholders or holders of Rights as required, then such amendment shall cease to be effective from and after the termination of the meeting (or any adjournment of such meeting) at which it was rejected or to which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been but was not held, and no subsequent resolution of the Board of Directors to amend this Agreement to substantially the same effect shall be effective until confirmed by the shareholders or holders of Rights as the case may be.

## **5.5 Fractional Rights and Fractional Shares**

- (a) The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. After the Separation Time, in lieu of issuing fractional Rights, the Corporation shall pay to the holders of record of the Rights Certificates (provided the Rights represented by such Rights Certificates are not void pursuant to the provisions of Subsection 3.1(b), at the time such fractional Rights would otherwise be issuable), an amount in cash equal to the fraction of the Market Price of one whole Right that the fraction of a Right that would otherwise be issuable is of one whole Right.
- (b) The Corporation shall not be required to issue fractions of Shares upon exercise of Rights or to distribute certificates which evidence fractional Shares. In lieu of issuing fractional Shares, the Corporation shall pay to the registered holders of Rights Certificates, at the time such Rights are exercised as herein provided, an amount in cash equal to the fraction of the Market Price of one Share that the fraction of a Share that would otherwise be issuable upon the exercise of such Right is of one whole Share at the date of such exercise.

## **5.6 Rights of Action**

Subject to the terms of this Agreement, all rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights. Any holder of Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce such holder's right to exercise such holder's Rights, or Rights to which such holder is entitled, in the manner provided in such holder's Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

## **5.7 Regulatory Approvals**

Any obligation of the Corporation or action or event contemplated by this Agreement shall be subject to the receipt of any requisite approval or consent from any governmental or regulatory authority, including without limiting the generality of the foregoing, any necessary approvals of The Toronto Stock Exchange, or any other applicable stock exchange or market.

## **5.8 Notice of Proposed Actions**

In case the Corporation shall propose after the Separation Time and prior to the Expiration Time to effect the liquidation, dissolution or winding up of the Corporation or the sale of all or substantially all of the Corporation's assets, then, in each such case, the Corporation shall give to each holder of a Right, in accordance with Section 5.9 hereof, a notice of such proposed action, which shall specify the date on which such Flip-in Event, liquidation, dissolution, or winding up is to take place, and such notice shall be so given at least 20 Business Days prior to the date of taking of such proposed action by the Corporation.

## **5.9 Notices**

- (a) Notices or demands authorized or required by this Agreement to be given or made by the Rights Agent or by the holder of any Rights to or on the Corporation shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Rights Agent), or sent by facsimile or other form of recorded electronic communication, charges prepaid and confirmed in writing, as follows:

Superior Plus Corporation  
1400, 840 - 7 Avenue SW  
Calgary, Alberta T2P 3G2

Attention: President  
Facsimile: (403) 218-2973

- (b) Notices or demands authorized or required by this Agreement to be given or made by the Corporation or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Corporation), or sent by facsimile or other form of recorded electronic communication, charges prepaid and confirmed in writing, as follows:

Computershare Trust Company of Canada  
600, 530 - 8th Avenue S.W.  
Calgary, AB T2P 3S8

Attention: General Manager, Client Services  
Facsimile: (403) 267-6529

- (c) Notices or demands authorized or required by this Agreement to be given or made by the Corporation or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by first class mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the Corporation for its Shares. Any notice which is mailed or sent in the manner herein provided shall be deemed given, whether or not the holder receives the notice.
- (d) Any notice given or made in accordance with this Section 5.9 shall be deemed to have been given and to have been received on the day of delivery, if so delivered, on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing thereof, if so mailed, and on the day of telegraphing, telecopying or sending of the same by other means of recorded electronic communication (provided such sending is during the normal business hours of the addressee on a Business Day and if not, on the first Business Day thereafter). Each of the Corporation and the Rights Agent may from time to time change its address for notice by notice to the other given in the manner aforesaid.

#### **5.10 Costs of Enforcement**

The Corporation agrees that if the Corporation fails to fulfil any of its obligations pursuant to this Agreement, then the Corporation will reimburse the holder of any Rights for the costs and expenses (including legal fees) incurred by such holder, on a solicitor and his own client basis, to enforce his rights pursuant to any Rights or this Agreement.

#### **5.11 Successors**

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and enure to the benefit of their respective successors and assigns hereunder.

#### **5.12 Benefits of this Agreement**

Nothing in this Agreement shall be construed to give to any Person other than the Corporation, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; further, this Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights.

### **5.13 Governing Law**

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of Alberta and for all purposes shall be governed by and construed in accordance with the laws of such Province applicable to contracts to be made and performed entirely within such Province.

### **5.14 Severability**

If any term or provision hereof or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be invalid or unenforceable, such term or provision shall be ineffective only as to such jurisdiction and to the extent of such invalidity or unenforceability in such jurisdiction without invalidating or rendering unenforceable or ineffective the remaining terms and provisions hereof in such jurisdiction or the application of such term or provision in any other jurisdiction or to circumstances other than those as to which it is specifically held invalid or unenforceable.

### **5.15 Effective Date**

- (a) Subject to Section 5.15(b), this Agreement:
  - (i) shall be effective and in full force and effect in accordance with its terms from and after the Effective Date, and shall constitute the entire agreement between the parties pertaining to the subject matter hereof, as of such time on the Effective Date; and
  - (ii) shall expire and be of no further force or effect from and after the earlier of (the "**Expiration Time**"): (i) the Termination Time, and (ii) the time at which the annual meeting of shareholders of the Corporation held in 2015 terminates.
- (b) Notwithstanding Section 5.15(a), if this Agreement is not confirmed by a resolution passed by a majority of the votes cast by Independent Shareholders who vote in respect of approval of this Agreement and the Rights Plan at a meeting of shareholders to be held not later than the Meeting Deadline Date, then this Plan and all outstanding Rights shall terminate and be null and void and of no further force and effect from and after the Close of Business on Meeting Deadline Date.

### **5.16 Determinations and Actions by the Board of Directors**

All actions, calculations and determinations (including all omissions with respect to the foregoing) which are done or made or approved by the Board of Directors in connection herewith, in good faith, shall not subject the Board of Directors or any director of the Corporation to any liability to the holders of the Rights.

### **5.17 Compliance With Money Laundering Legislation**

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under this Agreement has resulted in it being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Corporation, provided: (i) that the Rights Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such 10-day period, then such resignation shall not be effective.

**5.18 Privacy Provision**

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individual's personal information (collectively, "**Privacy Laws**") may apply to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation will, prior to transferring or causing to be transferred personal information to the Rights Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under applicable Privacy Laws.

**5.19 Declaration as to Non-Canadian Holders**

If in the opinion of the Board of Directors (who may rely upon the advice of counsel) any action or event contemplated by this Agreement would require compliance by the Corporation with the securities laws or comparable legislation of a jurisdiction outside Canada or the United States, the Board of Directors acting in good faith shall take such actions as it may deem appropriate to ensure such compliance. In no event shall the Corporation or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to persons who are citizens, residents or nationals of any jurisdiction other than Canada or the United States, in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

**5.20 Time of the Essence**

Time shall be of the essence in this Agreement.

**5.21 Execution in Counterparts**

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

**SUPERIOR PLUS CORPORATION**

By: (signed) "**Luc Desjardins**"  
President and Chief Executive Officer

By: (signed) "**Wayne M. Bingham**"  
Executive Vice-President and  
Chief Financial Officer

**COMPUTERSHARE TRUST COMPANY OF CANADA**

By: (signed) "**Stephen Bandola**"  
Account Manager

By: (signed) "**Connor Doyle**"  
Account Manager

ATTACHMENT 1

SUPERIOR PLUS CORPORATION

SHAREHOLDER RIGHTS PLAN AGREEMENT

[Form of Rights Certificate]

Certificate No.

Rights

**THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE TRUST, AND AMENDMENT OR TERMINATION ON THE TERMS SET FORTH IN THE SHAREHOLDER RIGHTS PLAN AGREEMENT. UNDER CERTAIN CIRCUMSTANCES (SPECIFIED IN SUBSECTION 3.1(b) OF THE SHAREHOLDER RIGHTS PLAN AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, OR TRANSFEREES OF AN ACQUIRING PERSON OR CERTAIN RELATED PARTIES, MAY BECOME VOID.**

**Rights Certificate**

This certifies that , or registered assigns, is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Shareholder Rights Plan Agreement, dated as of February 16, 2012, as the same may be amended or supplemented from time to time (the "**Shareholder Rights Agreement**"), between Superior Plus Corporation, a corporation incorporated under the Canada Business Corporations Act, (the "**Corporation**") and Computershare Trust Company of Canada, a trust company incorporated under the laws of Canada (the "**Rights Agent**") (which term shall include any successor Rights Agent under the Shareholder Rights Agreement), to purchase from the Corporation at any time after the Separation Time (as such term is defined in the Shareholder Rights Agreement) and prior to the Expiration Time (as such term is defined in the Shareholder Rights Agreement), one fully paid common share of the Corporation (a "**Share**") at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate with the Form of Election to Exercise (in the form provided hereinafter) duly executed and submitted to the Rights Agent at its principal office in any of the cities of Calgary and Toronto. Until adjustment thereof in certain events as provided in the Shareholder Rights Agreement, the Exercise Price shall be:

- (a) until the Separation Time, an amount equal to three times the Market Price (as such term is defined in the Shareholder Rights Agreement), from time to time, per Share; and
- (b) from and after the Separation Time, an amount equal to three times the Market Price, as at the Separation Time, per Share.

In certain circumstances described in the Shareholder Rights Agreement, each Right evidenced hereby may entitle the registered holder thereof to purchase or receive assets, debt securities or shares of the Corporation other than Shares, or more or less than one Share, all as provided in the Shareholder Rights Agreement.

This Rights Certificate is subject to all of the terms and provisions of the Shareholder Rights Agreement, which terms and provisions are incorporated herein by reference and made a part hereof and to which Shareholder Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Corporation and the holders of the Rights Certificates. Copies of the Shareholder Rights Agreement are on file at the registered office of the Corporation and are available upon request.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights

Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Shareholder Rights Agreement, the Rights evidenced by this Rights Certificate may be, and under certain circumstances are required to be, redeemed by the Corporation at a redemption price of \$0.00001 per Right.

No fractional Shares will be issued upon the exercise of any Right or Rights evidenced hereby, but in lieu thereof a cash payment will be made, as provided in the Shareholder Rights Agreement.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Shares or of any other securities which may at any time be issuable upon the exercise hereof, nor shall anything contained in the Shareholder Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the Rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in the Shareholder Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate shall have been exercised as provided in the Shareholder Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officer of the Corporation and its corporate seal.

Date: \_\_\_\_\_

**SUPERIOR PLUS CORPORATION**

By: \_\_\_\_\_

By: \_\_\_\_\_

Countersigned:

**COMPUTERSHARE TRUST COMPANY OF CANADA**

By: \_\_\_\_\_  
Authorized Signature

By: \_\_\_\_\_  
Authorized Signature

**FORM OF ASSIGNMENT**

(To be executed by the registered holder if such holder desires to transfer the Rights Certificate.)

FOR VALUE RECEIVED \_\_\_\_\_ hereby sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(Please print name and address of transferee.)

the Rights represented by this Rights Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint \_\_\_\_\_

\_\_\_\_\_  
as attorney, to transfer the within Rights on the books of the Corporation, with full power of substitution.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Please print name of Signatory)

Signature Guaranteed: (Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian chartered bank or trust company, a member firm of a recognized stock exchange in Canada, a registered national securities exchange in the United States, a member of the Investment Dealers Association of Canada or National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in Canada or the United States or a member of the Securities Transfer Association Medallion (Stamp) Program.

.....  
**CERTIFICATE**  
(To be completed if true.)

The undersigned party transferring Rights hereunder, hereby represents, for the benefit of all holders of Rights and Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with any of the foregoing. Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Agreement.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Please print name of Signatory)

.....  
(To be attached to each Rights Certificate.)



**FORM OF ELECTION TO EXERCISE**

(To be executed by the registered holder if such holder desires to exercise the Rights Certificate.)

TO: \_\_\_\_\_

The undersigned hereby irrevocably elects to exercise \_\_\_\_\_ whole Rights represented by the attached Rights Certificate to purchase the Shares or other securities, if applicable, issuable upon the exercise of such Rights and requests that certificates for such securities be issued in the name of:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City and Province)

\_\_\_\_\_  
Social Insurance Number or other taxpayer identification number.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Please print name of Signatory)

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City and Province)

\_\_\_\_\_  
Social Insurance Number or other taxpayer identification number.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Please print name of Signatory)

Signature Guaranteed: (Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian chartered bank or trust company, a member firm of a recognized stock exchange in Canada a registered national securities exchange in the United States, a member of the Investment Dealers Association of Canada or National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in Canada or the United States or a member of the Securities Transfer Association Medallion (Stamp) Program.

.....

**CERTIFICATE**  
(To be completed if true.)

The undersigned party exercising Rights hereunder, hereby represents, for the benefit of all holders of Rights and Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with any of the foregoing. Capitalized terms shall have the meaning ascribed thereto in the Shareholder Rights Agreement.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Please print name of Signatory)

.....  
(To be attached to each Rights Certificate.)

## **NOTICE**

In the event the certification set forth above in the Forms of Assignment and Election to Exercise is not completed, the Corporation will deem the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Shareholder Rights Agreement). No Rights Certificates shall be issued in exchange for a Rights Certificate owned or deemed to have been owned by an Acquiring Person or an Affiliate or Associate thereof, or by a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate thereof.



**Superior Plus Corp.**

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