SUPERIOR PLUS CORP.

COMPETITION COMPLIANCE POLICY

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Current Version Approved by Board: August 13, 2019	**Responsible Executive:** Senior Vice-President and Chief Legal Officer
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Purpose and Scope

Superior takes corporate compliance seriously. Compliance with competition laws is an important corporate value that it fully supports. Superior wants its customers to have confidence that it is competing fairly for their business.

This Policy includes practical advice concerning rules of conduct that will help Representatives anticipate and prevent problems before they occur, and detect and report them if they do occur. It is the responsibility of every Representative to ensure compliance with the competition laws in Canada and elsewhere where Superior does business. Compliance protects Representatives, the integrity and reputation of Superior and its valued relationships with its customers.

Definitions

In this Policy the following capitalized terms have the meanings set out below:

"CLO" means the Senior Vice President and Chief Legal Officer of Superior Plus Corp.

"Competitively Sensitive Information" means any information about pricing, costs, output levels, production capacities, business strategies and marketing plans and includes the following:

- pricing or other competitively sensitive terms, including agreeing on the extent to which costs (e.g., financing, collection, administration, etc.), will be passed on to customers;
- industry-wide and/or individual company price changes, price differentials, mark-ups, discounts, allowances, credit terms or related financial issues;
- service capacity of individual companies, changes in industry production, capacity or inventories;
- bids on contracts for particular products and procedures for replying to bid invitations;

- input and delivery costs associated with particular products;
- terms on which Superior or its competitors do business, whether with customers or suppliers;
- allocation of customers, contracts, sites, regional areas, or types of services;
- details about potential individual suppliers or customers; and
- any company-specific business plans, marketing initiatives, market share data or any other confidential information, including proposed territories or customers.

"Competitive Intelligence is any information about a competitor's prices, discounts, marketing strategies, product plans, performance, launches or innovations, or customer or supplier relationships, whether in the public domain or confidential.

"Policy" means this competition compliance policy, as may be amended from time to time.

"Representative" means a director, officer, employee or independent contractor of Superior. For certainty, independent contractor includes an individual acting as a consultant or performing other services for Superior who is not a director, officer or employee.

"Superior" means Superior Plus Corp., Superior Plus LP, Superior General Partner Inc., and each of their divisions, partnerships, affiliates and subsidiaries.

Why is Compliance Important?

Competition laws apply to all aspects of Superior's business from its relationships with customers and suppliers, to its dealings with competitors. If Superior and its Representatives do not adhere to these laws, they are at risk of prosecution and lawsuits, fines in the millions of dollars, bans on Superior bidding for government contracts, reputational risks and jail time for individuals that are involved.

Competition laws allow for legitimate competition within boundaries. Serious concerns could arise, however, if Superior and one or more of its competitors:

- enter into an agreement to fix price, reduce supply, or allocate markets, territories or customers;
- adopt standard pricing formulae, or reduce or eliminate discounts;
- fix credit terms;
- agree not to advertise prices; or
- engage in bid-rigging.

Superior's dealings with its customers and suppliers can also raise concerns where those dealings negatively impact competition in the market.

For these reasons, Representatives must be very attentive to the potential competition law risks associated when dealing with competitors and with customers or suppliers. This applies whether in

the context of direct negotiations, bidding for business, gathering Competitive Intelligence, participating in a trade association, meeting with a competitor even socially, or negotiating a joint venture.

Representatives must also be attentive to their public and internal communications, and the documents that they create. Carelessly worded or misleading documents or emails could be misinterpreted and result in prolonged investigations or lawsuits.

Representatives are strongly encouraged to contact the CLO if they have any questions regarding compliance with this Policy.

Dealings with Competitors

Representatives must be cautious when dealing directly with competitors. It is a crime for Superior and a competitor (or potential competitor) to agree to fix prices, restrict supply or output, or allocate markets, territories, sales or customers.

It is also generally prohibited for Superior and another company to, in response to a request for bids, (i) agree to submit pre-arranged bids, or (ii) agree that one or more of the parties will not submit a bid or withdraw a bid. Consult the CLO before engaging in any joint bidding activities.

The courts do not need proof that the unlawful agreement harmed competition. Entry into these kinds of agreements is sufficient to establish the crime. Moreover, a court can find the existence of an agreement based on circumstantial evidence alone, such as emails between competitors, calendar appointments, the pattern or timing of dealings with customers, etc. A written agreement is not required.

Representatives must not discuss Competitively Sensitive Information with competitors. Statements regarding future prices or supply (even in public financial information or on analyst calls) may raise competition concerns if it is intended to be, or interpreted as, part of an anti-competitive agreement with a competitor. The more competitively sensitive the information that is shared or disclosed, the greater the risk that the sharing of such information will raise competition concerns. For instance, any information shared with a competitor about pricing, costs, output levels, production capacities, business strategies and marketing plans draws a high degree of scrutiny.

Often Superior will need to enforce its legal rights in dealings with customers and competitors, such as where a customer is under contract and is being approached by a competitor. Given the importance of compliance in dealing with Superior's competitors, Representatives should consult with the CLO if they are dealing with a competitor in this regard.

Industry Associations

Industry associations can be great for improving industry performance and benefiting customers, by improving safety standards, sharing best practices, engaging in joint research efforts or environmental initiatives, among other things.

Since competitors are present, Superior and its Representatives must manage industry association interactions carefully to ensure no one has reason to believe that Superior is engaged in anti-competitive conduct. The risks can be managed by following these steps:

- limit information sharing between association members to information that is publicly available;
- do not share Competitively Sensitive Information;
- follow a written agenda and record accurate minutes of meetings that reflect attendance and discussions; and
- insist on association self-regulation through guidelines or other protocols.

What is permitted? Discussing the following topics is unlikely to be problematic (as long as the discussion does not also cover other potentially sensitive topics):

- regulatory changes and compliance (such as proposed changes in legal or regulatory requirements which apply to all industry participants);
- industry lobbying and promotion initiatives;
- health and safety information;
- industry employment and training issues; and
- public information regarding the industry as a whole, including, for example, industry statistics.

Topics to be avoided. Discussing Competitively Sensitive Information can be very problematic. Representatives must not discuss (nor even appear to discuss) Competitively Sensitive Information at any trade association meeting or anywhere else with competitors.

If any of the prohibited subjects is raised during a meeting at which a Representative is present, including in a telephone conversation or an informal conversation/meeting, the Representative must make it clear that he or she cannot discuss these subjects and must leave if the discussion continues. This applies even to social meetings or conversations.

If the discussion occurs at a formal meeting and is not discontinued upon the request of a Representative, the Representative must ask to have it noted in the minutes of the meeting that he or she is leaving and then exit the meeting. Following any situation where any prohibited subject is raised (including a formal meeting), a Representative must make a careful and thorough note of what happened, i.e., that a sensitive prohibited subject was raised which the Representative refused to discuss and that the Representative left the discussion if the other parties carried on despite his or her objections. This note shall be provided immediately to the CLO.

Representatives must not allow any industry benchmarking or cost control initiatives instituted by a trade association to have any "spill over" effects. For instance, a cost benchmarking database should not be used as a vehicle to disclose pricing of individual competitors, or as a cover to reach price or volume or market sharing agreements.

Gathering Competitive Intelligence

There are both benefits and risks to gathering Competitive Intelligence. Competitive Intelligence that is Competitively Sensitive Information and not publicly available can raise serious issues under competition laws.

Publicly-available information, or information derived exclusively from public sources, does not normally raise competition law risk. Information received from customers can be either low risk or high risk depending on how specific or forward-looking the information received is. For example, future competitor volume targets are high risk, while feedback about improving Superior's services is low risk.

Information received from competitors, particularly Competitively Sensitive Information, raises serious risks – be very cautious when gathering this type of Competitive Intelligence. Keep in mind that some of Superior's customers may also be competitors.

All Representatives must document the sources of the Competitive Intelligence that they gather, including public sources.

Dealings with Customers and Suppliers

Most companies have flexibility in determining the terms and conditions on which they will deal with customers and suppliers, unless they have a negative impact on competition. As a general rule, Representatives should consult with the CLO with respect to any agreements or dealings that are likely to significantly impair the ability of rivals to compete in the marketplace or otherwise materially harm competition, such as:

- **Exclusivity:** Exclusive or restrictive requirements, especially where Superior has a large market share;
- **Bundling/Tying:** Conditioning a customer's ability to purchase one product from Superior on a requirement that the customer also purchase another product from Superior, or on a requirement to refrain from purchasing another supplier's product;
- **Market restrictions:** Requiring a customer to resell product only in a defined territory or to certain groups of customers where the duration of the agreement is excessive as it insulates resellers from competing with each other; and
- **Resale Pricing:** Agreements that influence upward or discourage the reduction of a price at which a customer sells or advertises a product, including making any suggestion of a minimum resale price.

Any minimum advertised price or minimum selling price policy must be approved by the CLO before it is implemented.

The CLO should also be consulted prior to the termination of any supply relationship with a customer if the Representative is aware that such customer is a discounter or resells products below market prices.

Abuse of Dominance: While it is not unlawful to be "dominant" in a market, conduct engaged in by a company with "market power" can be prohibited and subject to penalties (including fines in the millions of dollars and prohibition orders) if it constitutes an "anti-competitive act" that substantially lessens or prevents competition.

A company can be found to be dominant if it has a greater than 35% market share in a particular market, even a local market. An anti-competitive act is conduct that is engaged in for the purpose of excluding, eliminating or disciplining competitors, or conduct that is likely to have that effect. Examples may include:

- "locking-up" customers or suppliers through exclusive contracts;
- reducing the ability of customers to switch to competitors through the use of rights of first refusal, loyalty rebates and most-favoured nation clauses; and
- pricing below cost for the purpose of eliminating a rival.

What constitutes an anti-competitive act and the prediction of the likely competitive impact of any anti-competitive act is highly fact specific and is difficult to assess. Accordingly, the CLO should be consulted prior to implementing any program that is likely to foreclose, exclude, discipline or eliminate rivals or prevent entry.

The Competition Bureau and Searches

Canada's Competition Bureau is the agency primarily responsible for enforcing Canada's competition laws. The Competition Bureau has extensive enforcement powers, including the ability to obtain search warrants, orders to produce documents or witnesses for examination, or refer matters for prosecution.

Any Representative that is contacted by the Competition Bureau should speak to the CLO immediately. If officers of the Competition Bureau come to search any premises of Superior, Representatives on site should immediately do the following:

- speak with the CLO immediately;
- ask the officers to wait to begin the search until legal counsel arrives;
- ask to see the warrant and confirm that the search will be (and is) restricted to the records listed in the warrant;
- advise head office of any other locations listed on the warrant to be searched;
- ask the officers to direct all requests for information or other questions only to one person on site;
- request that any potentially privileged documents be sealed without being examined;
- attempt to make copies on the premises of all seized documents, if possible;
- keep a record of what documents are examined, copied and/or seized; and

- do not remove, destroy or alter any records of any kind.

Document Creation and Management

All forms of records can become evidence in a government investigation or legal proceeding, including physical documents, emails, flash drives, text messages, voicemails, handwritten notes and rough drafts, whether located at a Representative's workplace or at his or her home or on personal mobile devices. For this reason every record should be created with care so that it does not erroneously convey or suggest anti-competitive activity.

Careful language will not avoid liability when the conduct in question violates the competition laws, but it is possible that lawful conduct could become suspect or the subject of an investigation because of a poor choice of words or misleading manner of expression.

Representatives should take care in company communications and presentations to avoid inappropriate or inaccurate language that could be misunderstood.

Representatives should keep communications factual and avoid provocative or judgmental language. In particular, they should avoid wording that, while the intended meaning may seem clear to them, could be misunderstood by someone else as suggesting an improper agreement or cooperation among competitors on prices or related matters. When a Representative is discussing the prices or plans of competitors, he or she should clearly identify the source of the information so that there can be no implication that the information was obtained improperly from a competitor.

Take note: In many cases, e-mails contain language that would not otherwise appear in the files of a business. Many people treat e-mail as informally as they do telephone conversations or off-the-cuff discussions; however, there is one major difference: e-mail results in the creation of a permanent record. Even if an e-mail is deleted from someone's inbox, it remains on the computer system until it is either purged (generally as part of routine system maintenance) or is overwritten in the computer's memory with new information. A similar electronic record is created at the recipient's end and may be stored on servers of third parties. Accordingly, Representatives should take due care when drafting and sending e-mails or electronic copies of documents.

Compliance

All Representatives must comply with this Policy and no Representative has the authority to engage in any conduct, or knowingly permit a subordinate to engage in any conduct, that violates competition laws or this Policy.
Superior will provide regular competition compliance training to Representatives.

If a Representative has questions about this Policy or wishes to make a report of observed or suspected wrongdoing under this Policy, they must contact the CLO. Retaliation by anyone as a consequence of a Representative making a good faith report of a possible violation of this Policy is strictly prohibited and will result in disciplinary action, up to and including termination.

Communication and Enforcement

All Representatives will be advised of this Policy and its enforcement. As part of the acknowledgement process pursuant to Superior's *Code of Business Conduct and Ethics*, each Representative will be asked to acknowledge that they understand, and are required to comply with, this Policy.

A Representative who violates this Policy may face disciplinary action up to and including termination of employment in the case of an employee, and, in the case of an independent contractor, termination of such Representative's contract with Superior. Other grounds for termination include knowingly permitting a subordinate to engage in conduct that violates the competition laws or this Policy, or failing to report a violation. Such disciplinary action is in addition to any other legal remedies that Superior may pursue against a Representative. In addition, a violation of this Policy may also violate applicable laws and result in personal consequences, including fines, incarceration and other penalties. If Superior discovers that a Representative has violated such laws, it may refer the matter to the appropriate authorities.

Policy Revision

Superior will review and revise this Policy from time to time in light of changes in legal or regulatory obligations or best practices. Any revised version of this Policy will be posted, and each Representative is encouraged to refer back to it on a regular basis. Any changes to this Policy must be approved by the Board and will be effective from the time they are posted.