Superior Plus

# NOTICE OF MEETING

# - AND -

# MANAGEMENT INFORMATION CIRCULAR

**For the Annual Meeting of Shareholders**
**To be held on Wednesday, May 7, 2014**

**February 24, 2014**

# NOTICE OF ANNUAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of Shareholders of Superior Plus Corp. (the "**Corporation**") will be held in the Twins Theater Room of the Hôtel Le Germain Calgary, 899 Centre Street S.W., Calgary, Alberta, Canada on Wednesday, May 7, 2014, 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, 2013, and the auditor's report thereon;

2. to elect ten (10) directors of the Corporation;

3. to appoint the auditor of the Corporation and to authorize the Board of Directors of the Corporation to fix their remuneration;

4. to hold a non-binding advisory vote on the Corporation's approach to executive compensation described in the accompanying information circular; and

5. to transact such other business as may properly come before the meeting or any adjournment thereof.

DATED at Calgary, Alberta, this 24th day of February, 2014.

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

*"Luc Desjardins"*

Luc Desjardins,
President and Chief Executive Officer

**Important Notice regarding Proxy Materials and Notice and Access Procedures**

The Corporation has elected to use the notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 ("**Notice-and-access**") for distribution of the meeting material to Shareholders. Notice and Access allows the Corporation to post electronic versions of its proxy-related materials on SEDAR and on its website, rather than mailing paper copies to Shareholders.

The meeting materials will be available on the Corporation's website at www.superiorplus.com as of February 28, 2014. The meeting materials will also be available under the Corporation's profile on SEDAR at www.sedar.com as of February 28, 2014. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Corporation's printing and mailing costs. Shareholders are reminded to review the meeting materials prior to voting.

Any Shareholder who wishes to receive a paper copy of the meeting materials, at no cost to them, may request copies from the Corporation at 1400, 840 – 7 Avenue S.W., Calgary, Alberta T2P 3G2, Fax: (403) 218-2973, Toll Free: (866) 490-7587, or by email at info@superiorplus.com.

A Shareholder may also use this toll-free number to obtain additional information about how Notice and Access works. Requests for paper copies should be made as soon as possible, but must be received no later than Monday, April 21, 2014 in order to allow sufficient time for Shareholders to receive and review the meeting materials and return the proxy form or voting instruction form prior to the following proxy deadline.

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, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, so that it is received no later than 2:00 p.m. (MST) on Monday, May 5, 2014.

# INFORMATION CIRCULAR

## TABLE OF CONTENTS



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

# GENERAL INFORMATION

## ANNUAL MEETING DATE

**This Information Circular is furnished in connection with the solicitation of voting proxies by management of Superior Plus Corp. (the "Corporation" or "Superior"), for use at the annual general meeting (the "Meeting") of holders of common shares ("Common Shares") of the Corporation ("Shareholders") called for May 7, 2014**, and to be held in the Twins Theater Room of the Hôtel Le Germain Calgary, 899 Centre Street S.W., Calgary, Alberta, Canada.

## DATE OF INFORMATION

Information contained in this Information Circular is given as of February 24, 2014, unless otherwise specifically stated.

## VOTING SHARES, PRINCIPAL HOLDERS AND QUORUM

On February 24, 2014, the Corporation had 126,180,030 Common Shares issued and outstanding. The outstanding Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "SPB". 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 knowledge of the directors and officers of the Corporation as at February 24, 2014, no person beneficially owns, controls or directs, directly or indirectly, Common Shares carrying more than 10% of all voting rights attached to the outstanding Common Shares of the Corporation.

## NOTICE-AND-ACCESS

This year, Superior is using the new "notice-and-access" system adopted by the Canadian Securities Administrators ("**CSA**") for the delivery of the Information Circular and the Corporation's annual report in respect of fiscal 2013, which includes management's discussion and analysis and the Corporation's audited consolidated financial statements for the fiscal year ended December 31, 2013 (collectively, the "**Meeting Materials**").

Under the notice-and access system, the notice ("**Notice**") and form of proxy (or voting instruction form, as applicable) will be mailed on or before March 24, 2014 to all Shareholders of record on March 11, 2014 (the "**Record Date**"). The Notice provides instructions regarding the website availability of the Meeting Materials. Shareholders have the ability to immediately access the Meeting Materials on Superior's website and to request a paper copy of the Meeting Materials by telephone. Instructions on how to request a paper copy can be found in the Notice. The principal benefit of the notice-and-access system is that it reduces the environmental impact of producing and distributing paper copies of documents in large quantities.

Superior has obtained an exemption order from Corporations Canada allowing it to use notice-and-access. Superior is not using 'stratification'. Stratification involves an issuer using notice-and-access for delivery of documents to certain shareholders, while delivering paper copies in the usual manner to other shareholders. Superior is employing notice-and-access for the Meeting in respect of all its Shareholders. No Shareholder will receive a paper copy of the Information Circular unless one is specifically requested.

Management of the Corporation does not intend to pay for intermediaries to forward the Notice and form of proxy (or voting instruction form) to beneficial Shareholders who object to their name being made known to Superior ("**OBOs**") under NI 54-101, and therefore the OBOs will not receive the Notice and voting instructions unless the OBOs' intermediary assumes the cost of delivery.

**ADDITIONAL INFORMATION**

Financial information is provided in the Corporation's comparative annual financial statements and MD&A for its most recently completed financial year. Copies of the Meeting Materials, any interim financial statements of the Corporation subsequent to those statements contained in the 2013 Annual Report, and the Corporation's Annual Information Form for the fiscal year ended December 31, 2013, as filed with the applicable Canadian regulatory authorities, are available on SEDAR at www.sedar.com and on Superior's website at www.superiorplus.com and may also be obtained without charge by writing to the Vice President, Investor Relations and Treasurer at the address below:

## Contact Information

| | |
|---|---|
| Head Office: | 1400, 840 – 7th Avenue SW<br>Calgary, Alberta, Canada<br>T2P 3G2 |
| Telephone: | 403-218-2970 |
| Toll-free: | 866-490-PLUS |
| Facsimile: | 403-218-2973 |
| Website: | www.superiorplus.com |

# GENERAL VOTING INFORMATION

## Questions and Answers on Voting

**Q: Am I entitled to vote?**
**A:** You are entitled to vote if you are a Shareholder at the close of business on the Record Date. Each Common Share is entitled to one vote at the Meeting, or any adjournment of the Meeting.

**Q: Am I a registered or beneficial Shareholder?**
**A:** You are a *registered Shareholder* if your Common Shares are held directly in your own name through the direct registration system or a Common Share certificate.

You are a *beneficial Shareholder* if your Common Shares 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: What items of business am I voting on?**
**A:** The following items of business will be voted upon at the Meeting:

1. the election of directors of the Corporation;
2. the appointment of auditors of the Corporation;
3. the non-binding advisory vote on the Corporation's approach to executive compensation; and
4. any other business that may be properly brought before the Meeting or any adjournment of the Meeting.

**Q: 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 at the Meeting is required to approve the election of directors and the appointment of auditors.

**Q: How do I vote?**
**A:** If you are a registered Shareholder, you may vote either in person at the Meeting or by completing and returning the form of proxy enclosed with the Notice in accordance with the directions provided on it.

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 provided on the back of the form of proxy and should be carefully followed.

**Your Proxy voting instructions must be received by 2:00 p.m. (MST) on Monday, May 5, 2014.**

Superior has distributed copies of this Notice and form of proxy (or voting instruction form) to intermediaries/brokers for distribution to beneficial Shareholders. Intermediaries/brokers are required to deliver these materials to beneficial Shareholders who have not waived their rights to receive these materials, and to seek instructions as to how to vote their Common Shares.

If you are a beneficial Shareholder, your Common Shares will likely be registered in the name of a nominee. That is, your certificate was deposited with a bank, trust company, securities broker, trustee or other intermediary. 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 Ross Wonnick 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. **Whether or not you attend the Meeting, 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 does not need to be a Shareholder. Your votes will be counted if the person you appoint as proxy attends the Meeting and votes on your behalf.

**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 Common Shares 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, or you can let your proxyholder decide for you. **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. As of the date of this Information Circular, management of 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 their discretion.

**Q: Can I change my mind once I have submitted my proxy?**
**A:** Yes, you may 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 may 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 may be revoked at any time up to and including 2:00 p.m. (MST) on Monday, May 5, 2014, 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:** Votes are counted by Computershare in its capacity as transfer agent and registrar of the Corporation, and who will 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 and the appointment of auditors.

**Q: Who can I contact if I have any further questions on voting at the Meeting?**
**A:** You may contact Computershare, Superior's transfer agent and registrar by telephone at (800) 564-6253.

# MATTERS TO BE ACTED UPON AT THE MEETING

## FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the year ended December 31, 2013 will be placed before the Shareholders at the Meeting. These financial statements were audited by Deloitte LLP Chartered Accountants, of Calgary, Alberta ("**Deloitte**").

## 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, the Board consists of 10 members and the number of directors of the Corporation to be elected at the Meeting has been set at 10. Two of the incumbent directors will not be standing for re-election at the Meeting. Mr. Norman R. Gish has been a member of the Board since 2003. He served as trustee of Superior from 2000 to 2003 and as Chairman of a predecessor company from 1998 to 2000. Mr. Peter A.W. Green has been a member of the Board since 1996. Mr. Gish and Mr. Green are both retiring from the Board upon election of successor directors at the Meeting. The Board and Management thank Messrs. Gish and Green for their valuable contributions and insights over their many years of service.

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 10 nominees for election as directors of Superior by Shareholders are as follows:

| | |
|---|---|
| Catherine M. Best | Randall J. Findlay |
| Grant D. Billing | Mary Jordan |
| Eugene V.N. Bissell | James S.A. MacDonald |
| Luc Desjardins | Walentin (Val) Mirosh |
| Robert J. Engbloom | David P. Smith |

Each director elected will serve until the next annual meeting of Shareholders or until his or her successor is elected or appointed.

### 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.

### APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to vote for the appointment of Deloitte 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 was first appointed auditor of Superior Plus Income 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.

For certain information regarding the Audit Committee, including fees billed by Deloitte for the past two years, see "Report of the Audit Committee" beginning on page 22.

### ADVISORY VOTE ON EXECUTIVE COMPENSATION

A key underlying principle for compensation throughout the Corporation is 'pay for performance'. Management and the Board believe that this philosophy helps the Corporation to attract and retain excellent employees and top performing executive officers while motivating and rewarding demonstrated behaviours that underpin Superior's success towards achieving its goals, objectives and longer term strategies. The Corporation's approach to executive compensation is described in detail under the headings "Compensation Committee Report" and "Statement of Executive Compensation" beginning on page 27 of this Information Circular. As part of Superior's commitment to good corporate governance, at the Meeting, the Shareholders will be asked to participate in a non-binding advisory vote to accept the Corporation's 'pay for performance' approach on executive compensation.

This non-binding advisory vote on executive compensation will provide you as a Shareholder with the opportunity to vote "**For**" or "**Against**" the Corporation's approach to executive compensation through the following resolution:

> "RESOLVED THAT, on an advisory basis and not to diminish the role and responsibilities of the Board, the Shareholders accept the approach to executive compensation disclosed in the Information Circular and delivered in connection with the 2014 Annual Meeting of Shareholders of the Corporation."

The Board recommends that you vote ***for*** this resolution. **Unless instructed otherwise, the persons designated in the form of proxy intend to vote *for* the advisory resolution on executive compensation.**

As this is an advisory vote that is not required to be submitted to a vote of Shareholders under applicable securities and corporate laws, the results will not be binding on the Board. However, the Board will consider the outcome of the vote as part of its ongoing review of executive compensation.

## DIRECTOR NOMINEES

The following pages set out information for each of the persons proposed to be nominated for election as a director, including 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, 2013 and for the prior year. 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, voting results of the 2013 Annual General Meeting, and information as to the other reporting issuers for which Superior director nominees currently serve as directors are also shown.

**Catherine (Kay) M. Best**
***B.I.D., FCA, ICD.D***

Age: 60
Calgary, Alberta, Canada
Director since: 2007

**Independent**

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 & Young, an accounting firm, in Calgary.

In addition to her extensive experience in the areas of finance, audit, strategic planning, and human resources/compensation, Ms. Best has oil & gas production and development, as well as chemical business experience.

| Board/Committee Membership | Attendance(3) | |
|---|---|---|
| Board of Directors | 10 of 10 | 100% |
| Audit Committee | 7 of 8 | 88% |

| Other Public Board Directorships(1) | Other Public Board Committee Memberships |
|---|---|
| AltaGas Ltd. (TSX) | Member of the Audit Committee |
| Canadian Natural Resources Limited (TSX, NYSE) | Chair of Audit Committee<br>Member of Compensation Committee |
| Aston Hill Financial Inc. (TSX) | Chair of Audit Committee<br>Member of Governance Committee |

| Voting Results of 2013 Annual General Meeting | Votes For | Votes Withheld | Total Votes Cast |
|---|---|---|---|
| Number of Votes | 42,977,812 | 7,097,648 | 50,075,460 |
| Percentage of Votes | 85.8 | 14.2 | 100 |

**Securities Held as at December 31 at a Market Value (as at December 31) of:** **$10.24 per Common Share for 2012** **$12.35 per Common Share for 2013**

| Year | Common Shares(6) | DSUs/RSUs(7) | Total Market Value of Common Shares, DSUs and RSUs(8) | Meets Ownership Requirements(9) |
|---|---|---|---|---|
| 2012 | 7,000 | 14,091 | $215,972 | Yes |
| 2013 | 7,000 | 17,355 | $300,784 | Yes |

**Grant D. Billing**
***BSc., CA***

Age: 62
Calgary, Alberta, Canada
Director since: 1994

**Not Independent**

Mr. Billing serves as non-executive Chairman of the Board since November 14, 2011. He served as Chairman and Chief Executive Officer of Superior from July 2006 to November 14, 2011, when he retired as Chief Executive Officer. Prior to that, Mr. Billing was the Executive Chairman of Superior, since 1998.

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.

| Board/Committee Membership | Attendance(3) | |
|---|---|---|
| Board of Directors (Chairman) | 10 of 10 | 100% |

| Other Public Board Directorships | Other Public Board Committee Memberships |
|---|---|
| Pembina Pipeline Corporation (TSX) | Member of Audit Committee<br>Member of Human Resources and Compensation Committee |
| Cortex Business Solutions Inc. (TSXV) | Member of Audit Committee |

| Voting Results of 2013 Annual General Meeting | Votes For | Votes Withheld | Total Votes Cast |
|---|---|---|---|
| Number of Votes | 47,340,853 | 2,734,607 | 50,075,460 |
| Percentage of Votes | 94.5 | 5.5 | 100 |

**Securities Held as at December 31 (5) at a Market Value (as at December 31) of:** **$10.24 per Common Share for 2012** **$12.35 per Common Share for 2013**

| Year | Common Shares(6) | DSUs(7) | Total Market Value of Common Shares and DSUs(8) | Meets Ownership Requirements(9) |
|---|---|---|---|---|
| 2012 | 2,115,217 | 165,052 | $23,349,955 | Yes |
| 2013 | 1,500,000 | 187,640 | $20,842,354 | Yes |

**Eugene V.N. Bissell**
***BA, MBA***

Age: 60
Gladwyne, Pennsylvania
United States
New Nominee Director

**Independent**

Mr. Bissell served as President, Chief Executive Officer and director of AmeriGas, Propane LP, a Master Limited Partnership traded on the New York Stock Exchange and a subsidiary of UGI Corp, a distributor and marketer of energy products and services, including natural gas, propane, butane and electricity from July 2000 to his retirement in March 2012.

Mr. Bissell has over 12 years of public company board experience and a broad career experience gained over a period of more than 30 years in CEO and various other senior management positions in the propane and industrial gas sectors, including in areas of strategic planning, sales and operational management, corporate development, as well as large scale acquisition negotiation and integration. He has also served on several non-profit boards. He is a past Chair of and continues to serve as a member of the board of the National Propane Gas Association and the Propane Education and Research Council.

| **Board/Committee Membership** | **Attendance[3]** | | |
|---|---|---|---|
| Board of Directors | N/A | N/A | |

| **Other Public Board Directorships** | **Other Public Board Committee Memberships** |
|---|---|
| None | N/A |

| **Voting Results of 2013 Annual General Meeting** | **Votes For** | **Votes Withheld** | **Total Votes Cast** |
|---|---|---|---|
| Number of Votes<br>Percentage of Votes | N/A | N/A | N/A |

| **Securities Held as at December 31 at a Market Value (as at December 31) of:** | | | **$12.35 per Common Share for 2013** | |
|---|---|---|---|---|
| **Year** | **Common Shares[7]** | **DSUs[7]** | **Total Market Value of Common Shares, DSUs and RSUs[8]** | **Meets Ownership Requirements[9]** |
| 2013 | None | N/A | N/A | N/A |

**Luc Desjardins**
***MBA***

Age: 61
Calgary, Alberta, Canada
Director since: 2011

**Not Independent**

Mr. Desjardins joined Superior as President and Chief Executive Officer on November 14, 2011. Prior to his current position, Mr. Desjardins was an operating partner of The Sterling Group LP, a private equity firm. He also served as President and 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.

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.

| **Board/Committee Membership** | **Attendance[3]** | | |
|---|---|---|---|
| Board of Directors | 10 of 10 | 100% | |

| **Other Public Board Directorships** | **Other Public Board Committee Memberships** |
|---|---|
| CIBC, a Canadian Chartered Bank | Member of Management Resources and Compensation Committee |

| **Voting Results of 2013 Annual General Meeting** | **Votes For** | **Votes Withheld** | **Total Votes Cast** |
|---|---|---|---|
| Number of Votes | 49,573,464 | 501,996 | 50,075,460 |
| Percentage of Votes | 99.0 | 1.0 | 100 |

| **Securities Held as at December 31 at a Market Value (as at December 31) of:** | | | **$10.24 per Common Share for 2012<br>$12.35 per Common Share for 2013** | |
|---|---|---|---|---|
| **Year** | **Common Shares[6]** | **RSUs/PSUs[7]** | **Total Market Value of Common Shares, RSUs and PSUs[8]** | **Meets Ownership Requirements[9]** |
| 2012 | 222,910 | 495,240 | $7,353,856 | Yes |
| 2013 | 264,910 | 482,737 | $9,233,440 | Yes |

**Robert J. Engbloom**
***BA., LLB, Q.C.***

Age: 63
Calgary, Alberta, Canada
Director since: 1996

**Independent**

Mr. Engbloom is Deputy Chair of Norton Rose Fulbright Canada LLP, (formerly Macleod Dixon LLP) and has been a partner since 1999.

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.

| **Board/Committee Membership** | **Attendance[3]** | |
|---|---|---|
| Board of Directors | 9 of 10 | 90% |
| Governance and Nominating Committee | 6 of 6 | 100% |

| **Other Public Board Directorships [4]** | **Other Public Board Committee Memberships** |
|---|---|
| Parex Resources Inc. (TSX) | Member of the Operations and Reserves Committee<br>Member of Corporate Governance and Human Resources Committee |

| **Voting Results of 2013 Annual General Meeting** | **Votes For** | **Votes Withheld** | **Total Votes Cast** |
|---|---|---|---|
| Number of Votes | 41,520,476 | 8,554,984 | 50,075,460 |
| Percentage of Votes | 82.9 | 17.1 | 100 |

**Securities Held as at December 31 at a Market Value (as at December 31) of:**
**$10.24 per Common Share for 2012**
**$12.35 per Common Share for 2013**

| **Year** | **Common Shares[6]** | **DSUs/RSUs[7]** | **Total Market Value of Common Shares, DSUs and RSUs[8]** | **Meets Ownership Requirements[9]** |
|---|---|---|---|---|
| 2012 | 17,353 | 16,785 | $349,573 | Yes |
| 2013 | 17,353 | 22,860 | $496,631 | Yes |

**Randall J. Findlay**
***BASc., P.Eng., ICD.D***

Age: 63
Calgary, Alberta, Canada
Director since: 2007

**Independent**

Mr. Findlay is a corporate director. He was the President of Provident Energy Ltd. from 2001 until his retirement in 2006.[2]

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.

| **Board/Committee Membership** | **Attendance[3]** | |
|---|---|---|
| Board of Directors | 10 of 10 | 100% |
| Governance and Nominating Committee | 6 of 6 | 100% |

| **Other Public Board Directorships** | **Other Public Board Committee Memberships** |
|---|---|
| HNZ Group Inc. (TSX) | Member of Audit Committee<br>Member of Governance and Nominating Committee |
| Spyglass Resources Inc. (TSX-V) | Chairman of the Board<br>Chair of Governance, Human Resources and Compensation Committee |
| Pembina Pipeline Corporation (TSX) | Chair of Human Resources and Compensation Committee<br>Member of Audit Committee |
| Whitemud Resources Inc. (TSX-V) | Chair of Audit Committee |

| **Voting Results of 2013 Annual General Meeting** | **Votes For** | **Votes Withheld** | **Total Votes Cast** |
|---|---|---|---|
| Number of Votes | 42,603,336 | 7,472,124 | 50,075,460 |
| Percentage of Votes | 85.1 | 14.9 | 100 |

**Securities Held as at December 31[5] at a Market Value (as at December 31) of:**
**$10.24 per Common Share for 2012**
**$12.35 per Common Share for 2013**

| **Year** | **Common Shares[6]** | **DSUs/RSUs[7]** | **Total Market Value of Common Shares, DSUs and RSUs[8]** | **Meets Ownership Requirements[9]** |
|---|---|---|---|---|
| 2012 | 20,000 | 15,438 | $362,885 | Yes |
| 2013 | 20,000 | 20,107 | $495,322 | Yes |

**Mary Jordan**
***BA, MBA***

Age: 54
Vancouver,
British Columbia, Canada
New Nominee Director

**Independent**

Ms. Jordan is a corporate director. She serves as Chair of the Board of the Vancouver International Airport Authority and as a director of Coast Capital Savings Credit Union (a provider of financial products and services) and as a director of Timberwest Forest Corp., Western Canada's largest private managed forest land owner. From 2006 to 2008, Ms. Jordan was Executive Vice-President, Human Resources & Internal Communications at Laidlaw International, Inc. (a provider of school, intercity bus and other transportation services). From 2003 to 2006, she held the position of Provincial Executive Director for the BC Centre for Disease Control. In addition, Ms. Jordan has spent more than 20 years in the airline industry, holding senior executive positions with Air Canada, Canadian Airlines and American Airline, including terms as the President of several wholly owned regional carriers.

Ms. Jordan has broad experience in developing comprehensive business plans, process implementation and strategic oversight with focus on sales, marketing, customer service, trade, transportation and distribution. She also has extensive experience in the areas of financial planning, human resources/compensation, risk management/insurance and IT strategies. Ms. Jordan is a member of the Insurance Council of British Columbia and a former director of The Vancouver Board of Trade.

| **Board/Committee Membership** | **Attendance(3)** | |
|---|---|---|
| Board of Directors | N/A | N/A |

| **Other Public Board Directorships** | **Other Public Board Committee Memberships** |
|---|---|
| None | N/A |

| **Voting Results of 2013 Annual General Meeting** | **Votes For** | **Votes Withheld** | **Total Votes Cast** |
|---|---|---|---|
| Number of Votes<br>Percentage of Votes | N/A | N/A | N/A |

| **Securities Held as at December 31 at a Market Value (as at December 31) of:** | | | **$12.35 per Common Share for 2013** | |
|---|---|---|---|---|
| **Year** | **Common Shares(6)** | **DSUs(7)** | **Total Market Value of Common Shares, DSUs and RSUs(8)** | **Meets Ownership Requirements(9)** |
| 2013 | None | N/A | N/A | N/A |

**James S.A. MacDonald**
***BA(Hons), MBA***

Age: 68
Toronto, Ontario, Canada
Director since: 2000

**Independent**

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).

From May 1998 to September 2000, he served as a director of ICG.

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.

| **Board/Committee Membership** | **Attendance(3)** | |
|---|---|---|
| Board of Directors | 9 of 10 | 90% |
| Compensation Committee | 10 of 10 | 100% |

| **Other Public Board Directorships** | **Other Public Board Committee Memberships** |
|---|---|
| Cymbria Inc. | N/A |

| **Voting Results of 2013 Annual General Meeting** | **Votes For** | **Votes Withheld** | **Total Votes Cast** |
|---|---|---|---|
| Number of Votes | 49,003,942 | 1,071,518 | 50,075,460 |
| Percentage of Votes | 97.9 | 2.1 | 100 |

| **Securities Held as at December 31 at a Market Value (as at December 31) of:** | | | **$10.24 per Common Share for 2012<br>$12.35 per Common Share for 2013** | |
|---|---|---|---|---|
| **Year** | **Common Shares(6)** | **DSUs/RSUs(7)** | **Total Market Value of Common Shares, DSUs and RSUs(8)** | **Meets Ownership Requirements(9)** |
| 2012 | 167,664 | 14,091 | $1,861,171 | Yes |
| 2013 | 177,664 | 17,355 | $2,408,485 | Yes |

**Walentin (Val) Mirosh**
***BSc., MASc., LLB***

Age: 68
Calgary, Alberta, Canada
Director since: 2007

**Independent**

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 Chemicals. 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.

| **Board/Committee Membership** | **Attendance(3)** | |
|---|---|---|
| Board of Directors | 10 of 10 | 100% |
| Compensation Committee | 10 of 10 | 100% |

| **Other Public Board Directorships** | **Other Public Board Committee Memberships** |
|---|---|
| Murphy Oil Corporation (NYSE) | Member of Compensation Committee<br>Member of Environment, Health & Safety Committee |
| TC Pipelines, LP (NYSE) | Member of Audit Committee |

| **Voting Results of 2013 Annual General Meeting** | **Votes For** | **Votes Withheld** | **Total Votes Cast** |
|---|---|---|---|
| Number of Votes | 49,047,018 | 1,028,442 | 50,075,460 |
| Percentage of Votes | 97.9 | 2.1 | 100 |

**Securities Held as at December 31(5) at a Market Value (as at December 31) of:** **$10.24 per Common Share for 2012** **$12.35 per Common Share for 2013**

| **Year** | **Common Shares(6)** | **DSUs/RSUs(7)** | **Total Market Value of Common Shares, DSUs and RSUs(8)** | **Meets Ownership Requirements(9)** |
|---|---|---|---|---|
| 2012 | 5,000 | 14,091 | $195,492 | Yes |
| 2013 | 8,000 | 17,355 | $313,134 | Yes |

**David P. Smith**
***CFA***

Age: 55
Toronto, Ontario, Canada
Director since: 1998

**Independent**

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.

| **Board/Committee Membership** | **Attendance(3)** | |
|---|---|---|
| Board of Directors | 10 of 10 | 100% |
| Audit Committee (Chair) | 8 of 8 | 100% |

| **Other Public Board Directorships** | **Other Public Board Committee Memberships** |
|---|---|
| None | N/A |

| **Voting Results of 2013 Annual General Meeting** | **Votes For** | **Votes Withheld** | **Total Votes Cast** |
|---|---|---|---|
| Number of Votes | 49,527,808 | 547,652 | 50,075,460 |
| Percentage of Votes | 98.9 | 1.1 | 100 |

**Securities Held as at December 31 at a Market Value (as at December 31) of:** **$10.24 per Common Share for 2012** **$12.35 per Common Share for 2013**

| **Year** | **Common Shares(6)** | **DSUs/RSUs(7)** | **Total Market Value of Common Shares, DSUs and RSUs(8)** | **Meets Ownership Requirements(9)** |
|---|---|---|---|---|
| 2012 | 46,048 | 14,091 | $615,823 | Yes |
| 2013 | 29,403 | 17,355 | $577,461 | Yes |

**Notes:**

1. Ms. Best also serves as a director of Wawanesa Insurance and as a member of its Audit Committee and its Risk Committee. Wawanesa Insurance is regulated by the office of Superintendent of Financial Institutions and not a public issuer.
2. Mr. 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.
3. For details of Board and committee meetings held during 2013 and each director's attendance, see "Board and Committee Meetings Held in 2013" in this Information Circular.
4. Mr. Engbloom acts as Corporate Secretary to Vermilion Energy Inc.
5. As of February 24, 2014, in addition to the stated securities, the following directors also own:

| Director | Convertible Debentures ($) |
|---|---|
| Grant D. Billing | 8,040,000 |
| Randall J. Findlay | 150,000 |
| Walentin (Val) Mirosh | 90,000 |

6. 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, 2013. As of February 24, 2014, the directors as a group beneficially owned or controlled or directed, directly or indirectly, 2,086,336 Common Shares of the Corporation, representing approximately 1.7% 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.
7. 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" under the general heading "Director Compensation" beginning on page 33 of this Information Circular.
8. Includes RSUs and PSUs for 2013 approved by the Board on October 31, 2013 and granted on January 2, 2014 to Mr. Desjardins. Although such RSUs and PSUs were granted on January 2, 2014, they have been disclosed in the table as they were approved by the Board and the Compensation Committee in October 2013, as part of their annual review of executive compensation and considered as a component of the NEOs 2013 total compensation. See "Compensation Discussion and Analysis - Long-Term Incentive and Retention Programs – LTIP Grants awarded to NEOs for 2013" for additional information.

   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, 2012 ($10.24) and 2013 ($12.35). The value of Mr. Desjardins' 2012 and 2013 PSUs, as disclosed in the above table, is the sum of the number of PSUs granted, adjusted to reflect notional reinvestment of dividends since the date of grant, multiplied by the closing market price of the Common Shares on the TSX at December 31, 2012 and 2013, 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 49 of this Information Circular. Therefore, the value of the PSUs as stated in this Information Circular may vary significantly over the respective vesting period.
9. For details on the ownership requirements, see "Director Share Ownership Requirements" on page 36 of this Information Circular.

# CORPORATE GOVERNANCE PRACTICES

Superior 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. The Board has determined that Superior's corporate governance practices are aligned with the CSA disclosure standards. Set forth below is a description of certain corporate governance practices of the Corporation, as required by National Instrument 58-101 – "Disclosure of Corporate Governance Practices" (the "**Corporate Governance Rule**").

## About the Board

The Board is responsible for administrating 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 and on SEDAR at www.sedar.com and, upon request, a copy will be provided promptly and free of charge to any Shareholder of the Corporation.

To assist the Board with its fiduciary responsibilities, the Board is currently supported by three standing committees.

- **Audit Committee**
- **Governance and Nominating Committee**
- **Compensation Committee**

With the discontinuance of the Advisory Committees (see "Advisory Committees" below) a **Health, Safety and Environment Committee** was established in October 2013, so that the Board will have four standing committees following the Meeting. The Health, Safety and Environment Committee is anticipated to be operational in the second quarter of 2014.

## Advisory Committees

In August 2006, Superior formed Advisory Committees for each of its businesses. The Advisory Committees were composed of two to 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 provided the directors with additional time to address business opportunities, risks, strategies and challenges, and allowed 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. Board members serving on the Advisory Committees were rotated from time to time to provide each Board member with maximum exposure to each of the businesses of Superior. In August 2013, the Board determined that the matters formerly dealt with at the Advisory Committees could be more effectively and efficiently dealt with by the Board; thus the Advisory Committees were discontinued and replaced by two expanded Board meetings per year to allow for a similar operational business focus. In addition, the formation of the Health, Safety and Environment Committee was approved to assist the Board in monitoring environment, health and safety matters as they apply to Superior's businesses.

## Strategic Planning Oversight

The Board has a heightened interest in and is actively involved in the oversight of Superior's strategy because of its importance and impact on Shareholder value. Management under the direction of the President and CEO is responsible for the development of a detailed 5-year strategic plan, the implementation and achievement of the annual corporate business plan, including the efficient acquisition and allocation of the financial, human and other resources required to achieve the annual and long-term strategic goals, while managing associated risks. The Board holds a two-day strategic planning session with management in June of each year, at which strategic issues, competitive developments, business opportunities and risks (for each business and on a consolidated and portfolio basis) are reviewed. Such review involves discussion with and without management present. The Board provides guidance, input and insight and ultimately approves the overall vision, objectives and long-term strategy of the Corporation, including any modifications to the strategic plan as appropriate in response to progress made and/or changing market conditions.

In addition, the Board oversees the implementation of, and monitors the performance against, the strategic plan. The President and CEO updates the Board at each quarterly meeting, including the two-day strategy meeting in June and the expanded Board meeting in October/November which allows for more in-depth analysis and discussion. In addition, new strategic opportunities and risks are discussed as they arise throughout the year.

## 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 monitored at each of Superior's businesses. At the corporate level, management reviews, on a continual 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 risks and evolving operational risks and other enterprise-wide risks, including risk mitigation policies, processes and strategies.

The Governance and Nominating Committee assists in overseeing governance related, including regulatory, reputational and other risks. Governance rating agencies and their assessments of the Corporation's risk and proxy advisory services policies are also monitored.

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.

## Independence of Board and Committee Members

Director independence is determined by the Board with the assistance of the Governance and Nominating Committee, based on the definition of independence in the Corporation 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.

The Board, with the assistance of the Governance and Nominating Committee, has assessed the independence of each director. Of the current and proposed 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. 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. It is anticipated that a new Lead Director will be appointed following the Meeting due to Mr. Green's retirement from the Board. 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. All current members of the Audit Committee, Governance and Nominating Committee and the Compensation Committee are independent and all independent members currently participate in at least one standing committee. All members of the Audit Committee are independent under the provisions of the Audit Committee Rule. All members of the Compensation Committee are independent under the Corporate Governance Rule and would also be considered independent under the Audit Committee Rule.

The following table illustrates the independence of the current directors, including the composition of the committees of the Board. There were no membership changes during 2013.

| 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.(1) | ✓ | | | ✓ | |
| Randall J. Findlay | ✓ | | | ✓ | |
| Norman R. Gish | ✓ | | | | Chair |
| Peter A.W. Green<br>Lead Director | ✓ | | ✓ | Chair | |
| James S.A. MacDonald | ✓ | | | | ✓ |
| Walentin (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.

## Material Interest

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. At 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 2013 and for the attendance record for each director, see "Board and Committee Meetings Held in 2013" on page 18 of this Information Circular.

## Position Descriptions

Position descriptions of the Chairman of the Board, the President and Chief Executive Officer and the Lead Director delineate their roles and responsibilities. The Board has also developed written position descriptions for the Chair of each of its standing committees. The complete text of these position descriptions can be found on the Corporation's website at www.superiorplus.com

## Other Public Board Directorships

Currently, certain directors of Superior serve on the board of directors of other public companies. For further information, see "Director Nominees" commencing on page 27 of this Information Circular.

## Interlocking Directorships

The following table shows directors that serve on the same boards and committees of another reporting issuer. The Board is of the view that these interlocking directorships do not adversely impact the effectiveness of these directors on Superior's Board.

| Company | Director | Committee Memberships |
|---|---|---|
| Pembina Pipeline Corporation | Grant D. Billing | Member of Audit Committee<br>Member of Human Resources and Compensation Committee |
| Pembina Pipeline Corporation | Randall J. Findlay | Member of Audit Committee<br>Member of Human Resources and Compensation Committee |

## 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 in developing a new director profile as a basis in recruiting new members to the Board. Besides the desired knowledge, skills and experience, as well as a focus on gender diversity, the Board considers qualities such as a high level of integrity and whether a new nominee can devote sufficient time, energy and resources to their duties as a director, and if he/she demonstrates excellent communication and persuasion skills to actively and constructively participate in Board discussions and debate. The Committee has the authority to hire outside consultants to assist in identifying and screening qualified candidates.

Accordingly, and in light of the upcoming retirement of Messrs. Gish and Green, Superior advanced its director succession and renewal plan during 2013 with the assistance of a professional search firm. Through the recruitment process, two qualified directors, Mr. Bissell and Ms. Jordan were identified as having qualities, competencies, skills and experience that complement those of the other members of the Board and were nominated for election as directors at the Meeting.

## Skills Matrix

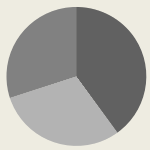
The following table shows the areas where directors and nominee directors have assessed themselves as expert or as having strong working knowledge. The Governance and Nominating Committee has reviewed the skills matrix and is satisfied that the Board has the appropriate experience, skills and expertise to perform its duties and responsibilities.

| Director | Distribution Business | Chemical Business | Energy Business | U.S. Business | International Business | Operational Management | Governance/Board | Strategic Planning | Financing/Capital Markets | Environment and Safety | Marketing/Sales | Legal | Human Resources/Compensation | Accounting/Audit | Mergers & Acquisitions | Risk Management | Technology |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Catherine (Kay) M. Best | | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | | ✓ | |
| Grant D. Billing | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Luc Desjardins | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Robert J. Engbloom | | | ✓ | | ✓ | | ✓ | ✓ | ✓ | | | ✓ | ✓ | | ✓ | ✓ | |
| Randall J. Findlay | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | |
| Eugene V.N. Bissell | ✓ | | ✓ | ✓ | | ✓ | | ✓ | | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | |
| Mary Jordan | | | | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | | ✓ | | ✓ | ✓ | |
| James S.A. MacDonald | | | ✓ | ✓ | | | ✓ | ✓ | ✓ | | | | ✓ | ✓ | ✓ | ✓ | |
| Walentin (Val) Mirosh | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | |
| David P. Smith | | ✓ | ✓ | | | | ✓ | ✓ | ✓ | ✓ | | ✓ | | ✓ | ✓ | ✓ | ✓ |
| **Total** | **3** | **6** | **9** | **7** | **6** | **7** | **9** | **10** | **7** | **7** | **4** | **6** | **9** | **8** | **9** | **10** | **3** |

## Board Tenure and Retirement Age

Although Superior does not have a term limit for directors, we believe that it is critical to have an appropriate balance between long-term directors with extensive knowledge that understand the risks and opportunities of our diversified business and the industries we operate in and new directors that add new experience and perspectives to the Board. Our focus is on maintaining the proper mix of skills, experience and diversity. Board member retirements are also considered as part of the Board renewal process. 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.

With the retirement of Messrs. Gish and Green following the Meeting, the average tenure of the 10 Board members will be nine years with a tenure profile as follows:




For information as to the age of the directors and the year each was first appointed as a director, see "Director Nominees" beginning on page 7 of the Information Circular.

## Compensation

The Board is responsible for director compensation and has delegated the review and administration to the Compensation Committee. For information on the governance, as well as on the responsibilities, powers and operations of the Compensation Committee, see "Compensation Committee Report" beginning on page 7 and for information on the philosophy, approach and components of non-executive director compensation, as well as director share-ownership requirements see "Director Compensation" beginning on page 33 of this Information Circular.

## Board and Committee Meetings Held in 2013

The following tables provide a summary of Board and committee meetings and director attendance at such meetings during 2013. Although not committees of the Board, the attendance of the Advisory Committee meetings (to the date of discontinuance in August 2013) 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, when warranted, during 2013.

| Meeting | Total Number of Meetings Held |
|---|---|
| Board of Directors | 10[1] |
| Audit Committee | 8 |
| Governance and Nominating Committee | 6 |
| Compensation Committee | 10 |
| Energy Services Advisory Committee | 2 |
| Specialty Chemicals Advisory Committee | 2 |
| Construction Products Distribution Advisory Committee | 2 |

| Director | Board Meetings[1] | Audit Committee (Chair: Smith) | G&N Committee (Chair: Green) | Compensation Committee (Chair: Gish) | Advisory Committees |
|---|---|---|---|---|---|
| Catherine (Kay) M. Best | 10 of 10 | 7 of 8 | - | - | 2 of 2 |
| Grant D. Billing | 10 of 10 | - | - | - | - |
| Luc Desjardins | 10 of 10 | - | - | - | 6 of 6 |
| Robert J. Engbloom | 9 of 10 | - | 6 of 6 | - | 2 of 2 |
| Randall J. Findlay | 10 of 10 | - | 6 of 6 | - | 2 of 2 |
| Norman R. Gish | 9 of 10 | - | - | 10 of 10 | 2 of 2 |

| Director | Board Meetings[1] | Audit Committee (Chair: Smith) | G&N Committee (Chair: Green) | Compensation Committee (Chair: Gish) | Advisory Committees |
|---|---|---|---|---|---|
| Peter A.W. Green | 9 of 10 | 7 of 8 | 6 of 6 | - | 2 of 2 |
| James S.A. MacDonald | 9 of 10 | - | - | 10 of 10 | 2 of 2 |
| Walentin (Val) Mirosh | 10 of 10 | - | - | 10 of 10 | 2 of 2 |
| David P. Smith | 10 of 10 | 8 of 8 | - | - | 2 of 2 |
| **Total** | 96/100<br>96% | 22/24<br>92% | 18/18<br>100% | 30/30<br>100% | 22/22<br>100% |
| **Overall Number and Percentage of Meetings Attended**<br>(excluding Advisory Committee Meetings) | | | | 166/172<br>97% | |

**Note:**

1. There were eight Board meetings (including an expanded Board meeting in October 2013) and a two-day strategy session of the Board.

## Orientation and Continuing Education

The Corporate Governance and Nominating Committee is responsible for overseeing the orientation processes and/or education programs for new directors. The continuous education of Board members ensures maintenance and enhancement of the skills and abilities of the directors, and improves 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 meetings are conducted from different locations to allow directors to tour Superior's plants and facilities.
- ✓ Management 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.
- ✓ Board dinner sessions are held as part of the regularly scheduled Board meetings and include sessions on relevant business or strategic topics.
- ✓ External parties are invited to present to the Board and committees on topics of specific interest.

- ✓ Twice a year expanded Board meetings are held to enable directors to effectively review and consider key business and operating initiatives, as well as 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.
- ✓ 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. Findlay have completed a Directors Education Program and hold the ICD.D designation.

## Board Assessments

The Governance and Nominating Committee leads a full annual evaluation of the effectiveness and performance of the Board, all Board Committee chairs, Board Committees and individual directors. The Committee has developed an annual board effectiveness survey which includes an individual director self-evaluation questionnaire and guide. 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. The results are tabulated, analyzed and reported to the Governance and Nominating Committee and the Board after the Committee Chair interviews each director. Confidentiality of individual director comments is maintained.

The results of the last evaluation, completed in October of 2013, indicated that the Board was the appropriate size and possessed the necessary competencies to efficiently discharge its duties and responsibilities.

## Ethical Business Conduct

The Corporation's ethics efforts have strong support and oversight from the Board. Supported by the Governance and Nominating Committee, 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, practices, policies and rules are in place and observed and audited so that ethical conduct and integrity is achieved in practice.

On August 9, 2005, the Corporation adopted a written Code of Business Conduct and Ethics (the "**Code**"). The Code was amended and restated on November 1, 2012. The Code reinforces the Corporation's principles and value statements that 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 to allow for anonymity and encourage openess. 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 and on the Corporation's website at 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 2013. No material change report pertaining to conduct departing from the Code was required to be filed in 2013 or at any time prior thereto.

# REPORT OF THE AUDIT COMMITTEE

*David P. Smith, Chair* *Catherine (Kay) M. Best* *Peter A.W. Green*

- **All Members are "Independent" and "Financially Literate" within the meaning of the Audit Committee Rule.**
- **No membership changes during 2013.**

## Composition and Qualifications

The Audit Committee consists of three directors, Mr. Smith (Chair), Ms. Best, and Mr. Green. Following the retirement of Mr. Green after the Meeting, it is expected that another member of the Board will be appointed to the Audit Committee to fill the vacancy. 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. 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, an accounting firm, 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.

## 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 assists the Board, in conjunction with the external auditors and management, with its review and oversight of audit plans and procedures and meets with the auditors independent of management at each quarterly meeting. The Audit Committee is responsible for reviewing and overseeing 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 (a) the processes and compliance with respect to National Instrument 52-109 "Certification of Disclosure in Issuer's Annual and Interim Filings" requirements, (b) other accounting and finance based legal and regulatory compliance requirements, and (c) transactions or circumstances which could materially affect the financial profile of the Corporation. The mandate of the Audit Committee is incorporated by reference into the Corporation's annual information form and posted on the Corporation's website at www.superiorplus.com.

## Key 2013 Activities

In fulfilling its mandate, the key activities undertaken by the Audit Committee in 2013 were as follows:

- ✓ Met separately with management and the external auditors and reviewed the annual and interim consolidated financial statements and MD&A (including the auditors' report on these financial statements) and recommended the annual and interim financial statements and MD&A to the Board for approval.
- ✓ Reviewed and recommended to the Board for approval, financial press releases and disclosure documents, including the Annual Information Form.
- ✓ Reviewed the Corporation's accounting and financial reporting practices and disclosure controls and procedures.
- ✓ Reviewed the compliance activities undertaken by management to report on the effectiveness of internal controls over the 2013 financial reporting period.
- ✓ Reviewed and reported to the Board on financial risks and exposures; reviewed risk management policies and recommended to the Board the approval of new, and amendments to certain existing, commodity risk policies.
- ✓ Reviewed business continuity and Information Technology ("**IT**") risks and monitored Superior Propane's ADDEnergy IT project and implementation.
- ✓ Reviewed legal matters, including litigation and tax assessments that could have a material effect on the Corporation's financial position.
- ✓ Monitored Canada Revenue Agency reassessment/litigation risk and assumed oversight on the selection of Litigation Counsel.
- ✓ Discussed, and was satisfied with, the external auditors' performance and independence; reviewed and recommended to the Board for approval, the 2013 audit plan and the appointment and compensation of the external auditors.
- ✓ Approved or pre-approved all services provided by the external auditors.
- ✓ Reviewed, and was satisfied with, the adequacy of the Corporation's insurance program.
- ✓ Carried out other regular governance, monitoring and disclosure matters, including:
  - → Reviewed accounting practices, policies and proposed changes;
  - → Reviewed accounting, tax and financial aspects of the operations;
  - → Reviewed whistleblower reports and procedures;
  - → Reviewed and amended the Audit Committee mandate; and
  - → Evaluated, and was satisfied with, the Audit Committee performance.

## Deloitte Audit Fees

Fees billed by Deloitte for the years ended December 31, 2013 and December 31, 2012 are detailed in the following table:

| | Year Ended December 31, 2013 ($) | Year Ended December 31, 2012 ($) |
|---|---|---|
| Audit fees | **1,734,891** | 1,562,651 |
| Audit-related fees | **172,825** | 124,115 |
| All other fees | **121,358** | 266,045 |
| **Total fees** | **2,029,073**(1) | 1,952,811(1) |

**Note:**

1. Reflects fees billed in fiscal year without taking into consideration the year to which these services relate.

***Audit fees*** include fees for professional services rendered by the auditors for the audit and review of the Corporation's financial statements and Superior LP's annual financial statements or services provided in connection with statutory and regulatory filings. It also includes fees in connection with prospectus related services.

***Audit-related fees*** include fees for services rendered in relation to performing the audit of, or reviewing financial statements, that were not part of audit fees such as attendance at quarterly audit meetings, pension plan audits and regulatory reviews.

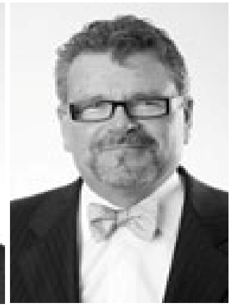
***All other fees:*** All permissible categories of non-audit services require approval from the Audit Committee. "All other fees" reported in the above table in respect 2013 consists of fees paid to Deloitte in connection with French translation services. "All other fees" reported in the above table in respect 2012 consists of fees paid to Deloitte in connection with the IFRS review and fraud risk matters.

The Audit Committee has reviewed and discussed the content of this report and has recommended to the Board that it be included in this Information Circular.

**Submitted on behalf of the Audit Committee:**
David P. Smith, Chairman
Catherine (Kay) M. Best
Peter A.W. Green

# REPORT OF THE GOVERNANCE AND NOMINATING COMMITTEE





- **All Members are "Independent" within the meaning of the Corporate Governance Rule.**
- **No membership changes during 2013.**

*Peter A.W. Green, Chair   Robert J. Engbloom, Q.C.   Randall J. Findlay*

## Composition and Qualifications

The Governance and Nominating Committee currently consists of three independent directors: Messrs. Green (Chair), Engbloom, and Findlay. Following the retirement of Mr. Green after the Meeting, it is expected that another member of the Board will be appointed to the Governance and Nominating Committee to fill the vacancy. Each member of the committee has extensive experience in strategic, business, industry and governance matters with knowledge particularly relevant to governance and nominating responsibilities.

## Responsibility and Terms of Reference

The Governance and Nominating Committee assists the Board with its review and oversight of corporate governance practices and assessing the functioning, performance and effectiveness of the Board, its Chair, committee chairs, 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.

## Key 2013 Activities

In fulfilling its mandate, the key activities undertaken by the Governance and Nominating Committee in 2013 were as follows:

- ✓ Conducted its annual review of the Corporation's corporate governance practices and processes and monitored regulatory developments and governance trends.
- ✓ Reviewed Board, committee mandates, as well as Board and committee chairs, Lead Director and CEO position descriptions; recommended to the Board for approval, updated mandates and position descriptions other than for the CEO and for the Lead Director.
- ✓ Conducted the annual evaluation of the effectiveness and performance of the Board and its committees and individual directors; considered the size and composition of the Board and its committees.
- ✓ Enhanced skills matrix, developed new director profile and, with assistance of a professional search firm, identified two individuals with complementary skills and experience and well qualified to become Board members to replace the two retiring directors.

- ✓ Implemented its orientation program for the new directors and discussed appropriate continuing education programs for Board members.
- ✓ Nominated directors for election at the Meeting and considered committee rotations.
- ✓ With assistance of Deloitte assessed the process, relevance and timeliness of information required by the Board.
- ✓ Assessed the structure, process and relevance of Superior's three Advisory committees and:
  - → disbanded Advisory committees;
  - → changed format of Board meetings by designating two expanded Board meetings per year as alternative measure to maintain the detailed operational focus at the business level; and
  - → established a Health, Safety and Environment Committee.
- ✓ Reviewed the Corporation's Code of Business Conduct and Ethics and procedures and monitored compliance.
- ✓ Conducted its annual review of corporate policies on anti-corruption and privacy, disclosure, confidentiality and trading in securities.
- ✓ Carried out other regular governance, monitoring and disclosure matters, including:
  - → Monitored director independence and conflict of interest matters; directorships in other public issuers and interlocking directorships; considered age and tenure and other governance, nominating and succession planning matters.

The Governance and Nominating Committee has reviewed the Corporation's governance disclosure in its various annual disclosure documents and has recommended approval to the Board prior to publication. The committee has also reviewed and discussed the content of this report and has recommended to the Board that it be included in this Information Circular.

**Submitted on behalf of the Governance and Nominating Committee:**
Peter A. W. Green, Chairman
Robert J. Engbloom
Randall J. Findlay

## REPORT OF THE COMPENSATION COMMITTEE



- **All Members are "Independent" within the meaning of the Corporate Governance Rule and the Audit Committee Rule.**
- **No membership changes during 2013.**

*Norman R. Gish, Chair* *James S.A. MacDonald* *Walentin (Val) Mirosh*

### Composition and Qualifications

The Compensation Committee consists of three independent directors, namely Messrs. Gish (Chair), MacDonald and Mirosh. Following the retirement of Mr. Gish after the Meeting, it is expected that another member of the Board will be appointed to the Compensation Committee to fill the vacancy. 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 program 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 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 (a predecessor of Norton Rose Fulbright Canada LLP) and as past senior executive of NOVA Chemicals Corp. and special advisor to the President and Chief Operating Officer of NOVA Chemicals and as past Chief Operating Officer of Alberta Natural Gas Co. Ltd., 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.

### Responsibilities, Powers and Operation

The Compensation Committee assists the Board in fulfilling its review and oversight responsibilities in relation to human resources, compensation and pension matters. The Committee mandate 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. The Compensation Committee has a written mandate which is available on the Corporation's website and in print to any Shareholder who requests a copy from the Vice-President, Investor Relations.

## Key 2013 Activities

In fulfilling its mandate, the key activities undertaken by the Compensation Committee in 2013 were as follows:

- ✓ Reviewed human resources and compensation philosophies and policies for Superior and its businesses.
- ✓ Considered the recommendations from Mercer (Canada) Limited ("**Mercer**") on the Mercer review of the competitiveness and appropriateness of existing compensation arrangements for the Chief Executive Officer, senior executives and senior management and on short- and long-term incentive programs to ensure that such programs continue to support Superior's business strategy and its ability to attract and retain top executive talent.
- ✓ Adopted a peer group for director and executive compensation benchmarking purposes.
- ✓ Considered long-term incentive plan ("**LTIP**") alternatives and recommended to the Board one LTIP for corporate and its businesses, as well as certain amendments to the combined LTIP for 2013.
- ✓ Reviewed and recommended to the Board, changes to certain business LTIP provisions and valuation calculations for 2012 to mitigate volatility issues and risks of unintended payouts for 2013 and 2014.
- ✓ Reviewed the performance factors for the LTIP, including the relative total shareholder return ("**TSR**") performance over several years and set TSR performance targets and thresholds for 2013 PSUs.
- ✓ Reviewed senior management goals, assessed performance and made 2013 executive compensation (including Chief Executive Officer) recommendations to the Board.
- ✓ Reviewed and recommended to the Board, Superior's 2014 executive compensation and short-term incentive performance targets and thresholds based on the Corporation's 2014 budget.
- ✓ Reviewed executive management succession and talent management plans so that Superior can continue to build its organizational capacity and needed competencies to achieve its operational and strategic goals.
  → Approved and recommended to the Board, approval of appointment of officers of the Corporation.
- ✓ With the assistance of Mercer, reviewed the adequacy and form of directors' compensation for 2013 and made recommendations 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.
- ✓ With the assistance of Mercer reviewed director and executive share-ownership guidelines and made recommendations to the Corporate Governance and Nominating Committee.
- ✓ Considered the current state of voluntary Say-on-Pay advisory votes in Canada and recommended to the Board that such advisory vote be held at the Meeting as an effective means of soliciting direct feedback from Shareholders on our approach to executive compensation.
- ✓ 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:

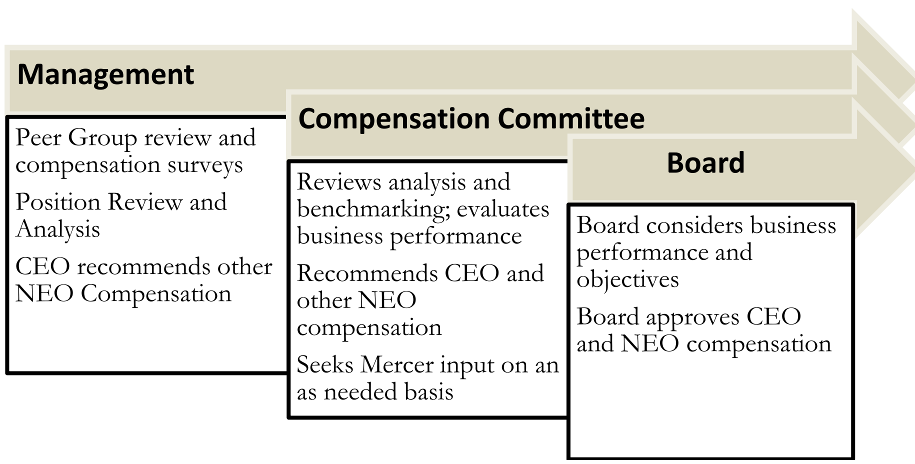
→ Monitored labour, pension, compensation and governance trends;
→ Reviewed and amended the Compensation Committee mandate; and
→ Evaluated, and was satisfied with, the Compensation Committee performance.

## Compensation Review and Approval Process

**CEO Compensation Review**
The performance and compensation of the CEO is reviewed at least annually by the Compensation Committee. Upon evaluating the CEO's performance in light of goals and objectives that he and the Compensation Committee and the Board have agreed on, the Compensation Committee makes a recommendation to the Board with respect to the compensation of the CEO.

**Executive Compensation Review**
The CEO annually assesses the individual performance and development of each executive officer, including the Named Executive Officers or NEOs (as defined on page 38 of this Information Circular) 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, including average salary increase levels, which he then reviews and recommends for approval to the Compensation Committee. The Compensation Committee makes a recommendation to the Board with respect to the compensation of the NEOs and other direct reports to the CEO.

The following schematic delineates the responsibilities and approval process between management, the Compensation Committee and the Board.




The following schedule illustrates the timing and process for determining executive compensation:

| Timing | Process |
| --- | --- |
| **February** | ▪ Compensation Committee reviews human resources and compensation philosophies and policies and considers need for engaging independent compensation consultant.<br>▪ Taking into account the performance and year-end results of the Corporation and its businesses as well as individual performance, the Compensation Committee and the Board consider and approve annual bonus payouts for performance achieved in the prior year based on performance measures set in October/November of the year prior to the performance period. |
| **October/November** | ▪ Compensation Committee reviews human resources and compensation plan risks<br>▪ Compensation Committee reviews and recommends to Board, changes to overall compensation plan design, if appropriate.<br>▪ Compensation Committee reviews executive performance, competitive position, external bench-marking and compensation trends.<br>▪ Compensation Committee and Board review and approve base salary and incentive compensation target levels (total direct compensation) for following year.<br>▪ Compensation Committee and Board approve annual LTIP grants for current year.<br>▪ Taking into account the Corporation's budget for the following year and market reviews, the Compensation Committee and the Board set the financial performance measures for short- and long-term incentive programs for the following year. |

| | |
|---|---|
| | ▪ Compensation Committee and Board review and approve executive goal documents, which include the qualitative performance measures for the short-term incentive program for the following year. |

## Compensation Risk Review and Mitigation Measures

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 Superior's business goals and strategy.
- 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 Superior's executive officers is not a significant percentage of its 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 awarded 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 represent approximately 40% of total NEO target 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 "Executive Share Ownership Guidelines" on page 42 of this Information Circular.
- 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 continue to monitor compensation governance and risk assessment practices, as these continue to evolve.

## Directors' and Officers' Liability Insurance

The Compensation Committee provides an annual review of the Corporation's director and officer liability insurance to the Board.

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$100,000 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 when not indemnified by the Corporation or the General Partner.

The annual premium paid by Superior in 2013 in respect of such directors and officers was US$135,801. This premium is for a 12-month term, November 1, 2013 to November 1, 2014, to coincide with the corporate insurance program.

## Compensation Consultant

On November 28, 2012, the Compensation Committee retained Mercer, a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. ("**Marsh & McLennan Companies**") to provide compensation consulting services on the competiveness and appropriateness of compensation programs for Superior's Chief Executive Officer and other top executive officers, including executive and senior management compensation benchmarking, as well as short-term incentive target and long-term incentive plan design reviews. During 2013, the Mercer assignment was extended to include the competitiveness of Superior's director compensation program and the market and governance alignment of its share-ownership guidelines.

Over the past several years prior to that, the Compensation Committee had 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, the Compensation Committee relied on data from various industry compensation surveys. Mercer was engaged by Superior and its businesses from time to time to provide compensation data as well as other miscellaneous consulting services, including consulting services pertaining to compensation and human resources matters.

Superior also retained Marsh Canada, a separate independent operating company owned by Marsh & McLennan Companies to provide other services unrelated to executive compensation during 2013 and 2012. Marsh Canada acts as the broker for Superior's corporate insurance program. Effective with the November 2012 engagement of Mercer, the Compensation Committee is required to pre-approve any engagement performed for the Corporation by Mercer; but is not required to pre-approve other services that Marsh Canada provides to Superior at the request of management.

Fees billed by Mercer and/or its Marsh & McLennan Companies affiliates for the years ended December 31, 2013 and December 31, 2012 are detailed in the following table:

| | 2013 ($) | 2012 ($) |
|---|---|---|
| Executive compensation related fees | **163,673** | 11,480 |
| All other fees | **390,760** | 420,165 |
| **Total fees** | **554,433** | 431,645 |

**Note:**

1. Reflects fees billed in fiscal year without taking into consideration the year to which these services relate.

***Executive compensation related fees*** consist of fees billed by Mercer for executive compensation services to the Compensation Committee.

***All other fees*** consist of fees billed by Mercer and/or its Marsh & McLennan Companies affiliates for all other services. These fees predominantly consisted of corporate risk insurance and related risk consulting services.

Because of the policies and procedures that Mercer and the Compensation Committee have established, the Compensation Committee is confident that the advice it receives from the individual executive compensation consultant is objective and not influenced by Mercer's or its affiliates' relationships with Superior. These policies and procedures include:

- The consultant receives no incentive or other compensation based on the fees charged to Superior for other services provided by Mercer or any of its affiliates;
- The consultant is not responsible for selling other Mercer or affiliate services to Superior;
- Mercer's professional standards prohibit the individual consultant from considering any relationships Mercer or any of its affiliates may have with Superior in rendering his or her advice and recommendations;
- The Compensation Committee has the sole authority to retain and terminate the executive compensation consultant;
- The consultant has direct access to the Compensation Committee without management intervention;
- The Compensation Committee evaluates the quality and objectivity of the services provided by the consultant each year and determines whether to continue to retain the consultant; and
- The protocols for the engagement (described below) limit how the consultant may interact with management. While it is necessary for the consultant to interact with management to gather information, the Compensation Committee has adopted protocols governing if and when the consultant's advice and recommendation can be shared with management. These protocols are included in the consultant's engagement letter.

The Compensation Committee also determines the appropriate form for receiving consultant recommendations. Where appropriate, management invitees are present to provide context for the recommendations. In other cases, the Compensation Committee receives the consultant's recommendations in an in camera session where management is not present. This approach protects the Compensation Committee's ability to receive objective advice from the consultant so that the Compensation Committee is able to make independent decisions about executive pay at Superior.

The Compensation Committee has reviewed and discussed the director and executive compensation disclosure and the content of this report and has recommended to the Board that it be included in the Information Circular.

**Submitted on behalf of the Compensation Committee:**
Norman. R. Gish, Chairman
James. S.A. MacDonald
Walentin (Val) Mirosh

## 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.

Superior's non-executive director compensation consists of an annual cash and equity-based retainer in the form of DSUs, committee and meeting fees. To achieve its director compensation objectives, Superior targets total compensation at or near the 50th percentile compared to market.

Superior's DSU plan was established on November 2, 2011 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 were no longer awarded RSUs under the terms of the Corporation's LTIP. The RSUs granted to independent directors in 2010 vested and were paid out in November of 2013 and, accordingly, there are no Director RSUs issued and outstanding as at December 31, 2013. For the amount of RSU value vested, see "Director Incentive Plan Awards – Value Vested or Earned During the Year" on page 37 of this Information Circular. For more information on the terms of the RSUs see "Long Term Incentive and Retention Programs" beginning on page 47 and for details regarding the DSU Plan, see "Director Long-Term Incentive - DSU Plan" on page 35 of this Information Circular.

In 2013, the Compensation Committee retained the services of Mercer to provide external market data and commentary on director compensation practices to ensure that compensation elements are appropriate and total compensation remains competitive. The Compensation Committee approved a Canadian comparator group which served as the Canadian peer group for the 2013 Executive Compensation benchmarking review. The same peer group was used by Mercer for the director compensation review. For more information on the peer group, see page 41 of this Information Circular.

The results of the review of director compensation undertaken in 2013 indicated that, with the exception of the Lead Director, total compensation for the non-executive Board members was in the range around the 25th percentile and that for the Board chair was below the 25th percentile compared to the peer group. Accordingly, adjustments were made effective July 1, 2013 to the equity-based Board member compensation component and to the cash and equity-based Board chair compensation, all as set forth below to bring Board members' and Board chair total direct compensation levels closer to market median and to better align the pay mix with peer practices.

## 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 for the Advisory committees until they were discontinued in the third quarter of 2013, 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 non-executive directors of the Corporation are as follows:

| Item | Annual Compensation Prior to July 1, 2013(1) ($) | Annual Compensation Effective July 1, 2013 ($) |
|---|---|---|
| Annual Board Retainer (1) | 30,000 | 30,000 |
| Annual Board Chair Retainer (Flat Fee)(1) | 100,000 | 125,000 |
| Lead Director Retainer | 35,000 | 35,000 |
| Attendance per Board Meeting and Committee Meeting (non-Chair)(2) | 1,500 | 1,500 |
| Attendance per Board Meeting and Committee Meeting (teleconference)(2) | 1,500 | 1,500 |
| Annual Committee Retainer(2) | 5,000 | 5,000 |
| Annual Committee Chair Retainer | 9,000 | 9,000 |
| Annual Audit Committee Chair Retainer | 17,000 | 17,000 |
| Attendance per Committee Meeting (Chair) | 2,000 | 2,000 |
| Director Long Term Incentive and Retention (annual value awarded) | | |
| Board Chair | 100,000 | 125,000 |
| Board Member | 40,000 | 65,000 |

**Notes:**

1. There were no changes made to the annual non-executive director compensation rates for 2012.
2. 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.
3. Includes Advisory Committee retainers/meeting fees.

## 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, 2013.

| | Retainer | | | Attendance Fees ($) | | | | |
|---|---|---|---|---|---|---|---|---|
| Name | Annual Cash Retainer(1) ($) | Percentage of Annual Retainer Received in DSUs | Committee Chair/ Member Retainer(2) ($) | Board/ Committee Attendance Fees (3) | Travel Fees (4) | Share-based Awards(5) ($) | All Other Compensation ($) | Total Compensation ($) |
| Catherine (Kay) M. Best | 30,000 | 0% | 8,750 | 27,000 | - | 65,000 | - | 130,750 |
| Grant D. Billing | 112,500 | 0% | - | - | 4,847 | 125,000 | -(7) | 242,347 |
| Luc Desjardins (7) | - | - | - | - | - | - | - | - |
| Robert J. Engbloom | 30,000 | 100% | 8,750 | 25,500 | 3,534 | 65,000 | - | 132,784 |
| Randall J. Findlay | 30,000 | 50% | 8,750 | 27,000 | - | 65,000 | - | 130,750 |
| Norman R. Gish | 30,000 | 0% | 12,750 | 36,500 | 3,476 | 65,000 | - | 147,726 |
| Peter A.W. Green | 65,000 | 0% | 17,750 | 39,000 | 50,879 | 65,000 | - | 237,629 |
| James S.A. MacDonald | 30,000 | 0% | 8,750 | 31,500 | 23,620 | 65,000 | - | 158,870 |
| Walentin (Val) Mirosh | 30,000 | 0% | 8,750 | 33,000 | - | 65,000 | - | 136,750 |
| David P. Smith | 30,000 | 0% | 20,750 | 34,000 | 22,552 | 65,000 | - | 172,302 |
| **Total** | **387,500** | N/A | **95,000** | **253,500** | **108,908** | **645,000** | **-** | **1,489,908** |

**Notes:**

1. Includes annual Board, Board Chair and Lead Director retainer.
2. Includes Advisory Committee retainer.
3. Includes Advisory Committee meeting attendance fees.
4. Directors are compensated for out-of-pocket expenses incurred incidental to attending Board/committee meetings.
5. On October 31, 2013 each of the non-executive directors received 5,843 DSUs with the exception of Mr. Billing, who received 11,237 DSUs as part of his director compensation. DSUs in this table are valued as at the date of grant. The grant date fair market value of the DSUs is based on the market price of the Common Shares (as calculated under the terms of the DSU Plan) on the grant date consistent

with IFRS 2 – Share-based Payments ("**IFRS2**"). Using the fair market price of the Common Shares as the grant date fair market value is seen as an effective way to determine the fair market value of the DSUs as such information is constantly being updated. The market price on the TSX (as calculated under the terms of the DSU Plan) on October 31, 2013 was $11.1234 . 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, 2013, after accounting for the notional reinvestment of dividends since the date of grant.

6. Mr. Desjardins is President and Chief Executive Officer of Superior and does not receive any compensation for serving as a director of the Corporation. Information relating to the compensation received by Mr. Desjardins for acting as executive officer of the Corporation is included in the "Summary Compensation Table" found on page 53 of this Information Circular.
7. 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.

## 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. On February 19, 2014, the DSU Plan was amended for United States taxpayers to comply with United States requirements of section 409A of the United States Internal Revenue Code 1896, as amended. 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. 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 who are Canadian taxpayers 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. For directors who are United States taxpayers, the Corporation will make payment in satisfaction of the DSUs on the first business day following the six-month anniversary of the date that the director ceased 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 that are 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 will 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 will be equal to the Market Value of the Common Shares on the date of the director's death.

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.

## Director Share Ownership Requirements

The following table sets out the non-executive director share ownership requirements and the changes effective July 1, 2013.

| | Ownership Requirement Prior to July 1, 2013 | Ownership Requirement Effective July 1, 2013 |
|---|---|---|
| Chairman of the Board | **3x** annual Board cash retainer fees in Common Shares, RSUs and DSUs ($100,000 x 3) = **$300,000** with at least **1x** annual Board retainer fees in Common Shares | **3x** annual Board cash and equity retainer fees in Common Shares and DSUs ($125,000+ $125,000) x 3 = **$750,000** |
| Non-Executive Directors | **3x** annual Board cash retainer fees in Common Shares, RSUs and DSUs ($30,000 x 3) = **$90,000** with at least **1x** annual Board retainer fees in Common Shares | **3x** annual Board cash and equity retainer fees in Common Shares, RSUs and DSUs ($30,000 + $65,000) x 3 = **$285,000** |

The required shareholdings must be attained within three years of July 1, 2013 (the effective date of a change in this requirement) or the effective date of the appointment of such director, whichever is later. The value of a director's equity holdings for the purpose of the director ownership requirement may be calculated based on the higher of the market value or the issuance price.

All of the Directors exceeded the Director Share Ownership Requirements as at December 31, 2013.

The information on the equity holdings for each director is included as part of their profile under "Director Nominees" beginning on page 7 of this Information Circular. The President and Chief Executive Officer (the only non-executive director) is also subject to share ownership requirements which are included under "Executive Share Ownership Guidelines" on page 42 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, 2013, which includes awards granted prior to January 1, 2013.

| | Option-Based Awards | | | | Share-Based Awards | | |
|---|---|---|---|---|---|---|---|
| Name | 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 ($) | Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed[1] ($) |
| Catherine (Kay) Best | - | - | - | - | - | - | 214,334 |
| Grant Billing | - | - | - | - | - | - | 2,317,354[2][3] |
| Luc Desjardins[4] | - | - | - | - | - | - | - |
| Robert J. Engbloom | - | - | - | - | - | - | 282,321[3] |
| Randall J. Findlay | - | - | - | - | - | - | 248,322[3] |
| Norman R. Gish | - | - | - | - | - | - | 214,334 |
| Peter A.W. Green | - | - | - | - | - | - | 214,334 |
| James S.A. MacDonald | - | - | - | - | - | - | 214,334 |
| Walentin (Val) Mirosh | - | - | - | - | - | - | 214,334 |
| David P. Smith | - | - | - | - | - | - | 214,334 |

**Notes:**

1. Market value of DSUs based on the closing market price of the Common Shares on the TSX on December 31, 2013 of $12.35 per Common Share. The numbers of DSUs disclosed take into consideration the notional reinvestment of dividends from the date of grant to December 31, 2013. No payments are made pursuant to DSUs until the director ceases to be a director.

2. Includes 116,315 DSUs awarded in November, 2011 at a grant date fair market value of $6.448 per DSU (valued at $750,000) on Mr. Billing's retirement as CEO, as more fully described in the Corporation's Information Circular dated May 2, 2012.
3. Includes DSUs received in lieu of cash payment for all or a portion of the annual Board member retainer. For further information see "Director Compensation Table" and "Director Long-Term Incentive – DSU Plan" in this Information Circular.
4. Mr. Desjardins is President and Chief Executive Officer of Superior 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 54 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 under the DSU Plan and LTIP respectively, which have vested during the year ended December 31, 2013.

| Name | Option-Based Awards - Value Vested During Year ($) | Share-Based Awards - Value Vested During Year[1] ($) | Non-Equity Incentive Plan Compensation- Value Earned During Year ($) |
|---|---|---|---|
| Catherine (Kay) M. Best | - | 102,350[3] | - |
| Grant D. Billing | - | 125,000[3] | - |
| Luc Desjardins [2] | - | - | - |
| Robert J. Engbloom | - | 102,350[3] | - |
| Randall J. Findlay | - | 102,350[3] | - |
| Norman R. Gish | - | 102,350[3] | - |
| Peter A.W. Green | - | 102,350[3] | - |
| James S.A. MacDonald | - | 102,350[3] | - |
| Walentin (Val) Mirosh | - | 102,350[3] | - |
| David P. Smith | - | 102,350[3] | - |

**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. Desjardins is President and Chief Executive Officer of Superior and does not receive any compensation for serving as a director of the Corporation. Information relating to value vested or earned during 2013 with respect to incentive awards for Mr. Desjardins as officer of the Corporation is included in the "NEO Incentive Plan Awards – Value Vested or Earned During the Year Table" found on page 55 of this Information Circular.
3. Includes the value of RSUs granted to independent directors in 2010, as part of their director's compensation at the time, which vested in November 2013. Currently, directors are entitled to receive DSUs under Superior's compensation plan. See "Director Compensation".

# EXECUTIVE COMPENSATION

## Named Executive Officers

The following is a discussion of the compensation arrangements for the President and Chief Executive Officer, the Chief Financial Officer and the three other most highly-compensated executive officers of Superior and its businesses acting in such capacity as at the end of the most recently completed financial year (each a "**Named Executive Officer**" or a "**NEO**"). For the period ended December 31, 2013, the Corporation had the following five NEOs:

**Luc Desjardins, President and Chief Executive Officer**

Mr. Desjardins joined Superior in 2011. Prior to joining the Corporation, he was a partner of the Sterling Group LLP, a private equity firm. Mr. Desjardins also serviced as President and CEO at Transcontinental Inc. from 2004 to 2008 and as COO from 2000 to 2004.

Mr. Desjardins holds a Masters of Business Administration degree from the University of Quebec and has taken the Harvard Business School Management Development Program.

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

Mr. Bingham joined Superior in 2006. He previously was Chief Financial Officer at Finning International Inc. and Ontario Power Generation. He has extensive experience in financial, reporting, strategy, compliance, risk management, treasury and supply chain operations.

Mr. Bingham holds a B.Comm. (Honours) and is a Chartered Accountant.

**Greg L. McCamus, President, Energy Services**

Mr. McCamus joined Superior Energy Management ("**SEM**") as President in 2005 before being appointed President, Energy Services and Superior Propane in 2012. He previously was President of Sprint Canada Business Solutions and held various executive positions within the deregulated telecom industry over a 20-year period.

Mr. McCamus holds a B.A. and M.B.A.

**Dave Tims, President Energy Supply and Oilfield**

Mr. Tims joined Superior in 2009 as Senior Vice-President Commodity Portfolio Management before being appointed President Energy Supply and Oilfield (also President of SEM and Superior Gas Liquids) in 2012. Prior to joining Superior, he was CEO of a natural gas storage development company. He has extensive experience as Management Director with BMO Nesbitt Burns and prior to that as Director of Supply Services with TransCanada.

Mr. Tims holds a B.A. from the University of Calgary and an M.B.A. in Finance from the Simon School of Business at the University of Rochester.

**Paul J. Vanderberg, President, Construction Products Distribution ("CPD")**

Mr. Vanderberg has been President of the CPD Business or its predecessor organization, Winroc, since 2000. He previously held various executive positions in general management and business development at USG Corporation, a leading building products manufacturer.

Mr. Vanderberg holds a B.A. and M.B.A.

## 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 executive officers. The information on the composition, mandate and activities of the Compensation Committee and certain other compensation governance disclosure is included in the "Report of the Compensation Committee" beginning on page 27 of the Information Circular.

### 2013 Business Priorities

In 2013, Superior began to execute on the '*Destination 2015'* business transformation initiatives announced in 2012 that are designed to deliver ongoing improvements in operating and financial performance and to meet its goal of becoming a best-in-class operator in all of its business segments. The priorities for 2013 included the following:

- executing on the initiatives that underpin *Destination 2015;*
- reducing Superior's overall total debt;
- improving asset productivity, inventory turnover and overall working capital management;
- streamlining processes and improving management information systems to facilitate improved day-to-day management decisions and cost reduction initiatives;
- building a customer-centric culture; and
- assessing talent to ensure the business has the right people in key positions to facilitate and lead the execution of Superior's short and long-term business plans.

To support our strategic objectives, we must continue to build talent bench strength, best in class functional expertise and the capability of the organization to attract, develop and retain key talent.

### Compensation Philosophy and Objectives

Superior's compensation philosophy is designed to support this vision, our strategic objectives and our "pay-for-performance" approach to compensation by embracing the following core principles:

- Provide market competitive compensation designed to attract, motivate and retain highly qualified and top performing executives;
- Motivate executives by rewarding sustained strong performance through the achievement of a combination of specific corporate and individual performance-based short- and long-term incentive plans and by targeting total compensation at the 50th to 75th percentile compared to market;
- Reinforce Shareholder alignment by including a significant portion of variable (at risk) and equity-based compensation and by requiring executives to meet significant share-ownership guidelines; and
- Provide adequate retention programs and reasonable benefits within industry norms.

### Total Compensation Approach

The compensation package for officers and senior employees, including the NEOs consists of base salary and benefits, annual bonus and long-term incentive programs. The Corporation provides a significant proportion of "pay at risk" through the annual bonus and long-term incentive programs. As part of Superior's total compensation philosophy, we offer a significant proportion of long-term incentives in the form of PSUs and RSUs designed to attract and retain key executives, align compensation with our risk horizon and focus senior executives on generating long-term and sustainable value for Shareholders.

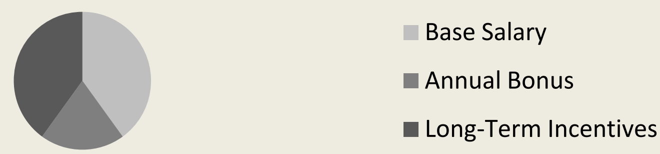
### 2013 Target Compensation Components – "Pay at Risk"

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 2013, the CEO's target compensation was 69% variable and the other NEOs averaged 60% in variable or at risk target compensation.

**CEO**


**Average for other NEO's**




### Compensation Elements at a Glance

The following table summarizes the elements of Superior's executive compensation.

| Compensation Elements | Components | Form | Performance Period | Objectives |
|---|---|---|---|---|
| **Base Salary** | **Fixed** | Cash | 1 year | ▪ Provide fixed level of income<br>▪ Attraction and retention |
| **Short-term Incentive** | **Variable** | Annual cash bonus | 1 year | ▪ Reward contribution to overall performance<br>▪ Motivate to meet annual corporate and individual goals<br>▪ Attraction and retention |
| **Long-term Incentives** | **Variable** | RSUs/PSUs | 3 years | ▪ Reward medium- and long-term performance<br>▪ Motivate focus on operating and financial performance and long-term Shareholder return<br>▪ Attraction and retention |
| **Benefits** | **Other** | Health, dental, savings, pension, life insurance and long-term disability programs | Ongoing | ▪ Provide degree of security<br>▪ Provide market competitive benefits<br>▪ Attraction and retention |

For detailed information on each compensation element, see "Elements of Compensation" beginning on page 44 of this Information Circular.

## 2013 Executive Compensation Program Review and Changes

In support of Superior's business transformation and associated change, as well as talent management initiatives undertaken during late 2012, the Compensation Committee engaged Mercer in November of 2012 to provide advice on the competitiveness and effectiveness of compensation programs for Superior's executive officers, including its NEOs. To continue to allow Superior to achieve its corporate strategies and goals, the Compensation Committee considered it to be prudent to obtain the advice of an independent compensation consultant and to conduct a comprehensive review of its compensation strategy, philosophy and programs 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 executives and to recruit, retain, and motivate high-performing employees. Mercer's mandate included compensation benchmarking, as well as the review of short-term incentive targets, long-term incentive plan design and executive share-ownership guidelines.

This review was completed in 2013 and the key findings and changes made to the 2013 executive compensation program are as a follows:

- ✓ Established a Canadian peer group for setting a benchmark for 2013 NEO compensation and used survey data from Mercer databases to gauge compensation for non-NEO senior executives and business executive positions. For more information see "CEO/NEO Benchmarking and Peer Group" below;
- ✓ Concluded that Superior delivers fixed compensation vs. variable compensation in similar proportions to the peer group. However, Superior offers a greater proportion of variable compensation in long-term incentives ("**LTI**"), which puts a greater emphasis on longer-term results and performance-based compensation;
- ✓ Advised that total direct compensation for its executives was competitive and generally positioned between the 50th percentile (P50) and the 75th percentile (P75) of the peer group and survey sources, in line with Superior's compensation program objectives;
- ✓ Suggested that total direct compensation for the President and CEO was competitive at P75 of the peer group, in line with Superior's compensation program objectives, but warranted a slight rebalancing between short-term incentives ("**STI**") and LTI without affecting total compensation levels. As a result, effective for 2013, Mr. Desjardins' annual target bonus entitlement has been increased from between 0% and 150% to between 0% and 200% of his annual salary, with a target bonus value of 100% and the annual LTIP eligibility has been decreased from 150% to 250% to between 125% and 225% with a target value of 125% of his annual salary to achieve a better balance between STI and LTI targets without changing total compensation targets;
- ✓ Target incentive levels and STI/LTI mix were adjusted for some non-NEO senior executives to be consistent with market practice, to reflect the desired balance between focus on short- and mid-term results and to take into account level and internal equity across all business units;
- ✓ After consideration of various LTI vehicles, a company-wide LTI program for Superior and its businesses was established (to replace business-specific LTI programs) that continued the use of RSUs and PSUs as LTI vehicles. The various business-specific LTI programs were closed for future grants. For further information, including the terms of the LTIP, see "Long-term Incentive and Retention Program" on page 47 of this Information Circular; and
- ✓ Superior's executive share ownership guidelines were found to be more demanding compared to the peer group and changes were made to reflect better alignment. The guidelines were also expanded to include certain corporate vice-president level positions. For more information, see "Executive Share Ownership Guidelines" on page 42 of this Information Circular.

## 2014 Compensation Program Outlook

In light of the extensive compensation program review undertaken during 2013, to the knowledge of the Compensation Committee, no significant changes are proposed to be made to Superior's compensation policies and practices for 2014.

## CEO/NEO Benchmarking and Peer Group

NEO (including CEO) total direct compensation, pay mix and short and long-term target incentive levels for 2013 were benchmarked against a Canadian peer group developed with the assistance of Mercer and adopted by the Compensation Committee and the Board in December of 2012 (the "**2013 Peer Group**"). In determining the 2013 Peer Group and considering the wide industry range in which Superior operates its Energy Services, Specialty Chemicals and Construction Products distribution businesses, the following industry sectors were identified as most relevant:

- Energy, specifically Oil & Gas Storage & Transportation, Refining & Marketing and Equipment and Services
- Materials, specifically Commodity Chemicals (U.S. only)
- Industrials
- Utilities

Also, companies comparable to Superior in size, scope and complexity as measured by enterprise value, EBITDA, revenue and total assets were analyzed by Mercer. In addition to the 2013 Peer Group and to provide an additional perspective, U.S. peer data was provided by Mercer for informational purposes.

The 2013 Peer Group consists of the following 16 companies:

| | |
|---|---|
| Altagas Ltd. | Trican Well Services Ltd. |
| Finning International Ltd. | Mullen Group Ltd. |
| Keyera Corp. | Russel Metals Inc. |
| CAE Inc. | Stantec Inc. |
| Progressive Waste Solutions | Toromont Industries Ltd. |
| Capital Power Corp. | Transcontinental Inc. |
| Gibson Energy Inc. | Calfrac Well Services Ltd. |
| Transforce Inc. | Parkland Fuel Corp. |

Previously, no peer group had been identified due to the geographic and industry diversified nature of Superior's businesses. In determining the appropriate range of total compensation paid to the NEOs in respect of 2011 and 2012 performance, the Compensation Committee had reviewed broad Canadian industry surveys other than for the President and CEO who joined Superior on November 14, 2011. His initial and 2012 compensation as President and CEO was determined based on the recommendations of a search committee with input from Korn/Ferry International who had been engaged at the time to assist with the executive search and related matters.

## Executive Share Ownership Guidelines

Superior maintains share ownership guidelines for its NEOs and other senior executives to further align executive and Shareholder interests. Effective October 31, 2013, as part of the outcome of the Mercer review on executive compensation, Superior updated its executive share ownership guidelines and deepened their applicability to additional executive levels. The time period for achieving compliance was increased to five from three years.

The share ownership guidelines for the NEOs are as follows:

| Executive Level | Ownership Requirement Prior to October 31, 2013 | Ownership Requirement Effective October 31, 2013 |
|---|---|---|
| President and CEO | **4x** Annual Salary in Common Shares | **4.5x** Annual Salary in Common Shares RSUs and PSUs<br>2x Annual Salary in Common Shares |
| Corporate Executive Vice-Presidents and CFO | **3x** Annual Salary in Common Shares RSUs and PSUs with at least<br>1x Annual Salary in Common Shares | **3x** Annual Salary in Common Shares RSUs and PSUs<br>1x Annual Salary in Common Shares |
| Business Presidents | **3x** Annual Salary in Common Shares RSUs and PSUs with at least<br>1x Annual Salary in Common Shares (1) | **3x** Annual Salary in Common Shares RSUs and PSUs<br>1x Annual Salary in Common Shares |
| Certain Corporate Vice-Presidents | N/A | **1.5x** Annual Salary in Common Shares RSUs and PSUs<br>0.5x Annual Salary in Common Shares |

**Notes:**

1. Business Presidents appointed prior to March 6, 2007 were encouraged but not required to meet the guideline to hold one times annual salary in Common Shares.

Executives have five years to achieve the ownership level requirement in Common Shares (or five years from the date of their appointment, whichever is the later); that is Common Share ownership requirements must be met by December 31, 2018. In addition, in the event that the annual salary or the annual ownership requirement increases, the executive will have three years from the time of the increase to acquire the additional Common Shares needed to meet the share ownership guidelines.

In calculating Common Share ownership, any options, warrants or convertible debentures are excluded from the calculation. Included in the Common Share ownership calculation are 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 that are indirectly owned (such as in RRSPs or through a wholly-owned corporation), as filed under Insider Reporting requirements. Evaluations are made at the higher of market or acquisition price. Each executive must meet the applicable ownership guideline throughout the year and must provide proof of compliance before the end of January each year. In the event that an executive fails to materially meet the applicable guideline, the Corporation may require that any payments made to the executive from STIP, LTIP (PSUs or RSUs) be applied to the purchase of Common Shares by the executive until the applicable guideline is achieved and the Corporation may withhold such payments if the executive does not agree.

All of the NEOs are on track, have met or exceeded the Executive Share Ownership Guidelines as at December 31, 2013, as detailed below:

| Name & Position | Common Shares Held | RSUs and PSUs Held | Estimated Value of Common Shares (1) | Ownership Requirement of Common Shares | Estimated Value of Common Shares, RSUs and PSUs (1)(2)(3) | Ownership Requirement of Common Shares, RSUs and PSUs | Ownership Requirement Met |
|---|---|---|---|---|---|---|---|
| Luc Desjardins<br>President and CEO | 264,910 | 482,737 | $3,271,639 | $1,600,000 | $9,233,440 | $3,600,000 | Yes |
| Wayne Bingham<br>Executive VP and CFO | 217,739 | 124,008 | $2,689,077 | $415,000 | $4,220,576 | $1,245,000 | Yes |
| Greg McCamus<br>President, Energy Services | 43,604 | 110,260 | $538,509 | $415,000 | $1,802,855 | $1,245,000 | Yes |
| Dave Tims<br>President, Energy Supply and Oilfield | 10,625 | 89,432 | $131,219 | $350,000 | $1,312,111 | $1,050,000 | On Track(4) |
| Paul Vanderberg<br>President, CPD | 62,810 | 95,081 | $775,704 | $355,000 | $1,983,598 | $1,065,000 | Yes |

**Notes:**

1. The estimated value of the Common Shares is the sum of the total number of Common Shares held as at December 31, 2013 multiplied by the closing market price of the Common Shares on the TSX as at December 31, 2013 ($12.35) and includes RSUs and PSUs for 2013

approved by the Board on October 31, 2013 and granted on January 2, 2014. See "Compensation Discussion and Analysis – Long-Term Incentive and Retention Programs, Summary Compensation Table, and NEO Outstanding Share-Based and Option-Based Awards".

2. Messrs. Desjardins and Bingham hold Superior RSUs, while Messrs. McCamus, Tims and Vanderberg hold a combination of Superior and Business RSUs. The estimated value of the unvested Superior RSUs is the total number of RSUs held as at December 31, 2013 (including the notional reinvestment of dividends since the date of grant), multiplied by the closing market price of the Common Shares on the TSX as at December 31, 2013 ($12.35). The estimated value of the unvested Business RSUs is the total number of Business RSUs held as at December 31, 2013 (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, 2013
3. Messrs. Desjardins and Bingham hold Superior PSUs, while Messrs. McCamus, Tims and Vanderberg hold a combination of Superior and Business PSUs granted prior to 2012. 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 the Common Shares on the TSX as at December 31, 2013 ($12.35) and a performance multiplier. 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 invested into notional shares of the business) multiplied by the notional per share valuation of the respective business as at December 31, 2013 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 49 of this Information Circular. Therefore, the value of the PSUs as stated in this Information Circular may vary significantly over the respective vesting period.
4. Mr. Tims has until December 31, 2018 to meet the Common Share ownership requirement.

### Executive Hedging

Under Superior's Insider Trading Policy a director, officer, or person employed or retained by Superior is prohibited from short-selling securities of Superior where such person does not own or has not fully paid for the securities being sold. Superior's Insider Trading Policy includes an explicit provision prohibiting Superior's directors and officers from hedging equity-based compensation awards and securities held under share ownership requirements.

## Elements of Compensation

### Base Salary and Benefits

The Corporation pays base salary in order to provide a fixed level of income to its employees with the objective of attracting and retaining qualified individuals. In determining base salaries generally, Superior and its businesses review proxy peer group and competitive data obtained from Canadian and U.S. 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. Job responsibilities and level of skill and experience required within the employee's role are also taken into account. The base pay for each employee is generally targeted at the P50 of the market place and is compared to other employees to ensure internal equity.

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 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.

### 2013 CEO/NEO Base Salary

2013 base salary levels for Superior's NEOs, including its CEO were established in October of 2012 based on general industry survey data and approved by the Board on November 1, 2012 in connection with the approval of the Corporation's 2013 budget with the understanding that 2013 base salaries may be adjusted based on the outcome of the 2013 Peer Group analysis then to be undertaken by Mercer. The Mercer findings and 2013 Peer Group analysis indicated that NEO base salaries were competitive and generally between P50 and P75 of the proxy peer group and survey sources, with CEO base salary at P75 of the 2013 Peer Group, in line with the Corporation's compensation philosophy and objectives. Accordingly, no further base salary adjustments were made after they were established in October 2012. For executives, the average national base salary increase for 2013 was 3.4%. The increases in 2013 base salaries compared to 2012 are generally consistent with average base salary increases, normal salary progression levels and increased responsibilities for most NEOs as the overall number of senior executives was reduced, resulting in substantial savings and a general decrease of the Corporation's overall 2013 senior executive base salary levels of 16% compared to 2012.

The following table reflects base salaries for the NEOs for 2013 compared to 2012:

| Name | 2013 Base Salary ($) | 2012 Base Salary ($) | % change from 2012 to 2013 |
|---|---|---|---|
| Luc Desjardins<br>President and CEO | 800,000[(1)] | 750,000 | 6.7% |
| Wayne Bingham<br>Executive Vice-President and CFO | 415,000[(2)] | 385,000 | 7.8% |
| Greg McCamus<br>President, Energy Services | 415,000[(3)] | 370,000 | 12.2% |
| Dave Tims<br>President, Energy Supply and Oilfield | 350,000[(4)] | 320,000 | 9.4% |
| Paul Vanderberg<br>President, CPD | 355,000 | 345,000 | 2.9% |

**Notes:**

1. Mr. Desjardin's salary level as President and CEO was contractually set in November 2011 when he joined Superior and was not reviewable until January 2013 based on the terms of his employment agreement. The increase reflects his strong performance, skills and experience, as well as normal progression to keep his base salary at P75 levels.
2. Mr. Bingham assumed added corporate development responsibilities.
3. Mr. McCamus assumed merged responsibilities of Superior Propane and USRF.
4. Mr. Tims assumed merged responsibilities as President, Energy Supply and Oilfield (including SEM).

## Short-term Incentive Program

The annual bonus program rewards executives (including NEOs) and other 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 200% of base salary, depending on the employee's position. A payout band has been established to set minimum and maximum opportunities. The payout band is set on an annual basis and varies for different businesses but is generally between 90% and 110% of the financial targets. In late 2013, the Compensation Committee exercised discretion and adjusted the 2013 payout band for corporate financial results to be between 92.5% and 107.5% of target to yield a more reasonable payout band without changing the 2013 corporate financial bonus plan at target.

### 2013 Short-term Incentive Program Targets and Performance Measures for NEOs

Target awards, financial performance measures and other key objectives used to assess bonuses for 2013 were established in October of 2012 in connection with the 2013 budget of the Corporation and a 2013 goal document was prepared for each NEO and approved by the Board in December of 2012. In March of 2013, the corporate financial bonus plan targets were adjusted to account for the impact of the Corporation's common equity financing transaction, then completed.

NEO short-term incentives were awarded as a percentage of salary as follows:

- at target of 100% of base salary for the CEO (within range of 0% - 200%)[(1)]
- at target of 40% of base salary for the President, Energy Supply and Oilfield (within range of 0% - 80%)
- at target of 50% of base salary for all other NEOs (within range of 0% - 100%)

**Note:**

1. Mr. Desjardins' STI target level for 2013 was adjusted from a target of 75% of base salary (within a range of 0% - 150%) to a target of 100% of base salary (within a range of 0% to 200%), to achieve a better balance between STI and LTI targets without changing total compensation targets. See "2013 Executive Compensation Program Review and Changes".

For 2013, all NEO (other than for Mr. Tims – see note below) short-term incentives were weighted as follows:

- 80% towards the achievement of financial goals[(1)]
- 20% towards the achievement of individual objectives[(1)]

**Note:**

1. Mr. Tims' weighting for 2013 was 75% towards the achievement of financial goals and 25% towards the achievement of individual objectives.

Corporate financial bonus plan targets for 2013 were based on the Corporation's consolidated adjusted operating cash flow ("**AOCF**") per share. AOCF is the main performance measure used by management and investors to evaluate Superior's performance. For NEOs that are business presidents, a number of quantitative financial targets were established, which include business EBIDTA (and represents earnings before taxes, depreciation, amortization, finance expense and certain other non-cash expenses, and is used by Superior to assess its consolidated results and the results of its operating segments ("**EBITDA**"). Other quantitative targets include managing growth, working capital requirements and budgets at specific operating business levels.

The corporate financial bonus plan targets for 2013 are as follows:

| **Corporate Financial Target Weight** | **Minimum AOCF/Share 0.0 x Payout** | **Target AOCF/Share 1.0 x Payout** | **Maximum AOCF/Share 2.0 x Payout** |
|---|---|---|---|
| **80%** | $1.62 | $1.75 | $1.88 |

The key individual qualitative objectives for 2013 for each NEO are as follows:

| **Name** | **Key Individual Objectives**<br>**Target Weight 20% (other than for Mr. Tims who's target weight is 25%)** |
|---|---|
| Luc Desjardins<br>President and CEO | Monitoring implementation of business strategy and building core competency by business; monitoring and advancing strategic development projects; executing top business initiatives to achieve targeted EBITDA improvements; continuing to improve the effectiveness of talent management and executive leadership; and overseeing implementation of ADD Energy IT system at Superior Propane. |
| Wayne Bingham<br>Executive Vice President, and CFO | Providing CFO support for all business units; ensuring capital is available to finance key growth projects; assisting Superior Gas Liquids to obtain better fuel supply credit terms; preparing for and executing strategic development projects; monitoring ADD Energy IT system implementation and risks; and maintaining overall authority over finance teams in all businesses and implementing executive development plans. |
| Greg McCamus<br>President, Energy Services | Implementing new sales and marketing plans and programs and developing a new service strategy to improve profitability; reducing residential customer loss and attain margin and new commercial sales targets; increasing efficiencies in the U.S. and cost to service project; successfully implementing ADD Energy IT system; and improving employee engagement, communications, as well as management team talent and skills. |
| Dave Tims<br>President, Energy Supply and Oilfield | Improving supply acquisition costs for propane and expanding oilfield sales volumes, continuing improvement in risk management execution and reporting, as well as managing sales role transition and developing new business growth strategies. |
| Paul Vanderberg<br>President, Construction Products Distribution | Delivering on top five business initiatives, including growth and working capital improvements, reducing operating costs, increasing procurement efficiency and achieving effective price management initiatives; advancing strategic development projects, leadership structure and supply chain resourcing. |

The bonus assessments take place when the year-end results are available at the beginning of the year following the year for which the performance is 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.

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 there were elements of (a) unusual business environment challenges in which the results were achieved, (b) extraordinary, 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).

**2013 Results and Short-term Incentive Payouts**

For the year ended December 31, 2013, the Corporation generated AOCF of $1.69 per Common Share ($1.72 after normalization for certain expenses incurred in the Energy Services business) which was slightly below the midpoint of guidance of $1.72. Superior's guidance was in the range of $1.60 to $1.85 per Common Share. All businesses met or exceeded their respective qualitative and quantitative financial and operational performance targets except for the U.S. Refined Fuels business in the Energy Services segment and for the Specialty Chemicals business. The U.S. Refined Fuels business did not meet its financial target, primarily due to increased competition in its wholesale business and reduced heating oil demand. The Specialty Chemicals business achieved 92.4% of its financial target, primarily due to lower volumes and pricing in its chloralkali business. The Corporation achieved a debt ratio of 3.9 times before restructuring charges, which was slightly above the top range guidance of 3.7 times and an improvement of 0.4 times from the December 31, 2012 ratio of 4.3 times before restructuring charges.

The table below shows the bonus plan awards for 2013 (and 2012 for comparative purposes) for each NEO. Awards were based on the 2013 financial and personal achievements. Discretion was used for Messrs. Desjardins and Bingham's awards in recognition of the Corporation's corporate financial results, as well as improvement of the balance sheet and their key personal achievements, including the ongoing operational business transformation and restructuring initiatives designed to create a solid foundation for long-term sustainable growth.

| Name | 2013 | | | 2012 | | |
|---|---|---|---|---|---|---|
| | **Salary ($)** | **Bonus Award ($)** | **Bonus Award (% of salary)** | **Salary ($)** | **Bonus Award ($)** | **Bonus Award (% of salary)** |
| Luc Desjardins<br>President and CEO | 800,000 | 1,100,000 | 138 | 750,000 | 1,012,500 | 135 |
| Wayne Bingham<br>Executive VP, and CFO | 415,000 | 275,000 | 66 | 385,000(1) | 346,500 | 90 |
| Greg McCamus<br>President, Energy Services(2) | 415,000 | 332,000 | 80 | 403,700(2) | 242,200 | 60 |
| Dave Tims<br>President, Energy Supply and Oilfield | 350,000 | 250,000 | 71 | 320,000 | 200,000 | 63 |
| Paul Vanderberg<br>President, CPD | 355,000 | 294,000 | 83 | 345,000 | 310,500 | 90 |

**Notes:**
1. Actual amount paid to Mr. Bingham for 2012 was $356,865 after adjustment for unpaid leave taken during 2012.
2. In June of 2012, Mr. McCamus assumed the role of Interim President of Superior Propane in addition to his role of President of U.S. Refined Fuels and Superior Energy Management. In November of 2012, Mr. McCamus was appointed President, Energy Services (including Superior Propane). His 2012 salary rate was $370,000 prior to adjustment for increased responsibilities.

## Long-Term Incentive and Retention Programs

Established in 2006, the purpose of the LTIP is to attract and 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 is a share-based award program within the definition of NI 51-102 but does not provide for the issuance of Common Shares or any rights to acquire Common Shares. Award payouts are settled with cash payments.

The administration of the LTIP is the responsibility of the Compensation Committee. Any material amendments to the LTIP and any LTIP awards for the President and CEO and his direct reports are subject to review and approval by the Board. Previous LTIP grants are not taken into account when considering new LTIP grants.

The LTIP is available to employees and officers of Superior and its businesses at the vice-president level and above, including all of the NEOs, and to other employees as may be recommended by the CEO and approved by the Compensation Committee. 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 35 of this Information Circular.

**2013 LTIP Plan Changes**

In November of 2012, Mercer was engaged to review the competitiveness and appropriateness of the compensation programs for Superior's executive officers, including its NEOs. Mercer's mandate was to review Superior's LTIP, identify alternative LTI plans, and assess the effectiveness of each in meeting Superior's compensation objectives and the degree of alignment to market and best practices. While a number of design alternatives were considered, including the use of stock options as an appropriate LTI, it was determined that the current program of RSUs and PSUs as LTI's was effective and met Superior's desire to (a) have one LTIP for corporate and business executives with a plan design that is simple to administer and communicate, (b) facilitate executive mobility within Superior, (c) create alignment with Shareholders by simulating Common Shares, (d) balance retention and performance incentives, and (e) provide dividend equivalents with no impact on dilution levels.

Subsequently, in late July 2013, the Compensation Committee reviewed Mercer's recommendations pertaining to eligibility, target LTI levels and mix, performance measures, degree of leverage, vesting requirements, termination and other provisions. Mercer also outlined the securities, tax and accounting implications of the proposed changes to the LTIP and stress-tested payouts under a variety of performance scenarios.

On October 31, 2013, the Board approved amendments to the LTIP arising from the July 2013 review. The following summary sets out the key terms of the LTIP, as amended and any prior key terms for outstanding LTI awards, if and where applicable. However, the Board retains discretion under the LTIP to vary certain terms of the Awards.

| | |
|---|---|
| **Award** | RSUs and PSUs cannot be assigned or transferred.<br>Business LTIP consisting of Business RSUs and PSUs were closed in March of 2013 for further grants. See "Termination of Business LTIP" below. |
| **Approval Date and Price** | RSUs and PSUs are generally approved at the third quarter Board/Compensation Committee meetings (except for new hires which may be approved at the time of hiring). The approval price, which determines the number of units to be awarded, is calculated on a 5-day VWAP(1) following the approval date based on the target amount. |
| **Award/Grant Date** | RSUs and PSUs are awarded/granted on the first business day of the subsequent year based on the number of RSUs and PSUs approved on the approval date, subject to the discretion of the Board.<br>***For RSUs and PSUs awarded prior to October 31, 2013:***<br>The grant date price is calculated on a 5-day VWAP immediately following the approval date based on the target amount. |
| **Dividends** | RSUs and PSUs are adjusted to reflect the economic equivalent of receipt of dividends paid by the Corporation. |
| **Vesting of RSUs** | 1/3 vest on the first anniversary of the date granted<br>1/3 vest on the second anniversary of the date granted<br>1/3 vest on the third anniversary of the date granted |
| **Vesting of PSUs** | 100% vest on the third anniversary of the date of grant unless the holder elects to defer vesting. If deferred, vesting of 100% of the Award occurs immediately following the blackout period for the Corporation's first, second or third quarter results following the third anniversary of the date of grant, as elected by the holder (the "deferred vesting date").<br>***For PSUs awarded prior to October 31, 2013***<br>100% vest 30 months following the date of grant with an option for the holder to extend all of a portion of the Award to one or two vesting dates not later than the third anniversary of the date of grant.<br>***For PSUs awarded prior to November 2011***<br>100% vest on the third anniversary of the date of grant. |
| **Payout of RSUs** | Paid out in cash on the earlier of<br>(a) 30 days following the vesting date, and<br>(b) the last day in the calendar year in which vesting occurs.<br>***For RSUs awarded prior to October 31, 2013***<br>Paid out in cash within 30 days following the vesting date. |
| **Payout of PSUs** | Paid out in cash when the performance conditions have been met within 30 days following the vesting or deferred vesting date. See "PSU Performance Measure below". |
| **RSU and PSU payout value** | The RSU payout value is calculated based on a 10-day VWAP(1) following the vesting date. The PSU payout value is calculated based on a 10-day VWAP(1) following the vesting date or the deferred vesting date, multiplied by the performance multiplier. |

| | |
|---|---|
| | ***For RSUs PSUs awarded prior to October 31, 2013***<br>The RSU payout value is calculated based on a 5-day VWAP following the vesting date.<br>The PSU payout value is calculated based on a 5-day VWAP following the vesting date, multiplied by the performance multiplier. See "PSU Performance Measure". |
| **Forfeiture and Change of Control** | Awards are affected by certain events of termination etc. as follows:<br>▪ Termination for cause and resignation - Awards are terminated.<br>▪ Termination not for cause, retirement and death - Awards are prorated for period of time person was employed.<br>▪ Change of Control Transaction or Divisional Change of Control Transaction - Awards are accelerated.<br>See also "Termination of Employment and Change of Control". |

**Note:**

1. **VWAP** is defined as the volume weighted average trading price of the Common Shares on the TSX on a specific date.

**Termination of Business LTIP**

On March 29, 2013, in order to implement a market competitive LTIP that ensures alignment among the senior management of the Corporation as well as alignment with Shareholders, the Board terminated any future grants of awards under the various business LTIPs. In addition, business LTIP awards for 2012 were replaced with LTIP awards under the corporate LTIP plan. Both business and corporate LTIPs then in place were amended to facilitate this change. As a result, there will not be any Awards outstanding under the business LTIPs after September 2014.

Business LTIPs are not considered share-based awards within the meaning of NI 51-102. However, RSUs and PSUs previously granted to NEOs that are presidents of a business ("**Business RSUs and/or PSUs**") 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.

Business RSUs and PSUs had substantially the same features as those described for the RSUs and PSUs in the summary table above, except that the value of the Business RSUs is based on a notional valuation for each business, taking into account, among other factors, the previous twelve months of cash flow for the business, as well as for those issued prior to 2011, a relative valuation of Common Shares. In addition, adjustments were made to Business RSUs and PSUs to simulate the reinvestment of dividends based on the cash generated by the business after growth capital and investment in working capital. The payout value for the Business PSUs is calculated on 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 and multiplied by a performance multiplier.

**PSU Performance Measure**

Performance measures and targets are reviewed by the Compensation Committee and set by the Board on an annual basis.

Superior completed an in depth review of several PSU performance measures with the assistance of Mercer during 2013. The measures reviewed and considered included: (a) relative and absolute TSR, (b) relative and absolute financial return, and (c) earnings-based measures. In addition, an analysis of the degree of correlation of a selection of performance measures with TSR amongst Superior and its peers over 1, 3 and 5 year periods was completed and reviewed. After such review, it was determined that absolute TSR, which has been used by Superior as a performance measure since 2008 would be retained as the PSU performance measure for 2013 with the same TSR target payout at 10% (the "**TSR Target**") and threshold and maximum payouts set at 5% and 15%, respectively.

The performance multiplier to be applied on vesting of the PSUs can vary from 0 to 2. If TSR is below 50% of the TSR Target, the contribution of the performance measure to the weighted performance multiplier is zero. If TSR is between 50% and 150% of the TSR Target, the multiplier will be adjusted linearly between zero and two, and if TSR is above 150% of the TSR Target, the multiplier will be two.

The performance multiplier, in the case of Business PSUs still outstanding is calculated with 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 performance multiplier for the Superior PSUs granted in November 2010 and paid out in November 2013 was 1.2 times for Superior (0 with no payouts for 2012). All of the NEO's held Superior PSUs. NEOs that are business presidents held a combination of Superior and Business PSUs. The performance multiplier for the Business PSUs as they apply to the NEOs that are business presidents was 0 and did not pay out other than for the PSUs of U.S. Refined Fuels and SGL which achieved a performance multiplier of 0.6 times and 1.2 times, respectively. Accordingly, there were no NEO Business PSU payouts other than for Messrs. McCamus and Tims who held PSUs (granted in 2010) of U.S. Refined Fuels and SGL, respectively. For further information on the LTI payouts to NEOs, see "NEO Incentive Plan Awards – Value Vested or Earned During the Year".

**LTIP Grants awarded to NEOs for 2013**

Long-term incentives for 2013 were approved by the Compensation Committee and the Board on October 31, 2013 as a percentage of 2013 base salary and with a mix of 50% RSUs and 50% PSUs and granted to the NEOs on January 2, 2014 in accordance with the terms of the LTIP as follows:

| Name & Position | LTIP Award as % of 2013 Base Salary | Total 2013 LTIP Target Award ($) | Number of RSUs Awarded (1) | Number of PSUs Awarded (1) | Total LTIP Value on Date of Grant ($)(2) |
|---|---|---|---|---|---|
| Luc Desjardins<br>President and CEO | 125%(3) | 1,000,000 | 44,950 | 44,950 | 1,105,770 |
| Wayne Bingham<br>Executive VP and CFO | 100% | 415,000 | 18,654 | 18,654 | 458,888 |
| Greg McCamus<br>President, Energy Services | 100% | 415,000 | 18,654 | 18,654 | 458,888 |
| Dave Tims<br>President, Energy Supply and Oilfield | 100% | 350,000 | 15,732 | 15,732 | 387,007 |
| Paul Vanderberg<br>President, CPD | 100% | 355,000 | 15,957 | 15,957 | 392,542 |

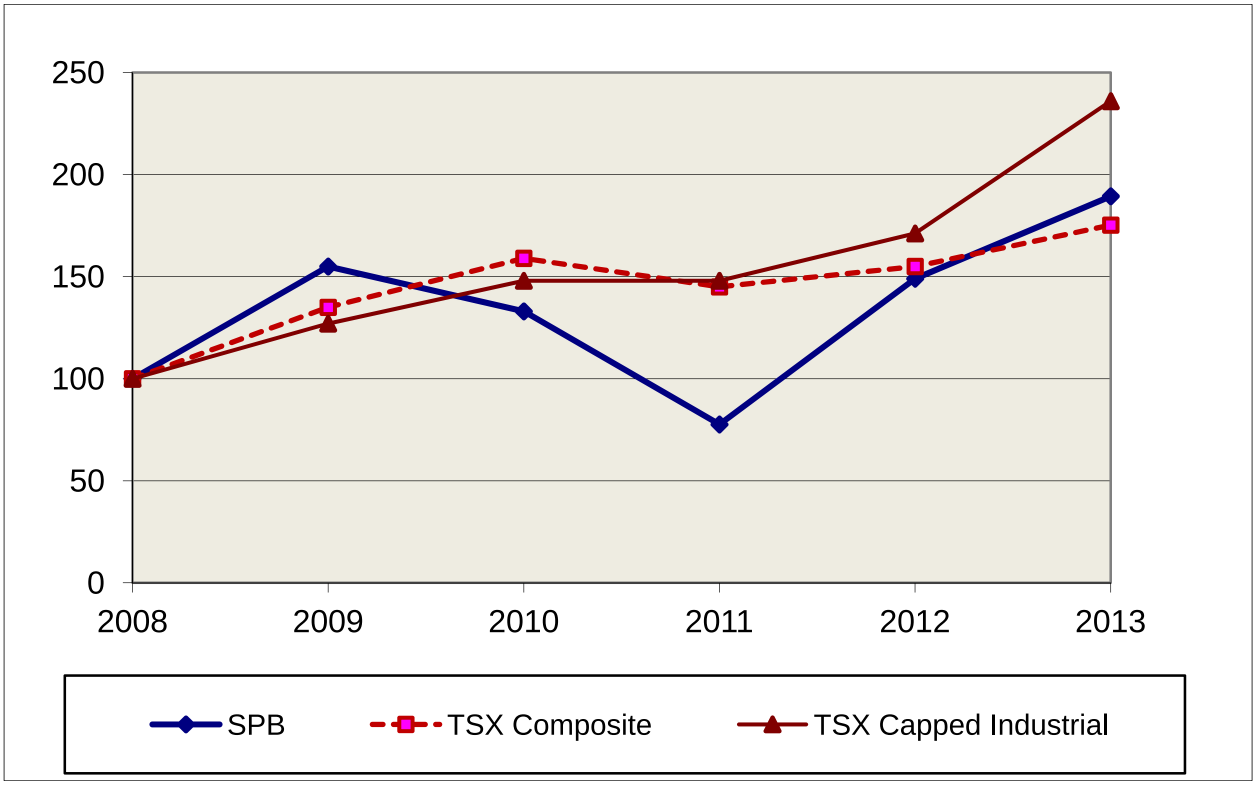
**Notes:**

1. Based on the October 31, 2013 approval price of $11.1234 per unit.
2. The value of RSUs and PSUs approved by the Board on October 31, 2013 on the grant date is calculated based on the number of RSUs and PSUs awarded multiplied by the closing market price of the Common Shares on the TSX at the date of grant on January 2, 2014 ($12.30).
3. Mr. Desjardins' LTIP award level for 2013 was adjusted from a target of 150% to 125% of base salary to achieve a better balance between STI and LTI targets without changing total compensation targets. See "2013 Executive Compensation Program Review and Changes".

For further information on LTI awards to NEOs, see "Executive Share Ownership Guidelines", "Summary Compensation Table" and "NEO Outstanding Share-Based and Option-Based Awards".

## Performance Graph

The following graph illustrates changes from December 31, 2008 to December 31, 2013, 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, 2008 | Dec. 31, 2009 | Dec. 31, 2010 | Dec. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2013 |
|---|---|---|---|---|---|---|
| SPB | 100 | 155 | 133 | 78 | 149 | 189 |
| TSX Composite | 100 | 135 | 159 | 145 | 155 | 175 |
| TSX Capped Industrial | 100 | 127 | 148 | 148 | 171 | 236 |

In support of the discussion as to how the trend illustrated in the above performance graph compares to the trend in Superior's compensation to the NEOs over the same five year period, the following five-year look-back table shows total compensation for the CEO and total compensation for the NEOs (including the CEO and CFO) relative to AOCF.

### Total Compensation: Five-Year Look Back Table

| | 2009(1) | 2010(1) | 2011(1) | 2012(1) | 2013(1) |
|---|---|---|---|---|---|
| CEO Total Compensation (2) | $1.9 million | $2.2 million | $2.5 million(3) | $3.3 million | $3.1 million |
| Total NEO Compensation (2) (4)(top five highest compensated executives including CEO and CFO) | $5.4 million | $5.6 million | $6.7 million(3) | $7.7 million | $7.5 million |
| Total AOCF | $163.9 million | $162.9 million | $180.4 million | $200.4 million(5) | $207.6 million(5) |
| **AOCF per share** | **$1.80** | **$1.54** | **$1.65** | **$1.79(5)** | **$1.69(5)** |
| Total NEO Compensation as a percent of AOCF | 3.3% | 3.4% | 3.7% | 3.8% | 3.6% |
| Total Shareholder Return ("**TSR**")(6) | 55% | 33% | (22%) | 49% | 89% |

**Notes:**

1. Financial information for the years ended December 31, 2013, 2012 and 2011 are based on International Financial Reporting Standards ("**IFRS**"), 2010 financial information has been restated for the impact of IFRS, and 2009 financial information is based on GAAP.
2. Total Compensation includes salary, RSUs and PSUs, bonus, pension value and all other annual compensation and is calculated in the same manner as in the Summary Compensation Table.

3. In November 2011, Mr. Billing retired as CEO and Mr. Desjardins joined Superior as President and CEO. The 2011 CEO Total Compensation has been adjusted (to provide a comparison on a normalized basis) and does not include Mr. Billing's retirement payout of $1.8 million and Mr. Desjardins one-time grant of RSUs and PSUs for a total value of $1,450,000 based on the terms of Mr. Desjardins' employment agreement.
4. The three highest paid NEOs other than the CEO and CFO were different in 2013 from 2009, 2010, 2011 and 2012. In 2013, Mr. Tims, President, Energy Supply and Oilfield was included as NEO instead of Mr. Timmons, President of Specialty Chemicals, who had been an NEO from 2009 to 2012. In 2012, Mr. Vanderberg, President, Construction Products Distribution was included as NEO, compared to 2009, 2010 and 2011, when Mr. McFadden, past Executive Vice-President, Business Development was included as NEO. Messrs. Bingham and McCamus were NEOs for each year from 2009 to present.
5. Represents total AOCF and AOCF per share, before restructuring costs. Total ACOF and AOCF per share after restructuring costs for 2012 were $190.4 million and $1.70 per Common Share and for 2013 were $192.3 million and $1.56 per Common Share, respectively. Superior has presented its 2012 and 2013 financial results on a before and after restructuring cost basis, due to the one-time nature of these items.
6. TSR in this table represents cumulative total return, as presented in the "Performance Graph".

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. Modest salary increases were made in 2011 to remain competitive in the market place. In November of 2011, the Board appointed Luc Desjardins as President and Chief Executive Officer and Mr. Billing assumed the full-time role of Chairman of the Board. During 2012, Mr. Desjardins launched '*Destination 2015'* which comprised a number of initiatives to improve the performance of the operating units. These initiatives encompassed talent management, enhanced customer focus, working capital and order to cash improvement, distribution efficiency and certain capital expansions in the specialty chemicals business. In 2012, Superior achieved an AOCF for the year of $1.79 per Common Share, before restructuring costs. In 2013, Superior achieved an AOCF for the year of $1.69 per Common Share, before restructuring costs, which was slightly below the midpoint of the guidance range of $1.65 to $1.85 per Common Share. During 2013, the Corporation made considerable progress on its '*Destination 2015'* initiatives and continued to improve its balance sheet.

For the five year period ended December 31, 2013, Superior achieved a compound annual growth rate ("**CAGR**") of 13.6% compared to the TSX Composite CAGR of 11.9% and the TSX Capped Industrial CAGR of 18.7%. The 2013 one year TSR for Superior was 27.0% compared to 13.0% for the TSX Composite and 37.6% for the TSX Capped Industrial index. Compensation adjustments and rewards in 2013 were implemented to remain competitive in the market and to reflect increased responsibilities due to a reduction in senior management positions.

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 tend to correspond with Superior's cumulative total return over the five-year period. The trend in executive compensation also reflects the strong financial performance of the Corporation and the Shareholder return achieved in 2013.

## Summary Compensation Table

The following table sets out a summary of the NEOs executive compensation for the three years ended December 31, 2013.

| Name and Principal Position | Year | Salary ($) | Share-Based Awards ($) | Option-Based Awards ($) | Non-Equity Incentive Plan Compensation | | Pension Value ($)[2] | All Other Compensation ($) | Total Compensation ($) |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Annual Incentive Plans ($)[1] | Long-Term Incentive Plans ($) | | | |
| Luc Desjardins President and CEO[3] | 2013 | 800,000 | 1,105,770[4][13] | - | 1,100,000 | - | 12,135 | 53,980[10][12] | 3,071,885 |
| | 2012 | 750,000 | 1,500,000[4] | - | 1,012,500 | - | 11,910 | 53,090[10][12] | 3,327,500 |
| | 2011 | 86,538 | 2,575,000[4][5] | - | - | - | 6,923 | - | 2,668,461 |
| Wayne Bingham Executive Vice-President and CFO | 2013 | 415,000 | 458,888[4][13] | - | 275,000 | - | 12,135 | 25,406[10][12] | 1,186,429 |
| | 2012 | 385,000[6] | 385,000[4] | - | 346,500 | - | 11,910 | 19,062[10][12] | 1,147,472 |
| | 2011 | 365,000 | 438,000[4] | - | 160,000 | - | 11,485 | 19,098[10][12] | 993,583 |
| Greg McCamus President, Energy Services[7] | 2013 | 415,000 | 458,888[4][13] | - | 332,000 | - | 12,135 | 21,539[10][12] | 1,239,562 |
| | 2012 | 403,700[8] | 370,000[9] | - | 242,200 | - | 11,910 | 19,919[10][12] | 1,047,729 |
| | 2011 | 360,000 | 435,600[9] | - | 200,000 | - | 11,485 | 17,300[10][12] | 1,024,385 |
| Dave Tims President, Energy Supply and Oilfield | 2013 | 350,000 | 387,007[4][13] | - | 250,000 | - | 9,153 | - [12] | 996,160 |
| | 2012 | 320,000 | 320,000[9] | - | 200,000 | - | 3,200 | - [12] | 843,200 |
| | 2011 | 310,000 | 310,000[9] | - | 90,000 | - | 6,230 | - [12] | 716,230 |
| Paul Vanderberg President, CPD | 2013 | 355,000 | 392,542[4][13] | - | 294,000 | - | - | 7,100[11][12] | 1,048,642 |
| | 2012 | 345,000 | 345,000[9] | - | 310,500 | - | - | 6,900[11][12] | 1,007,400 |
| | 2011 | 325,000 | 325,000[9] | - | 100,000 | - | - | 6,500[11][12] | 756,900 |

**Notes:**

1. The reported amounts represent bonuses which are based on prior year performance, but paid in the first quarter of the current year (2013 bonuses are based on the achievement of goals in 2013, but paid in the first quarter of 2014). See "Short-term Incentive Program – 2013 Results and Short-term Incentive Payouts".
2. The benefit provisions of Superior's pension and savings plan provide employees with a defined contribution 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.
3. Mr. Desjardins joined Superior as President and Chief Executive Officer on November 14, 2011.
4. 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. RSUs and PSUs for 2013 were approved by the Board on October 31, 2013 and granted on January 2, 2014. The number of units awarded was based on the market price of the Common Shares (as calculated under the terms of the LTIP) on the approval date ($11.1234 per unit) and the value of RSUs and PSUs on the date of grant is calculated based on the number of RSUs and PSUs awarded multiplied by the closing market price of the Common Shares on the TSX at the date of grant on January 2, 2014 ($12.30). See "Compensation Discussion and Analysis - Long-Term Incentive and Retention Programs" for additional information relating to the Corporation's RSUs and PSUs.
5. 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.
6. Actual amount paid to Mr. Bingham for 2012 was $356,865 after adjustment for unpaid leave taken during 2012.
7. In June of 2012, Mr. McCamus assumed the role of Interim President of Superior Propane in addition to his role of President of U.S. Refined Fuels and Superior Energy Management and in November of 2012, Mr. McCamus was appointed President, Energy Services (including Superior Propane).
8. The 2012 salary rate for Mr. McCamus was $370,000 prior to adjustment for increased responsibilities during the year.
9. 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 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.
10. Represents the amounts contributed to the non-registered savings plans by Superior or its businesses on behalf of the NEO.
11. Represents the amounts contributed by the Construction Products Distribution business to an RRSP that allows employees to make contributions through payroll. The Construction Products Distribution business matches employee contributions of up to 2% of salary.
12. 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.
13. Although the RSUs and PSUs were granted on January 2, 2014, they have been disclosed in the table as they were approved by the Board and the Compensation Committee in October 2013, as part of their annual review of executive compensation and considered as a component of the NEOs 2013 total compensation.

## 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, 2013, which includes awards granted prior to January 1, 2013.

| Name | Option-Based Awards | | | | Share-Based Awards | | |
|---|---|---|---|---|---|---|---|
| | Number of Securities Underlying Unexercised 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[1] (#) | Market or Payout Value of Share-Based Awards That Have Not Vested [(2)(3)] ($) | Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($) |
| Luc Desjardins<br>President and CEO | - | - | - | - | 200,274 RSUs[2]<br>282,463 PSUs[3] | 5,961,802 | Nil |
| Wayne Bingham<br>Executive Vice-President and CFO | - | - | - | - | 45,404 RSUs[2]<br>78,086 PSUs[3] | 1,531499 | Nil |
| Greg McCamus<br>President, Energy Services | - | - | - | - | 32,907 RSUs[2]<br>77,353 PSUs[3] | 1,264,345 | Nil |
| Dave Tims<br>President, Energy Supply and Oilfield | - | - | - | - | 27,960 RSUs[2]<br>61,472 PSUs[3] | 1,180,892 | Nil |
| Paul Vanderberg<br>President, CPD | - | - | - | - | 27,882 RSUs[2]<br>67,199 PSUs[3] | 1,207,895 | Nil |

**Notes:**

1. Includes RSUs and PSUs for 2013 approved by the Board on October 31, 2013 and granted on January 2, 2014. Although such RSUs and PSUs were granted on January 2, 2014, they have been disclosed in the table as they were approved by the Board and the Compensation Committee in October 2013 as part of their annual review of executive compensation and considered as a component of the NEOs 2013 total compensation. See "Compensation Discussion and Analysis - Long-Term Incentive and Retention Programs – LTIP Grants awarded to NEOs for 2013" for additional information.
2. Messrs. Desjardins and Bingham hold Superior RSUs, while Messrs. McCamus, Tims and Vanderberg hold a combination of Superior and Business RSUs. The estimated value of the unvested Superior RSUs is the total number of RSUs held as at December 31, 2013 (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, 2013 ($12.35). The estimated value of the unvested Business RSUs is the total number of Business RSUs held as at December 31, 2013 (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, 2013.
3. Messrs. Desjardins and Bingham hold Superior PSUs, while Messrs. McCamus, Tims and Vanderberg 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, 2013 ($12.35) 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, 2013 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 49 of this Information Circular. See "Compensation Discussion and Analysis - Long-Term Incentive and Retention Programs" for additional details regarding the PSUs.

## 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, 2013 and bonuses paid to NEOs in respect of achievements attained over the same period.

| Name | Option-Based Awards - Value Vested During Year ($) | Share-Based Awards - Value Vested During Year ($)(1) | Non-Equity Incentive Plan Compensation- Value Earned During Year ($)(2) |
|---|---|---|---|
| Luc Desjardins<br>President and CEO | - | 1,422,057 | 1,100,000 |
| Wayne Bingham<br>Executive Vice-President and CFO | - | 593,672 | 275,000 |
| Greg McCamus<br>President, Energy Services | - | 329,296 | 332,000 |
| Dave Tims<br>President, Energy Supply and Oilfield | - | 528,845 | 250,000 |
| Paul Vanderberg<br>President, CPD | - | 349,345 | 294,000 |

**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 2010, the second 33.3% granted in 2011, and the first 33.3% granted in 2012. 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 November 2010, which vested in 2013, had a performance multiplier of 1.2. 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 49 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 to the NEOs in September 2010, which vested in 2013, had a performance multiplier of 0, other than for PSUs of USRF, and SGL which had achieved a performance multiplier of 0.6 and 1.2, respectively. 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 49 of this Information Circular.
2. Bonuses are based on prior year performance, but paid in the first quarter of the current year (2013 bonuses are based on the achievement of goals in 2013, but paid in the first quarter of 2014).

## Pension Plan Benefits

## 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 the NEOs. The NEO of the Construction Products Distribution businesses 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 ($)[(2)] |
|---|---|---|---|
| Luc Desjardins<br>President and CEO | 40,139 | 12,135 | 70,619 |
| Wayne Bingham<br>Executive Vice-President and CFO | 155,189 | 12,135 | 209,943 |
| Greg McCamus<br>President, Energy Services | 180,625 | 12,135 | 239,098 |
| Dave Tims<br>President, Energy Supply and Oilfield | 26,019 | 9,153 | 49,166 |
| Paul Vanderberg[(1)]<br>President, CPD | - | - | - |

**Notes:**

1. Mr. Vanderberg do not participate in a defined contribution plan.
2. Includes employer and employee contributions, plus investment returns.

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). Full-time and part-time employees of Superior Propane working at least 20 hours a week may participate in the Pension Plan subject to the terms of their employment. For salaried employees, there is no mandatory requirement to participate in the Pension Plan. 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 $24,270. 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 71.

## 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. Tims. Should Mr. Tims be removed from his current position at Superior for reasons other than for cause, it is anticipated that he would receive compensation in connection with general industry practice.

Each of the above-referenced Employment Agreements for the other NEOs provides for the base salary, and in some cases annual bonus entitlements (provided the NEO meets the required performance criteria) at the time the Employment Agreement was put into place, as well as entitlement 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.

For the amount of salary and bonus paid to each of the NEOs, please refer to the "Summary Compensation Table" in this Information Circular.

## 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 Messrs. Desjardins, Bingham, McCamus and Vanderberg contain both confidentiality and varying non-compete provisions with terms between 12 and 18 months.

## Termination

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, which amounts are detailed in the chart on page 59, upon receipt of an executed release (the "**Termination Amount**").

## Change of Control

The Employment Agreement for Messrs. Desjardins and Bingham contain change of control provisions. 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 of Superior 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. Mr. Bingham's Employment Agreement includes a single trigger change of control clause and only requires him to give notice within a certain period of time of the date of the Change of Control and upon provision of an executed release, to receive the Termination Amount.

**Estimated Payouts**

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 2013 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, 2014. No bonus amounts would have been owed to any of the NEOs on December 31, 2013 in respect of 2013 performance. 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 and the applicable Common Share or notional share price on the last day of the most recently completed financial year.

The LTIP generally provides that in the event of a Change of Control Transaction or Divisional Change of Control Transaction (for affected employees of such divisions), all existing awards of PSUs or RSUs accelerate and vest immediately prior to completion of such transaction.

"Change of Control Transaction" in the LTIP currently means the purchase or acquisition of shares of the Corporation and/or securities convertible into shares of the Corporation or carrying the right to acquire shares of the Corporation (collectively, "**Convertible Securities**") as a result of which a person, group of persons or persons acting jointly or in concert, or any affiliates or associates of any such person, group of persons or any of such persons acting jointly or in concert (collectively the "**Holders**") beneficially own or exercise control or direction over shares and/or Convertible Securities of the Corporation that, assuming the conversion of the Convertible Securities beneficially owned by the Holders thereof, would have the right to cast more than 50% of the votes attached to all shares of the Corporation. "Divisional Change of Control Transaction" in the LTIP currently means, in respect of any division:

(a) the sale of all or substantially all of the assets relating to such division except to an Affiliate of the Corporation; or

(b) the Corporation or one of its affiliates entering into a transaction, including a joint venture, partnership, or other partial ownership structure, whereby the Corporation or one of its affiliates would retain less than 50% ownership or control of such division; or

(c) the liquidation or dissolution or winding-up of Superior Plus LP, except where following such an event an affiliate of the Corporation retains 50% ownership or control of the assets of such division; or

(d) the merger, amalgamation, consolidation or absorption of Superior Plus LP with or into any unrelated entity whereby the Corporation or one of its Affiliates ceases to control such Division;

provided in the event there is any question as to whether a Divisional Change of Control Transaction has occurred in any circumstances, the Board shall determine the matter.

The following table contains the estimated incremental payments that would be owed to each NEO pursuant to their employment agreement and pursuant to the terms of the LTIP, assuming that the termination event occurred on December 31, 2013.

| Name & Position | Termination Event | Payment Based on Employment Agreement ($) | Payment Based on LTIP ($)[1] | Total Payment ($) |
|---|---|---|---|---|
| Luc Desjardins | Voluntary Resignation | Nil | Nil | Nil |
| President and CEO | Termination for Cause | Nil | Nil | Nil |
| | Termination without Cause | 3,200,000[2] | 1,765,723[3] | 4,965,723[4] |
| | Retirement | N/A | Nil [10] | Nil |
| | Change of Control | 4,800,000[5] | Nil[11] | 4,800,000[4] |
| | Change of Control under LTIP | 4,800,000[5] | 5,961,802[6] | 10,761,802 |
| Wayne Bingham | Voluntary Resignation | Nil | Nil | Nil |
| Executive VP and CFO | Termination for Cause | Nil | Nil | Nil |
| | Termination without Cause | 830,000[7] | 492,289[3] | 1,322,289 |
| | Retirement | N/A | 492,289[3] | 492,289 |
| | Change of Control | 830,000[7] | Nil[11] | 830,000 |
| | Change of Control under LTIP | 830,000[7] | 1,531,499[6] | 2,361,499 |
| Greg McCamus | Voluntary Resignation | Nil | Nil[10] | Nil |
| President, Energy Services | Termination for Cause | Nil | Nil | Nil |
| | Termination without Cause | 684,750[8] | 326,465[3] | 1,011,215 |
| | Retirement | N/A | 326,465[3] | 326,465 |
| | Divisional Change of Control or Change of Control under LTIP | N/A | 1,264,345[6] | 1,264,345 |
| Dave Tims | Voluntary Resignation | Mr. Tims does not have an employment agreement. | Nil | Nil |
| President, Energy Supply and Oilfield | Termination for Cause | | Nil | Nil |
| | Termination without Cause | | 311,125[3] | 311,125 |
| | Retirement | | Nil [10] | Nil |
| | Divisional Change of Control or Change of Control under LTIP | | 1,180,892[6] | 1,180,892 |
| Paul Vanderberg | Voluntary Resignation | Nil | Nil | Nil |
| President, CPD | Termination for Cause | Nil | Nil | Nil |
| | Termination without Cause | 601,725[9] | 329,495[3] | 931,220 |
| | Retirement | N/A | Nil[10] | Nil |
| | Divisional Change of Control or Change of Control under LTIP | N/A | 1,207,895[6] | 1,207,895 |

**Notes:**

1. All RSUs and PSUs are valued using the closing market price of the Common Shares on the TSX at December 31, 2013 of $12.35.
2. Termination Amount of 2x (annual salary plus target bonus).
3. Represents the value of RSUs and PSUs issued prior to assumed date of termination of December 31, 2013 and prorated to reflect the length of time the NEO was employed during the vesting period.
4. In addition, Mr. Desjardins would be entitled to retain his one-time November 2011 grant of RSUs and PSUs with grant date value of $1,450,000.
5. Termination Amount calculated as 3x (annual salary plus target bonus). If the Change of Control occurs on or after November 14, 2014, this amount would be calculated as 2x (annual salary plus the average of the bonuses paid to Mr. Desjardins over the immediately preceding three years).

6. Represents the value of RSUs and PSUs that had accelerated and vested prior to the assumed date of the takeover bid transaction of December 31, 2013 and includes RSUs and PSUs approved by the Board on October 31, 2013 and granted on January 2, 2014. See "LTIP Grants awarded to NEOs for 2013".
7. Termination Amount of 2x annual salary.
8. Termination Amount of 18 months of annual salary plus 10% for loss of employment benefits.
9. Termination Amount of 18 months of annual salary plus 13% for loss of employment benefits.
10. In order to qualify for retirement payouts under the terms of the LTIP, the NEO must be 55 years of age or older and must have completed at least three years of continuous employment with the Corporation.
11. Assumes the transaction constitutes a Change of Control but does not constitute a Change of Control under the terms of the LTIP.

# 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, 2013.

## 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, 2013, 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 2015 annual meeting must arrange for Superior to receive the proposal at its principal executive office no later than November 6, 2014. Shareholders should consult their legal advisors for more information.

## Shareholder Rights Plan

Superior has a Shareholder Rights Plan It was put in place on February 16, 2012 in an agreement between Computershare and the Corporation to ensure, to the extent possible, that all Shareholders are treated equally and fairly in connection with any takeover bid for Superior. The plan was confirmed at Superior's annual and special Shareholders' meeting on May 2, 2012 and, according to the rules of the TSX, Shareholders must confirm the Shareholder Right Plan every three years.

## 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 S.W., Suite 1400, Calgary, Alberta, T2P 3G2.

## 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 on February 24, 2014.

**SUPERIOR PLUS CORP.**

***"Luc Desjardins"***
Luc Desjardins
President and Chief Executive Officer

"***Ross Wonnick"***
Ross Wonnick
Chief Legal Officer and General Counsel

**Superior Plus Corp.**

1400, 840 - 7th Avenue SW
Calgary, Alberta
T2P 3G2

Tel: 403-218-2970
Fax: 403-218-2973

Tollfree: 866-490-PLUS
Web: www.superiorplus.ca