Notice of Meeting and Management Information Circular

For the Annual Meeting of Shareholders
to be held on May 9, 2019

Superior Plus

Superior Plus

NOTICE OF OUR 2019 ANNUAL MEETING

Please join us at our 2019 annual meeting of shareholders

WHEN

May 9, 2019
12 p.m. (Eastern time)

WHERE

The Melinda Gallery
One King West Hotel & Residence
1 King Street West
Toronto, Ontario M5H 1A1

WHAT THE MEETING WILL COVER

- **Receiving** our 2018 consolidated financial statements and the related auditor's report (page 10)
- **Electing** our directors (page 10)
- **Appointing** our auditor (page 10)
- **Voting** on our approach to executive compensation (page 11)
- **Considering** any other business properly presented at the meeting (page 12)

YOUR VOTE IS IMPORTANT

The management information circular tells you about the items of business, who can vote and how you can vote. Please read it carefully, and remember to vote.

If you can't attend the meeting, you can vote by proxy. Simply complete, date and sign the enclosed proxy or voting instruction form, and mail it in the envelope provided so that it is received no later than 12 p.m. (Eastern time) on May 7, 2019 to: Computershare Trust Company of Canada, Proxy department, 8th floor, 100 University Avenue, Toronto, Ontario M6J 2Y1.

We will have a live webcast of the annual meeting on our website.

By order of the board,

"David P. Smith"

David P. Smith
Chair of the Board
Superior Plus Corp.
Toronto, Ontario

February 27, 2019

Where to get a copy of the management information circular and our other documents

We *use notice and access* to deliver meeting materials (this notice and the management information circular) to beneficial holders of our common shares. Notice and access is a set of rules developed by the Canadian Securities Administrators (CSA) that allows companies to post meeting materials online, reducing paper and mailing costs.

If you're a registered shareholder or you have given us instructions to send you printed documents, your management information circular is attached to this notice, and we have mailed you a copy of our 2018 consolidated financial statements and related management's discussion and analysis.

All other shareholders can download these documents after March 2, 2019:

- from our website: www.superiorplus.com
- from our profile on SEDAR: www.sedar.com

If you prefer to have a printed copy of these documents, contact our head office right away and we'll send you one free of charge. Note that we have to receive your request by **March 29, 2019:**

call toll-free (866) 490-7587
email investor-relations@superiorplus.com
write Superior Plus
401-200 Wellington Street West,
Toronto, Ontario M5V 3C7
fax (416) 340-6030

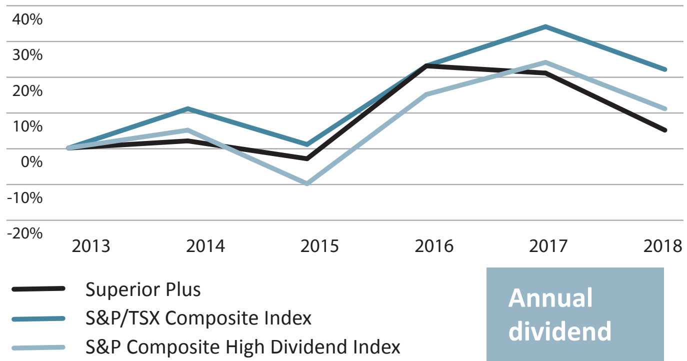
TO OUR SHAREHOLDERS

Superior's board of directors is pleased to report that the company performed well in 2018:

> Adjusted EBITDA[1] of $374.3 million was 26% more than in 2017 and adjusted operating cash flow (AOCF)[1] of $1.91 per share (before transaction and other costs), was 9% more than in 2017, both measures being near the top of our forecasted range

> the financial outperformance was due to the realization of synergies from the Canwest Propane (Canwest) acquisition and increased volumes at our US propane distribution (US Propane) business relating to both the legacy business and the acquisition of NGL Energy's retail propane distribution business (the NGL Acquisition)

TOTAL SHAREHOLDER RETURN (as of December 31)



Annual dividend
$0.72
in 2018

> closed the $1.2 billion NGL Acquisition in July, a highly strategic and transformative transaction significantly expanding our US Propane business and creating the 3rd[2] largest retail propane distribution business in North America

> closed the retail propane acquisitions of Porco Energy, Musco Fuel & Propane, Blue Flame Gas and Pepco Atlantic Inc.

> closed the acquisition of United Pacific Energy, a well established independent wholesale propane and butane distributor in California

> completed the sale of the US wholesale refined fuel and distillate assets concentrating our focus on propane distribution

> completed the sale of propane assets required by the terms of the consent agreement with the Competition Bureau as part of the Canwest acquisition

> completed $400 million in equity financing and $847 million in unsecured note financings, including our first US note offering in the amount of US$350 million, to finance the NGL Acquisition and to extend the company's debt maturity profile

> the decrease in the total shareholder return of our shares on the TSX in 2018 of -14.8% is comparable to the total returns of the indices reflected in the graph above of -7.6% and -10.3% in 2018 but does not reflect the strong operating results of the business or execution of the strategic plan.

Leading governance practices

The board is responsible for overseeing the affairs of the company, with a view to creating sustainable value and profitable growth while managing risk. Our board, which has undergone significant renewal over the past several years with 56% of the directors having been members for fewer than six years and a chairman who has been in the position for less than five years is an engaged group of individuals with an effective mix of skills, experience and diversity to enable Superior to achieve its strategic objectives.

Our corporate governance practices meet the guidelines of the Canadian Securities Administrators, and we regularly review and update them, as appropriate, when regulations change or best practices evolve. In 2018, our ISS Governance QualityScore improved from 4 to 1. You can read about our corporate governance practices and the activities of the board and board committees this year, starting on page 24.

[1] Adjusted EBITDA and AOCF are non-GAAP measures – please turn to page 77 for more information about how we calculate them.
[2] Estimated based on 2018 propane volumes as disclosed in LP Gas Magazine.

Focus on health and safety

In 2018, we strengthened our health, safety and environment (HS&E) management system across our organization:

- Implemented various corporate level HS&E policies to enhance the HS&E management system to support continuous improvement and outline consistent expectations for performance and reporting across the organization
- Held our first Safety Summit which provided an opportunity to learn from the experience of another company's safety journey and provided a platform for the HS&E committee to engage in in-depth discussions with HS&E leaders and senior management across the organization.

Diversity

The board, on the recommendation of the governance and nominating committee, adopted a 30% target for female directors to be achieved over the next 3-5 years. The governance and nominating committee also oversaw various diversity initiatives by management at the energy distribution and specialty chemicals businesses, including:

- gender diversity included in all leadership review processes
- gender diversity requirements in all recruitment mandates
- diversity training and awareness for all employees.

Compensation governance

The compensation committee helps the board in its responsibilities of reviewing and approving compensation of the CEO and senior executives, including named executives to ensure that we continue to build talent bench strength, best-in-class functional and operational expertise and attract, develop and retain key talent to achieve our strategic objectives. This year we reviewed and made changes to our short-term incentive plans for certain divisions to ensure that these plans continue to reward strong performance in volatile markets and that we continue to attract and retain key talent.

Executive compensation

The board administers the executive compensation program to focus executives on the areas that will help the company achieve its strategic objectives, promote the building of shareholder value and support the company's efforts to attract and retain best-in-class functional and operational expertise – all while working within appropriate risk management guidelines. You can read about the executive compensation program on page 47. Last year Superior's executive compensation was again approved by almost 94% of the votes cast by shareholders – thank you for your continued confidence in us.

Please take the time to vote

This circular tells you about your voting rights as a shareholder and the items we will be discussing at the annual meeting on May 9, 2019. We welcome you to vote again this year, and thank you for your continuing support of Superior.

Sincerely,

"David P. Smith"

David P. Smith
Chair of the Board

"Luc Desjardins"

Luc Desjardins
President and Chief Executive Officer

PROXY SUMMARY

Please join us at our 2019 annual meeting of shareholders.

When
May 9, 2019
12 p.m. (Eastern time)

Where
The Melinda Gallery
One King West Hotel & Residence
1 King Street West
Toronto, Ontario M5H 1A1

Record date
March 22, 2019

Voting items	Board recommendation	For more information
Elect 9 directors	*For* each nominee	Page 10
Appoint Ernst & Young LLP, Chartered Accountants of Toronto, Ontario as our auditor	*For*	Page 10
Vote on our approach to executive compensation (advisory vote)	*For*	Page 11

NOMINATED DIRECTORS

You will be asked to elect nine directors to serve on our board until the end of the next annual meeting of shareholders, or until a successor is elected or appointed. Each nominee must receive more *for* than *withheld* votes according to our majority voting policy. The nominees do not serve together on any other public company boards, and they are all independent except for Mr. Desjardins because he is the President and CEO of Superior. You can read about the directors' backgrounds, experience, 2018 meeting attendance and equity ownership in the profiles starting on page 14.

Name	Age	Director since	Occupation	Independent	Committee memberships	2018 meeting attendance	2018 voting result	Other public company boards
Catherine M. Best	65	2007	Corporate director and consultant	Yes	Audit (chair) Governance and nominating	100%	95.46% *for*	3
Eugene V.N. Bissell	65	2014	Corporate director	Yes	Compensation Health, safety and environment (chair)	100%	99.41% *for*	—
Richard C. Bradeen	62	2015	Corporate director and consultant	Yes	Audit Compensation	100%	99.47% *for*	1
Luc Desjardins	66	2011	President and CEO, Superior	No	—	100%	99.52% *for*	1
Randall J. Findlay	68	2007	Corporate director Chair of the board, Pembina Pipeline Corporation	Yes	Audit Governance and nominating (chair)	100%	97.46% *for*	1
Patrick E. Gottschalk	55	2017	Corporate director	Yes	Audit Health, safety and environment	100%	99.43% *for*	—
Douglas J. Harrison	59	2015	Corporate director and consultant Chair of the Board, Canadian Commercial Corporation	Yes	Audit Health, safety and environment	100%	98.73% *for*	—
Mary B. Jordan	59	2014	Corporate director Chair of the board, Vancouver International Airport Authority	Yes	Compensation (chair) Governance and nominating	100%	99.41% *for*	—
David P. Smith	60	1998	Corporate director Chair of the Board, Superior	Yes	Compensation Governance and nominating	100%	94.34% *for*	1

CORPORATE GOVERNANCE PRACTICES

Superior is committed to high standards of corporate governance. Our corporate governance practices meet the guidelines of the CSA and we continually review our practices against changing regulations and evolving policies and best practices and update them as appropriate.

The table below is a summary of our governance practices (see page 24 to read more about governance at Superior).

		For more information
Appropriate board size	9 directors	page 13
Separate Chair and CEO positions	Yes	page 25
Majority of the directors are independent	8 of 9 nominees	page 25
Female directors	Yes (2 of 9 nominees)	page 13
Board diversity policy with targets adopted	Yes	page 32
Leadership diversity	Yes	page 30
Annual director elections	Yes	page 10
Elect directors individually (not by slate)	Yes	page 10
Majority voting policy for directors	Yes	page 27
Formal position descriptions for the independent Chair of the Board, committee chairs and CEO	Yes	page 25
Number of board interlocks	None	page 34
Share ownership requirements for directors	Yes (3x total retainer)	page 44
Share ownership requirements for executives	Yes	page 57
Orientation and continuing education program for directors	Yes	page 35
Retirement age for directors	Yes (age 72)	page 34
Code of business conduct and ethics	Yes	page 26
Regular advisory vote on executive compensation	Yes (annually)	page 11
Formal board assessment	Yes (annually)	page 37
Communications and disclosure policy	Yes	page 31
Shareholder engagement	Yes	page 31

EXECUTIVE COMPENSATION PRACTICES

Our executive compensation is designed to help us achieve our vision, meet our strategic objectives and build shareholder value. It also supports our efforts to continue building talent bench strength and best-in-class functional and operational expertise and our ability to attract, develop and retain key talent.

Executive compensation has three core principles:

- make compensation competitive
- pay for performance
- align the interest of executives with our shareholders.

The table below is a summary of our compensation practices. You can read more about executive compensation at Superior beginning on page 47.

		For more information
Pay for performance	Yes (corporate and individual)	page 56
Significant amount of at-risk pay for executives	Yes (71% for the CEO)	page 56
Compensation is paid out over time	Yes	page 56
Significant portion of incentive compensation is linked to our share price and shareholder return	Yes	page 57
Benchmark compensation to align with the market	Yes	page 55
Cap incentive plan payouts to mitigate risk-taking	Yes	pages 60, 66
Use of discretion to adjust awards as appropriate	Yes (board and compensation committee)	page 53
Share ownership requirements for executives	Yes	page 57
Independent advice from external compensation consultant	Yes	page 53
Guaranteed STIP	No	page 60
Clawback policy	Yes	page 53
Anti-hedging policy	Yes	page 53

2019 MANAGEMENT INFORMATION CIRCULAR

You've received this management information circular because you owned common shares of Superior Plus Corp. as of the close of business on March 22, 2019 (the *record date*).

You're entitled to receive notice of and vote your shares at our annual meeting of shareholders on May 9, 2019.

We are soliciting your proxy for the meeting, which means we're contacting you to encourage you to vote. We do this mainly by mail, but we may also phone you. If we use a third party to contact you on our behalf, we'll pay the cost (which we expect to be nominal).

This circular includes important information about the meeting, the items of business and how to vote your shares.

The board has approved this circular and its distribution to our shareholders.

Dated at Toronto, Ontario on February 27, 2019.

SUPERIOR PLUS CORP.

"Luc Desjardins"	*"Darren Hribar"*
Luc Desjardins President and Chief Executive Officer	**Darren Hribar** Senior Vice President and Chief Legal Officer

In this document:

> *we*, *us*, *our* and *Superior* mean Superior Plus Corp.

> *you*, *your* and *shareholders* mean the holders of Superior common shares

> *meeting* means our annual meeting of shareholders to be held on May 9, 2019

> *common shares* or *shares* mean common shares of Superior Plus Corp.

> *circular* means this management information circular.

All information is as of February 27, 2019, and all dollar amounts are in Canadian dollars, unless stated otherwise.

Superior Plus

WHAT'S INSIDE

Where to get more information about Superior

You can find financial information about Superior in our annual report, which includes our audited financial statements and management's discussion and analysis (MD&A) for the year ended December 31, 2018. These documents, copies of the meeting materials and our annual information form are available on SEDAR (www.sedar.com) and our website (www.superiorplus.com).

If you would prefer to have printed copies, contact our head office and we will send them to you free of charge. Send your request to the attention of the Vice President, Investor Relations and Treasurer, at:

Superior Plus
401-200 Wellington Street West
Toronto, Ontario M5V 3C7

Telephone: (416) 345-8050
Toll-free: (866) 490-PLUS (7587)
Facsimile: (416) 340-6030
Website: www.superiorplus.com

ABOUT THE SHAREHOLDER MEETING

VOTING

At least two persons who hold or represent by proxy at least 25% of the eligible votes must be present at the meeting for it to proceed.

We must receive a simple majority of votes cast (50% plus one vote) for an item to be approved. Computershare Trust Company of Canada (Computershare), our transfer agent and registrar, will count the votes in its capacity as the meeting's scrutineer. We had 174,872,120 common shares outstanding as of February 27, 2019.

Where to go with questions

If you have any questions about the meeting or about voting, call Computershare at (800) 564-6253.

We are not aware of any person who beneficially owns or exercises control or direction over (directly or indirectly) more than 10% of the voting rights attached to Superior's common shares.

Who can vote

If you held Superior common shares at 5 p.m. (Eastern time) on the record date of March 22, 2019, you are entitled to receive notice of and vote at our 2019 annual meeting. Each common share you own entitles you to one vote at the meeting or any adjournment.

How to vote

You can vote in one of two ways:

> by coming to the meeting and voting in person
> by having someone else vote for you at the meeting (called *voting by proxy*).

The rules depend on whether you're a registered shareholder or a non-registered (beneficial) shareholder.

Registered shareholders

You are a *registered shareholder* if you hold a share certificate in your name or your shares are recorded electronically in the direct registration system. We have sent you a *proxy form* with this package.

Non-registered (beneficial) shareholders

You are a *non-registered shareholder* if you hold your shares through an intermediary (a bank, trust company, securities broker or other). The shares are registered in your intermediary's name and you are the beneficial shareholder. We don't have the names of beneficial shareholders or a record of the number of shares they own.

Most brokers use Broadridge Financial Solutions, Inc. (Broadridge) to get voting instructions from clients. Broadridge or your intermediary will send you a *voting instruction form*. Superior does not pay for the cost of this mailing.

<table>
<tr><th></th><th>Registered shareholders</th><th>Non-registered (beneficial) shareholders</th></tr>
<tr><td>Voting by proxy
Your shares will be voted at the meeting according to your instructions</td><td>Send your voting instructions by using your proxy form.

You can send your instructions by mail, internet, telephone or fax. Follow the instructions on the form carefully. Your instructions must be received by 12 p.m. (Eastern time) on May 7, 2019 for your vote to be counted. If you're mailing the form, be sure to allow enough time for the envelope to be delivered.

If the meeting is adjourned, your proxy must be received by 5 p.m. two business days before the meeting is reconvened.</td><td>Send your voting instructions using your voting instruction form.

Most intermediaries allow you to send your instructions by mail, internet, telephone or fax, but each has its own process so make sure you follow the instructions on the form. Your intermediary must receive your instructions in enough time to act on them. Check the deadline on the form. If you're mailing your instructions, be sure to allow enough time for the envelope to be delivered.</td></tr>
<tr><td>Voting in person</td><td>Do not complete and return the proxy form – your vote will be taken and counted at the meeting.

Make sure you register with Computershare when you arrive at the meeting.</td><td>To attend the meeting and vote in person, follow the directions on the voting instruction form carefully. You cannot use your voting instruction form to vote your shares at the meeting.

Make sure you register with Computershare when you arrive at the meeting.</td></tr>
<tr><td>Changing your vote</td><td>If you voted by phone or internet, then voting again by phone or internet will revoke your previous vote.

If you faxed or mailed your proxy, you can revoke your vote and provide new voting instructions by fax or mail. The letter must be signed by you or your authorized attorney. If the shareholder is a corporation, the instructions must include a corporate seal or be signed by an authorized officer or attorney.

Your previous instructions will be revoked as long as:
• they are received by 12:00 p.m. (Eastern time) on May 7, 2019
• you give them to the chair of the meeting on the day of the meeting, or any adjournment, before the vote has taken place, or
• you provide them in any other way allowed by law, including coming to the meeting, or any adjournment of the meeting, and voting in person.</td><td>Contact your intermediary for instructions about how to revoke your proxy.</td></tr>
<tr><td>More about voting by proxy</td><td colspan="2">When you send in the proxy form, by default you are appointing Luc Desjardins and Darren Hribar, officers of Superior, to act as your proxyholder and vote on your behalf. They will vote your shares according to the voting instructions you provide on the proxy form. If you do not provide voting instructions, they will vote FOR the resolutions to be voted on at the meeting.

You also have the right to appoint someone else to represent you at the meeting, whether or not you attend. Simply write that person's name in the blank space provided on the proxy form. That person does not need to be a shareholder. Your vote will be counted as long as the person you appoint attends the meeting and votes on your behalf. If amendments or new items are brought before the meeting, your proxyholder can vote as he or she sees fit.</td></tr>
</table>

WHAT THE MEETING WILL COVER

1. Receiving our financial statements

Our audited consolidated financial statements for the year ended December 31, 2018, together with the auditor's report on those statements, will be presented at the meeting. These are available in our annual report, which you can find on our website.

2. Electing the directors

You will be asked to elect nine directors to serve on our board until the end of the next annual meeting of shareholders, or until his or her successor is elected or appointed. Please turn to page 14 for information about each of the nominated directors:

- Catherine M. Best
- Eugene V.N. Bissell
- Richard C. Bradeen
- Luc Desjardins
- Randall J. Findlay
- Patrick E. Gottschalk
- Douglas J. Harrison
- Mary B. Jordan
- David P. Smith

You can vote *for*, or *withhold* your vote from, each director. Directors who receive more *withheld* than for votes must submit their resignation, according to our majority voting policy (see page 27 for more information).

The board recommends you vote **FOR** each of the nominated directors.

3. Appointing the auditor

You will be asked to vote for the appointment of Ernst & Young LLP, Chartered Accountants of Toronto, Ontario as our auditor and to authorize the directors to set the auditor's compensation. Ernst & Young LLP was first appointed as our auditor effective February 14, 2018.

The board recommends you vote **FOR** appointing Ernst & Young LLP as our independent auditor until the close of the next annual meeting and authorizing the board to set their compensation.

Ernst & Young audit fees

The table below lists the services Ernst & Young LLP provided and the fees we paid them for the period February 14, 2018 to December 31, 2018.

		2018
Audit fees	Fees for: > audit and review of Superior and Superior Plus LP's financial statements > services provided in connection with statutory and regulatory filings > prospectus or other securities offering related services.	$2,104,500
Audit-related fees	> Fees for assurance and due diligence services, pension plan audits, accounting consultations and audits in connection with acquisitions, attest services that are not required by statute or regulation and consultation concerning financial accounting and reporting standards.	$428,750
All other fees	> Fees requiring prior approval from the audit committee.	—
Total fees		**$2,533,250**

Deloitte audit fees

The table below lists the services Deloitte LLP provided and the fees we paid them for the year ended December 31, 2017 and for the period January 1, 2018 to February 14, 2018.

		2018	2017
Audit fees	Fees for: > audit and review of Superior and Superior Plus LP's financial statements > services provided in connection with statutory and regulatory filings > prospectus or other securities offering related services.	$809,970	$1,998,595
Audit-related fees	> Fees for assurance and due diligence services, pension plan audits, accounting consultations and audits in connection with acquisitions, attest services that are not required by statute or regulation and consultation concerning financial accounting and reporting standards.	—	$367,843
Total fees		**$809,970**	**$2,366,438**

4. Voting on our approach to executive compensation

The underlying principle in our approach to executive compensation is 'pay for performance'. Management and the board believe this helps us attract and retain excellent employees and top performing executives, while motivating and rewarding the achievement of our goals, objectives and longer term strategies (see page 50 for details about our approach).

Our 2018 'say on pay' vote was approved by 93.91% of votes cast. This year we are asking you to vote on 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 this information circular."

This is an advisory vote, which means the results are not binding on the board. The board will, however, consider the outcome of the vote as part of its ongoing review of executive compensation.

The board recommends you vote **FOR** our approach to executive compensation.

5. Other items of business

At the time of writing this circular, we were not aware of any other business to be brought before the meeting.

Shareholder proposals

There were no shareholder proposals in 2018. The deadline for submitting shareholder proposals to be considered at next year's annual meeting is November 28, 2019.
Proposals should be sent to:

401-200 Wellington Street West
Toronto, Ontario
M5V 3C7
Attention: Chief Legal Officer

Nominating directors

If you want to nominate a director without using a shareholder proposal, you will need to:

- notify the corporate secretary in writing
- send us the information outlined in By-Law No. 2 (the *Advance Notice By-Law*), which you can find on SEDAR (www.sedar.com – filed on April 14, 2015).

The corporate secretary has to receive notices of director nominees as outlined in the chart below:

Type of meeting	If the first public announcement of the meeting is:	Send notice of director nominees no later than:
Annual meeting	more than 50 days before the meeting	30 days before the meeting (but not earlier than 65 days before the meeting)
	50 days or less before the meeting	10 days after the first public announcement of the meeting
Special meeting		15 days after the first public announcement of the meeting

Nominations for the 2019 annual meeting

The corporate secretary has to receive notices of director nominees **before 5 p.m. EST on April 9, 2019** to be included in our list of director nominees for the 2019 annual meeting of shareholders.

ABOUT THE NOMINATED DIRECTORS

BOARD PROFILE

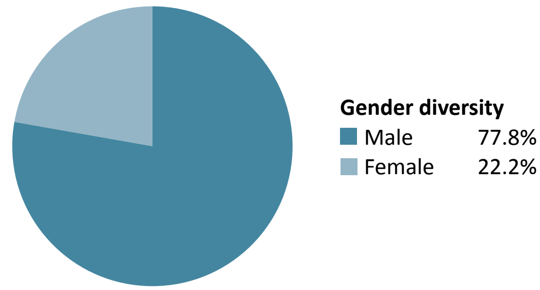
A board that is made up of directors with diverse backgrounds, experience and other attributes is important because it brings different perspectives for more informed decision-making. Gender, skills, experience, education, age, ethnicity and geographic location are all important when assessing the composition of the board and potential candidates to fill board vacancies.

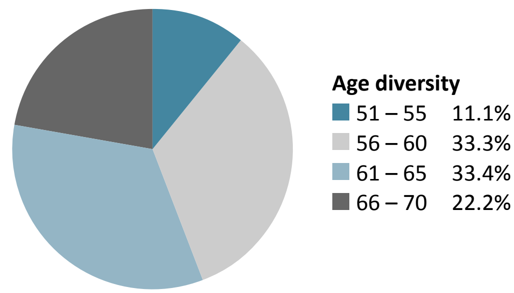
We have a Mandatory Retirement Policy in place facilitating board renewal, which requires directors to retire after the annual meeting that follows their 72nd birthday. As a result, Walentin Mirosh retired on May 8, 2018 after serving on our board for over 10 years.

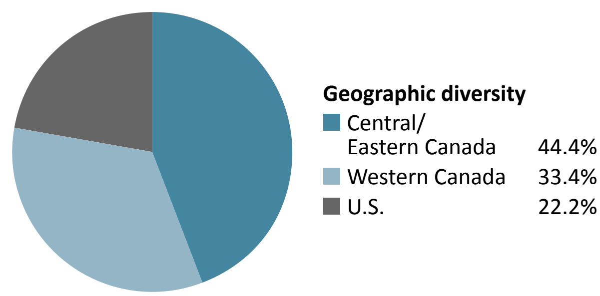
There are nine nominated directors this year. The pages that follow tell you about the nominated directors' background, their qualifications, their committee memberships and meeting attendance last year, and their equity ownership in the company, among other things. It also shows you the votes they received at last year's annual meeting.

We believe this group of directors has the right mix of skills, experience and diversity to effectively oversee our affairs, and provide effective leadership and oversight with a view to creating sustainable and long-term value and profitable growth.

BOARD PROFILE







DIRECTOR PROFILES

Catherine M. Best, B.I.D., FCPA, FCA, ICD.D
Independent

Calgary, Alberta, Canada
Director since 2007
Age 65

2018 votes *for*: 95.46%

Areas of expertise

- Energy business
- Governance/board
- Financial literacy
- Risk management

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 Interim Chief Financial Officer of Alberta Health Services until March 2009. Prior to that, Ms. Best was a partner with Ernst & Young (Canada), a global leader in assurance, tax, transaction and advisory services 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, and chemical business experience.

2018 meeting attendance

Board	7 of 7 (100%)
Board committees	
> Audit (chair)	4 of 4 (100%)
> Governance and nominating	4 of 4 (100%)

Equity ownership (as of December 31, 2018)

> Common shares	7,000	$67,760
> DSUs	62,179	$601,893
Market value		$669,653

Meets her equity ownership requirement (see page 44 for details).

Other public company boards

> AltaGas Ltd. (TSX)
Audit committee
Human resources and compensation committee

> Badger Daylighting Ltd. (TSX)
Audit committee (chair)
Nominating and governance committee

> Canadian Natural Resources Limited (TSX, NYSE)
Audit committee (chair)
Compensation committee

Eugene V.N. Bissell, BA, MBA
Independent

Philadelphia, Pennsylvania, United States
Director since 2014
Age 65

2018 votes *for*: 99.41%

Areas of expertise

- Distribution business
- US business
- Operational management
- Strategic planning
- Environment, safety and corporate social responsibility
- Mergers and acquisitions

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 14 years of public company board experience and 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 and 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.

2018 meeting attendance

Board	7 of 7 (100%)
Board committees	
> Audit	2 of 2 (100%)
> Compensation	2 of 2 (100%)
> Health, safety and environment	5 of 5 (100%)

Equity ownership (as of December 31, 2018)

> Common shares	15,972	$154,609
> DSUs	51,608	$499,565
Market value		$654,174

Meets his equity ownership requirement (see page 44 for details).

Other public company boards

> None

Richard C. Bradeen, BCom, CPA, CA
Independent

Montréal West, Québec, Canada
Director since 2015
Age 62

2018 votes *for*: 99.47%

Areas of expertise

- International business
- Strategic planning
- Financing/capital markets
- Financial literacy
- Mergers and acquisitions
- Risk management

Mr. Bradeen is a corporate director and consultant. He served as Senior Vice-president, Strategy, Mergers & Acquisitions, Pension Investments, Corporate Audit Services and Risk Assessment of Bombardier Inc., Montreal (Bombardier), a leading worldwide manufacturer of planes and trains from February 2009 to October 2013. He started his career at Bombardier in 1997 as Vice President, Acquisitions and held increasingly senior roles. Prior to that, Mr. Bradeen served as a partner and a member of the Partnership Board of Directors of Ernst & Young. He joined Ernst & Young in 1978 and held increasingly senior roles over a 19-year period, including that of President, Corporate Finance Group in Toronto.

In addition to his extensive experience in corporate finance, building and expanding businesses, as well as completing and integrating significant business acquisitions in Canada, the United States, Europe and Asia, Mr. Bradeen also has expertise in audit, risk assessment, financial engineering and processes, corporate strategy, operations and talent development, among other areas.

2018 meeting attendance

Board	7 of 7 (100%)
Board committees	
> Audit	4 of 4 (100%)
> Compensation	4 of 4 (100%)

Equity ownership (as of December 31, 2018)

> Common shares	10,000	$96,800
> DSUs	43,962	$425,552
Market value		$522,352

Meets his equity ownership requirement (see page 44 for details).

Other public company boards

> Stantec Inc. (TSX)
Audit committee

Luc Desjardins, MBA
Not independent

Toronto, Ontario, Canada
Director since 2011
Age 66

2018 votes *for:* 99.52 %

Areas of expertise

- Distribution business
- Energy business
- US business
- Operational management
- Strategic planning
- Marketing/sales
- Human resources/compensation
- Mergers and acquisitions

Mr. Desjardins joined Superior as President and CEO on November 14, 2011. Prior to his current position, Mr. Desjardins was an operating partner of The Sterling Group LP, a private equity firm in the US. 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, US 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 chair of three enterprises involved in the distribution industry, as well as the energy products and services industry.

2018 meeting attendance

Board	7 of 7 (100%)

Equity ownership (as of December 31, 2018)

> Common shares	383,456	$3,711,854
> RSUs/PSUs	645,233	$6,245,855
Market value		$9,957,709

Meets his equity ownership requirement (see page 44 for details).

Other public company boards

> Canadian Imperial Bank of Commerce (TSX, NYSE)
Audit committee

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

Calgary, Alberta, Canada
Director since 2007
Age 68

2018 votes *for*: 97.46%

Areas of expertise

- Energy business
- Governance/board
- Strategic planning
- Human resources/compensation
- Risk management

Mr. Findlay is a corporate director. Mr. Findlay is a professional engineer with over 40 years' experience in the resource industry holding executive positions resulting in extensive experience in business management, finance and governance. He is a past president and co-founder of Provident Energy Trust and was a member of the Trust's Board of Directors from 2001 to 2012. Prior to joining Provident, he was a senior Vice President at TransCanada Pipelines and President of TransCanada's North American mid-stream business. He currently serves on the board of directors of Pembina Pipeline Corporation a TSX and NYSE listed company as board chair and is a director of privately held EllisDon Construction. He is the board chair of the UBC Alumni Association. He has served on the board of over 20 public and private companies. He is past Chair of the Alberta Children's Hospital Foundation. Mr. Findlay is a past National Chair of the Society of Petroleum Engineers (Canada) and a recipient of their Lifetime Achievement Award. He is a Lifetime Member of the Association of Professional Engineers and Geoscientists of Alberta.

2018 meeting attendance

Board	7 of 7 (100%)
Board committees	
> Audit	4 of 4 (100%)
> Governance and nominating (chair)	4 of 4 (100%)

Equity ownership (as of December 31, 2018)

> Common shares	20,000	$193,600
> DSUs	72,086	$697,792
Market value		$891,392

Other public company boards

> Pembina Pipeline Corporation (TSX, NYSE)
Chair of the Board
Governance and Nominating committee

Meets his equity ownership requirement (see page 44 for details).

Mr. Findlay was a director of

> Wellpoint Systems Inc. Listed on the TSX Venture Exchange, Wellpoint supplied software to the energy industry in Canada, the US and internationally. It was placed into receivership by two of its lenders on January 31, 2011. Mr. Findlay sat on the board from June 2008 to January 31, 2011.

> Spyglass Resources Corp. (and its predecessor). An oil and gas company based in western Canada and listed on the TSX, Spyglass was placed into receivership by a syndicate of its lenders on November 26, 2015. Mr. Findlay sat on the board from March 12, 2012 until May 13, 2015. The company was subsequently sold to private interests.

Patrick E. Gottschalk,
BSChE, MBA
Independent

Philadelphia, Pennsylvania, USA
Director since 2017
Age 55

2018 votes *for*: 99.43%

Areas of expertise

- Chemical business
- US business
- International business
- Operational management
- Environment, safety and corporate social responsibility

Mr. Gottschalk is a corporate director. Mr. Gottschalk served as President of Dow Chemical Company's (Dow Chemical) coatings, monomer and plastic additives business from 2012 to 2016. Mr. Gottschalk served in positions with increasing responsibility within Dow Chemical since 2001. Prior to that, he held various roles at Union Carbide Corporation in the M&A, Commercial and business integration areas.

In addition to deep business and financial acumen, Mr. Gottschalk brings significant experience in operations, business development, health and safety and integrating companies after mergers and acquisitions.

2018 meeting attendance

Board	7 of 7 (100%)
Board committees	
> Audit	4 of 4 (100%)
> Health, safety and environment	5 of 5 (100%)

Equity ownership (as of December 31, 2018)

> Common shares	50,000	$484,000
> DSUs	22,287	$215,738
Market value		$699,738

Meets his equity ownership requirement (see page 44 for details).

Other public company boards

> None

Douglas J. Harrison, MBA, CPA, ICD.D, CCLP
Independent

Burlington, Ontario, Canada
Director since 2015
Age 59

2018 votes *for*: 98.73%

Areas of expertise

- Distribution business
- US business
- Operational management
- Governance/board
- Strategic planning
- Environment, safety and corporate social responsibility
- Marketing/sales
- Human resources/compensation
- IT and cybersecurity

Mr. Harrison is a corporate director and consultant. Mr. Harrison served as President and CEO of VersaCold Logistics Services, Canada's largest provider of temperature sensitive supply chain and logistics services, and sat on the boards of its subsidiaries until December 2018.

Previously he served as Chief Operating Officer of Day & Ross Transportation Group (a subsidiary of McCain Foods); President of Acklands-Grainger, Canada's leading industrial and safety supply company; and Vice President and Managing Director for Ryder Integrated Logistics. Mr. Harrison is a board member and Vice Chair of the board of the Technical Standards and Safety Authority and chair of its Board technology committee. He is also Chair of the International Association of Refrigerated Warehousing. He is also a board member and Chair of the Canadian Commercial Corporation. In the past, he has served on the boards of the Conference Board of Canada, Hamilton Utilities Corporation, Horizon Utilities and Mohawk College and was Chair of the Board of Directors of Livingston International.

Mr. Harrison has strategic and business experience in the logistics industry with extensive knowledge of US and international business, including operational management, strategic planning, marketing and mergers and acquisitions. Mr. Harrison also has business experience in the industrial distribution, building products, energy and supply chain industries.

2018 meeting attendance

Board	7 of 7 (100%)
Board committees	
> Audit	4 of 4 (100%)
> Health, safety and environment	5 of 5 (100%)

Equity ownership (as of December 31, 2018)

> Common shares	17,600	$170,368	Meets his equity ownership requirement (see page 44 for details).
> DSUs	33,868	$327,842	
Market value		$498,210	

Other public company boards

> None

Mary B. Jordan, BA, MBA, ICD.D
Independent

Vancouver, British Columbia, Canada
Director since 2014
Age 59

2018 votes *for*: 99.41%

Areas of expertise

- Operational management
- Governance/board
- Strategic planning
- Environment, safety and corporate social responsibility
- Human resources/compensation

Ms. Jordan is a corporate director. She serves as Chair of the Board of the Vancouver International Airport Authority, 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 Airlines, 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 former member of the Insurance Council of British Columbia and a former director of the Vancouver Board of Trade.

2018 meeting attendance

Board	7 of 7 (100%)
Board committees	
> Compensation (chair)	4 of 4 (100%)
> Governance and nominating	4 of 4 (100%)

Equity ownership (as of December 31, 2018)

> Common shares	5,000	$48,400
> DSUs	56,573	$547,627
Market value		$596,027

Meets her equity ownership requirement (see page 44 for details).

Other public company boards

> None

David P. Smith, CFA, HBA
Independent

Parry Sound, Ontario, Canada
Director since 1998
Age 60

2018 votes *for*: 94.34%

Areas of expertise

- Energy business
- Governance/board
- Strategic planning
- Financing/capital markets
- Financial literacy
- Mergers and acquisitions
- Risk management

Mr. Smith was appointed Chair of the Board on August 6, 2014.

Mr. Smith is a corporate director. He was previously a managing partner of Enterprise Capital Management Inc. He has extensive 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.

2018 meeting attendance

Board (Chair)	7 of 7 (100%)
Board committees	
> Compensation	4 of 4 (100%)
> Governance and nominating	4 of 4 (100%)

Equity ownership (as of December 31, 2018)

> Common shares	80,245	$776,771
> DSUs	95,817	$927,509
Market value		$1,704,280

Meets his equity ownership requirement (see page 44 for details).

Mr. Smith was a director of CASA Energy Services Corp., a private Calgary-based energy services firm. CASA was insolvent when Mr. Smith was elected as a director and Chair of the board, and his role was to help stabilize the business and achieve the best results for its stakeholders. On May 21, 2015, a proposal was filed with the Office of the Superintendent of Bankruptcy Canada to reorganize CASA, which the Alberta Court of Queen's Bench approved on June 26, 2015.

Other public company boards

> Gran Tierra Energy Inc. (LSE, TSX, NYSE)
Audit committee (chair)
Compensation committee

MEETING ATTENDANCE

The table below shows the number of board and committee meetings in 2018 and overall attendance.

	Meetings held	Attendance
Board of directors (includes a two-day strategy session)	7	100%
Audit committee	4	100%
Governance and nominating committee	4	100%
Compensation committee	4	100%
Health, safety and environment committee	5	100%

The table below shows the number of board and committee meetings each of the directors attended in 2018. You can see each director's individual attendance record in the profiles beginning on page 14.

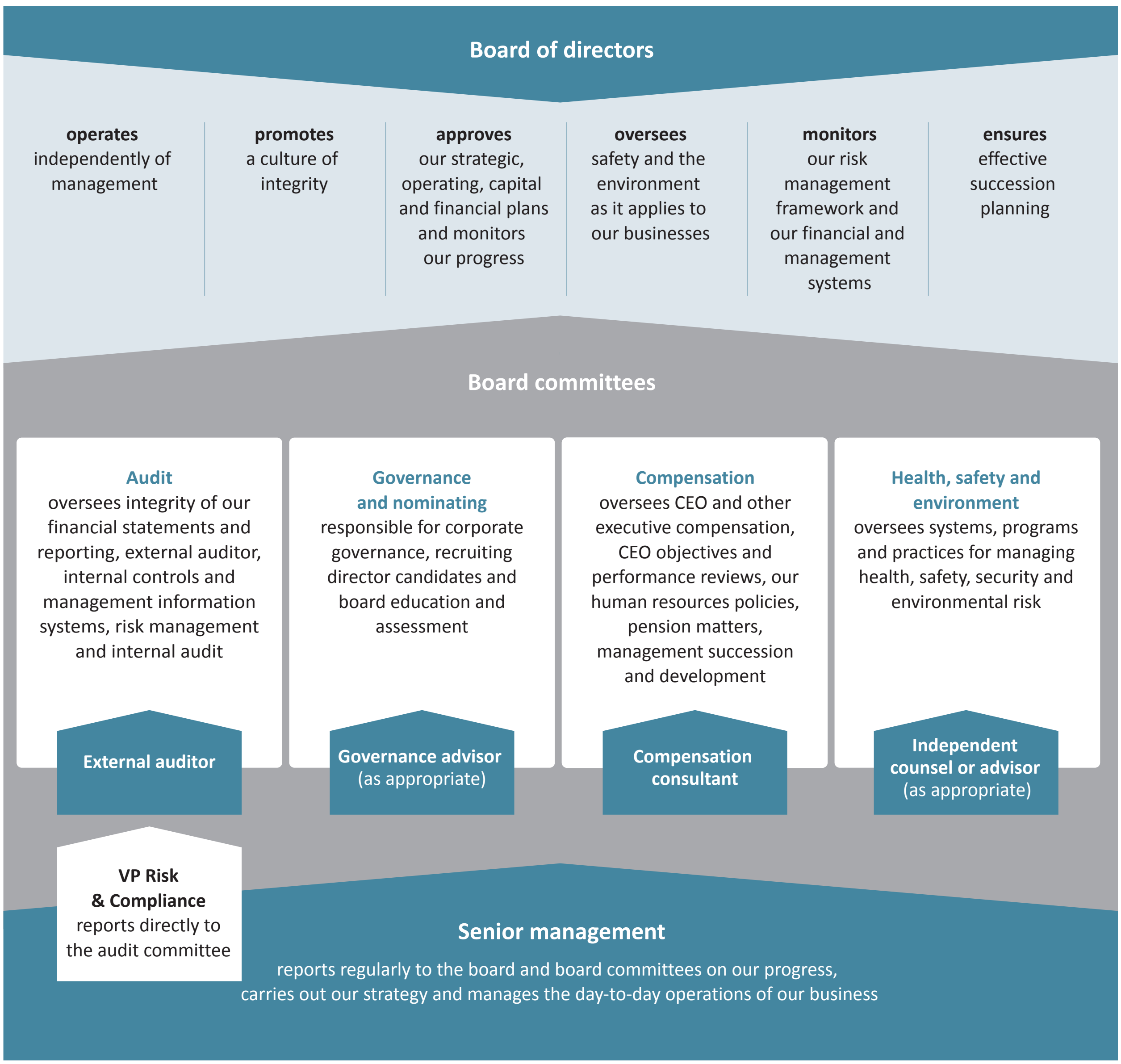
	Board meetings		Committee meetings		Total board and committee meetings	
Catherine M. Best	7 of 7	100%	8 of 8	100%	15 of 15	100%
Eugene V.N. Bissell	7 of 7	100%	9 of 9	100%	16 of 16	100%
Richard C. Bradeen	7 of 7	100%	8 of 8	100%	15 of 15	100%
Luc Desjardins	7 of 7	100%	—	—	7 of 7	100%
Randall J. Findlay	7 of 7	100%	8 of 8	100%	15 of 15	100%
Patrick E. Gottschalk	7 of 7	100%	9 of 9	100%	16 of 16	100%
Douglas J. Harrison	7 of 7	100%	9 of 9	100%	16 of 16	100%
Mary B. Jordan	7 of 7	100%	8 of 8	100%	15 of 15	100%
David P. Smith	7 of 7	100%	8 of 8	100%	15 of 15	100%

GOVERNANCE

We're committed to high standards of corporate governance. Our corporate governance practices meet the guidelines of the Canadian Securities Administrators (CSA) and we continually review our practices against changing regulations and evolving policies and best practices, and update them as appropriate. This section discusses corporate governance at Superior and it has been reviewed and approved by the governance and nominating committee of the board.

ABOUT THE BOARD

The board is primarily responsible for decision-making and oversight with a view to creating sustainable value and profitable growth. It collaborates with management to oversee strategy and create policies, and approves significant actions. It oversees management decisions, reviews the adequacy of our systems and internal controls and monitors the implementation of our policies. The board has four standing committees to help it carry out these responsibilities.



You can find the board mandate on SEDAR and the board and committee mandates are also available on our website (www.superiorplus.com), or we will send them to you free of charge if you contact us. You can read about the committees in more detail starting on page 39.

The Chair of the Board's principal role is to manage and provide leadership to the board, and to act as a liaison between the board and management through the President and Chief Executive Officer. We have formal position descriptions for the Chair of the Board, the President and Chief Executive Officer and the chair of each standing committee, which are available on our website.

Independence

We believe the board must be independent to carry out its duties effectively. All of the nominated directors are independent except for Mr. Desjardins because he is our President and Chief Executive Officer.

We define a director as *independent* if they do not have a direct or indirect relationship with Superior that could reasonably be expected to interfere with exercising independent judgment. This meets the independence criteria of National Policy 58-101 – *Disclosure of Corporate Governance Practices.*

All four board committees are made up of independent directors as shown in the table below. Members of the audit committee also meet the more stringent independence criteria for audit committees in National Instrument 52-110 – *Audit Committees*. We do not have an executive committee of the board.

	Independent					
Director	**Yes**	**No**	**Audit committee**	**Governance and nominating committee**	**Compensation committee**	**Health, safety and environment committee**
Catherine M. Best	√		chair	√		
Eugene V.N. Bissell[1]	√				√	chair
Richard C. Bradeen	√		√		√	
Luc Desjardins		√				
Randall J. Findlay	√		√	chair		
Patrick E. Gottschalk	√		√			√
Douglas J. Harrison	√		√			√
Mary B. Jordan	√			√	chair	
David P. Smith, Chair	√			√	√	

[1] On February 14, 2018, the board appointed Mr. Bissell as Chair of the HS&E committee and a member of the Compensation committee effective as of May 9, 2018. As a result, Mr. Bissell ceased to be a member of the audit committee, effective as of May 9, 2018.

Meeting *in camera*

The board and each committee set aside time at each meeting to meet *in camera* and also held *in camera* dinners in order to discuss company matters in detail, without the non-independent directors or members of management present.

Integrity

We expect everyone at Superior to be honest and act with integrity.

The board oversees our culture of integrity with the support of the governance and nominating committee. The President and CEO is responsible for fostering a culture that promotes ethical conduct and integrity, and for making sure that we have appropriate practices and processes in place and that people follow the rules and get advice if they need it.

Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics (code), which the board adopted in 2005 and most recently amended and restated on August 8, 2018, reinforces our principles and values and guides behaviour to avoid any potential embarrassment, liability or financial loss.

The code covers several areas, including:

> avoiding conflicts of interest
> protecting our corporate assets and opportunities
> keeping corporate information confidential
> dealing fairly with our shareholders, employees, customers, suppliers and competitors
> maintaining a positive work environment where employees treat each other with respect
> protecting the health and safety of our employees, customers and communities in which we operate
> conducting activities in an environmentally responsible manner
> complying with laws, rules and regulations
> reporting any illegal, unethical or inappropriate behaviour.

The code applies to all directors, officers, employees and consultants, and every year they must certify that they have read and will abide by it. They must also certify that they have read and will abide by our other policies, including our Communication and Disclosure Policy and Practices and Insider Trading, Anti-Corruption, Privacy, Whistleblower, Competition Compliance and HS&E policies. Reports of non-compliance with the code or policies are reported in accordance with our Whistleblower Policy for which the audit committee has oversight responsibility.

Avoiding conflicts of interest

A conflict of interest is any relationship that prevents someone from acting objectively or in our best interests. We expect our employees, officers and directors to avoid situations where they might find themselves in a conflict of interest. However, if anyone believes a conflict of interest or perceived conflict of interest exists, they should report it right away:

> employees should speak to their supervisor, the Vice President of Human Resources or the Senior Vice President and Chief Legal Officer
> executive officers and directors should speak to the President and Chief Executive Officer, the Senior Vice President and Chief Legal Officer or the Chair of the Board.

Any employee or independent contractor who has a question about the code, a concern about a situation or suspects a breach of the code must report it immediately to their supervisor, the Vice President, Human Resources of their business division or our Chief Legal Officer. Directors or officers who have questions or concerns should speak to the President and Chief Executive Officer, the Chair of the board or our Chief Legal Officer.

Only the board can waive an aspect of the code, and must promptly disclose it as required by the rules and regulations that apply to us. The board did not waive any aspect of the code in 2018, nor were we required to file a material change report relating to a departure from the code for a director or officer in 2018, or in prior years.

You can find a copy of the code and key policies on our website. The code was last amended and restated by the board on August 8, 2018, and is also available on SEDAR.

Whistleblower Policy

An important part of fostering a culture of accountability is offering people a way to raise concerns about fraud or other wrongdoing without fear of retaliation.

Our Whistleblower Policy establishes a framework for reporting and investigating concerns relating to questionable accounting, auditing, fraud or other inappropriate conduct, including any violation of our code or our other policies. It allows people to provide anonymous reports and protects the confidentiality of the information submitted. It is implemented by our whistleblower committee, which includes senior executives from our risk and compliance, finance, legal and human resources departments. Reporting to our audit committee, the whistleblower committee manages our procedures for receiving, retaining and responding to any concerns.

We encourage anyone suspecting an incident of fraud or other wrongdoing to report it immediately, in one of two ways:

> by reporting to their immediate supervisor

> by calling our *ConfidenceLine* (1-800-661-9675) 24 hours a day, seven days a week, or online at www.superiorplus.confidenceline.net. Reports can be made anonymously, and the service supports calls in French, English or Spanish, and is administered by a third party.

The Vice President, Risk and Compliance receives all reports and refers them to the whistleblower committee, which investigates and reports to the audit committee *in camera.*

There is no retaliation against someone who makes a report in good faith.

Human Rights Policy

In November 2018, the board adopted the Human Rights Policy which reflects Superior's commitment to respect and promote human rights in our business operations and our relationships with our customers, suppliers and workforce throughout the world. The policy is in accordance with internationally recognized principles on human rights, as set out in the United Nations' Universal Declaration of Human Rights and the International Labor Organization's Declaration of Fundamental Principles and Rights at Work. The policy demonstrates our commitment to the principles of respect for human rights, diversity and inclusion, freedom of association, collective bargaining, safe and healthy workplace and workplace security and the prohibition of forced labour, human trafficking and child labour.

We are committed to maintaining a culture that supports human rights and all employees are trained and educated on ethical standards, diversity and anti-harassment. We ensure compliance with applicable privacy, employment and labour laws by continuous monitoring. Any employee who would like to confidentially report a potential violation of this policy, can raise such concerns with:

> their direct HR supervisor, the Vice President, Human Resources of the Chief Legal Officer

> by calling our *ConfidenceLine* in accordance with our Whistleblower Policy.

Majority Voting Policy

Shareholders can vote *for*, or *withhold* their vote from, each director. Directors who receive more *withheld* than *for* votes must submit their resignation, according to our Majority Voting Policy.

The governance and nominating committee will consider the resignation and recommend that the board accept it unless there are extraordinary circumstances relating to the composition of the board or the voting results. The board will decide whether or not to accept the resignation within 90 days of the meeting and disclose its decision and the reasons why in a news release. The resigning director will not participate in these deliberations.

This policy applies only in uncontested elections, where the number of nominated directors is the same as the number of directors to be elected.

THE BOARD'S RESPONSIBILITIES

The board is responsible for the overall stewardship of Superior. We have an active and engaged board that is committed to the company's future growth and success. The board members have diverse skill sets, are enthusiastic, and work well together through constructive dialogue.

The board works diligently to fulfill its mandate and focuses on five specific areas for board effectiveness:

> strategic planning
> risk oversight
> leadership development and succession
> communications and reporting
> shareholder engagement.

Strategic planning

The board is actively involved in developing our strategic direction because of its importance to our future growth and impact on shareholder value.

Management, under the direction of the President and Chief Executive Officer, is responsible for developing a detailed five-year strategic plan and annual corporate business plans to support the longer-term strategy.

The President and Chief Executive Officer is responsible for implementing the annual business plan and allocating the financial, human and other resources to achieve the annual and longer-term goals, while managing risk.

The board holds a two-day strategic planning session with management every year as part of the planning process. The President and Chief Executive Officer, together with the senior management team, updates the board on our progress and the group discusses strategic issues, competitive developments, business opportunities and risks at the corporate and business levels, with input and insights provided by the board. The board also meets *in camera* for further discussion before approving our overall vision, objectives and long-term strategy.

The board oversees the implementation of the strategic plan and monitors our progress, providing guidance and input as appropriate. The President and Chief Executive Officer updates the board at each board meeting. The board approves any adjustments to the strategic plan in response to our progress and/or changing market conditions. New strategic opportunities and risks are discussed as they arise throughout the year.

Both the compensation committee and the board assess our performance against the annual business plan at the end of the year in the context of the targets and measures set for the short-term incentive award. This ensures that our executive compensation supports the strategy and that there is a direct link between pay and performance. You can read about our executive compensation program beginning on page 47.

Risk oversight

Effective risk management is critical to our success in achieving our business strategies.

The board oversees our risk profile, aiming for a proper balance between risk-taking and potential return to shareholders. The board committees help identify, assess and monitor our principal risks.

We manage our principal risks in five categories:

Strategic	The board is responsible for our strategic direction and overseeing our principal risks and our conduct to create sustainable long-term value and growth for shareholders
Financial	The audit committee assesses significant financial, derivative, IT/cybersecurity and disclosure risks and the steps that management has taken to mitigate those risks
Operational	The compensation committee oversees human resources practices, and employee and executive compensation matters as an integral part of our risk assessment process The health, safety and environment committee oversees systems, programs and initiatives aimed at promoting the management of health, safety and security at Superior and to address environmental, safety and operational risks
Compliance	The governance and nominating committee oversees governance related risks, including regulatory and other risks
Reputation	The governance and nominating committee oversees reputational risks and monitors governance rating agencies and their assessments of our risk and governance policies and procedures

Risk management is a core function at all levels of management. Management makes sure there are appropriate systems, policies and procedures in place to manage our risks. Our enterprise risk management program (ERM) provides a consistent approach to identifying and managing risk across the company, allowing for more effective decision-making and allocation of resources. The businesses monitor current and evolving operational and other risks.

Management updates the board on our principal risks at each regularly scheduled board meeting. It also reports on other enterprise-wide risks and evolving operational risks, and our policies, strategies and processes to mitigate risk.

Financial oversight

Strong financial oversight is critical to effective risk management and the success of our business.

The board approves our operating, capital and financial plans to ensure strong financial oversight. Management is authorized to incur costs and expenses within budgets and forecasts that have been approved by the board. The President and Chief Executive Officer can approve acquisitions and divestitures up to $20 million or within an amount approved by the board. He can also approve contracts, discretionary capital expenditures and new borrowing facilities up to certain limits as set out in the board's mandate.

Financial reporting and internal controls

The audit committee oversees the integrity of our financial statements and reporting, internal controls and management information systems.

The audit committee assesses any significant financial, derivative and disclosure risks, and discusses these with management, along with the steps management has taken to mitigate risk. The board reviews and approves our financial statements, MD&A, earnings releases and other material financial disclosure based on the review and recommendation of the audit committee.

Leadership development and succession

Our continued success depends in part on having the right management team in place.

We have made several executive hires and internal promotions over the last few years to replace senior talent and better align individual skills with the culture and organizational skills we require to drive our business strategies. Our priority is to continue to use our formal management succession plan (our Talent Plan) to fill the majority of the management positions internally.

The compensation committee and the board assess our senior executive talent to identify strong candidates who have the potential to take on more senior roles in the future. We use leadership reviews, our performance management system and feedback from the committee and board to build development plans that focus these executives on gaining specific skills and experience to prepare them for more senior positions. Each year we identify a list of high potential employees and put development plans in place for management succession planning and to meet strategic objectives.

Leadership diversity

We value the importance of having a diverse leadership team because it provides richer experience and a broader perspective to leadership and decision-making.

In 2017, we deployed a company-wide strategy in each business, which includes diversity training for all new and existing employees, integrated diversity into our talent strategies, regular monitoring and reporting progress, introduced specific initiatives to attract more women to various management roles and initiated an internal mentorship program for selected high potential female managers.

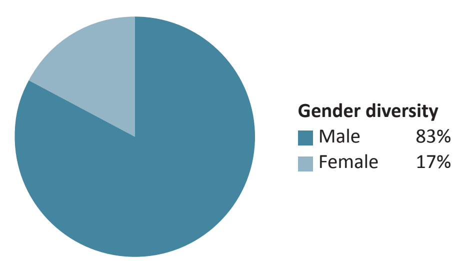
In 2018, we expanded our mentorship program to include high potential female managers and integrated diversity initiatives in our hiring practices. Specifically, at our corporate office, diversity is a key component of all recruitment activities with specific objectives to obtain gender diverse candidates for each mandate. In 2018, diversity was integrated in all decisions on recruitment and synergies related activities related to our numerous acquisitions. Specific examples of the impact of our diversity programs include the fact that during 2018, 63% of new hires at Specialty Chemicals were female. In addition, at Superior Propane, our new Western Operation Customer center which opened in 2018 was staffed with 50% female employees.

We do not set targets for the level of representation of women, but management and the board evaluate internal and external candidates to assess their knowledge, experience, education and suitability for the position, while also considering factors that promote diversity. The total number of female executives has doubled from 3 in 2016 to 6 in 2018, resulting in part from a renewed focus on diversity that began in 2015 when the board's governance and nominating committee began working with management on a broader diversity strategy for the company. In 2018, 33% of the new senior management were women. The table below shows the proportion of female executive officers at Superior and our businesses (corporate vice presidents, direct reports to the CEO and direct reports to business presidents):

	Number of executive officers	
as at December 31, 2018	**Male**	**Female**
Superior	7	2
Business divisions	22	4
Total	**29**	**6**

Superior's Executive Vice President and Chief Financial Officer is a woman and a named executive (see page 47).

EXECUTIVE OFFICERS



Communications and reporting

We're committed to providing timely, full, true and plain disclosure of all material information about Superior, in compliance with legal and regulatory requirements. We disseminate good news and bad news on a timely basis so all stakeholders are kept informed and the investment community maintains realistic expectations.

Our Communication and Disclosure Policy and Practices (the policy) sets out consistent disclosure practices across the organization and designates spokespersons for the company. The policy applies to the board, senior management, other insiders, employees and consultants and others who may have access to non-public information about us.

The disclosure committee reviews all material disclosure before it is submitted to the board and committees for review and approval, released publicly or filed with regulators. The committee is also responsible for ensuring we meet all regulatory disclosure requirements and overseeing our disclosure practices. The committee includes the President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, Senior Vice President and Chief Legal Officer, Vice President, Investor Relations and Treasurer and the Vice President, Finance.

Shareholder engagement

We believe it's important to meet with shareholders so they understand our strategy and to hear their questions and concerns first hand. Management continued to meet with shareholders and analysts in 2018, each quarter, at investor conferences and at our annual meeting of shareholders. Various board members have, in past years met with the Canadian Coalition for Good Governance and proxy advisory firms to generate dialogue and get feedback on various topics.

We held another 'say on pay' advisory vote for shareholders at our 2018 annual meeting because we believe it's an effective way to receive shareholder feedback on this important issue. Last year we received 93.91% support for our approach to executive compensation.

How to contact the board

You can contact the board by writing to the Chair at our head office:

David P. Smith
Chair of the Board
Superior Plus
401-200 Wellington Street West
Toronto, Ontario M5V 3C7

ABOUT THE DIRECTORS

Diversity

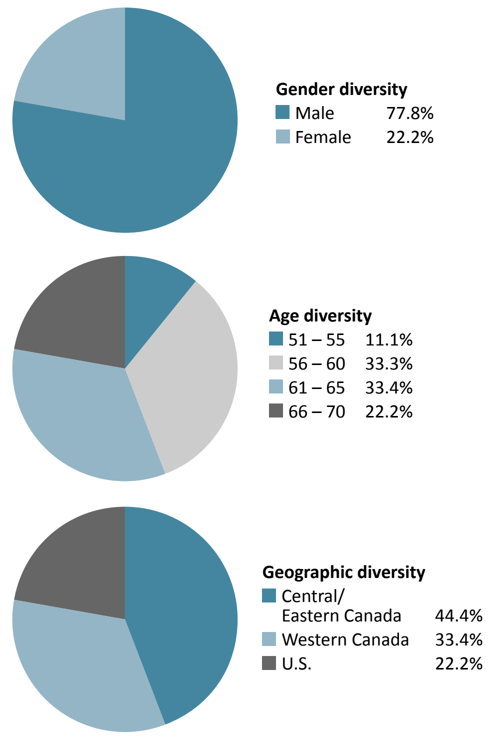
Diversity of background, experience and other attributes is valuable because it brings different perspectives for more informed decision-making.

In February 2015, we adopted a board diversity policy on the recommendation of the governance and nominating committee.

In August 2018, we revised our board diversity policy to include measurable objectives for attaining at least 30% female members on the board within 3-5 years from August 2018. The board diversity policy also provides that the governance and nominating committee in identifying candidates for appointment as board members will consider candidates on merit with regard to benefits of diversity, in order to maintain an optimum mix of skills, knowledge, experience, education, gender, age, ethnicity and geographic locations on the board. The governance and nominating committee will monitor the implementation of the board diversity policy and will report on the progress made towards achieving these measurable objectives to the board and in this circular. The governance and nominating committee will continue to review the objectives set out in the board diversity policy and may recommend changes or additional measurable objectives.

The graphs to the right illustrate the diversity of the group of nominated directors.

BOARD PROFILE



You can read more about the board's skills on page 33 and the diversity of our leadership team on page 30.

Director skills and experience

A diverse and engaged board that has an effective mix of skills, experience and attributes is better equipped to carry out its duties.

The matrix below shows the current categories of essential skills and experience. Directors assess their level of expertise in each category every year, using the following scale:

1 – Basic level of knowledge – basic knowledge gained through day-to-day activities

2 – Strong working knowledge – has some related managerial or board experience in the area

3 – Expert – considerable depth and breadth of experience

With the five most recent board additions, we added depth of experience in critical areas including distribution business, US business, chemical business, international business, environment, safety and corporate social responsibility, mergers and acquisitions, and IT and cybersecurity.

Director	Education	Distribution business	Chemical business	Energy business	US business	International business	Operational management	Governance/board	Strategic planning	Financing/capital markets	Environment, safety & corporate social responsibility	Marketing/sales	Legal and regulatory	Human resources/ compensation	Financial literacy	Mergers and acquisitions	Risk management	IT and cybersecurity
Catherine M. Best	B.I.D., FCPA, FCA, ICD.D	2	2	3	2	1	2	3	2	2	2	1	2	2	3	2	3	2
Eugene V.N. Bissell	BA, MBA	3	2	2	3	2	3	2	3	2	3	2	2	2	2	3	2	2
Richard C. Bradeen	BCom, CPA, CA	2	2	2	2	3	1	2	3	3	1	2	2	2	3	3	3	2
Luc Desjardins	MBA	3	2	3	3	2	3	2	3	2	2	3	2	3	2	3	2	2
Randall J. Findlay	BASc, P.Eng, ICD.D	2	2	3	2	1	2	3	3	2	2	1	2	3	2	2	3	1
Patrick E. Gottschalk	BSChE, MBA	2	3	2	3	3	3	1	2	2	3	2	2	1	1	2	2	1
Douglas J. Harrison	MBA, CPA, ICD.D, CCLP	3	2	2	3	2	3	3	3	2	3	3	2	3	2	2	2	3
Mary B. Jordan	BA, MBA, ICD.D	2	2	2	2	2	3	3	3	1	3	2	2	3	2	2	2	2
David P. Smith	CFA, HBA	2	2	3	2	2	2	3	3	3	2	1	2	2	3	3	3	2

The governance and nominating committee has reviewed the skills matrix and is satisfied that the board is an appropriate size and that the proposed board has the appropriate combination of experience, skills and expertise to fulfill its duties and responsibilities.

Attendance

We expect directors to attend all board meetings, their committee meetings and the annual meeting of shareholders, except under extenuating circumstances. Directors can also attend the board and committee meetings by teleconference if they cannot attend in person. See page 23 for a discussion of director attendance in 2018.

Share ownership

We require directors to own equity in Superior to align director and shareholder interests and so directors participate in our future success. See page 44 for details and current share ownership.

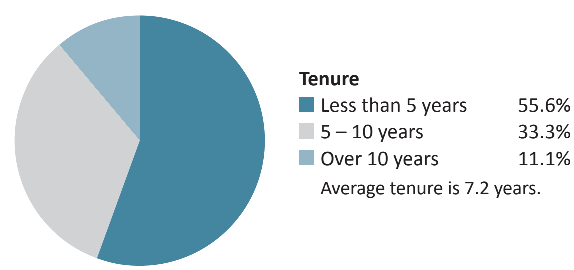
Tenure and term

We do not have term limits for directors but recognize that we must have an appropriate balance between longer serving directors with a deep knowledge and understanding of our business, risks and opportunities and the industry, and new directors who bring additional skills and experience and a fresh perspective.

Five new directors – including one woman – have joined the board in the last five years, resulting in a more diverse and engaged board.

The graph to the right shows the tenure of the nine nominated directors.

TENURE



Retirement age

Establishing a retirement age for directors ensures an orderly succession and supports the board renewal process.

In 2017, we formalized our existing informal retirement policy that directors retire after the annual meeting that follows their 72nd birthday (the retirement age set by the board in 2011) by adopting a Mandatory Retirement Policy. Under the policy, the governance and nominating committee considers each director's situation individually and can choose to extend their term beyond the age of 72.

Interlocks and overboarding

We do not limit the number of other boards our directors can serve on, as long as they fulfill the necessary commitments to our board and the committees they serve on. The governance and nominating committee reviews the other public and private company directorships and executive officer appointments at least once a year to make sure that directors can meet their commitments to Superior, and in the context of external governance recommendations. Superior requires directors to provide notice in writing to the chair of the governance and nominating committee and our Senior Vice President and Chief Legal Officer and obtain clearance before accepting new director appointments or other executive officer appointments.

We do not currently have any board interlocks as none of the nominated directors serve together as directors or trustees of another public entity. Some directors serve on the boards of other public companies, which you can read about in the director profiles starting on page 14.

Conflicts of interest

We expect directors to be free of any conflicts of interest to preserve their integrity and the integrity of our governance process. Directors are also expected to notify the governance and nominating committee immediately if there is a change to their principal occupation, other directorships or other matters that could affect their qualifications to serve on our board.

We take extra steps to avoid any real or perceived conflicts of interest. At the beginning of each board meeting the Chair asks directors if there are any independence or conflict of interest issues that may compromise their ability to exercise independent judgment. This is to ensure that directors consider transactions, agreements and other matters without compromise. If a director has a material interest in a material contract or transaction being considered by the board, the director discloses the nature and extent of his or her interest and leaves the meeting so the matter can be discussed and voted on by the other directors.

None of the nominated directors or our executives, or their associates or affiliates, has a direct or indirect material interest (as a beneficial shareholder or in any other way) in any item of business to be covered at the annual meeting, other than the election of directors.

Director education

We provide orientation for new directors and continuing education for all directors so they can enhance their knowledge and understanding of Superior and other skills for serving on our board. The description below sets out the structure of the two programs. It reflects enhancements we made in response to feedback from new directors and advice from external advisors.

Orientation

- The Chair of the Board and chair of the governance and nominating committee meet with new directors to discuss the role of the board, its committees, governance, integrity and corporate values and the contribution we expect of directors
- The President and Chief Executive Officer and his direct reports discuss our strategic plan, operations, financial position, risks and risk management process, legal issues and current issues facing our business
- Directors visit our operating sites to observe the business and develop a deeper understanding of the day-to-day operations
- The board has a buddy program that pairs a new director with an experienced board member to assist with steering their participation during the new director's first term of serving on the board. The board buddy provides historical context to the business and decisions and serves as a sounding board for the new director
- New directors or nominees are invited to attend all committee and board meetings before they are elected or appointed to the board
- New directors receive an information binder that includes our articles and other documents, public disclosure documents, policies and guidelines, board and committee mandates, meeting schedules, board fees and indemnification matters, relevant business and operational information, and key legal and HR documents. The information binder is updated as required
- All material included in the information binder is also posted electronically at a central location on the online board portal and also includes analyst reports and other reports distributed to directors in between meetings for easy reference.

Continuing education

- Directors complete an annual survey, in conjunction with the performance evaluation, to determine areas that would assist them in maximizing effectiveness. This information serves as a basis for developing the continuing education program for directors
- Management makes presentations at all regularly scheduled board meetings to update the board on our business, any changes at Superior, regulatory changes and industry developments
- Management regularly provides specific information about risks, commodity pricing, supply and demand and the current business environment for discussion
- Board dinners at each regularly scheduled meeting include educational sessions about relevant business or strategic topics
- External third party experts are invited to present to the board and committees on topics of specific interest
- The governance and nominating committee keeps directors informed of suitable external educational opportunities including membership in the Institute of Corporate Directors (ICD), which Superior pays for.

Ms. Best, Mr. Findlay, Mr. Harrison and Ms. Jordan have all completed the directors' education program and hold the ICD.D designation.

The table below shows the director education activities which occurred in 2018.

Date	Activity
May 7, 2018	> Presentation by Maurizio Laudisa, Vice President, IS and Procurement on Superior Propane's digitization strategy
September 24, 2018	> Presentation by Steven Hansen, analyst at National Bank on a benchmarking analysis of Superior's top performing peers with positive Total Shareholder Returns
November 5, 2018	> Presentation by Allan Charlesworth of Pembina Pipeline Corporation to the HS&E committee on its safety journey

Director recruitment and succession

The governance and nominating committee is made up of four independent directors. It assists the board in managing an orderly succession plan and identifying suitable director candidates. The members are seasoned directors and senior executives with industry and other board experience.

Its goal is to maintain an appropriate balance of skills and experience on the Superior board. The committee reviews the skills matrix every year, to identify areas where we may need additional experience to support our strategy and growth. It then uses this information as a basis for recruiting new director candidates for the board's consideration.

We have added corporate social responsibility to the skills matrix as we recognize the growing importance of environmental, social and governance related factors, both as a source of risk and opportunity, for the company and our stakeholders.

In addition to knowledge, skills and experience, and an increasing focus on diversity, the board demands a high level of integrity from potential candidates. It also considers whether the candidate can devote sufficient time, energy and resources to their duties as a director, and looks for excellent communication and persuasion skills that will ensure the candidate can actively and constructively participate in board discussions and debate. The board, on the recommendation of the governance and nominating committee, approves a director candidate for nomination or appointment based on all of these criteria and, above all, merit.

The governance and nominating committee has the authority to hire a professional search firm to assist in identifying and screening qualified candidates.

Chair of the Board succession

The governance and nominating committee is responsible for establishing a succession plan for the Chair of the Board. This includes identifying potential candidates who have demonstrated strong leadership skills, facilitate discussion on different perspectives and have a solid understanding of our business. Where appropriate, the committee recommends a suitable candidate to the board and the directors vote on electing a new Chair of the Board. The committee recommended the appointment of our current Chair of the Board, David Smith, on August 6, 2014.

If the Chair of the Board position suddenly becomes vacant and there are no suitable candidates, the chair of the governance and nominating committee will be appointed acting Chair until a new Chair of the Board is elected.

Committee memberships

The governance and nominating committee assesses the composition of each committee after each annual meeting when the new board is elected, when new directors are added to the board, and from time to time to make sure the mix of skills and individuals is appropriate for the committee. The committee makes recommendations to the board about appointing, removing or replacing committee members and committee chairs. On May 8, 2018, the governance and nominating committee recommended the appointment of Mr. Bissell as chair of the HS&E committee and made changes to the membership of the audit and compensation committees.

Board assessment

The governance and nominating committee typically leads a full assessment of the board every year that includes the performance and effectiveness of the board, committees, Chair of the Board, committee chairs and individual directors. In 2017, we revised the evaluation process to include a peer evaluation component whereby each director assesses their fellow directors on areas of strength and improvement. In 2018, we refined the evaluation process to provide directors an opportunity to expand on their responses to any question for ratings below “neutral”.

The survey is confidential and has the following sections:

- a section on the responsibilities of the board
- a section on board operations to evaluate the functioning of the board and its committees
- a section on board effectiveness
- a section on peer evaluation where directors assess their fellow directors
- a self-assessment which asks directors to rate themselves on a scale of one to three (opportunity for improvement, meets basic expectations or ahead of basic expectations) on their understanding of board matters and participation.

The survey also has open-ended questions about improving board and committee effectiveness to encourage directors to give candid feedback and constructive comments.

The survey is completed by all directors electronically followed by individual meetings with the Chair of the Board or chair of the governance and nominating committee which are conducted in person or by phone. These sessions give directors an opportunity to add further context and depth to the responses given in the survey, address other issues not covered in the survey or ask other questions, and to discuss their interest in continuing to serve on the board.

The board assesses the Chair of the Board annually. The chair of the governance and nominating committee interviews and solicits comments from the other members of the board on the performance of the Chair of the Board. Each committee also reviews its mandate every year and assesses its performance against criteria in the board and committee mandates.

The survey and interview results are tabulated and analyzed, and a report is prepared by the Chair of the Board or the chair of the governance and nominating committee for distribution in a board package. The report is reviewed by the board and each committee at their next meeting including any recommendations for change as appropriate. The governance and nominating committee follows up on any recommended changes and updates the board as appropriate. The Chair of the Board provides feedback to the CEO on the areas of improvement identified from the survey.

2018 COMMITTEE REPORTS

Audit committee

- > Catherine M. Best (chair)
- > Eugene V.N. Bissell (until May 8, 2018)
- > Richard C. Bradeen
- > Randall J. Findlay
- > Patrick E. Gottschalk
- > Douglas J. Harrison

The audit committee assists the board in fulfilling its financial reporting and control responsibilities to our stakeholders and oversees the external auditor, internal controls and management information systems, risk management and internal audit. All members of the audit committee are financially literate and independent under applicable Canadian laws and securities exchange rules. Three of our audit committee members hold either a FCPA, CPA, CA or CMA designation (see page 25).

The committee met four times in 2018. It has reviewed and approved this report and is satisfied that it has carried out all of the responsibilities required by the committee mandate.

Key responsibilities	Key activities
Oversee the integrity of our financial information and reporting systems	> Reviewed core disclosure documents > Reviewed our internal control framework and recommended it to the board for approval
Evaluate the performance, qualifications and independence of the external auditor	> Reviewed the 2018 audit service plan > Recommended the reappointment of Ernst & Young LLP as our external auditor until the close of our 2019 annual meeting of shareholders > Confirmed the independence of the external auditor and reviewed its performance for the year > Recommended all services provided by external auditor
Oversee the effectiveness of our internal controls over financial reporting, and compliance with legal and regulatory requirements	> Approved the three-year internal audit plan and compliance budget for 2019 > Reviewed reports on our compliance with applicable laws and securities regulations > Reviewed the President and CEO's expenses for the prior year > Reviewed whistleblower reports
Review our material risks, including our assessment process and risk mitigation plans	> Reviewed the effectiveness of our enterprise risk management system and practices, including financial, commodity, business continuity, information technology and cyber risks > Reviewed significant legal actions > Received a report on the cybersecurity risk mitigation programs in place in the company > Received a report on commodity risk management program at Superior Gas Liquids and US Propane > Reviewed tax assessments and monitored changes to US tax laws > Confirmed the adequacy of our insurance program
Review major financial transactions	> Reviewed management's accounting treatment for acquisitions made in 2018 > Reviewed and recommended for Board approval the request for an increase in the parental guarantee limit
Ensure our governance policies are consistent with best practices	> Reviewed our accounting practices and key tax, governance, market risk and compliance policies > Approved our delegation and authority levels > Reviewed the audit committee mandate and evaluated the committee's performance

The committee also met *in camera* with the external auditor and internal audit at each regularly scheduled meeting. We have cross-membership between the audit committee and each of the other committees as a good governance practice.

Governance and nominating committee

- Randall J. Findlay (chair)
- Catherine M. Best
- Mary B. Jordan
- David P. Smith

The governance and nominating committee oversees the development and implementation of systems for ensuring the highest level of corporate governance, recruiting director candidates, and evaluating the effectiveness of the board and its committees.

The committee met four times in 2018. It has approved this report and the governance disclosure in this circular. It reviewed its mandate and is satisfied that it has carried out all of the responsibilities required by the committee mandate.

Key responsibilities	Key activities
Develop effective corporate governance policies and procedures	> Reviewed our governance practices, assessing them against regulatory developments, governance trends and third party reports on our governance > Reviewed in detail the substantive changes made to all corporate governance policies, including recommending a new Human Rights Policy and a new Competition Compliance Policy > Reviewed our revised code of business conduct and ethics and monitored compliance > Reviewed our revised anti-corruption, privacy, disclosure, confidentiality and insider trading policies and other corporate policies and monitored compliance > Reviewed the amended shareholder rights plan and recommended the renewal and approval of the amended shareholder rights plan and recommended that the plan be submitted to the shareholders for approval at the 2018 annual and special meeting of shareholders > Reviewed and recommended to the board certain amendments to the company's By-Law No. 1 > Considered ongoing board diversity initiatives and management diversity strategy > Revised the board diversity policy to adopt a 30% target for female directors to be achieved over the next 3-5 years > Monitored director independence, conflict of interest matters, interlocking directorships, overboarding, non-public directorships and executive officer appointments > Discussed and provided input on the company's approach on developing a reporting framework on environmental, social and governance matters > Received ongoing reports on regulatory developments
Manage board renewal and succession	> Reviewed the composition of the board and recommended changes to the composition of the committees > Reviewed and considered board size and director and committee term limits > Reviewed and refined the board skills matrix
Develop and oversee the board assessment process	> Reviewed and refined the mandates of the board and committees, and position descriptions for committee chairs and the chief executive officer > Reviewed and refined the board assessment process > Discussed the results of the board assessment and certain areas for improvement identified from the board assessment results
Coordinate director orientation and continuing education	> Monitored and provided input on the continuing education program for directors in 2018

The committee met *in camera* without management present at each regularly scheduled meeting. We have cross-membership between the governance and nominating committee and each of the other committees as a good governance practice.

Compensation committee

- > Mary B. Jordan (chair)
- > Eugene V.N. Bissell (effective May 9, 2018)
- > Richard C. Bradeen
- > Walentin Mirosh (until May 8, 2018)
- > David P. Smith

The compensation committee oversees our human resources policies, pension matters, management succession and development, CEO objectives and performance reviews and CEO and other executive compensation. It also approves our compensation disclosure and recommends the frequency with which the company shall conduct the Say on Pay Vote.

The committee met four times in 2018. It has approved this report and the compensation disclosure in this circular and reviewed its mandate and is satisfied that it has carried out all of the responsibilities required by the committee mandate.

Key responsibilities	Key activities
Oversee our compensation programs and plan designs to ensure they support our strategy and pay for performance	> Reviewed our human resources policies > Reviewed the results of the 2018 say-on-pay advisory vote, and recommended to the board to hold another advisory vote on executive compensation in 2019 > Reviewed the competitiveness of executive pay and the compensation peer group to benchmark executive compensation > Reviewed and recommended amendments to the short-term incentive plan of Superior Gas Liquids to ensure that the plan continues to recognize strong performance under unfavourable market dynamics > Reviewed and recommended one-time adjustments to the short-term incentive plan target ranges for Superior Plus Energy Services Inc. to recognize the impact of divestitures > With input from Mercer (Canada) Limited (Mercer), reviewed and approved revisions to employment agreements of certain senior executives to align with current market practices and changes in employment law > Recommended 2019 performance objectives and targets for each executive's short-term incentive award to the board for review and approval > Monitored pension, compensation and governance trends and legislative changes
Assess performance and recommend compensation decisions for the senior executive team	> Assessed corporate and individual performance under the short-term incentive plan and recommended payouts to the board > Ensured that the compensation arrangements for the CEO and senior management team align with our strategic goals and allow us to attract and retain executive talent
Oversee talent management and succession	> Reviewed the performance and development plans of the executive team, high potential employees and management succession plan > Received a report on Specialty Chemicals' HR strategy > Received a report on the Canwest integration related to HR matters
Oversee the governance of employee pension plans	> Reviewed the financial position of our pension plans and activities of the management pension review committee
Oversee the director compensation program	> Reviewed and confirmed that the current share ownership guidelines for directors and senior executives are aligned with the median of the peer group
Oversee our compensation public disclosure	> Reviewed the executive compensation aspects of the proxy advisor reports > Reviewed the executive compensation disclosure included in our public documents

The committee receives independent advice on compensation matters from Mercer, which has acted as an independent advisor since November 2012. The committee must approve any services Mercer provides to management.

The committee met in private with its independent advisor throughout the year. We have cross-membership between the compensation committee and each of the other committees as a good governance practice.

Health, safety and environment committee

- Walentin Mirosh (chair) (until May 8, 2018)
- Eugene V.N. Bissell (chair) (appointment as chair, effective May 9, 2018)
- Patrick E. Gottschalk
- Douglas J. Harrison

The health, safety and environment committee oversees the development, monitoring and implementation of systems, programs and initiatives for managing health, safety, security and environmental risk.

The committee met five times in 2018. It has approved this report and reviewed its mandate and is satisfied that it has carried out all of the responsibilities required by the committee mandate.

Key responsibilities	Key activities
Develop a health, safety and environmental culture that complies with best practices, including industry standards and applicable laws	> Reviewed our procedures to ensure they comply with applicable laws and industry standards, and to prevent and mitigate loss > Reviewed our corporate HS&E related policies > Reviewed and amended the HS&E committee mandate > Received a report on enhancements made to the HS&E management structure to support the HS&E function across the company > Organized our first Safety Summit > Received quarterly updates of the divisional HS&E committee activities > Reviewed and provided input on developing an internal certification process
Assess our health, safety and environmental performance	> Received quarterly reports from management on HS&E performance across all businesses, including progress of initiatives to achieve the 2018 safety targets and actual performance against the 2018 safety targets > Reviewed new safety initiatives, focusing on our planned response to significant events > Reviewed reports on HS&E training and education programs at each business > Reviewed our emergency response, disaster recovery and business continuity plans by the US Propane business > Reviewed HS&E related integration activities with respect to recent acquisitions > Reviewed reports from Risk and Compliance on its initiatives and findings in the HS&E area
Set safety targets for all the businesses that are connected to executive compensation	> Recommended safety targets for the compensation committee to include in our executive objectives > Reviewed and approved the 5-year safety goals for each division > Reviewed and approved the 2019 safety targets for each division > Reviewed proposed methodology to adjust safety goals to account for acquisitions and divestitures
Identify and mitigate health, safety and environmental risks	> Reviewed proposed public policy, legislation and regulations relating to HS&E that would impact our business, focusing on climate change > Reviewed findings and mitigating actions from divisions on specific audits and incidents
Oversee our regulatory compliance and public disclosure	> Reviewed our corporate social responsibility mandate and management's approach to reporting on ESG matters

The committee also met *in camera* without management at each regularly scheduled meeting. We have cross-membership between the HS&E committee and the audit and compensation committees as a good governance practice.

DIRECTOR COMPENSATION

The Superior director compensation program has three objectives:

- attract and retain highly qualified board members by providing market competitive compensation that recognizes their increasing responsibilities, time commitment and accountability
- appropriately reflect the risks, size and complexity of the businesses
- align the interests of the directors with shareholders.

The board approves the form and amount of director compensation on the recommendation of the compensation committee. Total director compensation is targeted at or near the 50th percentile of our compensation peers (the same peer group we use for executive compensation – see page 55 for details).

The committee regularly reviews the director compensation program to make sure it continues to meet its objectives, and to confirm that the objectives continue to be appropriate. In 2017, the committee retained Mercer for a formal review of director compensation. Based on the review and findings, Mercer advised that our director compensation was around the median compensation of our peer group. As a result, no changes were made to our director compensation other than the introduction of a new travel fee to compensate directors who travel more than an hour to a board or committee meeting.

Non-executive directors receive cash and equity retainers for serving on the board, as listed in the fee schedule below. The annual board and committee retainers are paid in quarterly installments. The President and CEO does not receive director fees because he is paid in his role as an executive. All US resident directors receive their fees (or value of their deferred share units (DSU) awards) in US dollars.

2018 fee schedule for non-executive directors	Cash
Annual board retainer (can be paid in cash, as DSUs, or a combination)	
> Chair of the Board	$145,000
> Directors	$40,000
Annual committee retainer	
> Chair of the Board	–
> Audit committee chair	$17,000
> All other committee chairs	$10,000
> Directors	$5,000
Board and committee meeting attendance fees	
> Chair of the Board	–
> Audit committee chair	$2,000
> All other committee chairs	$2,000
> Directors	$1,500
Travel Fee	
> For travel under an hour	–
> For travel between 1 and 3 hours	$500
> For travel more than 3 hours	$1,500
Annual Retainer	**Equity** (value awarded once a year as DSUs)
> Chair of the Board	$145,000
> Directors	$80,000

EQUITY OWNERSHIP

All non-management directors are required to own equity in Superior equal to three times the total of their annual cash board retainer plus their equity retainer. The President and CEO is required to meet our equity ownership requirements for executives, which you can read about on page 57.

	Equity ownership required	Time to meet the requirement
Chair of the Board	$870,000	Directors have to meet the requirement within five years of being appointed to the board (or by July 1, 2018 if appointed before July 1, 2013)
Other non-management directors	$360,000	

The table below shows each director's equity holdings in 2017 and 2018. Common shares and DSUs both qualify, and the total is calculated using the market value or the issue price (whichever is higher). As of December 31, 2018, all of the directors had met their equity ownership requirement.

	December 31, 2017		December 31, 2018		Net change		Value as at December 31, 2018	Meets equity ownership requirement
	Common shares (#)	DSUs (#)	Common shares (#)	DSUs (#)	Common shares (#)	DSUs (#)	($)	
Catherine M. Best	7,000	51,676	7,000	62,179	—	10,503	669,653	Yes
Eugene V.N. Bissell	15,972	39,455	15,972	51,608	—	12,153	654,174	Yes
Richard C. Bradeen	10,000	32,955	10,000	43,962	—	11,007	522,352	Yes
Randall J. Findlay	20,000	59,843	20,000	72,086	—	12,243	891,392	Yes
Patrick E. Gottschalk	30,000	7,873	50,000	22,287	20,000	14,414	699,738	Yes
Douglas J. Harrison	9,600	24,962	17,600	33,868	8,000	8,906	498,210	Yes
Mary B. Jordan	5,000	44,464	5,000	56,573	—	12,109	596,027	Yes
David P. Smith	75,681	77,699	80,245	95,817	4,564	18,118	1,704,280	Yes

About DSUs

The board adopted a DSU plan for non-employee directors in 2011 to promote equity ownership and align the interests of directors with our shareholders. Directors can receive DSUs in three ways:

- their annual equity retainer is paid in DSUs
- they can choose to receive some or all of their annual cash board retainer as DSUs
- the board can use its discretion to approve one-time grants of DSUs.

We calculate the number of DSUs awarded by dividing the dollar amount of the retainer or award by the five-day volume weighted average price of our common shares starting on the second day after the award date (or the day after the end of a blackout period). The number of DSUs granted to U.S. resident directors are determined by converting the U.S. dollar amount of the retainer or award to Canadian dollars and then dividing the dollar amount by the applicable volume weighted average trading price of our common shares. DSUs are satisfied by cash payments and do not involve the issuance of any common shares.

DSUs are credited to a notional account. They vest immediately, earn dividend equivalents and are paid out in cash only after the director ceases to be a director of the company. We calculate the cash payout by multiplying the number of DSUs by the five-day volume weighted average price of our common shares immediately before the payment date.

Directors can elect to receive the cash payment on two payment dates starting 90 days after leaving the board, and ending on the last business day of the calendar year after the year the director leaves the board. If a director dies, the payment date will be the date of death, and the cash will be paid to the director's estate 30 days after we are notified of his or her death.

DIRECTOR COMPENSATION TABLE

The table below shows the total amount paid to the non-executive directors in 2018. Mr. Desjardins does not receive fees for serving as a director – please turn to page 59 for information about his compensation as President and CEO. We do not offer any pension plans or other retirement benefits for non-executive directors.

	Cash retainer				Equity Retainer[1] ($)	Travel Fees ($)	All other Compensation ($)	Total Compensation ($)
	Annual Board ($)	Percent received as DSUs[2]	Annual Committee ($)	Meeting fees ($)				
Catherine M. Best	40,000	—	22,000	26,000	80,000	4,500	—	172,500
Eugene V.N. Bissell[3]	52,599	—	16,450	35,556	105,611	9,831	—	220,047
Richard C. Bradeen	40,000	50%	10,000	24,000	80,000	4,000	—	158,000
Randall J. Findlay	40,000	50%	15,000	26,000	80,000	7,500	—	168,500
Patrick E. Gottschalk[4]	52,617	100%	13,150	33,563	105,611	11,827	—	216,768
Douglas J. Harrison	40,000	—	10,000	25,500	80,000	500	—	156,000
Mary B. Jordan	40,000	50%	15,000	26,000	80,000	7,000	—	168,000
David P. Smith	145,000	—	—	—	145,000	3,000	—	293,000
Director not standing for re-election after the May 8, 2018 AGM								
Walentin Mirosh	14,164	—	5,312	10,000	—	3,000	—	32,476
							Total	**1,585,291**

1 The number of DSUs was determined by dividing the retainer amount by $10.9624 (the five-day weighted average price of our common shares starting on the second day after the award date (November 15, 2018). Does not include the portion of the annual cash retainer taken as DSUs.

	Number of DSUs awarded
David P. Smith (Chair of the Board)	13,227
Eugene V.N. Bissell	9,634
Patrick E. Gottschalk	9,634
All other non-executive directors	7,298

2 All or some of the annual cash retainer can be taken in the form of DSUs. Percentage of annual cash retainer taken as DSUs indicated in column above.

3 Mr. Bissell's cash retainer for 2018 (including travel fees) was awarded in US dollars and converted to Canadian dollars using the following noon exchange rates:
> US$1 = $1.2894 on March 29, 2018
> US$1 = $1.3306 on June 26, 2018
> US$1 = $1.2945 on September 28, 2018
> US$1 = $1.3454 on December 18, 2018

His equity retainer was awarded in US dollars and converted to Canadian dollars using the noon exchange rate on the grant date:
> US$1 = $1.3202 on November 15, 2018.

4 Mr. Gottschalk's cash retainer for 2018 (including travel fees) was awarded in US dollars and converted to Canadian dollars using the following noon exchange rates:
> US$1 = $1.2894 on March 29, 2018
> US$1 = $1.3306 on June 26, 2018
> US$1 = $1.2945 on September 28, 2018
> US$1 = $1.3454 on December 18, 2018

His cash retainer portion which was received in the form of DSUs was awarded in US dollars and converted to Canadian dollars using the following noon exchange rates:
> US$1 = $1.2809 on May 16, 2018
> US$1 = $1.3152 on August 16, 2018
> US$1 = $1.3202 on November 15, 2018
> US$1 = $1.3454 on December 18, 2018

His equity retainer was awarded in US dollars and converted to Canadian dollars using the following noon exchange rate on the grant date:
> US$1 = $1.3202 on November 15, 2018.

DIRECTOR OUTSTANDING SHARE-BASED AND OPTION-BASED AWARDS

The table below shows the value of DSUs owned by the directors as at December 31, 2018. This includes DSUs directors chose to receive in place of their cash retainer. We calculated the value of DSUs by multiplying the number of units each director held on December 31, 2018 by $9.68, the closing price of Superior common shares on the TSX on December 31, 2018. DSUs include additional units received as dividend equivalents.

	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 (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of share-based awards not paid out or distributed ($)
Catherine M. Best	—	—	—	—	—	—	601,893
Eugene V.N. Bissell	—	—	—	—	—	—	499,565
Richard C. Bradeen	—	—	—	—	—	—	425,552
Randall J. Findlay	—	—	—	—	—	—	697,792
Patrick E. Gottschalk	—	—	—	—	—	—	215,738
Douglas J. Harrison	—	—	—	—	—	—	327,842
Mary B. Jordan	—	—	—	—	—	—	547,627
David P. Smith	—	—	—	—	—	—	927,509

DIRECTOR INCENTIVE PLAN AWARDS – value vested or earned during the year

The table below shows the value of the DSUs vested or earned in 2018. It does not include DSUs directors chose to receive instead of their cash retainer.

	Option-based awards – value vested during the year ($)	Share-based awards – value vested during the year[1] ($)	Non-equity incentive plan compensation – value earned during the year ($)
Catherine M. Best	—	80,000	—
Eugene V.N. Bissell[1]	—	105,611	—
Richard C. Bradeen	—	80,000	—
Randall J. Findlay	—	80,000	—
Patrick E. Gottschalk[1]	—	105,611	—
Douglas J. Harrison	—	80,000	—
Mary B. Jordan	—	80,000	—
Walentin Mirosh[2]	—	80,000	—
David P. Smith	—	145,000	—
Director not standing for re-election after the May 8, 2018 AGM			
Walentin Mirosh	—	701,365	—

1 The value of Mr. Bissell's and Mr. Gottschalk's share-based awards that vested during the year was converted to Canadian dollars using the noon exchange rate on the grant date: US$1 = $1.3202 on November 15, 2018.

2 The value of Mr. Mirosh's DSUs, which were paid out on August 20, 2018, was calculated using the 5-day volume weighted average of our common shares of $13.1963 immediately before the payment date.

EXECUTIVE COMPENSATION

EXECUTIVE SUMMARY

The board, assisted by the compensation committee, is responsible for reviewing and overseeing executive compensation at Superior, and for approving what the CEO and the senior executives, including the named executives, are paid.

This section of our circular tells you how we:

> develop our compensation strategy – see page 50

> make compensation decisions – see page 51

> manage compensation risk – see page 52

> benchmark compensation against our peers – see page 55

> align compensation with performance and shareholders – see page 56.

It also tells you about the compensation program in detail, and what our compensation decisions were for 2018 – see page 59.

OUR NAMED EXECUTIVES FOR 2018

This year's named executives include the President and Chief Executive Officer, the Executive Vice President and Chief Financial Officer, and our four most highly paid executives.

Luc Desjardins, President and Chief Executive Officer
Mr. Desjardins joined Superior in 2011. Before joining the company, he was an operating partner of the Sterling Group LLP, a private equity firm in the US. He also served as President and CEO at Transcontinental Inc. from 2004 to 2008 and as COO from 2000 to 2004. He holds a Masters of Business Administration from the University of Quebec and has completed the President's Program in Leadership from the Harvard Business School.

Beth Summers, Executive Vice President and Chief Financial Officer
Ms. Summers joined Superior on November 23, 2015 as Vice President and Chief Financial Officer, was appointed Senior Vice President on September 1, 2016 and promoted to Executive Vice President on January 1, 2018. Before joining the company, she was Senior Vice President and Chief Financial Officer of Ontario Power Generation and Chief Financial Officer of Just Energy Group Inc. Ms. Summers has also held many senior executive and management positions focusing on strategy, financing, mergers and acquisitions, tax planning, compliance, risk management, treasury and supply chain operations. She is a Chartered Professional Accountant (CPA, CA), and has a Bachelor of Business Administration from Wilfrid Laurier University.

Greg McCamus, President, Energy Distribution and Superior Propane
Mr. McCamus joined Superior Energy Management as President in 2005 and became President of US Refined Fuels in 2008 before being appointed President, Energy Services and Superior Propane in 2012. Before joining Superior Energy Management, he was President of Sprint Canada Business Solutions and held various executive positions within the deregulated telecom industry over a 20-year period. He has a Bachelor of Arts and a Masters of Business Administration.

Andy Peyton, President, US Propane
Mr. Peyton joined Superior in 2016 as President of US Propane. He has held various executive positions within the energy sector, most recently with AmeriGas Partners LP. Mr. Peyton holds a Bachelor of Science (BSc) degree from Pennsylvania State University and a MBA from the University of Chicago Booth School of Business.

Darren Hribar, Senior Vice President and Chief Legal Officer
Mr. Hribar joined Superior as Chief Legal Officer and General Counsel in 2015 and was promoted to Senior Vice President and Chief Legal Officer on September 1, 2016. Before that he was a partner with Norton Rose Fulbright Canada LLP, an international legal practice. Mr. Hribar has a Bachelor of Arts, Political Science (Distinction) from the University of Lethbridge and an LLB from the University of Alberta. He was admitted to the Alberta bar in 1997 and the Ontario bar in 2015.

Ed Bechberger, President, Specialty Chemicals
Mr. Bechberger was appointed as President of Specialty Chemicals on January 1, 2015. He joined the Specialty Chemicals Business (ERCO Worldwide) in 1980 and has held various executive positions (most recently Senior Vice President of Operations). He has commissioned over 30 chlorine dioxide chemical plants around the world and is an inventor holding several patents. He has a Bachelor of Technology in Chemical Engineering.

2018 COMPENSATION DECISIONS

Total compensation for the top five named executives determined in accordance with applicable securities legislation in 2018 was approximately $0.50 million more than it was in 2017 which was primarily due to the conversion of Mr. Peyton's U.S. dollar compensation into Canadian dollars at a conversion rate of US$1.00 = $1.3642. Superior's strong financial performance compared to our objectives for 2018 resulted in increased short-term incentive payments to our named executives of approximately $0.35 million which were only slightly offset by lower value aggregate long-term incentive awards than were granted in the prior year. The increase in our short-term incentive payments was primarily due to the fact that we earned AOCF of $1.91 per share in 2018 which was near the top end of our 2018 corporate financial target for short-term incentive payments. In addition, three of our four businesses also achieved the top end of their 2018 annual financial targets for short-term incentive payments.

You can read about each named executive's compensation this year starting on page 59.

CHANGES TO THE COMPENSATION PROGRAM

The compensation committee regularly reviews the executive and director compensation programs against compensation trends, market analysis, compensation risk, succession planning and our corporate strategy, and recommends changes to the board for approval. This year the board approved the following changes to the compensation program:

Changed the short term incentive target ranges for Superior Gas Liquids to recognize the interdependency of the Superior Propane and Superior Gas Liquids businesses and to ensure that the plan remains competitive under volatile market conditions	page 62
Changes to the short term incentive target ranges for US Propane to recognize the divestiture of US Propane's wholesale and distillate businesses	page 63
Changes to the short term incentive plan for Superior Plus Corp. employees to reflect the change for the portion of the short term incentive plan to better reflect the relative size of our businesses starting in 2019	page 62

STRATEGY AND APPROACH

Our vision is to be the leader in creating value through differentiation and best-in-class operation in each of our business segments.

Our *Evolution 2020* strategy is helping us achieve this vision. It has four areas of focus:

> **organic growth** – digital innovation, partnerships and geographic expansion

> **strategic acquisitions** – deploying capital to build up our retail propane platform and move close to the customer in Specialty Chemicals

> **continuous improvement** – consistently identifying opportunities to reduce costs and service customers efficiently

> **talent management** – having the best people aligned with corporate goals and competencies.

Compensation approach

To achieve our vision and meet our strategic objectives, we need to continue to build talent bench strength and best-in-class functional and operational expertise, and ensure we have the ability to attract, develop and retain key talent.

Executive compensation has three core principles designed to help us achieve that goal:

> **make compensation competitive** – target total compensation at the 50th percentile of the market and provide adequate retention programs and reasonable benefits to attract, motivate and retain highly qualified and top performing executives. The board will award higher than the 50th percentile for outstanding performance

> **pay for performance** – reward the achievement of a combination of specific corporate and individual short- and long-term goals to encourage the achievement of our strategy and sustained strong performance

> **align the interest of executives with our shareholders** – make a significant portion of compensation variable and at risk, and require executives to own a significant amount of equity in Superior.

COMPENSATION GOVERNANCE

The board is responsible for reviewing and overseeing executive compensation, and for approving what the CEO and the senior executives, including the named executives, are paid.

The compensation committee helps the board carry out these responsibilities. The four directors who sit on the compensation committee have extensive experience in executive compensation and risk management through their experience as senior leaders of diverse organizations. Turn to page 41 for information about the committee and its key activities this year, and to page 33 for qualifications of the committee's directors.

Disciplined decision-making process

Compensation decision-making involves four steps:

1. Review compensation program and succession plan

The compensation committee reviews:

> human resources and compensation philosophies and policies
> compensation trends, market analysis and competitiveness of our executive compensation program
> peers we use for benchmarking
> incentive plan design
> compensation risk
> equity ownership guidelines
> CEO position description
> the engagement of an independent compensation consultant
> management succession plan and talent management plans, and recommends appointments of corporate officers
> employment agreements for the named executives
> other material compensation programs.

The committee recommends any changes to our executive compensation program to the board for approval.

2. Set compensation targets

The compensation committee:

> assesses total compensation compared to the market for the CEO and his direct reports, including the named executives
> reviews the CEO's assessment of compensation for his direct reports including their individual performance, contribution and strategic value to the company's future plans
> reviews the individual goals for the CEO and each of the CEO's direct reports
> recommends any adjustments to target compensation for the coming year.

3. Set performance targets

The compensation committee and the board:

> set the financial performance measures for the short-term incentive plan and long-term incentive plan for the upcoming year based on the annual budget and market reviews
> approve the individual goals for the CEO and each of the CEO's direct reports, including the qualitative performance measures for the short-term incentive plan.

4. Assess performance and approve awards

The compensation committee and the board:

> assess the performance and year-end results of the company and each business
> assess the individual performance of the CEO and each executive against the qualitative and financial performance measures for the short-term incentive plan
> determine the short-term incentive awards for the CEO and named executives
> approve grants of long-term incentive awards
> approve annual goals.

Managing compensation risk

The compensation committee integrates compensation risk management into the compensation philosophy, executive compensation design, planning and process.

Compensation approach

> The executive compensation program is market-based and aligned with our annual business and long-term strategic plans
> The compensation package for officers and senior employees includes fixed and variable components to balance the level of risk taking, while focusing on generating long-term and sustainable value for shareholders
> Compensation policies and practices at our principal business units and subsidiaries are substantially the same as those for all of our executive officers
> A significant portion of compensation awarded is at risk.

Incentive plan design

> A significant portion of incentive compensation is linked to our share price and shareholder return and paid out over time to align with shareholder interests
> Performance measures and targets are pre-determined, linked to our corporate strategy, financial risk and management process, and monitored throughout the year
> Short-term incentive awards have minimum performance thresholds and are capped
> Long-term incentive awards are paid upon achievement of performance objectives.

Equity ownership requirements

The named executives and certain senior executives are required to own equity in Superior based on their position, to strengthen the alignment with shareholders.

Use of discretion

The compensation committee and the board can use discretion to adjust the amount of the incentive compensation, assessment of absolute and relative financial performance and the weightings of specific financial targets and key objectives if there are:

> unusual business environment challenges in which the results were achieved
> extraordinary, unusual or non-recurring items, or
> performance that was not contemplated in a named executive's individual objectives.

Hedging

Directors, officers, and anyone we employ or retain is prohibited from short-selling our securities. Our insider trading policy explicitly prohibits our directors and officers from hedging equity-based compensation awards and securities they hold as part of their equity ownership requirements.

Clawback and forfeiture

> Pursuant to our clawback policy, compensation that executives have been awarded or paid can be clawed back at the board's discretion when there is misconduct that results in overpayment, whether or not there is a restatement of our financial statements.
> Executives who resign or are terminated for cause also forfeit all undeclared bonuses and unvested long-term awards.

Independent advice

The compensation committee works with an independent advisor for advice and consulting related to executive and director compensation, and has retained Mercer (a wholly-owned subsidiary of Marsh & McLennan Companies, Inc.) since November 2012. Mercer reports directly and exclusively to the committee. The committee has to pre-approve any services Mercer provides to management. Mercer last completed a formal review of executive compensation for us in 2015.

Mercer's services in 2018 included:

> reviewing the CD&A in Superior's 2018 management information circular
> reviewing the structure and mechanics of Superior Gas Liquids' short term incentive plan
> advising on the competitiveness and appropriateness of compensation for the CEO and other top executive officers
> reviewing and advising on the competitiveness of the director compensation program and executive compensation
> analysis of ISS and Glass Lewis reports on its advisory vote on executive compensation
> attending three compensation committee meetings.

The compensation committee also holds *in camera* meetings with Mercer without any management present.

The committee takes Mercer's information and recommendations into consideration, but uses its own judgment when making compensation decisions. The committee is confident that the advice it receives from its compensation consultant is objective for the following reasons:

> Mercer has clear professional standards that prevent conflicts of interest:

- the consultant does not receive any incentive or other compensation based on fees Mercer or any of its affiliates charges to Superior for other services
- the consultant is not responsible for selling to Superior any other services offered by Mercer or any of its affiliates
- the consultant provides advice and recommendations without considering any relationships Mercer or any of its affiliates may have with Superior.

> The committee has strict protocols in place for ensuring independence:

- the consultant has direct access to the committee without management intervention
- the consultant can only interact with management for information gathering and during presentations if the committee feels it is necessary to provide context for recommendations, otherwise the committee receives the consultant's advice and recommendations without management present
- the committee has the sole authority to retain and terminate the consultant
- the committee evaluates the quality and objectivity of the services provided by the consultant every year, and decides whether to continue to work with them
- the committee receives advice on compensation design from independent external legal counsel.

Fees

The table below lists the fees paid to consultants in 2017 and 2018.

	2017	2018
Executive compensation-related fees Fees paid to Mercer for executive and director compensation services provided to the committee	$46,881	$45,687
Compensation-related fees (general) Fees paid to Mercer for general advice related to compensation and benefits, including annual survey data and consulting services related to employee compensation and human resources matters	$14,370	$1,200
All other fees Fees paid to Marsh Canada for corporate risk insurance and related risk consulting services. Marsh Canada, a separate independent operating company owned by Marsh & McLennan, has been retained by management since 2014 to act as the broker for the company's corporate insurance program. The committee does not pre-approve the services Marsh Canada provides.	$392,796	$389,869
Total fees	**$454,047**	**$436,756**

BENCHMARKING

We benchmark total direct compensation, pay mix, and targets for the short-term incentive and long-term incentive awards against data from Canadian and US industry surveys, and our compensation peer group, adjusting for roles, merit and general market movements.

Superior operates in two major markets, which makes finding a group of peer companies challenging. We developed our first peer group in 2013, working with Mercer, and then adjusted the group in the third quarter of 2015, again working with Mercer, to make it a better reflection of our business. Last year, Progressive Waste Solutions Ltd. merged with Waste Connections US Inc. and was removed from the peer group.

The peer group includes 14 companies from Canada and the US: seven oil and gas companies, six chemicals and distribution companies, and one trading and distribution company, all selected because they are similar in size, scope and industry. The committee used this peer group to establish 2018 target compensation for the CEO and the named executives.

Oil and gas energy services

- Mullen Group Ltd
- Shawcor Ltd
- Calfrac Well Services Ltd
- Trican Well Service Ltd
- Keyera Corp
- Parkland Fuel Corporation
- Gibson Energy Inc.

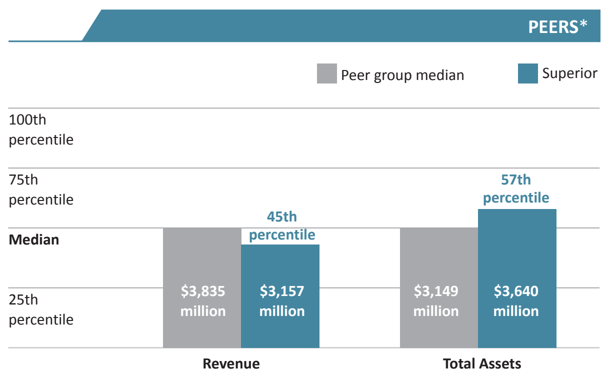
Chemicals and distribution

- Methanex Corporation
- Chemtrade Logistics Income Fund
- Finning International Inc
- Toromont Industries Ltd
- Capital Power Corporation
- TFI International (previously Transforce Inc)

Trading and distribution

- Russell Metals Inc

The chart to the right shows the size of the companies in the new peer group by revenue and total assets, and Superior's relative position against these criteria as of December 31, 2018.



* Superior's revenue reflects the pro-forma effect of NGL.

TOTAL COMPENSATION APPROACH

The compensation package for officers and senior employees, including the named executives, includes an annual salary, short-term incentives, long-term incentives and a benefits program.

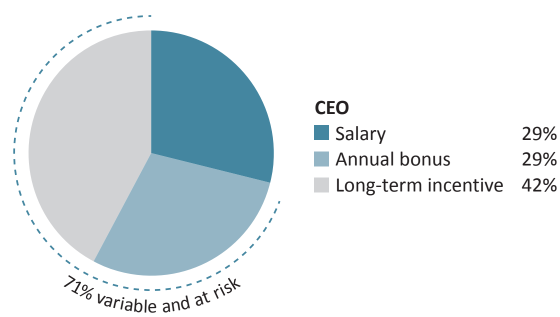
Total direct compensation		Form	Performance period	Objectives
1. Salary	Fixed	Cash	1 year	> Provide a fixed level of income > Attract and retain talent
2. Short-term incentive	Variable	Cash	1 year	> Reward contribution to overall performance > Focus executives on annual corporate and individual goals > Attract and retain talent
3. Long-term incentive	Variable	> Restricted share units > Performance share units	3 years	> Reward medium and long-term performance > Focus executives on longer-term operating and financial performance, and long-term shareholder return > Attract and retain talent
Other compensation				
Pension and other benefits Health, dental, savings, pension, life insurance and long-term disability programs (evaluated for each business and set at competitive rates)				> Provide a degree of security > Provide market competitive benefits > Attract and retain talent > Benefits are available to all salaried employees and the majority of hourly employees

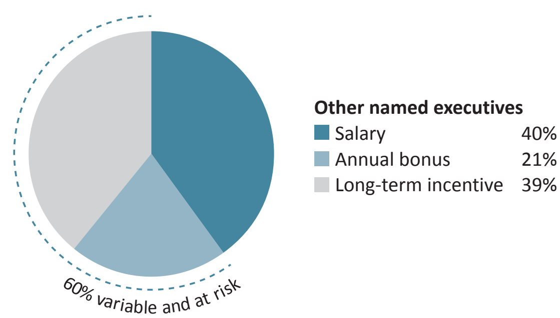
Aligned with performance

A significant portion of total compensation is *at risk*, to align compensation with performance and risk over time. The actual mix of components depends on the executive's level. Generally, the higher the level of responsibility, the greater the proportion of total target compensation that is linked to performance.

The graphs to the right show the 2018 target mix for the CEO and the other named executives.

TARGET COMPENSATION MIX





Aligned with shareholders

A significant proportion of total compensation is made up of long-term incentives that are linked to our total return and share price performance. This, combined with our equity ownership requirements for executives, focuses senior executives on generating long-term and sustainable value for our shareholders.

Equity ownership requirements

The named executives and other senior executives are required to own Superior equity based on their position:

	Total equity ownership required	Minimum amount to be held in common shares	Time to meet the requirements
President and CEO	**4.5x** annual salary	2x annual salary	Within five years of being appointed to the role, or three years from the time of a salary increase
Corporate Executive Vice President and CFO	**3.0x** annual salary	1x annual salary	
Business Presidents	**3.0x** annual salary	1x annual salary	
Senior Vice President and Chief Legal Officer	**1.5x** annual salary	0.5x annual salary	

Common shares, restricted share units (RSUs) and performance share units (PSUs) all count toward meeting the total equity requirement, but executives have to hold a specified minimum in common shares. Common shares can include common shares they own directly or exercise control or direction over (such as in relation to a trust or in relation to minor children or spouses), and common shares they own indirectly (such as in RRSPs or through a wholly-owned corporation), as filed under insider reporting requirements. Options, warrants and convertible debentures do not count toward the equity ownership requirement.

Executives have to meet these requirements throughout the year, and provide proof of compliance before the end of January each year. They can use either the market value or the issue price (whichever was higher) to calculate the amount they own. Executives who don't hold the minimum in common shares have to use their short-term incentive and/or long-term incentive payouts to buy the number of common shares required.

The table below shows each named executive's equity holdings as of December 31, 2018. At that time, all of the named executives had either met or were on track to meet their equity ownership requirement.

	2018 total equity requirement	Minimum required to be held in common shares	Ownership as of December 31, 2018				Meets total equity ownership requirement	Holds required minimum in common shares
			Common shares		RSUs and PSUs			
			#	Value	#	Value		
Luc Desjardins	$4,140,000	$1,840,000	383,456	$4,359,895	645,233	$7,336,299	Yes	Yes
Beth Summers	$1,377,000	$459,000	16,650	$189,311	165,129	$1,877,517	Yes	On track for November 23, 2020
Greg McCamus	$1,418,310	$472,770	43,604	$495,777	193,483	$2,199,902	Yes	Yes
Andy Peyton[1]	$1,369,998	$456,666	—	—	101,603	$1,155,226	On track for October 5, 2021	On track for October 5, 2021[2]
Darren Hribar	$583,083	$194,361	14,400	$163,728	106,161	$1,207,051	Yes	On track for September 1, 2021
Ed Bechberger	$1,158,288	$386,096	35,330	$401,702	160,699	$1,827,148	Yes	Yes

1 Mr. Peyton's salary is paid in US dollars and has been converted to Canadian dollars using the noon exchange rate of US$1 = $1.3642 on December 31, 2018.

2 Mr. Peyton acquired 12,000 common shares after December 31, 2018 which are not reflected in the table.

The value of common shares, RSUs and PSUs is calculated using $11.37, the closing price of Superior common shares on the TSX on February 27, 2018. RSUs and PSUs include reinvested dividends. PSUs assume a performance multiplier of 1 (see page 66 for more information about PSUs).

2018 COMPENSATION DETAILS

SUMMARY COMPENSATION TABLE

The table below shows the compensation awarded to the named executives for the last three years ending December 31.

Name and principal position	Year	Salary ($)	Share-based awards[1] ($)	Option-based awards ($)	Annual incentive plans[2] ($)	Long-term incentive plans ($)	Pension value[3] ($)	All other compensation[4] ($)	Total compensation ($)
Luc Desjardins President and CEO	2018	920,000	1,643,584	—	1,552,500	—	13,250	95,563	4,224,897
	2017	890,000	1,742,748	—	1,409,760	—	13,115	89,702	4,145,325
	2016	870,000	1,855,377	—	1,201,470	—	13,005	292,011[5]	4,231,863
Beth Summers Executive Vice President and CFO	2018	459,000	471,496	—	462,672	—	13,250	39,870	1,446,288
	2017	425,000	499,340	—	415,395	—	13,115	37,059	1,389,909
	2016	410,000	546,483	—	314,005	—	13,005	30,008	1,313,501
Greg McCamus President, Energy Distribution	2018	472,770	485,642	—	424,902	—	13,250	36,529	1,433,093
	2017	459,000	494,326	—	343,103	—	13,115	35,804	1,345,348
	2016	450,000	599,799	—	244,125	—	13,005	36,207	1,343,136
Andy Peyton[6] President, US Propane	2018	456,666	509,900	—	405,292	—	—	26,829	1,398,687
	2017	407,713	509,641	—	122,314	—	—	25,090	1,064,758
	2016	100,808[7]	436,833	—	375,229	—	—	11,703	924,573
Darren Hribar Senior Vice President and CLO	2018	388,722	347,222	—	395,330	—	13,250	38,135	1,182,659
	2017	377,400	369,492	—	380,193	—	13,115	33,945	1,174,145
	2016	356,667	335,354	—	381,424	—	13,005	25,444	1,111,894
Ed Bechberger President, Specialty Chemicals	2018	386,096	396,612	—	358,104	—	46,000	5,777	1,192,589
	2017	367,710	396,008	—	340,132	—	42,000	5,269	1,151,119
	2016	360,500	442,065	—	269,474	—	42,000	—	1,114,039

1 Grant date fair value of RSUs and PSUs granted under our long-term incentive plan is determined by multiplying the number of RSUs and PSUs that were awarded by the closing price of our common shares on the TSX on the grant date. For Mr. Peyton, these Canadian dollar denominated grant date fair values have then been multiplied by the US to Canadian dollar exchange rates set forth in footnote 6 below in order to reflect the fact that the dollar value of RSUs and PSUs awarded to US residents will, when vested, be paid out in US currency rather than Canadian. The board approves long-term incentive awards in November to be granted the first trading day in January of the following year. The number of RSUs and PSUs each executive receives is calculated by dividing the dollar amount of the long-term incentive award by the five-day volume weighted average price of our common shares immediately following the approval date. See page 66 for information about the long-term incentive plan.

2 Cash payouts earned for the year under our short-term incentive plan. Typically paid out in the first quarter of the following year. See page 60 for information about the short-term incentive plan.

3 The compensatory change in our registered pension plans (see page 71 for details).

4 Perquisites and other personal benefits, other than in the case of Mr. Desjardins did not exceed $50,000 or 10% of salary. Amounts include our contribution to each named executive's vehicle allowance, parking, medical benefits, club membership and non-registered savings plan, which in the case of Mr. Desjardins includes $58,023 contributed to his non-registered savings plan for 2017 and $60,258 contributed to his non-registered savings plan for 2018. In case of Mr. Peyton, amounts include our contributions made in US dollars to Mr. Peyton's 401(k) plan of $7,561 for 2016, $8,468 for 2017 and $9,208 for 2018 and represent the contributions converted to Canadian dollars using noon exchange rates set out in footnote 6.

5 Mr. Desjardins' perquisites and other personal benefits for 2016 include reimbursement of his golf club membership fees in the amount of $98,115 and his private social club membership fees in the amount of $39,343 and the associated taxes of $81,000.

6 Mr. Peyton's salary and annual incentive plan awards were paid/awarded in US dollars and converted to Canadian dollars using the following noon exchange rates:

- 2018 compensation: US$1 = $1.3642 on December 31, 2018
- 2017 compensation: US$1 = $1.2545 on December 29, 2017
- 2016 compensation: US$1 = $1.3441 on December 30, 2016.

Mr. Peyton was paid a one-time signing bonus of US$225,000 on October 1, 2016 which was converted into Canadian dollars using the noon exchange rate on December 30, 2016 and included in the annual incentive award. The grant date fair values of Mr. Peyton's share based awards determined in Canadian dollars as set forth in footnote 1 have been multiplied using the following noon exchange rates in order to reflect the fact that the dollar value of such awards will be paid out in US currency:

- 2018 share-based awards: US$1 = $1.3642 on December 31, 2018
- 2017 share-based awards: US$1 = $1.2545 on December 29, 2017
- 2016 share-based awards: US$1 = $1.3441 on December 30, 2016.

7 Mr. Peyton was hired on October 1, 2016, and his salary was prorated for the year.

COMPONENTS AND 2018 PAY DECISIONS

1. Salary

Executives are paid an annual salary for performing their day-to-day roles. Salaries are generally targeted at the 50th percentile of the market, taking into consideration job responsibilities, the level of skills and experience required for the role and internal equity (see page 55 for more about benchmarking).

2018 salaries

The table below shows the salaries paid to the named executives in 2017 and 2018.

The board approved a general 3% increase in salaries for 2018, in line with the anticipated national average salary increase in Canada for 2018 (estimated at around 3%), and consistent with competitive average salary increases, normal salary progression levels and increased responsibilities.

	2017 annual salary ($)	2018 annual salary ($)	Change
Luc Desjardins	890,000	920,000	3.37%
Beth Summers[1]	425,000	459,000	8.00%
Greg McCamus	459,000	472,770	3.00%
Andy Peyton[2]	407,713	456,666	12.01%[3]
Darren Hribar	377,400	388,722	3.00%
Ed Bechberger	367,710	386,096	5.00%

1 Ms. Summers was promoted to Executive Vice President and Chief Financial Officer on January 1, 2018. She received 3% for a regular increase and 5% for promotion.
2 Mr. Peyton's salary was converted from US dollars to Canadian dollars using the following noon exchange rates:
> US$1 = $1.3642 on December 31, 2018
> US$1 = $1.2545 on December 29, 2017.
3 Mr. Peyton's salary in U.S. dollars increased 3.00% from 2017 to 2018.

2. Short-term incentive plan

The short-term incentive plan rewards executives for their contribution to corporate performance and the performance of the individual businesses.

Performance is measured using financial targets and other key objectives approved at the beginning of each year and tied to our corporate strategy. Performance measures and targets are different for each business, and awards can range from 0% to 200% of base salary, depending on the employee's position. The award can be clawed back (see page 53).

The compensation committee can use its discretion to adjust the amount of the short-term incentive, assessment of absolute and relative financial performance and the weightings of specific financial targets and key objectives if there are:

- unusual business environment challenges in which the results were achieved
- extraordinary, unusual or non-recurring items, or
- performance that was not contemplated in a named executive's individual objectives.

2018 short-term incentive

The table below shows the short-term incentive paid to each named executive for 2018, and how it was calculated.

	Salary	x	Short-term incentive Target	x [	Corporate *or* Business performance multiplier x 70%	+	Individual performance multiplier x 30%	] =	2018 short-term incentive[1] capped at 2x annual salary	Compared to target	Compared to 2017
Luc Desjardins	$920,000	x	100%	x	1.8		1.43	=	$1,552,500	+69%	+10%
Beth Summers	$459,000	x	60%	x	1.8		1.40	=	$462,672	+68%	+11%
Greg McCamus	$472,770	x	50%	x	2.0		1.33	=	$424,902	+80%	+24%
Andy Peyton[2]	$456,666	x	50%	x	2.0		1.25	=	$405,292	+78%	+231%
Darren Hribar	$388,722	x	60%	x	1.8		1.45	=	$395,330	+70%	+4%
Ed Bechberger	$386,096	x	50%	x	2.0		1.52	=	$358,104	+85%	+5%

1 Numbers may not add exactly due to rounding.
2 Mr. Peyton's salary and short-term incentive were paid in US dollars and converted to Canadian dollars using the noon exchange rate on December 31, 2018.

Target awards, financial performance measures and other key objectives were established in November 2017 in connection with our 2018 budget. Individual objectives for each named executive were approved by the board.

2018 corporate performance multiplier

We calculate the short-term incentive award for the CEO, CFO and other named executives using a corporate performance multiplier.

The 2018 corporate performance multiplier was 1.8. This was calculated by assessing our performance against targets for AOCF and EBITDA from operations for each business, using the weightings in the table below. The committee did not make any adjustments to the calculated result.

Metric	Weighting
AOCF	42%
Superior Propane EBITDA	7%
Specialty Chemicals EBITDA	7%
Superior Gas Liquids EBITDA	7%
US Propane EBITDA	7%
Total	**70%**

We give AOCF the highest weighting because it is the main performance measure investors and management use to evaluate our performance. We use EBITDA from operations because it is a key contributor to AOCF and reflects the operating performance of our businesses. These measures are directly linked to our success at the corporate and business level and, as a result, are critical to the success of our long-term corporate strategy. AOCF and EBITDA from operations are both non-GAAP measures – please turn to page 77 for more information about how we calculate them.

The table below shows that AOCF in 2018 was above the target range, resulting in a performance multiplier of 2.0. Strong corporate results were primarily driven by the realization of synergies from Canwest and increased volumes at US Propane relating to both the legacy business and the NGL business.

	Threshold 0.0	Target 1.0	Maximum 2.0	2018 Actual		AOCF score
Consolidated AOCF per common share (before transaction and other costs)[1]	$1.58	$1.76	$1.95	$1.95	>	2.0

[1] excludes NGL Acquisition

Change to 2019 corporate performance multiplier

In November, 2018 the Compensation Committee made changes to the components and their relative contributions to the corporate multipliers in 2019 to reflect the relative size of the businesses. In addition, to align with our external reporting, the Compensation Committee determined that consolidated Adjusted EBITDA will be used as the new measure to assess financial performance for the corporate office employees instead of AOCF. As a result of these changes, in 2019, the corporate multiplier will be calculated in accordance with the chart below.

Metric	Weighting
Consolidated Adjusted EBITDA	40%
Superior Propane EBITDA	10%
Specialty Chemicals EBITDA	10%
US Propane EBITDA	10%
Total	**70%**

Business performance multipliers

We calculate the short-term incentive award for the heads of each business using a business performance multiplier. For Mr. McCamus, 50% of his financial performance multiplier is based on Superior Propane's results and 20% is based on US Propane results. We use EBITDA from operations to calculate the multiplier for each business, using a performance range of 10% above and below the targets for all businesses, except for the Superior Gas Liquids business, where we currently use a range of 80%-120%. EBITDA is recognized as a good measure of operating profitability and, since it excludes financing cost, taxes, depreciation and amortization, provides a good indication of core business profitability. We do not publicly disclose targets or performance for EBITDA from operations at the business level because this would give our competitors access to the financial targets we set and the performance of certain component parts of our business, which could seriously prejudice our interests. The table below shows the business performance multipliers for 2018. The committee did not make any adjustments to the calculated results.

Business	Threshold 0.0	Target 1.0	Maximum 2.0	2018 business performance multiplier
Superior Propane	90% of target	100% of target	110% of target	2.0
Specialty Chemicals	90% of target	100% of target	110% of target	2.0
Superior Gas Liquids	80% of target	100% of target	120% of target	0.0
US Propane	90% of target	100% of target	110% of target	2.0

Individual performance multipliers

The committee assessed the performance of the CEO and each named executive against individual objectives in the following categories:

- business strategy
- key financial
- growth
- people
- operational excellence (including HS&E)
- specific divisional initiatives.

Specific objectives and weightings in each category were approved at the beginning of the year, and vary by individual. Achievement of these objectives is measured and evaluated at the mid-point of the year and again at the end of the year to determine the level of achievement. The scale varies between 0x and 2x depending on the level of achievement.

The table below shows each named executive's individual performance multiplier and what contributed to the result.

	2018 objectives	Key results	2018 individual performance multiplier
Luc Desjardins	> Implement Strategic Plan for Energy Business through acquisitions, divestitures and growth in wholesale and distribution. Optimize Chemical business, contain costs and execute M&A in related activities. Refocus US Energy business. > Integration of Canwest with $15M ongoing synergies in 2019 and $5M for 2018. > Promote and support HS&E plans. Integrate HS&E update, objectives and reviews in all executive meetings performance and business reviews. > Develop high potential management, provide exposure and learning opportunities, and foster diversity. US talent improvement in operations, sales and engagement. Execute on Leadership reviews for key senior roles.	> Excellent execution of strategic plan. US Wholesale business and part of the US distillate business sold. Five tuck-in acquisitions completed in US Propane in addition to closing the transformative NGL Acquisition. Leveraged market opportunities for the Chemical business and continued to drive operational efficiencies. > Synergies for Canwest completed. Solid execution of the integration of acquired businesses. > HS&E integrated in senior management and key business processes. Challenging year for TRIR with above target results for US and Canadian propane businesses partially due to acquisitions. Additional expertise, process and focus in HS&E being implemented. ESG plan in progress. Comprehensive HS&E plan implemented in 2019 and 2018 results slightly below target. > Leadership reviews and talent plan well executed. Yearly reviews showed progression in talent readiness, number of successors and diversity in management. US sales team strengthened. Successors for key executives in senior roles on track for development and readiness.	**1.43**
Beth Summers	> Maximize access to capital markets to deliver on growth scenarios of strategic plan while maintaining optimal capital structure and continue to diversify investor base while increasing US and or key investors. > Support efficient integration of Canwest business by ensuring $15M ongoing synergies for 2019 and $5M for 2018. > Review business plan of Superior Gas Liquids to deliver on wholesale growth and supplier partnerships. > Accelerate the development of candidates to strengthen finance executive talent pool.	> Implemented the overall Superior financing strategy enabling execution of the broader M&A strategy. > Led significant Canadian and U.S. financing transactions necessary to complete the NGL Acquisition. > Continued to maintain solid relationships with business and investor communities. > Synergies for Canwest achieved and integrated in the operational objectives. > Business plan for Superior Gas Liquids reviewed and being implemented. Has continued to develop successors and expanded responsibilities of key finance executives to pursue their development. Continues to act as role model for gender diversity and lead initiatives to promote gender diversity.	**1.40**
Greg McCamus	> Implement strategic plan with six tuck-in acquisitions in North America in 2018. Integrate Canwest and achieve savings of $15M on an ongoing basis as of 2019 and $5M in 2018. > Achieve performance targets for HS&E plan and achieve targets and other related objectives. E2 compliance as per deployment plan. > Integrate Propane values, HR processes within Canwest business.	> Executed on six tuck in acquisitions in the US, in addition to NGL Acquisition for the US market, two divestitures in the US and two in Canada. Excellent execution on the strategic plan for US Propane and the Canadian Propane businesses. Canwest synergies targeted for 2019 achieved. > Comprehensive HS&E plan implemented and 2018 results slightly below target. E2 compliance and review on track. HS&E realignment and improved capabilities implemented. > Transition well executed and Canwest cultural and operational integration on track.	**1.33**

	2018 objectives	Key results	2018 individual performance multiplier
Andy Peyton	> Grow through tuck in acquisitions and realign business through the sale of the wholesale distillate business. > Refocus marketing and sales efforts to grow retail propane, restructure commercial sales force. Improve margin management for all products. > Achieve performance targets for HS&E plan and achieve targets and other related objectives. > Complete senior team with senior Sales and Marketing leadership and improve organic growth plan and structure. Review senior structure and talent by Q1 2018.	> Executed well on the sale of the wholesale business and a portion of the oil business. NGL Acquisition well executed and communicated to employees. Five tuck-ins acquisitions completed in 2018. Solid execution of the M&A plan. > Strong margin management. Customer growth below expectation. Positive progress noted on inside sales. > Comprehensive HS&E plan implemented and 2018 results below target. Lower than expected results partially due to new acquisitions. > Has completed senior leadership reviews. Sales, operations and field management being strengthened with strong leadership. Improved focus on engagement and development of employees.	**1.25**
Darren Hribar	> Provide support for strategic matters and minimize legal enterprise risks, continue to get familiar with business and balance legal requirements with operational business needs and concerns. > Provide legal, business and support for acquisitions/divestitures. > Align all legal internal resources at Superior Plus and in each business and formalize reporting, expenses management, outstanding and ongoing legal matter reporting.	> Provided solid support for M&A, financing and overall business strategy. Has demonstrated balance with legal and business requirements. Successfully negotiated NGL Acquisition agreement. > Provided excellent support with deals, worked well with all stakeholders and contributed on legal, strategic and business matters. > Took control of all legal matters and legal staff across all businesses. In the process of organizing legal support and governance for expanded US business. > Has taken on the ESG initiative and plan.	**1.45**
Ed Bechberger	> Sodium chlorate optimization, chlor-alkali channel strategy and assess internal growth and production efficiencies. Integrate and grow the International Dioxcide (IDI) business. > Manage power costs, enhance strategic procurement through improved partnership and negotiations. Achieve performance targets for HS&E plan and achieve targets and other related objectives. Continue to lead the overall Superior Plus HS&E strategy. > Implement knowledge transfer plan to ensure minimal loss of expertise due to large number of retirements over the next 5 years. Develop senior leaders for all operations senior positions.	> Good IDI integration, solid chlor-alkali growth and has taken advantage of market opportunities. Internal optimization of production plan completed. > Costs managed well and within targets. Two collective agreements settled (Quebec and Vancouver). Comprehensive HS&E plan implemented and 2018 results at target. Continues to provide strong leadership for overall Superior Plus HS&E strategy. > Transfer knowledge and replacement of retirees progressing well, solid senior team, integrated culture of ERCO Worldwide well at IDI. Continued to develop successors for operations senior positions.	**1.52**

3. Long-term incentive plan

The long-term incentive plan is designed to attract and retain key employees, and to focus management on our longer-term operating financial performance and shareholder value. Previous long-term incentive grants are not taken into account when making new awards.

Key things to note:

- awards are normally approved in November, granted in January of the following year and allocated 50% to RSUs and 50% to PSUs
- both RSUs and PSUs are considered cash based awards and are not settled with common shares whether issued from treasury or otherwise
- RSUs and PSUs for US residents are awarded in US dollars
- the number of units each executive receives is calculated by dividing the dollar amount of the award (regardless of whether it is awarded in Canadian or US dollars) by the five-day volume weighted average price of our common shares immediately following the approval date
- both RSUs and PSUs earn dividend equivalents in the form of notional additional RSUs and PSUs
- RSUs vest over 3 years, beginning each year on the first anniversary of the grant. On the first anniversary, 1/3rd of the RSUs are paid out in cash shortly thereafter. On the second anniversary, 50% of the remaining balance of RSUs are paid out and the balance is paid out on the third anniversary. The cash amount is determined by multiplying the number of units that vest by the 10-day volume weighted average price of our common shares on the day following the vesting date
- PSUs vest in two tranches: 50% on the third anniversary of the grant date, and 50% five months after that. The cash payout, if any, the executive receives for each tranche depends on our performance against pre-determined targets, which determine the performance multiplier, and the 10-day volume weighted average price of our common shares following each vesting date. The committee sets the total shareholder return (TSR) performance target and performance period at the time of each grant
- the cash payout for RSUs and PSUs held by US residents as determined above is satisfied in US currency upon vesting rather than Canadian
- PSUs awarded before October 2016 vest on the third anniversary of the grant date and can be paid on one of four possible valuation dates chosen by the executive
- RSUs and PSUs can be clawed back or forfeited in certain circumstances (see page 53).

Long-term incentive compensation target ranges are calculated as a percentage of salary. The target ranges vary based on roles and on the individual, as follows:

	Long-term incentive target range
President and CEO	150-200%
Chief Financial Officer and business Presidents	100-125%
Senior Vice President and Chief Legal Officer	85-100%

The compensation committee and the board may change these terms and targets from time to time.

2018 long-term incentive award

The table below shows the long-term incentive awards for each named executive for 2018, and how it was allocated. The awards were approved by the compensation committee and the board on November 7, 2018, and granted on January 2, 2019.

The awards took into consideration each individual executive's:

- performance
- impact on the execution of the strategy
- market competitiveness
- need for retention
- roles and responsibilities.

We calculated the number of RSUs and PSUs awarded using a share price of $10.96, the five-day volume weighted average price of our common shares following the date the awards were approved.

	Salary	Approved target	2018 long-term incentive award[1]	Allocation[2] Restricted share units (50%) $	#	Performance share units (50%) $	#
Luc Desjardins	$920,000	200%	$1,643,584	821,792	83,942	821,792	83,942
Beth Summers	$425,000	115%	$471,496	235,748	24,081	235,748	24,081
Greg McCamus	$472,770	115%	$485,642	242,821	24,803	242,821	24,803
Andy Peyton	$456,666[3]	125%	$509,900	254,950	19,090	254,950	19,090
Darren Hribar	$388,722	100%	$347,222	173,611	17,734	173,611	17,734
Ed Bechberger	$386,096	115%	$396,612	198,306	20,256	198,306	20,256

1 Grant date fair value is calculated using $9.79, the closing price of our common shares on the TSX on January 2, 2019. For Mr. Peyton, this Canadian dollar denominated value has been multiplied by the noon US to Canadian dollar exchange rate on December 31, 2018 in order to reflect the fact that the dollar value of his units will, when vested, be paid out in US currency rather than Canadian.
2 Numbers may not add up due to rounding.
3 Mr. Peyton's salary of $334,750 was paid in US dollars and the long-term incentive award which was used to determine the number of RSUs and PSUs granted to him was awarded in US dollars. For the chart, his salary has been converted to Canadian dollars using the noon exchange rate on December 31, 2018.

Performance conditions for the PSUs awarded after October 2016

These PSUs will vest in two tranches. The performance period for the first tranche (50% of the PSUs) is January 1st in the year granted to January 1st three years later and for the second tranche (50% of the PSUs) is January 1st in the year granted to June 1st in the year of the 3rd anniversary of the grant. The amount the executives receive, if any, will depend on the PSU performance multiplier for each tranche, and our share price at each vesting date.

We calculate the PSU performance multiplier based on our compound TSR over the performance period compared to our targets using the scale in the table below. The compensation committee believes absolute TSR is the appropriate way to measure our longer-term performance. It does not use relative TSR because of the lack of peers with a comparable mix of business (see page 55 for information about our peers).

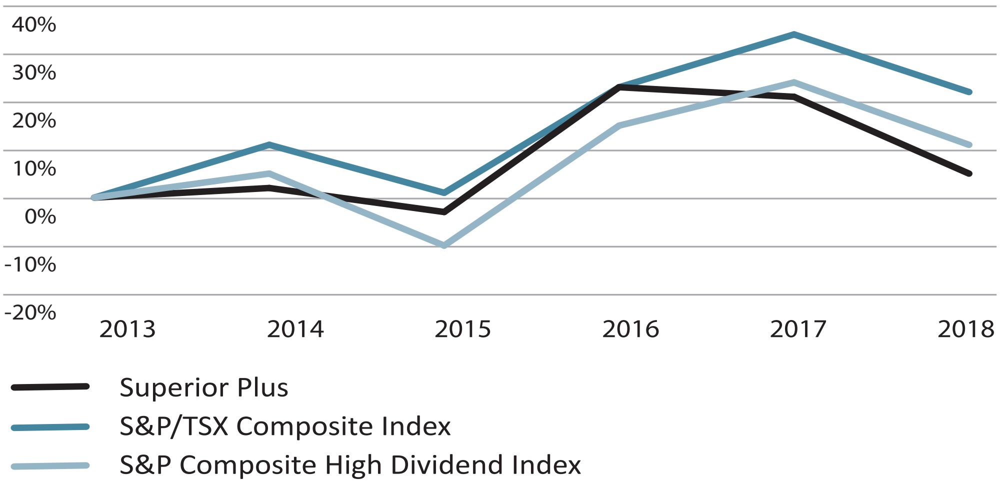
If our compounded TSR is:	Performance is:	And the PSU performance multiplier will be:
less than 5%	below threshold	0
5% to 9.99%	below target	0.33 – 0.99 (adjusted linearly)[1]
10% to 15%	at or above target	1.0 – 2.0x (adjusted linearly)
higher than 15%	at the maximum	2.0 (capped)

1 0 – 0.99 (adjusted linearly) for PSUs granted before October 2016.

SHARE PERFORMANCE

The graph below compares our total cumulative shareholder return for the past five years to the total return of the S&P/TSX Composite Index and S&P/TSX Composite High Dividend Index. It assumes $100 was invested in our common shares and the two market indices on December 31, 2013, and that dividends were reinvested during the period.

TOTAL SHAREHOLDER RETURN (as of December 31)



at December 31	2013	2014	2015	2016	2017	2018
Superior (TSX: SPB)	$100	$102	$97	$123	$121	$105
S&P/TSX Composite Index	$100	$111	$101	$123	$134	$122
S&P/TSX Composite High Dividend Index	$100	$105	$90	$115	$124	$111

The table below compares the total compensation of the CEO and the relevant named executives in the applicable year with our consolidated AOCF, a key performance measure used in our compensation plans and throughout our financial reporting.

$ millions except where noted	2014	2015	2016	2017	2018
Total compensation – CEO	$3.1	$3.5	$4.2	$4.1	$4.2
Total compensation – all named executives	$7.1	$7.8[1]	$9.1	$9.2	$9.7[3]
AOCF[2]	$238.7	$217.2	$212.6	$250.5	$274.3
AOCF per share[2]	$1.89	$1.68	$1.50	$1.75	$1.91
Total named executive compensation as a percentage of AOCF	3.0%	3.6%	4.2%	3.7%	3.5%
TSR (cumulative total return, per graph above)	2%	-3%	23%	21%	5%

1 To make the numbers comparable over the five years, the retirement allowance of $899,776 paid to our former CFO and Ms. Summers' salary and signing bonus in the aggregate amount of $131,539 are not included in the 2015 data.

2 AOCF before transaction and other costs. For the period 2014 to 2016, AOCF includes the results of our prior Construction Products Division which was divested on August 9, 2016.

3 Even though the company disclosed six named executive officers in the Information Circular this year, total compensation for all named executive officers is calculated using the five named executive officers as determined in accordance with applicable securities legislation for consistency and to allow for comparison to all prior years.

For the five-year period ended December 31, 2018, Superior's compound annual growth rate (CAGR) was 1%, compared to the S&P/TSX Composite Index CAGR of 4.1% and the S&P/TSX Composite High Dividend Index CAGR of 2.1%. In 2018, the total shareholder return of our common shares assuming reinvestment of dividends was -14.8%, compared to -7.6% and -10.3% for the two indices. The approximately 37% increase in total compensation of the CEO and other named executives over the past five years is greater than the 5% increase in the total shareholder return of our common shares over the period but does reflect strong financial results at both the corporate and individual business levels during that period. In addition, the total shareholder return of our common shares over the past five years was dramatically impacted by the decrease in our stock price, and in the value of the equity markets in general, during the fourth quarter of 2018. Total compensation of named executives as a percentage of AOCF has remained relatively stable over the past five years.

EQUITY COMPENSATION

Outstanding share-based and option-based awards *as at December 31, 2018*

The table below shows the outstanding RSUs and PSUs awarded under our long-term incentive plan. We calculated the value of RSUs and PSUs by multiplying the number of units each named executive held on December 31, 2018 by $9.68, the closing price of Superior common shares on the TSX on December 31, 2018. This includes RSUs and PSUs that were granted for 2018, which were approved in November 2018 but granted on January 2, 2019. RSUs and PSUs include reinvested dividends. PSUs assume a performance multiplier of 1 (see page 66 for more information about the long-term incentive plan, and page 67 for more about PSUs).

	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 (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of share-based awards not paid out or distributed ($)
Luc Desjardins	—	—	—	—	239,211 RSUs 406,022 PSUs	6,245,855	—
Beth Summers	—	—	—	—	70,558 RSUs 94,571 PSUs	1,598,449	—
Greg McCamus	—	—	—	—	73,818 RSUs 119,665 PSUs	1,872,915	—
Andy Peyton	—	—	—	—	47,585 RSUs 54,018 PSUs	983,517	—
Darren Hribar	—	—	—	—	47,391 RSUs 58,770 PSUs	1,027,638	—
Ed Bechberger	—	—	—	—	58,177 RSUs 102,522 PSUs	1,555,566	—

Incentive plan awards – value vested or earned during the year

The following table shows for each named executive:

> the value of RSUs awarded under the long-term incentive plan that vested and were paid out on February 26, 2018

> the value of PSUs awarded under the long-term incentive plan that vested and were paid out on May 24, 2018

> the short-term incentive awards earned for 2018, which will be paid out in March 2019.

We calculated the value of RSUs paid out by multiplying the number of units that vested (including reinvested dividends) by $11.9688 the 10-day volume weighted average price of our common shares on February 26, 2018.

We calculated the value of PSUs by multiplying the applicable performance factor of 1.14 by the number of units that vested (including reinvested dividends) by $13.2422 the 10-day volume weighted average price of our common shares on May 24, 2018.

See page 66 for information about the long-term incentive plan.

	Option-based awards – value vested during the year ($)	Share-based awards – value vested during the year ($)	Non-equity incentive plan compensation – value earned during the year ($)
Luc Desjardins	—	1,514,541	1,552,500
Beth Summers	—	182,137	462,672
Greg McCamus	—	599,345	424,902
Andy Peyton	—	72,945	405,292
Darren Hribar	—	224,336	395,330
Ed Bechberger	—	398,254	358,104

PENSION BENEFITS

We offer retirement benefits, including a defined contribution plan for four of our named executives, a 401(k) plan for Mr. Peyton and a defined benefit plan for Mr. Bechberger.

Defined contribution plan

All Canadian full- and part-time employees (except Specialty Chemicals executives) who live outside of Manitoba and work at least 20 hours a week (subject to the terms of their employment) can participate in the Superior Propane employee pension plan, a voluntary defined contribution plan. The plan is a registered pension plan governed by Canada's Income Tax Act, and federal and provincial pension legislation.

All of the named executives except Mr. Bechberger participate in the plan. The named executives can contribute from one to eight percent of their base pay earnings every year, and Superior matches employee contributions to a maximum of eight percent of the named executive's salary. Total contributions each year cannot be higher than the annual limit under federal legislation ($26,500 in 2018) or 18% of the named executive's current year's total direct compensation (whichever is lower).

All contributions vest immediately but cannot be withdrawn until the participant leaves the company. Retirement under the plan is defined as any day after the day after the employee turns 55, but before December 1 of the year the employee turns 71.

Base pay earnings

Include salary, vacation pay, statutory holiday pay and short-term disability. They do not include overtime, taxable benefits or incentive compensation.

The table below shows:

- the value in each executive's defined contribution plan as of January 1, 2018
- contributions to the plan during the year
- the accumulated value at the end of the year, which includes employer and employee contributions and investment returns as of December 31, 2018.

The table was prepared using the same assumptions, methods and accounting principles used to prepare our financial statements.

	Accumulated value at the beginning of the year ($)	Compensatory change ($)	Accumulated value at the end of the year ($)
Luc Desjardins	208,315	13,250	230,570
Beth Summers	57,600	13,250	81,922
Greg McCamus	439,645	13,250	452,117
Darren Hribar	90,007	13,250	112,784

Defined benefit plan

Mr. Bechberger is the only named executive who participates in a defined benefit plan.

The ERCO Worldwide Defined Benefits plan pays a monthly pension when Mr. Bechberger retires. The monthly amount depends on his credited service and how much he has earned, as illustrated below. There is no maximum applied to credited service, but his annual pension cannot be higher than $2,944 per year of service (the maximum allowable under the Income Tax Act as of December 31, 2018). Earnings in the formula below consist of salary:

Years and months of credited service	x	[	**1.25%** **x** **best three-year average earnings up to the final three-year average yearly maximum pensionable earnings** (average was $55,367 at December 31, 2018)	+	**1.875%** **x** **best three-year average earnings in excess of the final three-year average yearly maximum pensionable earnings**	]

Normal retirement is at age 65, but he can retire as early as age 55. He will receive the full pension amount if he retires at age 65, or after he turns 60 as long as he has 25 or more years of service. If he retires between the ages of 55 and 59, he will receive a reduced pension. There is no offset or reduction at age 65 for Canada Pension or Old Age Security.

Payments continue for Mr. Bechberger's lifetime. If he dies before 60 payments have been made, his beneficiary will receive monthly payments until a total of 60 payments have been made.

The table below shows:

> Mr. Bechberger's years of credited service at the end of 2018

> the estimated annual benefit that would be payable at year end and age 65, based on his current pensionable earnings and credited service

> a reconciliation of the defined benefit obligation from December 31, 2017 to December 31, 2018
  - *opening present values* assume a discount rate of 3.38% per year, a salary scale of 3.00% and use the project unit credit cost method pro-rated by service (the same assumptions, methods and accounting principles used to prepare our financial statements)
  - *closing values* use same assumptions as beginning of year, except for discount rate which was 3.85% per year
  - *compensatory change* includes the service cost for 2018 and the effect that actual salary increases had on pension liability
  - *non-compensatory change* includes all other effects, mainly changes in liability due to changes in assumptions.

	Number of years credited service (#)	Annual benefits payable		Opening present value of defined benefit obligation	Compensatory change	Non-compensatory change	Closing present value of defined benefit obligation
		At year end	At age 65				
Ed Bechberger	37.58	$111,000	$127,000	$1,700,000	$46,000	$(109,000)	$1,637,000

401(k) Plan

We offer retirement benefits, including a 401(k) retirement plan for all US Propane employees.

Mr. Peyton is the only named executive who participates in the 401(k) retirement plan. Please refer to footnote 4 of the Summary Compensation Table on page 59 for additional details on the contributions made to his 401(k) retirement plan in 2018.

All full and part-time employees of US Propane who work at least 20 hours a week can participate in the 401(k) retirement plan. The plan is governed by the U.S. Department of Labor and is not considered a pension plan under Canadian legislation. The Internal Revenue Service oversees federal tax laws associated with the plan.

Employees can contribute up to ninety percent of their base pay earnings every year, and Superior matches employee contributions to a maximum of two and one-half percent of the employee's salary. Total contributions each year cannot be higher than the annual limit under federal legislation (US$18,500 in 2018 with an additional US$6,000 Catch-up Contribution after age 50). All employer matching contributions require a three year vesting schedule. Employees are always 100% vested in the part of their account balance that comes from their own contributions. Employees are able to withdraw from their account at 59 ½ years of age without penalty. Employees who leave the company may elect to rollover their assets to another 401(k) or qualified Individual Retirement Account.

TERMINATION AND CHANGE OF CONTROL

We have employment agreements with all of our named executives that provide for:

- a base salary
- a short-term incentive plan in some cases (as long as performance benchmarks are met – see page 60)
- participation in our long-term incentive plan (see page 66)
- participation in a pension plan (see page 71)
- other benefits
- entitlements if their employment is terminated in certain situations.

Our employment agreements also include a requirement to comply with our policies governing confidential information, and non-compete provisions that range from 12 to 18 months.

Treatment of compensation if employment is terminated

The table below shows the payments we will make to the named executives under different scenarios, as specified in their employment agreements approved by the board in 2018 or by the terms of the long-term incentive plan. In February 2018, the board approved revisions to the executive agreements to bring them in line with market practice and current legal requirements. The revisions provide that on a termination without cause an executive's severance payments would reflect amounts to compensate for the loss of short term incentive payments and benefits based on the notice period set forth in the agreements.

	Retirement	**Termination without cause** (includes resignation *for* good reason)	**Termination with cause** (includes resignation *without* good reason)	**Change of control**
Salary	Salary to date of retirement	Severance payment (see below)	Salary to date of termination	Mr. Desjardins: severance payment (see below) as long as he is also terminated without cause
Short-term incentive	Amount declared but unpaid	Severance payment (see below)	Amount declared but unpaid	Mr. Desjardins: severance payment (see below) as long as he is also terminated without cause. Other named executives: amount declared but unpaid
Long-term incentive	Pro-rated to last day worked and vest immediately	Pro-rated to date of termination and vest immediately	Forfeited	PSUs and RSUs accelerate and vest immediately, according to the terms of the long-term incentive plan (see below)
Pension	Accrued pension amount	Accrued pension amount	Accrued pension amount	Accrued pension amount
Other	Outstanding vacation pay and expense reimbursements	Outstanding vacation pay and expense reimbursements	Outstanding vacation pay and expense reimbursements	Outstanding vacation pay and expense reimbursements
Additional benefits	Benefits end	Severance payment (see below)	Benefits end	Benefits end

Good reason is either:

- a material change in position, duties, title or office and a reduction in annual salary or other compensation, or
- in some employment agreements, a transfer to a different location (unless by mutual agreement).

Severance payment, as defined in the employment agreements, includes:

- Luc Desjardins: 2.0x annual salary plus 2.0x average STIP over last 3 years
- Beth Summers: 1.5x annual salary, 1.5x average STIP over last 3 years, 1.5x 15% of annual salary for benefits
- Greg McCamus: 1.5x annual salary, 1.5x average STIP over last 3 years, 1.5x 15% of annual salary for benefits
- Andy Peyton: 1.0x annual salary, 1.0x average STIP over last 1 year, 1.0x 15% of annual salary for benefits
- Darren Hribar: 2.0x annual salary, 2.0x average STIP over last 3 years, 2.0x 15% of annual salary for benefits
- Ed Bechberger: 2.0x annual salary, 2.0x average STIP over last 3 years, 2.0x 15% of annual salary for benefits.

Change of control, under the terms of the long-term incentive plan, can be:

- a change of control transaction – a transaction where one or more entities acquires more than 50% of our voting shares
- a divisional change of control transaction (for employees of the division):
  - a division's assets are sold to another unrelated entity
  - a transaction results in Superior owning less than 50% of the division, or
  - a transaction results in Superior ceding control of the division to an unrelated entity.

Change of control, under the terms of Mr. Desjardins' employment agreement (which is the only executive agreement with a change of control provision), must be double-trigger (accompanied by termination without cause). Change of control is defined as one of the following:

- an acquisition of more than 20% of our voting shares, or
- a change of three or more board members that we do not initiate.

Estimated payments if employment is terminated

The table below shows the estimated additional benefits each named executive would receive if their employment ended on December 31, 2018 based on the terms of the amended executive agreements approved in 2018.

The value of RSUs and PSUs is calculated using $9.68, the closing price of Superior common shares on the TSX on December 31, 2018. RSUs and PSUs include reinvested dividends. PSUs assume a performance multiplier of 1. The actual amount the executives would receive on termination depends on our share price at the time, among other things. See page 66 for more about the long-term incentive plan.

The table assumes all allowable vacation has been taken in full, and does not include the 2018 short-term incentive awards, which were not declared until February 2019.

The value of RSUs and PSUs that pay out under the terms of the long-term incentive plan:

- on *retirement and termination without cause*, includes all RSUs and PSUs issued prior to December 31, 2018, and are prorated to reflect the length of time the named executive was employed during the applicable vesting periods
- on a *change of control,* assumes they accelerated and vested before December 31, 2018, and includes RSUs and PSUs granted on or before December 31, 2018. If the valuation date is accelerated for PSUs, a performance multiplier of 1 is used unless actual share price at the time of the change of control triggers a higher performance multiplier.

	Under the terms of	Resignation (without good reason) ($)	Retirement ($)	Termination without cause ($)	Termination with cause ($)	Change of control as defined by an employment agreement ($)	Change of control as defined by the long-term incentive plan ($)
		Estimated incremental value on termination as of December 31, 2018					
Luc Desjardins	His employment agreement	—	—	4,675,507	—	3,633,073[1]	2,092,748[2]
	Long-term incentive plan	—	2,092,748	2,092,748	—	—	3,633,073
	Total	**—**	**2,092,748**	**6,768,255**	**—**	**3,633,073**	**5,725,821**
Beth Summers	Her employment agreement	—	—	1,413,686	—	—	—
	Long-term incentive plan	—	—	686,618	—	—	1,132,236
	Total	**—**	**—**	**2,100,304**	**—**	**—**	**1,132,236**
Greg McCamus	His employment agreement	—	—	1,347,468	—	—	—
	Long-term incentive plan	—	729,297	729,297	—	—	1,187,348
	Total	**—**	**729,297**	**2,076,765**	**—**	**—**	**1,187,348**
Andy Peyton[3]	His employment agreement	—	—	851,722	—	—	—
	Long-term incentive plan	—	—	389,049	—	—	837,555
	Total	**—**	**—**	**1,240,771**	**—**	**—**	**837,555**
Darren Hribar	His employment agreement	—	—	1,627,442	—	—	—
	Long-term incentive plan	—	—	374,425	—	—	684,317
	Total	**—**	**—**	**2,001,867**	**—**	**—**	**684,317**
Ed Bechberger	His employment agreement	—	—	1,561,911[4]	—	—	—
	Long-term incentive plan	—	566,920	566,920	—	—	922,815
	Total	**—**	**566,920**	**2,128,831**	**—**	**—**	**922,815**

1 Assumes the transaction is a change of control under Mr. Desjardins' employment agreement, but not under the terms of the long-term incentive plan and that he is terminated without cause.
2 Assumes Mr. Desjardins is terminated without cause.
3 Mr. Peyton's referenced payments would be made in US dollars. Such US dollar amounts have been converted to Canadian dollars at the noon exchange rate on December 31, 2018 of US$1 = $1.3642 for purposes of the table.
4 Does not include what Mr. Bechberger may be entitled to receive under the ERCO Worldwide Defined Benefits plan.

OTHER INFORMATION

Loans to directors and executive officers

None of our directors or nominated directors, our executive officers, or anyone associated or affiliated with any one of them, has a loan outstanding to the company.

Interest in material transactions

None of our directors or nominated directors, our executive officers, or anyone associated or affiliated with any one of them, has or has had a direct or indirect material interest in any transaction or proposed transaction that has materially affected or would materially affect the company.

Liability insurance

We and Superior General Partner Inc. maintain liability insurance to protect the directors and officers of Superior and its subsidiaries. A total limit of $50,000,000 is purchased and a corporate retention of $150,000 is applicable. In 2018 we paid a premium of US$163,000 to cover the 12-month term from November 1, 2018 to November 1, 2019, to coincide with our corporate insurance program.

Non-GAAP measures

We use a number of financial measures that are not defined by International Financial Reporting Standards (IFRS) to evaluate our performance. These measures may also be used by investors, financial institutions and credit rating agencies to assess our performance and ability to service debt. Non-GAAP financial measures do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Securities regulations require that non-GAAP financial measures are clearly identified, defined and qualified and, in the case of historical measures, reconciled to their most comparable IFRS financial measures.

The non-GAAP measures presented in this circular are identified and defined as follows:

- *adjusted operating cash flow (AOCF)* – cash flow from operating activities as defined by IFRS, adjusted for changes in non-cash working capital, other expenses, non-cash interest expense, current income taxes and finance costs. We may make other deductions in our calculation of AOCF; these items would generally, but not necessarily, be infrequent in nature and could distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring. AOCF is the main performance measure used by management and investors to evaluate the ongoing performance of our businesses and its ability to generate cash flow. AOCF represents cash flow generated by Superior that is available for, but not necessarily limited to, changes in working capital requirements, investing activities and financing activities. AOCF is also used as one component in determining short-term incentive compensation for certain of our management employees.
- *EBITDA from operations* – Adjusted EBITDA (defined below) excluding costs that are not considered representative of our underlying core operating performance, including gains and losses on foreign currency hedging contracts, corporate costs and transaction and other costs. We use EBITDA from operations to set targets for Superior (including annual guidance and variable compensation targets). Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, losses (gains) on disposal of assets, finance expense, restructuring costs, transaction and other costs, and unrealized gains (losses) on derivative financial instruments.

The intent of non-GAAP financial measures is to provide additional information to investors and others, to help them assess our performance and the performance of our operating businesses on the same basis as management. They should not be considered in isolation, as a substitute for performance measures prepared according to IFRS, or as alternatives to net earnings, cash flow from operating activities or other measures of financial results that are calculated according to IFRS as an indicator of our performance.

For more information about these non-GAAP measures and a reconciliation to measures under IFRS, see our MD&A which is posted on SEDAR.

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