



CHEMTRADE

2021

Chemtrade Logistics Income Fund

Notice of our 2021 annual and special meeting of
unitholders

Management information circular

March 22, 2021



CHEMTRADE

NOTICE OF OUR 2021 ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

When

10 a.m. (Toronto time)
Tuesday, May 11, 2021

Where

Virtual-only meeting via live audio
webcast online at
<https://web.lumiagm.com/283819479>

Items of business

- 1 Receive the financial statements of Chemtrade Logistics Income Fund for the year ended December 31, 2020 and the auditors' report
- 2 Appoint the auditors and authorize the trustees to set the auditors' fees
- 3 Elect the trustees
- 4 Approve, by special resolution, the 2020 Declaration of Trust;
- 5 Vote on the advisory resolution on our approach to executive pay
- 6 Transact any other business that may properly come before the meeting

If you held units of Chemtrade Logistics Income Fund at the close of business on March 16, 2021 (the *record date*), you are entitled to attend and vote at our 2021 annual meeting, or at a reconvened meeting if the meeting is postponed or adjourned. You can read about each item of business beginning on page 5 of the attached management information circular which forms part of this notice.

By order of the board of trustees,

Susan M. Paré
Corporate Secretary
Chemtrade Logistics Income Fund
Toronto, Ontario
March 22, 2021

Important

Our meeting will be held virtually (on-line) this year due to the COVID-19 pandemic and on-going concerns about in-person gatherings. We encourage you to attend the virtual meeting. You may vote on-line at the virtual meeting, or you may vote in advance of the meeting by proxy. Go to page 8 to find out how to vote.

MESSAGE TO UNITHOLDERS

Dear fellow unitholder,

2020 was an upside down, challenging and tragic year. Chemtrade was not unaffected by the COVID-19 pandemic. We produce “essential” goods so none of our businesses were required to shut down. As you will read elsewhere in our public disclosure documents, however, the pandemic had a negative impact on the demand for certain of our products. The pandemic also affected our team personally and in the manner in which we operated our facilities. Our team showed remarkable resilience and adaptability. Their performance was admirable and we are very grateful.

Distributions

Our businesses and people met the challenges of operating through the pandemic and Chemtrade was able to generate meaningful cash flow. We realized early in the year that our projected cash flows would be negatively impacted by the pandemic so we proactively reduced our \$0.10 per month distribution. This tough decision was necessary to preserve our financial stability. We are comfortable that we will be able to sustain the new \$0.05 monthly distribution going forward.

Succession planning

The main job of your board in 2020 was overseeing executive succession. This is the most important task that any board has. And this job is much more difficult when the founder is to be replaced. In August, 2020, we announced that Mark Davis, our founding CEO, would be retiring in 2021 to be succeeded by Scott Rook, our COO. Fortunately, all participants have contributed to a smooth transition. Mark has now retired and Scott has assumed the position of CEO.

Company growth & resiliency

When Chemtrade was established in conjunction with its IPO in July, 2001, it had two businesses that generated EBITDA of approximately \$25 million annually.

Under Mark’s watch, Chemtrade has grown substantially. The scale and diversity of its current businesses provided the resiliency to endure the pandemic. Someone who purchased 1 unit at a price of \$10 on the IPO and held it to December 31, 2020 would have received distributions of \$25.23 on the unit. This is a remarkable achievement, due in large part to Mark’s leadership.

I have personally worked with Mark since the IPO and I and Chemtrade will miss his leadership, insights and experience.

ESG disclosure

As I mentioned last year, we are continually upgrading our environment, social and governance (ESG) disclosure.

In 2020, management conducted a materiality assessment to identify the sustainability topics that are most likely to affect the financial or operating performance of Chemtrade. The assessment was modelled after a five-factor test developed by the Sustainability Accounting Standards Board (SASB).

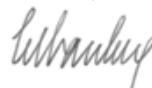
You will find enhanced ESG disclosure in this year’s AIF and on our website. Please look at our ESG disclosures on our updated website to get a sense of our ESG activities and our commitment to ESG best practices. We will continue to enhance our ESG activities and disclosures as we move forward.

Declaration of Trust amendments

An amendment to our Declaration of Trust is on the agenda for this year’s annual meeting. This amendment makes it easier to hold virtual unitholder and director meetings. It also permits the Fund to have persons who are not resident Canadians serve as a trustee, provided that a majority of the board remains resident Canadians. As a result, Doug Muzyka, who had previously served as a director of our operating subsidiary, joined the Fund’s board. Mark Davis retired from the board on February 28, 2021 when he ceased to be our CEO and he was replaced by Scott Rook, our new CEO, on March 1, 2021.

The board understands that one of its principal responsibilities is to serve the interest of investors. If there is anything you would like to communicate to the board, please get in touch with me at chair@chemtradelogistics.com.

Sincerely,



Lorie Waisberg
Chair, board of trustees
Chemtrade Logistics Income Fund

Your vote is important.

This management information circular contains important information about our 2021 annual meeting of unitholders. It tells you about the items of business, the voting process, how Chemtrade is governed and executive compensation.

Please read the circular before you decide how to vote your units.

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Appendix A

Blackline of 2020 Declaration of Trust

Appendix B

Mandate of the Board of Trustees

MANAGEMENT INFORMATION CIRCULAR

You have received this management information circular because you held units of Chemtrade Logistics Income Fund at the close of business on March 16, 2021. That gives you the right to attend and vote at our 2021 annual meeting at 10 a.m. on Tuesday, May 11, 2021 via live audio webcast online at <http://web.lumiagm.com/283819479>, or at a reconvened meeting if the meeting is postponed or adjourned.

Management is encouraging you to vote and is soliciting your proxy for the meeting on behalf of the board of trustees. Proxies are solicited by mail but a member of the board of trustees or other Chemtrade representative may also contact you. Except in the case of the cost assumed by an intermediary to re-distribute meeting materials to objecting beneficial owners, we pay for the costs of proxy solicitation.

Units of the Fund are listed on the Toronto Stock Exchange (TSX) under the trading symbol CHE.UN. Financial information is provided in the Fund's annual consolidated financial statements and management's discussion and analysis (MD&A) for the year ended December 31, 2020. These and other documents, including the 2020 annual information form (AIF), are available on our website (www.chemtradelogistics.com) and on SEDAR (www.sedar.com). The AIF includes information about the Fund's audit committee (see AIF sections entitled *Board committees* and *About the audit committee*, and the *Appendix* to the AIF). You can also write to the Corporate Secretary at our head office to ask us to send you free copies of these documents.

We update our website regularly and use it as our primary medium for communicating with unitholders and other interested parties.

Our board of trustees has approved the contents of this circular and authorized us to send it to our unitholders of record. A copy of the circular has also been sent to each trustee and the auditors.

By order of the board of trustees,



Susan M. Paré
Corporate Secretary, Chemtrade Logistics Income Fund
Toronto, Ontario
March 22, 2021

In this document:

- *we, us* and *our* and *Chemtrade* mean Chemtrade Logistics Income Fund and all of its subsidiaries
- *Fund* means Chemtrade Logistics Income Fund
- *units* mean units of the Fund
- *you, your* and *unitholder* mean holders of units of the Fund
- *circular* means this management information circular unless specified otherwise
- *meeting* or *annual meeting* means our 2021 annual and special meeting of unitholders
- *board of trustees* and *board* mean the Fund's board of trustees
- *Declaration of Trust* and *2020 Declaration of Trust* means the Amended and Restated Declaration of Trust dated November 12, 2020
- *2016 Declaration of Trust* means the Amended and Restated Declaration of Trust dated May 12, 2016 which has been replaced by the 2020 Declaration of Trust.

Our record date is March 16, 2021.

All information is as of March 22, 2021 and all dollar amounts are in Canadian dollars unless specified otherwise.

About Chemtrade Logistics Income Fund

Chemtrade Logistics Income Fund is a limited purpose trust established under the laws of the Province of Ontario on July 11, 2001. The Fund operates under a Declaration of Trust that was most recently amended on November 12, 2020. The Fund holds, directly or indirectly, all of the securities of its operating entities.

About notice and access

We are using the *notice and access* method to deliver our meeting materials (the notice, our management information circular and our 2020 annual financial statements, annual management's discussion and analysis and auditors' report) to non-registered (beneficial) unitholders for our 2021 annual meeting. Notice and access is a set of Canadian securities rules that permits us to provide online access to materials instead of sending paper copies, reducing energy use as well as paper and mailing costs.

If you are a beneficial unitholder, we have sent you a notice which tells you how you can access the materials online or receive free printed copies which have been sent to your intermediary (or its agent) to distribute to you with either a proxy form or a voting instruction form. We pay the cost of distributing materials to non-objecting beneficial owners, but if you are an objecting beneficial owner, your intermediary bears the cost or may charge you for the cost.

ABOUT THE UNITHOLDER MEETING

This section includes information about the items of business, what you will be voting on, the voting process, this year’s nominated trustees and the board committees.

We will disclose this year’s voting results in a news release after the meeting. The news release will be available on our website (www.chemtradelogistics.com) and on SEDAR (www.sedar.com).

Where to find it

Business of the meeting	5
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BUSINESS OF THE MEETING

1. Receive our financial statements

The Fund's consolidated financial statements for the year ended December 31, 2020 and the auditors' report will be presented at the meeting.

These consolidated financial statements form part of our 2020 annual report, which is available on our website (www.chemtradelogistics.com) and on SEDAR (www.sedar.com) or by contacting our Corporate Secretary. They are also available through *notice and access* (see page 3).

2. Appoint the auditors

You will vote on appointing KPMG LLP as auditors of the Fund to hold office until the next annual meeting of unitholders or until their successor is appointed, and to authorize the trustees to set the auditors' fees for the coming year.

The auditors will hold office until our next annual meeting or until their successor is appointed. KPMG LLP have been our auditors since the Fund's inception in 2001.

The table below shows the fees paid to KPMG LLP the last two fiscal years.

Table 1	2020 ¹	2019
Audit fees	\$1,398,834	\$1,256,724
Audit-related fees For French translation of our MD&A, financial statements and prospectus	\$60,990	\$46,400
Tax fees For tax compliance and general advisory services	\$1,125,497	\$910,250
All other fees For debt finance study and transaction assistance in 2019	\$0	\$188,388
Total	\$2,585,321	\$2,401,762

¹ Fees in each category include disbursements and administrative fees.

3. Elect the trustees

You will vote on electing seven trustees to hold office until the next annual meeting of unitholders or until their successors are elected or appointed. The nominees are:

1. Lorie Waisberg
2. Lucio Di Clemente
3. Daniella Dimitrov
4. Emily Moore
5. Douglas Muzyka
6. Katherine Rethy
7. Scott Rook

All of the nominated trustees currently serve on the board. All trustees stand for election every year. Douglas Muzyka, who was appointed to the board in November 2020, and Scott Rook, who was appointed to the board in March 2021, are standing for election for the first time. All of the nominees are qualified and have expressed their willingness to serve on the board for a term of one year. If, for any reason prior to the meeting, a nominee is unable to serve, the Chemtrade representatives named in the proxy form and voting instruction form have the right to vote for another nominee at their discretion.

You can read about the proposed board and each nominee beginning on page 14. We have a majority voting policy, which you can read about on page 52.

The board recommends you vote FOR appointing KPMG LLP as auditors of the Fund and authorize the trustees to set the auditors' fees.

The board recommends you vote FOR electing each nominee as a trustee of the Fund to hold office until the next annual meeting of unitholders or until their successors are elected or appointed.

4. Special Business - Approve by special resolution, the 2020 Declaration of Trust

The board recommends you vote FOR the special resolution approving the amendments to the Declaration of Trust.

In July 2020, the Declaration of Trust was amended and restated to incorporate minor amendments made to the 2016 Declaration of Trust which did not require unitholder approval. Subsequently, the board approved certain other amendments (described below) to the Declaration of Trust which came into effect on November 12, 2020. These November 2020 amendments must now be approved by the unitholders in order to continue to be effective.

About the 2020 Declaration of Trust

Summary of proposed amendments	Relevant section references in the 2020 Declaration of Trust
<ul style="list-style-type: none">enable non-resident Canadians to act as trustees, so long as a majority of the board members are resident Canadians	<ul style="list-style-type: none">8.1
<ul style="list-style-type: none">allow virtual board, committee, and unitholder meetings	<ul style="list-style-type: none">7.3, 7.4, 10.3, 12.1, 12.11
<ul style="list-style-type: none">allow electronic signatures and electronic delivery of documents	<ul style="list-style-type: none">17.13
<ul style="list-style-type: none">clarify certain annual unitholder and trustee meeting procedures to account for the amendments above and in accordance with best practices	<ul style="list-style-type: none">7.5, 12.2, 12.3, 12.4, 17.1

A full text blackline of the 2020 Declaration of Trust showing all changes against the July 2020 Declaration of Trust is found at Appendix A.

In order to give effect to the amendments and to address matters of an administrative nature, certain other non-substantive amendments were made to the following sections: recitals, 1.1(mm), 1.1 (aaa), 7.1, 7.2, 7.8, 8.4, 9.2(g), 10.1, 10.2, 11.1(e), 12.6. Reference should be made to the full text blackline of the proposed amended and restated Declaration of Trust, showing all changes as compared to the July 2020 Declaration of Trust, attached as Appendix A.

Special Resolution of Unitholders

You will vote on the following special resolution:

RESOLVED THAT:

- The amendments to the Declaration of Trust of the Fund, as reflected in the blackline of the Declaration of Trust in Appendix A of the Management Information Circular dated March 22, 2021, which accompanied the Notice of Meeting dated March 22, 2021, be and is hereby confirmed, ratified and approved; and*
- Any officer or Trustee of the Fund is authorized and directed to finalize, execute, deliver and file any and all such further documents, authorizations or other instruments, and to take any and all further action as such officer or Trustee, in such officer's or Trustee's sole discretion, may deem necessary in connection with this resolution, the execution and delivery of any such documents or other instruments or the filing or doing of any such other act or thing by such officer or Trustee to be conclusive evidence of such determination.*

A special majority of 66 2/3% of the votes cast by unitholders at our annual meeting on May 11, 2021 is required to approve the amended and restated Declaration of Trust. You can find the complete text of the amended and restated Declaration of Trust on our website (www.chemtradelogistics.com). You can also find more general information about the Declaration of Trust in our 2020 AIF.

5. Vote on the advisory resolution on our approach to executive pay

The board recommends you vote **FOR** the advisory resolution on our approach to executive pay.

We hold a 'say on pay' advisory vote every year to give unitholders an opportunity to provide feedback to the board on this important issue.

You will vote on our approach to executive pay as described in this circular. Our compensation discussion and analysis begins on page 24 and explains our compensation governance, pay for performance philosophy, the compensation elements and the board's decisions about 2020 executive pay. Last year 81.73% of the votes cast were *for* our approach to executive pay. Last year's vote was an improvement over the previous year and we continue to seek ways to improve our approach to executive pay in line with unitholder's expectations. See page 22 for a message from the chair of our compensation and corporate governance committee.

This is an advisory vote, so the results are not binding on the board. If the advisory resolution is not approved by a majority of the votes cast at the meeting, the board will meet with unitholders, particularly those known to have voted against the advisory resolution, to understand their concerns. The board will review its approach to executive compensation in the context of those concerns and we will discuss the results of the review in our next management information circular.

Unitholders who vote against the resolution or wish to discuss executive compensation or other matters may wish to contact the board (see page 65 for details of our investor engagement policy).

You will vote on the following advisory resolution, subject to any amendments, variations or additions that may be approved at the meeting:

RESOLVED ON ADVISORY BASIS AND NOT TO DIMINISH THE ROLE AND RESPONSIBILITIES OF THE BOARD OF TRUSTEES of Chemtrade Logistics Income Fund (the Fund), that the unitholders accept the Fund's approach to executive compensation as disclosed in the compensation discussion and analysis section in the Fund's management information circular dated March 22, 2021 and delivered in advance of the 2021 annual meeting of unitholders.

6. Other business

The board and management are not aware of any amendment, variation or other matter that will be brought before the meeting.

Unitholder proposals and nominating trustees

We did not receive any unitholder proposals for our 2021 meeting.

If you want to submit a unitholder proposal for our 2022 annual meeting, we must receive your proposal by December 2, 2021 to be considered for inclusion in next year's management information circular.

If you want to nominate someone for election as a trustee for our 2022 annual meeting, the trustees must receive your nomination for annual general meetings:

- at least 30 days before the date of the annual meeting, or
- no later than 10 days after the date of first public announcement of the meeting (if the first public announcement is less than 50 days before the meeting).

You can find information about how to submit a unitholder proposal or nominate a trustee in the Fund's Declaration of Trust on SEDAR (www.sedar.com).

VOTING INFORMATION

The Fund is authorized to issue an unlimited number of units and had 103,154,457 units issued and outstanding as at March 19, 2021.

Who can vote

Each unitholder of record at the close of business on March 16, 2021 is entitled to vote at the meeting. Each unit carries one vote.

The board is not aware of a unitholder that beneficially owns, directly or indirectly, or exercises control or direction over units carrying more than 10% of the votes attached to units of the Fund.

Notice and access

We are using the Canadian securities notice and access rules this year to deliver meeting materials to non-registered (beneficial) unitholders. Notice and access is more environmentally friendly, as our information circular and annual report are posted online for unitholders to access, instead of mailed in paper form.

You will still receive a form of proxy or voting instruction form in the mail to vote your units, as well as a notice with instructions on how to access and view the electronic copy of our information circular and annual report. If requested, by following the instructions in the notice, a paper copy of our information circular and annual report will be mailed. See page 3 for more information on notice and access.

How to vote

You can vote by proxy, or you can attend the virtual meeting and vote your units in real time.

Voting by proxy means you appoint someone to be your proxyholder to attend the meeting on your behalf and vote your units according to your instructions. It's the easiest way to vote.

You should carefully review the following information to ensure you are able to access and attend the meeting and properly vote your units.

Technical requirements for virtual meeting

In light of the ongoing challenges and restrictions posed by the COVID-19 pandemic, we are holding our annual meeting in a virtual only format via a live webcast.

Regardless of location, unitholders and duly appointed proxyholders will be able to attend, vote and participate in the virtual meeting. An internet connection is needed to enable unitholders and proxyholders to participate in real time at the meeting by asking questions and/or voting. Unitholders can either appoint themselves as proxyholders to participate, or attend virtually as guests. Guests, while not able to vote, will be able to attend virtually, ask questions and listen to the meeting. Detailed instructions on accessing the meeting are set out below on pages 8 to 12.

The meeting website is accessible by computer, tablet or smartphone. The latest version of Firefox, Internet Explorer, Safari, Chrome or Edge must be on the device to be used. Reliable internet connection is required throughout the meeting. **A broken internet connection may result in your vote not being recorded.** We recommend that you complete the log in and related procedures well in advance of the meeting to ensure you have ample time to complete set up prior to the meeting beginning.

Unitholders and other interested parties should also regularly check our website at <http://www.chemtradelogistics.com/main/investors/> for additional information and updates about the meeting. A user guide with technical information about accessing the virtual meeting through the web-based platform is also posted there.

Unitholders other than Chemtrade employee unit plan holders

(see the table located below this table if you are a Chemtrade employee unit plan holder)

All unitholders hold their units through an intermediary such as a clearing agency (i.e., CDS), bank, trust company, investment dealer, broker, trustee, plan administrator or other intermediary institution. As the beneficial holder of units, you have the right to tell your intermediary how you want to vote your units. The process varies by intermediary so be sure to follow the instructions your intermediary or its agent provides.

How to vote by proxy before the meeting

Whether or not you plan to attend the virtual meeting, you may vote by proxy in advance of the meeting by submitting your proxy form or voting instruction form and appointing the Chemtrade representatives named therein. The Chemtrade representatives named in the proxy form have agreed to serve as your proxyholder.

Follow the instructions provided by your intermediary for sending your voting instructions. This can be done by mail, or your intermediary may also allow you to do this online or by telephone. **You need to act promptly to allow enough time for your intermediary to receive the form, and provide your instructions to Computershare before the Deadline** - see page 10 for the proxy voting deadline.

If you vote by proxy in advance, be sure to choose "I am a guest" when you log in to the meeting so as not to revoke your previously submitted proxy. See the section in this table entitled "How to attend the virtual meeting as a guest".

Unitholders other than Chemtrade employee unit plan holders
 (see the table located below this table if you are a Chemtrade employee unit plan holder)

How to attend and vote at the virtual meeting

If you wish to vote at the virtual meeting, you **MUST** appoint yourself as a proxyholder first **AND** then also register with Computershare by following the steps described below by no later than the proxy voting Deadline (see page 10). It is important to act promptly in order to ensure your instructions are received and your registration completed prior to the Deadline.

Unitholders who have not appointed themselves as proxyholder and registered with Computershare will not be able to vote at the meeting, but will be able to attend the meeting as a guest. Neither Chemtrade nor Computershare have a record of the beneficial holders of units of the Fund, and we will have no knowledge of your unitholdings or entitlement to vote, unless you appoint yourself as a proxyholder and register.

Please follow these steps:

Before Deadline

1. **Appoint yourself as proxyholder (must be completed before registering proxyholder under step 2):**
 - a. *Canadian beneficial holders:* Print your name in the blank space provided for appointing the proxyholder on the voting instruction form and follow the instructions provided by your intermediary for mailing your voting instructions. Your intermediary may allow you to do this online or by telephone instead. Do not complete the voting section because you will vote in real time at the meeting. You need to act promptly to allow enough time for your intermediary to receive the form, and provide your instructions to Computershare **before the Deadline (see page 10)**.
 - b. *U.S. beneficial holders:* Follow the instructions your intermediary has provided in the voting instruction form about how to request a legal proxy to appoint you as a proxyholder, or contact your intermediary right away to request a legal proxy if you have not received a voting instruction form. Your intermediary should send to you a legal proxy that you must complete and submit to Computershare in one of two ways, ensuring that it is labelled "Legal Proxy":

By email	By mail
uslegalproxy@computershare.com	Computershare Trust Company of Canada 100 University Avenue 8th Floor Toronto, Ontario M5J 2Y1

After you submit your legal proxy, you will receive a confirmation of your registration by email after Computershare receives your registration materials. Please note that you are additionally required to register your appointment as a proxyholder at <http://www.computershare.com/chemtrade> as noted in step 2 below. You need to act promptly to allow enough time for your intermediary to provide you with a legal proxy, and to ensure Computershare receives your legal proxy **before the Deadline (see page 10)**.

2. **Register yourself as proxyholder with Computershare:**
 - a. You must register yourself as proxyholder at <http://www.computershare.com/chemtrade> and provide Computershare with the required proxyholder contact information by no later than the proxy voting **Deadline (see page 10)** in order to vote at the meeting.
 - b. If these steps are followed, Computershare will provide you with a username via email. **Failure to register yourself as the proxyholder will result in you not receiving a username that is required to vote at the meeting and you will only be able to attend as a guest.**

Day of Meeting

3. Log in online at <https://web.lumiagm.com/283819479>. We recommend that you log in at least 30 minutes before the meeting starts. Please check in advance that your internet browser is compatible (see page 8 for Technical requirements for virtual meeting).
4. Click "I have a login".
5. Enter your username that was provided by Computershare.
6. Enter password "chemtrade2021" (case sensitive).
7. Follow the instructions to view the meeting and vote when prompted.

You must register to receive a username (needed for step 5 above) prior to the proxy Deadline. Computershare will provide the proxyholder with a username by email after the **proxy voting Deadline (see page 10)**, provided the proxyholder has been duly appointed AND registered.

Once you log into the virtual meeting as a duly appointed proxyholder with a username and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the meeting. If you do not wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the meeting as a guest. See the section in this table below "How to attend the virtual meeting as a guest".

If you hold your units through more than one account, you may only vote the units for one account per device (computer, tablet, phone, etc.). Accordingly, to vote all of your units, either vote some or all of them by proxy in advance of the meeting (see "How to vote by proxy before the meeting" above) or to vote all your units on-line at the meeting, complete the appointment and registration process and/or login process (as applicable for the account) for each of your accounts and vote each account separately by logging in to the meeting on a separate device for each account.

Unitholders other than Chemtrade employee unit plan holders
 (see the table located below this table if you are a Chemtrade employee unit plan holder)

<p>How to appoint a third party proxy to attend and vote at the virtual meeting</p>	<p>You can appoint a person (called a <i>third party proxyholder</i>) other than the Chemtrade representatives identified in the form of proxy or voting instruction form to attend, participate and vote at the meeting on your behalf. If you wish to do so, you MUST appoint a third party as a proxyholder first AND then also register the third party proxyholder with Computershare following the steps described below by no later than the proxy voting Deadline (see below on this page). It is important to act promptly in order to ensure your instructions are received and your registration completed prior to the Deadline.</p> <p>Registering your proxyholder is an additional step AFTER you submit your voting instruction form or proxy form. Failure to register the proxyholder will result in the proxyholder not receiving a username to attend, participate or vote at the meeting. Appointed third party proxyholders do not need to be unitholders.</p> <p>Please follow these steps:</p> <ol style="list-style-type: none"> 1. Appoint a proxyholder: <ol style="list-style-type: none"> a. <i>Canadian beneficial holders:</i> Print the person's name in the blank space provided for appointing the proxyholder on the voting instruction form and follow the instructions provided by your intermediary for mailing your voting instructions. Your intermediary may allow you to do this online or by telephone instead. Do not complete the voting section because your proxyholder will vote in real time at the meeting. You need to act promptly to allow enough time for your intermediary to receive the form, and provide your instructions to Computershare before the Deadline (see below on this page). b. <i>U.S. beneficial holders:</i> Follow the instructions your intermediary has provided in the voting instruction form about how to request a legal proxy to appoint a third party as a proxyholder, or contact your intermediary right away to request a legal proxy if you have not received a voting instruction form. Your intermediary should send to you a legal proxy that you must complete and submit to Computershare in one of two ways, ensuring that it is labelled "Legal Proxy": <table border="1" data-bbox="607 821 1229 997" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">By email</th> <th style="text-align: left;">By mail</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">uslegalproxy@computershare.com</td> <td style="vertical-align: top;">Computershare Trust Company of Canada 100 University Avenue 8th Floor Toronto, Ontario M5J 2Y1</td> </tr> </tbody> </table> <p>After you submit your legal proxy, you will receive a confirmation of your registration by email after Computershare receives your registration materials. Please note that you are additionally required to register your appointment as a proxyholder at http://www.computershare.com/chemtrade as noted in step 2 below. You need to act promptly to allow enough time for your intermediary to provide you with a legal proxy, and to ensure Computershare receives your legal proxy before the Deadline (see below on this page).</p> <ol style="list-style-type: none"> 2. Register your proxyholder with Computershare: <ol style="list-style-type: none"> a. You must register the third party proxyholder at http://www.computershare.com/chemtrade and provide Computershare with the required proxyholder contact information by no later than the proxy voting Deadline (see below on this page) in order to vote at the meeting. b. If these steps are followed, Computershare will provide the proxyholder with a username via email. Failure to register the proxyholder will result in the proxyholder not receiving a username that is required to vote at the meeting and they will only be able to attend as a guest. <p>You must complete BOTH steps prior to the proxy voting Deadline (see below on this page).</p>	By email	By mail	uslegalproxy@computershare.com	Computershare Trust Company of Canada 100 University Avenue 8th Floor Toronto, Ontario M5J 2Y1
By email	By mail				
uslegalproxy@computershare.com	Computershare Trust Company of Canada 100 University Avenue 8th Floor Toronto, Ontario M5J 2Y1				
<p>How to attend the virtual meeting as a guest</p>	<p>Unitholders who have not duly appointed themselves as proxyholders, as well as other guests, can log into the meeting by following the steps below:</p> <ol style="list-style-type: none"> 1. Log in online at https://web.lumiagm.com/283819479 2. Click "I am a guest" and then complete the online form. <p>If you have already voted by proxy in advance of the meeting and do not wish to revoke a previously submitted proxy, be sure to click "I am a guest" when logging in.</p> <p>Guests, including unitholders logged in as guests, will not be able to vote during the meeting. We recommend logging in 30 minutes before the meeting to give yourself ample time for the process.</p>				
<p>Deadline</p>	<p>May 7, 2021 before 10 a.m. (Toronto time)</p> <p>You need to act promptly to allow enough time for your intermediary to receive your voting instructions and to provide them to Computershare before 10 a.m. (Toronto time) on May 7, 2021, OR if the meeting is postponed or adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before the reconvened meeting (Deadline).</p>				
<p>How to change your mind about your vote</p>	<p>If you change your mind, you can revoke your proxy form or voting instruction form as long as you do so within the timelines noted below.</p> <p>If you have provided voting instructions to your intermediary by completing a voting instruction form (or by voting online or by telephone if made available by your intermediary), you can revoke your prior voting instructions by sending new voting instructions to your intermediary in the same manner. You need to act promptly to allow enough time for your</p>				

Unitholders other than Chemtrade employee unit plan holders
 (see the table located below this table if you are a Chemtrade employee unit plan holder)

	<p>intermediary to receive your voting instructions and provide them to Computershare before the Deadline (see page 10).</p> <p>If you have provided voting instructions to your intermediary by completing a proxy form or legal proxy, contact your intermediary to find out what to do to revoke your voting instructions.</p>
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Chemtrade employee unit plan holders

You are an **employee unit plan holder** if you hold your units through the Chemtrade-sponsored Unit Purchase Plan, for which Solium Shareworks (formerly Solium Capital) is the administrative agent and Computershare is the transfer agent and registrar.

<p>How to vote by proxy before the meeting</p>	<p>Whether or not you plan to attend the virtual meeting, you may vote by proxy in advance of the meeting by following the voting instructions on your proxy form and appointing the Chemtrade representatives named therein. The Chemtrade representatives named in the proxy form have agreed to serve as your proxyholder.</p> <p>You can vote in any of the following ways:</p> <p>Internet</p> <ul style="list-style-type: none"> By visiting the website: www.investorvote.com. Refer to your control number (shown on your proxy form) and follow the online voting instructions. <p>Telephone</p> <ul style="list-style-type: none"> By calling the toll-free-number, 1-866-732-VOTE (8683) if you are in Canada or the United States. To vote by phone, refer to your control number (shown on your proxy form) and follow the instructions. <p>Mail</p> <ul style="list-style-type: none"> By completing the proxy form and sending it by mail to Computershare following the instructions on the form. <p>You must ensure your vote is received by Computershare before the Deadline (see page 12 for the proxy voting deadline).</p> <p>If you vote by proxy in advance, be sure to choose "I am a guest" when you log in to the meeting so as not to revoke your previously submitted proxy. See the section in this table entitled "How to attend the virtual meeting as a guest".</p>
<p>How to attend and vote at the virtual meeting</p>	<p>Please follow these steps:</p> <ol style="list-style-type: none"> On the day of the meeting, log in online at https://web.lumiagm.com/283819479. We recommend that you log in at least 30 minutes before the meeting starts. Please check in advance that your internet browser is compatible (see page 8 for Technical requirements for virtual meeting). Click "I have a login". Enter your 15-digit control number (on your proxy form or in the email notification you received) as your username. Enter your username that was provided by Computershare. Enter password "chemtrade2021" (case sensitive). Follow the instructions to view the meeting and vote when prompted. <p>Once you log into the virtual meeting with a username and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the meeting. If you do not wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the meeting as a guest. See the section in this table below "How to attend the virtual meeting as a guest".</p> <p>If you hold your units through more than one account, you may only vote the units for one account per device (computer, tablet, phone, etc.). Accordingly, to vote all of your units, either vote some or all of them by proxy in advance of the meeting (see "How to vote by proxy before the meeting" above) or to vote all your units on-line at the meeting, complete the appointment and registration and/or login process (as applicable for the account) for each of your accounts and vote each account separately by logging in to the meeting on a separate device for each account.</p>
<p>How to appoint a third party proxy to attend and vote at the</p>	<p>If you want to appoint a person (a "third party proxyholder") other than the Chemtrade representatives identified in the form of proxy to attend, participate and vote at the meeting, you MUST appoint a third party as a proxyholder first AND then also register the third party proxyholder with Computershare following the steps described below by no later than the proxy voting Deadline (see page 12). It is important to act promptly in order to ensure your instructions are received and your registration completed prior to the Deadline.</p> <p>Registering your proxyholder is an additional step AFTER you submit your proxy form. Failure to register the proxyholder will result in the proxyholder not receiving a username to attend, participate or vote at the meeting. Appointed third party proxyholders do not need to be unitholders.</p>

Chemtrade employee unit plan holders	
virtual meeting	<p>Please follow these steps:</p> <ol style="list-style-type: none"> 1. Appoint a proxyholder: <ol style="list-style-type: none"> a. Print the person's name in the blank space provided for appointing the proxyholder on the proxy form and follow the instructions for submitting the proxy form (whether by internet, telephone or mail). Do not complete the voting section because your proxyholder will vote in real time at the meeting. You must ensure your form is received by Computershare before the Deadline (see below on this page). 2. Register your proxyholder with Computershare: <ol style="list-style-type: none"> a. You must register the third party proxyholder at http://www.computershare.com/chemtrade and provide Computershare with the required proxyholder contact information by no later than the proxy voting Deadline (see below on this page) in order to vote at the meeting. b. If these steps are followed, Computershare will provide the proxyholder with a username via email. Failure to register the proxyholder will result in the proxyholder not receiving a username that is required to vote at the meeting and they will only be able to attend as a guest. <p>You must complete BOTH steps prior to the proxy voting Deadline (see below on this page).</p>
How to attend the virtual meeting as a guest	<p>Guests can log into the meeting by following the steps below:</p> <ol style="list-style-type: none"> 1. Log in online at https://web.lumiagm.com/283819479 2. Click "I am a guest" and then complete the online form. <p>If you have already voted by proxy in advance of the meeting and do not wish to revoke a previously submitted proxy, be sure to click "I am a guest" when logging in.</p> <p>Unitholders logged in as guests will not be able to vote during the meeting. We recommend logging in 30 minutes before the meeting to give yourself ample time for the process.</p>
Deadline	<p>May 7, 2021 before 10 a.m. (Toronto time)</p> <p>You need to act promptly to allow enough time for your proxy form to be received by Computershare before 10 a.m. (Toronto time) on May 7, 2021, OR if the meeting is postponed or adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before the reconvened meeting (Deadline).</p>
How to change your mind about your vote	<p>If you change your mind, you can revoke your proxy form as long as you do so within the timelines noted below.</p> <ol style="list-style-type: none"> 1. If you voted by mailing a proxy form, you can revoke your prior instructions by completing a new proxy form, signing and giving it a later date, and returning it to Computershare before the Deadline (see above on this page). 2. Or if you voted by telephone or online, you can revoke your prior voting instructions by sending new voting instructions at a later time by telephone or on the internet to Computershare before the Deadline (see above on this page). 3. Providing a notice in writing, signed by you or your authorized attorney, to the registered office of the Fund any time up to and including the last business day before the day of the meeting of any reconvened meeting, or to the chair of the meeting before the meeting of any reconvened meeting begins. 4. Any other manner permitted by law.

How your proxyholder will vote

Your proxyholder must attend the meeting on your behalf and vote your units or withhold from voting your units according to your instructions.

If you do not specify your voting instructions in your proxy form or voting instruction form (or legal proxy), your proxyholder can vote your units as they wish.

If the Chemtrade representatives named in your proxy form or voting instruction form are appointed as your proxyholder and you have not specified how you wish to vote, they will vote:

- FOR the appointment of KPMG LLP as auditors
- FOR each nominated trustee
- FOR the amended Declaration of Trust (special business)
- FOR the advisory resolution on our approach to executive pay.

If there is an amendment or variation to the items of business, or if there are other matters that are properly brought before the meeting, your proxyholder has the discretionary authority to vote as he or she sees fit. As of March 22, 2021, no trustee or executive officer of the Fund is aware of any variation, amendment or other matter to be presented for a vote at the meeting.

Voting Results

The voting results for each item of business at the meeting will be filed with the securities regulators after the meeting.

For more information

Contact, our transfer agent, Computershare, should you have any questions relating to the virtual meeting or the information contained in the Voting Information section of this circular:

Phone: 1-800-564-6253 (toll-free in Canada and the United States)
514-982-7555 (from outside Canada and the United States)

Fax: 1-888-453-0330 (toll-free in Canada and the United States)
514-982-7635 (from outside Canada and the United States)

Mail: 100 University Avenue, 8th Floor, Toronto ON M5J 2Y1

E-mail: service@computershare.com

If you would like to ask a question of our CEO, CFO and/or Chair of the board in advance of the meeting with respect to any of the items of business or other matters in the meeting materials, they can be reached at srook@chemtradelogistics.com, rbhardwaj@chemtradelogistics.com and chair@chemtradelogistics.com, respectively. For more detailed information about the appropriate person to contact, taking into account the nature of your inquiry, see page 65.

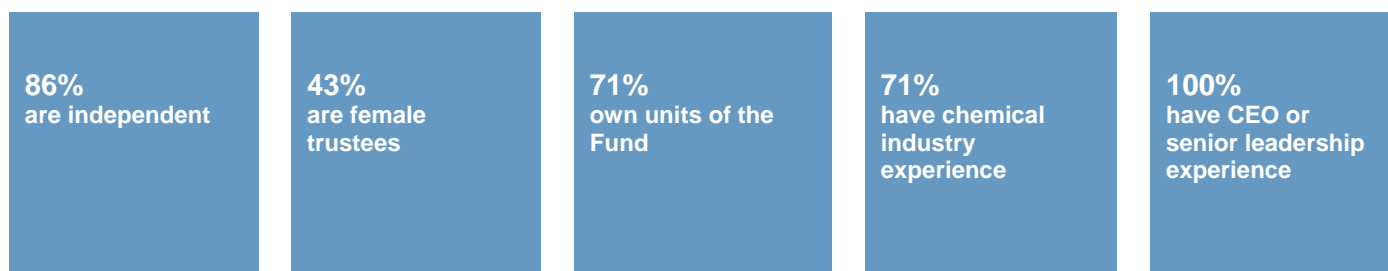
ABOUT THE PROPOSED BOARD

The Declaration of Trust states that we must have from three to 10 trustees on the board.

The board believes that having a relatively small number of trustees encourages active discussion and engagement. This year unitholders will elect seven trustees to the board. All of the nominees are qualified and experienced and have expressed their willingness to serve for another term. All of the nominees currently serve on our board. Each elected nominee will hold office until the next annual meeting or until their successor is elected or appointed. All are independent except Scott Rook, who is Chief Executive Officer (CEO) of the Fund, effective March 1, 2021.

Daniella Dimitrov was elected to the board on May 15, 2020. She brings over 20 years of executive leadership experience and a strong background in governance and the resource sector. Douglas Muzyka was appointed to the board on November 13, 2020. Mr. Muzyka attended board and committee meetings in an advisory capacity from January 2018 until November 2020. Mr. Muzyka brings deep experience in science-based innovation and technology in the chemical industry. Scott Rook was appointed to the board on March 1, 2021. Mr. Rook brings a wealth of chemical industry, operational, commercial and management experience. David Gee retired from the board on May 15, 2019 after serving the board for 18 years. Mark Davis retired from the board on February 28, 2021 after serving the board for 20 years.

Characteristics of the proposed board



You can read about each nominee beginning on the next page, and the board committees on page 19. A general discussion of corporate governance at Chemtrade begins on page 48.

Overboarding

None of the nominees currently serve on more than three public company boards, including the Fund's board.

No board interlocks

None of the nominees serve together on another public company board or committee.

2020 meeting attendance summary

The table to the right is a summary of meeting attendance in 2020. Each board and committee meeting also included an *in camera* session (without management present). You can find the 2020 attendance record for each member of the board on page 52.

Table 2	Number of meetings	Overall meeting attendance
Board	15	98%
Audit committee	5	98%
Compensation and corporate governance committee	4	97%
Responsible Care committee	5	98%
Total number of meetings held	29	98%

Equity ownership

The following profiles include details about each member of the board including their equity holdings, which include units of the Fund and deferred units (and restricted share units in the case of Scott Rook, granted as part of his executive compensation). Equity ownership requirements align the interests of our trustees and unitholders and ensure that trustees have a vested interest in our future success. As CEO in 2020, Mr. Davis was, and as of March 1, 2021, Mr. Rook is required to meet our share ownership requirements for executives (see page 29).

Holdings include equity the board members beneficially own, directly or indirectly, or have control or direction over. Values are based on the higher of the original cost and the market value of \$7.00, the closing price of units on the TSX on March 19, 2021.

LORIE WAISBERG

Chair of the board (since 2009)
Corporate director

Independent

Residence: Toronto, Ontario, Canada

Age: 79

Trustee since: May 17, 2001

2020 attendance: 100%

2020 voting result: 98.20% for

Knowledge and experience

Manufacturing	Human resources/
Executive leadership	Compensation
Financial/Accounting	Corporate governance
Environment, health and safety	Risk management
	Legal/Government/
	Regulatory affairs

Board committees

Audit
Compensation and corporate governance
Responsible Care

Business experience

Lorie Waisberg has been a trustee of the Fund since its initial public offering (IPO) in 2001 and was appointed Chair of the board in 2009. Mr. Waisberg holds law degrees from University of Toronto and Harvard University and had a distinguished 30-year legal career as a business law partner of Goodmans, LLP in Toronto. This was followed by direct business experience as Executive Vice President, Finance and Administration at steel producer, Co-Steel Inc. prior to retirement.

Mr. Waisberg has served on the board of directors of numerous Canadian public companies, including serving as a member and chair of audit, corporate governance, compensation and human resource committees. Mr. Waisberg holds an ICD.D designation as a professional corporate director.

Other public company boards in the past five years

Americas Gold and Silver Corporation (since December 2014)
Chantrell Ventures Corp. (December 2010 to July 2019)
Metalex Ventures Ltd. (since July 2003)
Northern Uranium Corp. (June 2014 to September 2016)
Rapier Gold (March 2017 to February 2018)
Tembec Inc. (February 2008 to November 2017)

Public board interlocks

None

Other boards and memberships

None

Education

B.A., M.A., LL.B., University of Toronto
LL.M., Harvard University

Equity ownership

Units: 15,000 / \$161,885
Deferred units: 152,780 / \$1,568,274
Total: 167,780 / \$1,730,159
Meets his equity ownership requirement (see page 51).

LUCIO DI CLEMENTE, CPA, CA

Management consultant
Corporate director

Independent

Residence: Toronto, Ontario, Canada

Age: 62

Trustee since: July 7, 2009

2020 attendance: 100%

2020 voting result: 98.13% for

Knowledge and experience

Chemical industry	Human resources/
Manufacturing	Compensation
Executive leadership	Corporate governance
Financial/Accounting	Risk management
Environment, health and safety	Legal/Government/
	Regulatory affairs

Board committees

Audit (chair since 2010)
Compensation and corporate governance
Responsible Care

Business experience

Lucio Di Clemente is an executive mentor, corporate financial advisor and corporate director. Mr. Di Clemente's executive experience spans numerous sectors, including manufacturing, retail, health sciences and distribution. Mr. Di Clemente has chaired and served on numerous boards including public and private companies as well as charitable institutions, has mergers and acquisitions and capital markets experience and holds an ICD.D designation as a professional corporate director.

Other public company boards in the past five years

Spark Power Group Inc. (December 2019 to present, member of the audit committee and the special committee)

Public board interlocks

None

Other boards and memberships

FER-PAL Construction Inc. (subsidiary of Logistec Corporation)

Education

M.B.A., University of Toronto

Equity ownership

Units: 3,500 / \$34,300
Deferred units: 89,112 / \$917,884
Total: 92,612 / \$952,184
Meets his equity ownership requirement (see page 51).

Note: Mr. Di Clemente was a director of Beyond the Rack Enterprises Inc. (now 7098961 Canada Inc.) when it filed for protection under the Companies' Creditors Arrangement Act (Canada) on March 24, 2016.

DANIELLA DIMITROV

Investment banker and corporate director

Independent

Residence: Toronto, Ontario, Canada

Age: 51

Trustee since: May 15, 2020

2020 attendance: 100%

2020 voting result: 98.55% for

Knowledge and experience

Executive leadership	Capital markets
Financial/Accounting	Corporate governance
Environment, health and safety	Risk management
Human resources/ Compensation	Legal/Government/ Regulatory affairs

Board committees

Audit
Compensation and corporate governance
Responsible Care

Business experience

Daniella Dimitrov has over 20 years of experience in building, operating and streamlining businesses in mining and financial services. She has been Partner, Sprott Capital Partners, a natural resources investment banking and advisory firm, since 2017 and held corporate development, strategy and governance consulting roles in 2016 and 2017. From 2015 to 2016 she served as Chief Executive Officer and from 2012 to 2015 as Chief Financial Officer of Orvana Minerals (a multi-mine gold/copper producer). Prior to this she served as Executive Vice-Chair of Baffinland Iron Mines and has also served as Chief Operating Officer of Dundee Securities, SVP Strategic Initiatives with Raymond James and corporate counsel with a Canadian law firm. Ms. Dimitrov was chosen as one of the top 100 Global Inspirational Women in Mining for 2016, was a Canada Board Diversity Council – 2016 Diversity 50 Candidate and is National Association of Corporate Directors (NACD) Directorship Certified™.

Other public company boards in the past five years

International Petroleum Corp. (since May 2018)
Nexa Resources SA (since January 2018)
Excellon Resources Ltd. (December 2016 to April 2020)
Aldridge Minerals Inc. (October 2010 to June 2017)
Alloycorp Mining Corp. (November 2014 to August 2016)

Public board interlocks

None

Other boards and memberships

NACD Directorship Certified™
Mining Technical Advisory and Monitoring Committee to the Canadian Securities Administrators (since 2020)
Mining Advisory Group to the Ontario Government / Ministry of Energy, Northern Development and Mines (since 2019)

Education

Global Executive MBA, Kellogg School of Management and Schulich School of Business
LL.B., University of Windsor
B.A., University of Western Ontario

Equity ownership

Units: -
Deferred units: 18,570 / \$129,990
Total: 18,570 / \$129,990
Has until May 2025 to meet her equity ownership requirement (see page 51).

EMILY MOORE

Corporate director

Independent

Residence: Mississauga, Ontario, Canada

Age: 51

Trustee since: July 1, 2019

2020 attendance: 100%

2020 voting result: 98.39% for

Knowledge and experience

Chemical industry	Human resources/ Compensation
Manufacturing	Corporate governance
Executive leadership	Risk management
Financial/Accounting	
Environment, health and safety	

Board committees

Audit
Compensation and corporate governance
Responsible Care (chair starting in 2020)

Business experience

Emily Moore has been Director of Troost Institute for Leadership Education in Engineering at the University of Toronto since October 2018, where she leads teaching, research and programming to help develop the next generation of engineering leaders. She spent 10 years at Hatch Ltd. holding positions including Managing Director Innovation (2017-2018), and Managing Director Water (2012-2017), leading global initiatives to serve mining, energy and infrastructure sector clients. Dr. Moore previously spent over 10 years at Xerox, leading teams on developing new chemical processes and bringing them to manufacturing scale. Dr. Moore is a licensed professional engineer, a subject matter expert in water and mining and a Rhodes Scholar. She has also completed the Corporate Directors International certification.

Other public company boards in the past five years

None

Public board interlocks

None

Other boards and memberships

Canadian Society for Chemical Engineering (past president)
Haltech (regional innovation centre serving Halton Region) (up to July 2020)
Metrolinx
Natural Sciences and Engineering Research Council (former member, advisory committee on university industry grants)

Education

B.Sc. (engineering chemistry), Queen's University
Rhodes Scholar
D. Phil. (physical chemistry), Oxford University (England)

Equity ownership

Units: -
Deferred units: 41,340 / \$289,378
Total: 41,340 / \$289,378
Has until July 2024 to meet her equity ownership requirement (see page 51).

DOUGLAS MUZYKA

Corporate director

Independent

Residence: Philadelphia, PA, USA

Age: 66

Trustee since: November 13, 2020

2020 attendance: 100%

2020 voting result: n/a

Mr. Muzyka was appointed and served as an independent director of one of the Fund's U.S. subsidiaries from January 1, 2018 to November 12, 2020. During that time, he attended board and committee meetings in an advisory role.

Knowledge and experience

Chemical industry	Human resources/
Manufacturing	Compensation
Executive leadership	Corporate governance
Financial/Accounting	Risk management
Environment, health and safety	Legal/Government/Regulatory affairs

Board committees

Audit

Compensation and corporate governance

Responsible Care

Business experience

Douglas Muzyka has extensive experience in the chemical industry. He retired from E.I. DuPont de Nemours (DuPont), an international manufacturer of chemical products, specialty materials, consumer and industrial products. As Senior Vice President and Chief Science and Technology Officer, he led a science and engineering organization of over 10,000 scientists and engineers. He previously served as President of DuPont, Greater China and DuPont China Holding Co. Ltd., Vice President and General Manager of DuPont Nutrition and Health, President and CEO of DuPont Canada, Inc., President and General Manager of DuPont Mexico and as a research scientist.

Other public company boards in the past five years

CCL Industries Inc. (since November 2016, chair of human resources and compensation committee, and member of corporate and social responsibility committee)
Stella-Jones Inc. (since December 2019, chair of environmental, health and safety committee and member of corporate governance committee)

Public board interlocks

None

Other boards and memberships

National Research Council of Canada (Council Chair)

Education

B.Sc. (chemical engineering), University of Western Ontario
M.Sc. (chemical engineering), University of Western Ontario
Ph.D., (chemical engineering), University of Western Ontario
Université de Technologie de Compiègne, France

Equity ownership

Units: 25,400 / \$263,608

Deferred units: 64,942 / \$510,994

Total: 90,342 / \$774,602

Meets his equity ownership requirement (see page 51).

KATHERINE RETHY

Corporate director

Independent

Residence: Huntsville, Ontario, Canada

Age: 64

Trustee since: July 1, 2015

2020 attendance: 87%

2020 voting result: 98.29% for

Knowledge and experience

Chemical industry	Human resources/
Manufacturing	Compensation
Executive leadership	Corporate governance
Financial/Accounting	Risk management
Environment, health and safety	Legal/Government/Regulatory affairs

Board committees

Audit

Compensation and corporate governance (chair since 2016)

Responsible Care

Business experience

Katherine Rethy has extensive experience in the industrial sector and specifically in shared services, procurement, logistics and operational matters and was previously Senior Vice President, Global Services at Falconbridge Ltd. Prior to joining Falconbridge, she was an executive with Dupont Canada Inc. Ms. Rethy previously served as a director of SBM Offshore NV (Netherlands), Equitable Bank, TransForce Inc., as well as Muskoka Airport and several not-for-profit organizations. Ms. Rethy is a lawyer and has completed the ICD.D professional corporate director course.

Other public company boards in the past five years

Toromont Industries Ltd. (since July 2013)

Public board interlocks

None

Other boards and memberships

None

Education

B.Sc., University of Toronto

J.D., University of Windsor

M.B.A., York University

M.A., Lancaster University (England)

Equity ownership

Units: 2,000 / \$36,330

Deferred units: 83,438 / \$781,772

Total: 85,438 / \$818,102

Meets her equity ownership requirement (see page 51).

SCOTT ROOK

Chief Executive Officer
Chemtrade Logistics Income Fund

Not independent

Residence: Toronto, Ontario, Canada

Age: 55

Trustee since: March 1, 2020

2020 attendance: n/a

2020 voting result: n/a

Knowledge and experience

Chemical industry	Human resources/
Manufacturing	Compensation
Executive leadership	Risk management
Financial/Accounting	Legal/Government/
Environment, health and safety	Regulatory affairs

Board committees

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Business experience

Scott Rook became the President and Chief Executive Officer of Chemtrade Logistics Income Fund and was appointed as a trustee on March 1, 2021. Mr. Rook served as Chief Operating Officer of the Fund from September 2019 to February 2021 and prior to that served in a variety of roles including Senior Vice President, Commercial Operations of Ascend Performance Materials from April 2010 to September 2019. In addition to this experience, Mr. Rook spent 17 years with Eastman Chemical company in a variety of roles including Senior Business Unit Director for the Specialty Plastics Business Organization. He has more than 29 years' experience in the chemical industry including commercial, operational, and business leadership roles.

Other public company boards in the past five years

None

Public board interlocks

None

Other boards and memberships

None

Education

MBA, Finance, Auburn University

B.S., Industrial Engineering, University of Tennessee, Knoxville

Equity ownership

Units: 48,816 / \$341,712

Restricted share units: 395,490 / \$2,768,433

Total: 444,306 / \$3,110,145

Is subject to CEO equity ownership requirement (see page 29).

BOARD COMMITTEES

The board has three independent standing committees to help it fulfill its responsibilities. Each committee has a charter which is available on our website (www.chemtradelogistics.com).

David Gee served as a member of all three committees until he retired from the board on May 15, 2020.

Douglas Muzyka was appointed to all three committees on November 12, 2020 when the July 2020 Declaration was amended to permit non-Canadian residents as board members. Prior to that, starting in January 2018, he was invited to attend all committee meetings in an advisory role.

Lorie Waisberg was appointed to the Audit Committee on May 12, 2020. He was formerly a member of the audit committee from July 2001 to August 2013 but stepped down due to other board commitments at the time. He was invited to attend audit committee meetings during the interim period.

Third party advice

The board and board committees can each engage an outside advisor as necessary to ensure effective governance. Chemtrade pays for these costs.

Audit committee

100% independent | Met five times in 2020

Lucio Di Clemente, CPA, CA (chair)	Douglas Muzyka
Daniella Dimitrov	Katherine Rethy
Emily Moore	Lorie Waisberg

The audit committee is primarily responsible for overseeing:

- the quality and integrity of our financial statements and the financial reporting process including our financial reporting accounting systems and internal controls
- the qualifications, performance and independence of the external auditors
- our compliance with legal and regulatory requirements relating to the integrity of our financial statements
- the identification, assessment and management of major operational and financial risks

The committee reports to the board any issues, concerns or breaches it has received relating to our code of conduct. The committee also reviews all related party transactions, Chemtrade's insurance program, management's oversight and the financial status of our defined benefit pension plans, material policies and practices relating to cash management and material financing strategies as well as material tax policies and tax planning initiatives, tax payments and reporting and any pending tax audits or assessments.

All members are financially literate as defined in National Instrument 52-110 – Audit Committees. The committee meets at least four times per year.

Compensation and corporate governance committee

100% independent | Met four times in 2020

Katherine Rethy (chair)	Emily Moore
Lucio Di Clemente	Douglas Muzyka
Daniella Dimitrov	Lorie Waisberg

The compensation and corporate governance committee is primarily responsible for:

- retaining key senior management employees, including the CEO, who have the skills and expertise needed to enable Chemtrade to achieve its goals and strategies at fair and competitive compensation and appropriate performance incentives
- reviewing our executive and trustee compensation programs
- developing, recommending and implementing effective corporate governance principles
- overseeing and assessing the functioning of the board and committees
- recommending changes to board composition and identifying candidates for the board
- reviewing our disclosure relating to executive compensation and corporate governance
- reviewing aspects of the environmental, social and governance (ESG) framework relevant to the committee's areas of responsibility.

The committee reviews the CEO's annual performance goals and criteria, and assesses the CEO's performance and recommends the CEO's compensation to the board for its review and approval. It also reviews and approves employment contracts and arrangements and our compensation policies and public disclosure about executive compensation and corporate governance at Chemtrade.

The committee reviews our governance practices, code of conduct and the CEO succession plan. It is also responsible for establishing board competencies, orientation and continuing education, committee memberships, the board assessment process and the nomination of qualified trustee candidates.

It also reviews the board mandate and position descriptions for the CEO and the Chair of the Board. The committee meets at least twice a year, and more often as warranted.

Responsible Care committee

100% independent | Met five times in 2020

Emily Moore (chair)
Lucio Di Clemente
Daniella Dimitrov

Douglas Muzyka
Katherine Rethy
Lorie Waisberg

The Responsible Care committee is primarily responsible for:

- overseeing Chemtrade's environmental, health, safety and security philosophy
- monitoring environmental, health, safety and security policies to ensure they are appropriate to mitigate risk and ensure statutory compliance
- monitoring our environmental, health, safety and security performance to ensure compliance with Chemtrade's policies and to promote the safety of Chemtrade employees and strive for continuous improvement
- reviewing aspects of the environmental, social and governance (ESG) framework relevant to the committee's areas of responsibility

The committee is also responsible for reviewing our Responsible Care policies and management systems, compliance with required permits, licences, approvals or authorizations, our program for conducting internal and external audits and for reviewing the appropriateness of ESG metrics and related disclosure.

It also monitors any current, pending or threatened legal or regulatory actions related to environmental, health, safety or security issues and makes recommendations to prevent recurrences of any significant issues.

The committee meets at least four times a year, and more often as warranted.

EXECUTIVE COMPENSATION

This section describes our executive compensation program – how the program is designed, how we link compensation to strategy, what we pay our executives and how we manage compensation risk.

It also describes the 2020 compensation awarded to the Fund's Chief Executive Officer, the Chief Financial Officer, and the next three most highly compensated executives. The compensation and corporate governance committee has reviewed and approved the content of this section.

2020 named executives

- Mark Davis, Chief Executive Officer (CEO)
- Rohit Bhardwaj, Chief Financial Officer (CFO)
- Scott Rook, Chief Operating Officer (COO)
- Leon Aarts, Group Vice-President, Commercial
- Emily Powers, Group Vice-President, Human Resources and Responsible Care

Scott Rook has been appointed CEO effective March 1, 2021. He will be referred to as COO throughout this management information circular to reflect his position throughout 2020. Rohit Bhardwaj and Leon Aarts changed their titles effective March 1, 2020 and October 22, 2020, respectively. Previously Rohit Bhardwaj had the title Vice-President, Finance & Chief Financial Officer, and Leon Aarts had the title Group Vice-President, Corporate Development and Strategy.

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Message from the chair of the compensation and corporate governance committee

During 2020, the compensation and corporate governance committee continued to focus on its key responsibilities of succession planning, oversight of Chemtrade's compensation policies and programs and of its governance practices.

CEO succession

Our long-serving CEO, Mark Davis, announced his retirement in 2020 and stepped down at the end of February this year. We wish Mark well.

As a result of Mark's departure, the transitioning of our COO Scott Rook into the role of CEO has been a critical focus for the past many months. When Scott joined Chemtrade in September 2019, the position of Chief Operating Officer was introduced, giving Scott commercial and operational responsibilities and enabling him to develop himself and those under him as leaders. The compensation and corporate governance committee developed and had oversight of Scott's integration into Chemtrade and monitored his progression. In the early months, the plan included learning Chemtrade's businesses, functions, and processes, and opportunities to meet our people and get to know our facilities. This was followed by Scott taking on various important initiatives and leadership challenges, implementing changes to the organizational structure and developing business strategies. Since the announcement of his appointment as CEO, Scott also increased his interactions with the board of trustees and became more involved with investor relations.

Speaking on behalf of my fellow board members, we are confident that Chemtrade will thrive under the leadership of our new CEO, Scott Rook.

Executive compensation

Chemtrade's executive compensation policies and programs remain a major item on the compensation and corporate governance committee's agenda. Oversight of compensation includes making sure that we are able to attract and retain high-performing individuals, and that compensation plan design, targets and awards support Chemtrade's strategy, do not encourage excessive risk-taking and link pay to performance.

Our record on the annual advisory 'say on pay' vote has had its ups and downs. We received overwhelming support (97.05% in favour) of our approach to executive compensation in 2018. However, the following year that support fell to 60.86%. The board listened and during 2019 made several changes to regain your support, including among other things, changes to the long-term incentive compensation plan (changes are described in our 2019 management information circular). This resulted in an improved say on pay vote in 2020 of 81.73%. We strive to continuously improve the executive compensation program so that we can maintain and increase your support. In 2020 we revised our comparator group and our compensation philosophy.

Snapshot of 2020 executive pay

The board and committee assessed corporate performance and individual performance of the named executives against pre-determined objectives for 2020, and determined the awards for the year.

Total direct compensation for 2020 was negatively affected by payouts from the incentive plans, reinforcing the strong link between pay and performance.

Salary	Base salaries can be seen at page 32.
Annual incentive	The financial performance factor ranged from 110.2% to 123% for the named executives (see page 33). Distributable cash, which accounts for most of the financial performance factor, was above target and received a 106.7% payout, and Business free cash overall was also above target. After factoring in strong individual performance in a particularly challenging year, awards ranged from 124.1% to 150% of target.
Long-term incentive	The 2020 long-term incentive award was granted at target, and allocated to restricted share units and the performance metrics plan (see page 35). The potential payout of the 2020 performance metrics plan has been revised since 2019.
Payout of 2018 long-term incentive awards	The 2018 long-term incentive award vested on December 31, 2020. Restricted share units paid out at \$6.73 per unit, and executives realized 56% of the grant value (see page 37). The executives did not receive any payout under the 2018 performance metrics plan. Each of the performance metrics, total unitholder return, relative total unitholder return, and EBITDA growth, had a zero payout.

Retention awards are not part of our normal compensation program and none were awarded in 2020. They have been awarded only once in our history, in 2018, because of special circumstances at the time, and were reported in our 2019 circular. The retention awards Mr. Davis and Mr. Aarts received vested on December 31, 2020.

The compensation and corporate governance committee and the board welcome your input. We thank you for your continued confidence.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Rethy', written in a cursive style.

Katherine Rethy
Chair, Compensation and Corporate Governance Committee

Compensation discussion and analysis

COMPENSATION GOVERNANCE

The compensation and corporate governance committee is responsible for our compensation policies and programs and oversees all executive compensation matters at Chemtrade. It makes recommendations to the board for approval.

Based on the recommendations of the CEO and the Group Vice-President, Human Resources and Responsible Care, the committee determines the performance targets for the annual incentive plan and for the performance metrics plan portion of the long-term incentive plan. It reviews the CEO's annual performance goals and criteria, assesses the performance of our executives, including the CEO, and makes compensation recommendations to the board for its review and approval. The committee also reviews and approves executive employment contracts and arrangements.

The committee has six members. All are qualified and experienced, and bring strong skills to the committee:

- all have specific experience overseeing and structuring executive compensation and have served as a senior executive of an operating business
- all have served on compensation and corporate governance committees of other boards
- all have experience in dealing with compensation consultants and using their expertise to design and implement appropriate compensation programs.

The table below shows the key skills relating to compensation governance of each member. The committee is 100% independent. See page 54 for the complete skills matrix of the board.

Skills and experience	Human resources/ Compensation	Governance (including environment, health and safety)	Executive leadership	Industry experience	Risk management
Katherine Rethy (chair since 2016) <ul style="list-style-type: none"> • lawyer with senior executive experience at public companies including oversight of the HR function • has chaired or been a member of compensation committees for a number of other public companies • also a member of the audit and Responsible Care committees 	✓	✓	✓	✓	✓
Lucio Di Clemente <ul style="list-style-type: none"> • has executive experience in a variety of industry sectors • also a member of the audit committee (chair) and Responsible Care committee 	✓	✓	✓	✓	✓
Daniella Dimitrov <ul style="list-style-type: none"> • lawyer with senior executive experience including oversight of the HR function and held operations, corporate development and governance roles • has chaired or been a member of compensation committees for a number of other public companies • also a member of the audit and Responsible Care committees 	✓	✓	✓		✓
Emily Moore <ul style="list-style-type: none"> • has chemical industry and manufacturing experience as well as executive leadership experience • leads teaching, research and programming at the University of Toronto to help develop the next generation of engineering leaders • also a member of the audit and Responsible Care (chair) committees 	✓	✓	✓	✓	✓
Douglas Muzyka <ul style="list-style-type: none"> • has specific experience in executive compensation and has executive leadership experience • has extensive chemical industry and manufacturing experience • also a member of the audit and Responsible Care committees 	✓	✓	✓	✓	✓

Mr. Muzyka attended board and committee meetings in an advisory capacity from January 2018 until November 2020.

Lorie Waisberg

- lawyer with senior executive experience
 - has served on the board since the IPO in 2001 and chair since 2009
 - also a member of the audit and Responsible Care committees
-

You can read more about the compensation and corporate governance committee on page 19, and each of the members beginning on page 15. A copy of the committee charter is available on our website (www.chemtradelogistics.com).

Mitigating compensation risk

Chemtrade's business model includes structuring our businesses to promote stable cash flows and minimize the financial impact of the fluctuations that are common in industrial chemical businesses. The committee monitors the major risks facing the business and carries out a compensation risk review annually to make sure our compensation program and practices do not encourage excessive risk-taking.

All six members also sit on the audit committee, which reviews enterprise risks and mitigation strategies quarterly. Cross-committee membership ensures that the compensation and corporate governance committee is kept abreast of all major risks on a regular basis. The committee is mindful of ensuring that the goals and objectives for each named executive and the resulting compensation do not encourage excessive risk-taking or other inappropriate behaviour.

In 2020 the committee was satisfied that the design of its compensation program did not encourage any inappropriate decision-making by:

- reconfirming that the goals and objectives that were set for the named executives and approved by the committee did not encourage excessive risk-taking
- capping payouts as part of the incentive plan design, for both the annual incentive plan and the performance metric plan (long-term incentive)
- designing the program so that the amount of potential long-term compensation for the named executives significantly exceeds the amount of annual compensation to promote a longer term focus
- considering different performance scenarios when setting the performance targets for the incentive plans so the plans do not incentivize excessive risk-taking.

The committee also conducts a comprehensive review of our compensation program and practices every two years.

Independent advice

The committee receives independent advice from an external compensation consultant, and has retained Willis Towers Watson since 2004 to provide advice, analysis and expertise on matters related to compensation and compensation governance.

The table to the right shows the fees paid to Willis Towers Watson in the last two fiscal years. In 2020, Willis Towers Watson gave advice on, among other things, benchmarking, pay and performance and incentive plan design.

Table 3	2020	2019
Executive compensation-related fees	\$125,163	\$128,125
All other fees	–	–
Total	\$125,163	\$128,125

Clawbacks

Our clawback policy reinforces our philosophy of aligning the interests of executives and unitholders. It allows the board to cancel, adjust or require an executive to repay annual and long-term incentives, including vested and unvested awards, if:

- there are errors in the financial results that were used to determine the awards, whether or not they result in a restatement of the Fund's financial statements, or
- there was wrongdoing by the executive that affects, or has the potential to affect, Chemtrade's financial results or reputation.

Anti-hedging

Trustees, directors, officers and employees, and any of their associates, are not allowed to purchase financial instruments, including prepaid variable forward contracts, instruments for the short sale or purchase or sale of call or put options, equity swaps, collars, or units of exchangeable funds, that are designed to, or that may reasonably be expected to, have the effect of hedging or offsetting a decrease in the market value of securities of the Fund.

Holdings post retirement

All executives who retire retain their outstanding long-term incentive awards until the awards vest. The performance metric plan awards continue to be 'at risk' for the full three-year performance period (see *Termination and change of control* on page 45).

PHILOSOPHY AND APPROACH

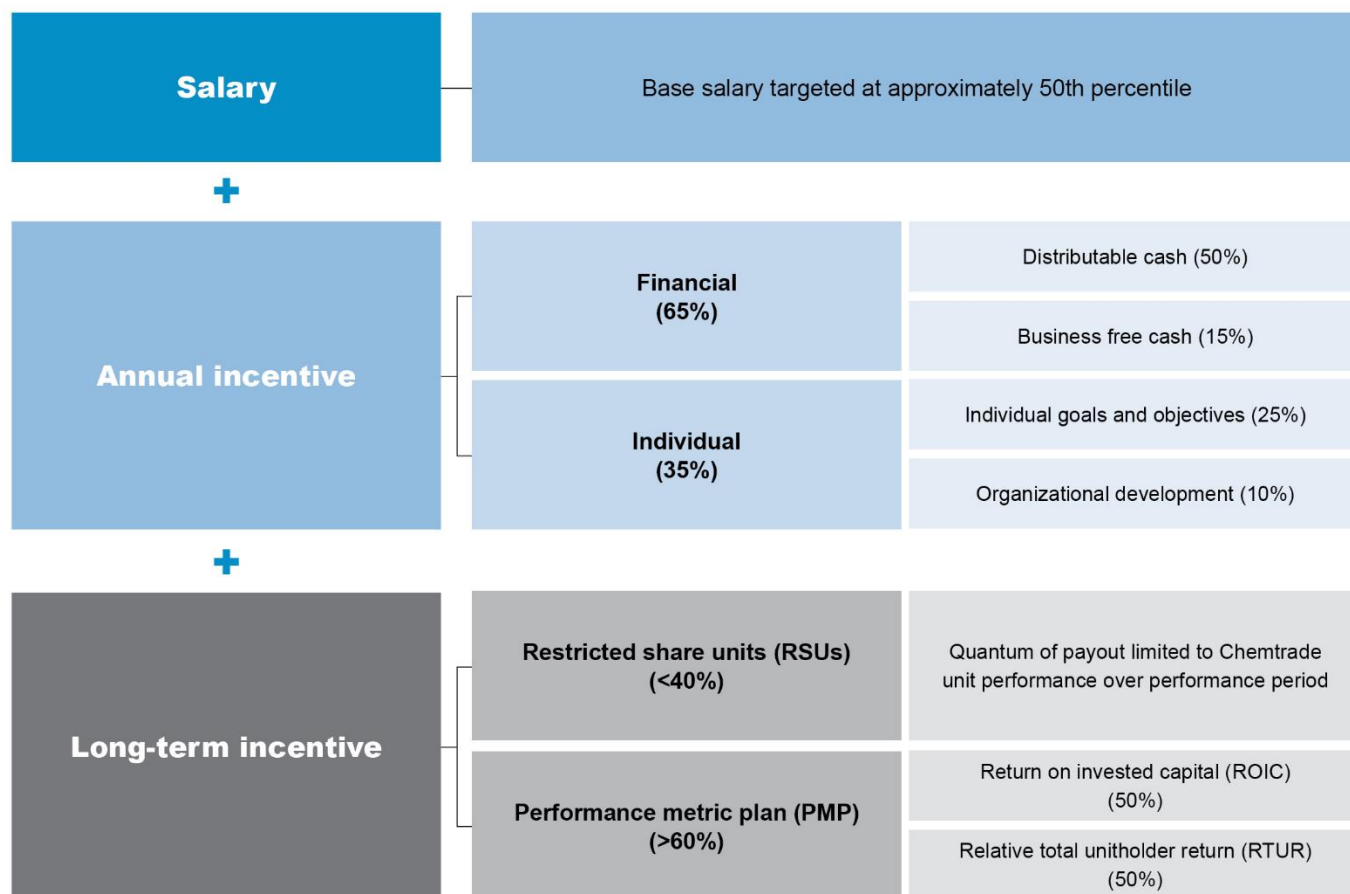
Executive compensation at Chemtrade is designed to pay for performance, be competitive with the market and align the interests of executives and unitholders.

Our objective is to attract, motivate and retain a high quality management team that will:

- achieve or exceed Chemtrade's financial and non-financial objectives
- develop an organization that can capture growth opportunities in rapidly changing markets
- create value for unitholders over the longer term

Executive compensation program at a glance

The graphic below shows our overall executive compensation program at a high level.



Pay for performance

The majority of executive pay is variable (*at-risk*) and tied to the achievement of specific, pre-determined objectives. At-risk pay accounts for at least two-thirds of total direct compensation for the named executives and is highest for the CEO at 82.6% (see page 31).

We link a significant portion of the annual incentive (65%) to the financial performance of the Fund. Individual performance accounts for 35%.

For the long-term incentive, we link the value of the award to key metrics:

- the performance metrics plan links awards to two metrics that are important to unitholders: return on invested capital (ROIC) improvement and relative total unitholder return (RTUR) (see page 36 for details)
- the restricted share unit plan links payouts to the Fund's unit price.

Both portions of the long-term incentive have a three-year performance period to focus the executive team on longer-term performance. The ultimate value of the long-term incentive is not guaranteed.

Benchmarking

To make sure our executive compensation program is competitive with the market, we benchmark compensation against a primary compensation comparator group, and use a secondary group to inform our decisions.

We target base salaries around the 50th percentile of the comparator group because we believe this is fair and provides adequate rewards for top performance even in difficult economic or challenging times.

In April 2020, we formalized our compensation philosophy to target total compensation at the 50th percentile of the comparator group.

We believe rewarding top quartile performance with top quartile compensation is a strong motivator for our senior team. We therefore target total compensation for superior performance at the 75th percentile of the comparator group.

		Canadian executives (CEO, CFO, COO, Group Vice-President, HR and Responsible Care)	U.S. executives Group Vice-President, Commercial
CEO, COO, Group Vice-President, Commercial	Primary comparator group (see below)	<ul style="list-style-type: none"> compensation comparator group of 16 Canadian and U.S. companies compensation information from company proxy circulars 	
	Secondary comparator group	<ul style="list-style-type: none"> Canadian heavy industry companies with revenue of \$500 million to \$3 billion compensation information from Willis Towers Watson's Canadian executive compensation database 	<ul style="list-style-type: none"> U.S. chemical industry companies with revenue comparable in size to Chemtrade compensation information from Willis Towers Watson's U.S. executive compensation database
CFO, Group Vice-President, HR and Responsible Care	Primary comparator group	<ul style="list-style-type: none"> Canadian heavy industry companies with revenue of \$500 million to \$3 billion compensation information from Willis Towers Watson's Canadian executive compensation database 	n/a

The table below shows the 16 companies in our 2020 primary comparator group.

Canadian companies	U.S. companies
Superior Plus Corp. Methanex Corp.	Balchem Corp. Cabot Corp. H.B. Fuller Co. Innophos Holdings, Inc.
	Innospec, Inc. Kronos Worldwide, Inc. Minerals Technologies, Inc. Olin Corp. PolyOne Corp.
	Quaker Chemical Corp. Sensient Technologies Corp. Stepan Co. Tronox Holdings plc Valhi, Inc.

These are primarily commodity and specialty chemical companies with 0.5 to 2 times Chemtrade's revenue, assets and EBITDA at the end of the most recent fiscal year, and 0.5 to 2 times Chemtrade's 12-month average total enterprise value and market capitalization (based on Standard and Poor's Capital IQ).

For the roles cited, U.S. companies represent the majority of our comparator group because we attract our talent from across North America and compete mostly against U.S. companies.

The compensation and corporate governance committee reviews the comparator group every two years to make sure it stays relevant and reflects the nature, scope and scale of Chemtrade's business and our competition for talent. The 2020 comparator group has one change from the 2019 comparator group: A. Schulman, Inc. was removed because it was acquired by another entity. In September 2020, a new comparator group was approved for 2021 compensation to reflect the current scope and scale of our business.

The committee also considers information from the CEO and the Group Vice-President, Human Resources and Responsible Care, to make sure compensation for each position adequately reflects the responsibilities and scope of the role relative to other positions within Chemtrade.

See page 31 to read about our compensation program and the 2020 target mix for each named executive.

Equity ownership

Equity ownership requirements for our executives are set as a multiple of base salary and vary by position as shown in the table below. Executives can count units of the Fund and restricted share units toward meeting the requirements.

As participants in the long-term incentive plan, executives must invest at least 75% of the after-tax payout of their long-term incentive award into units of the Fund until they meet their required ownership level. Executives purchase the units in the open market within 30 days of receiving the cash payout of their award, subject to any securities laws or stock exchange rules.

We assess compliance annually, usually in the first quarter of every year and use the higher of cost and market value to evaluate their holdings. Holdings in the table below are valued as of March 19, 2021 using the higher of cost and the closing price of our units on the TSX (\$7.00).

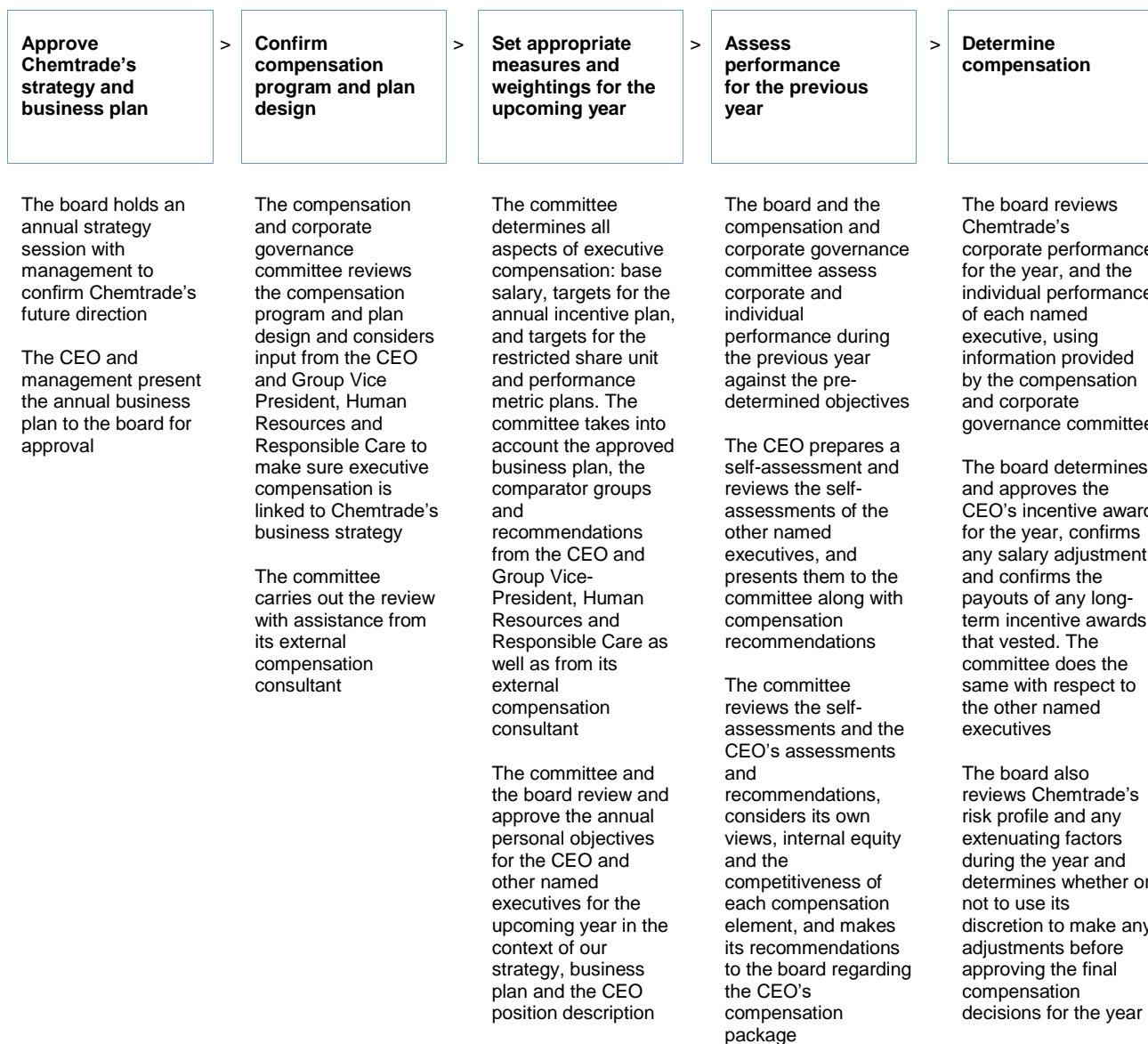
Table 4	Ownership requirement (as a multiple of base salary)	Ownership (as at March 19, 2021)		Total holdings		As a multiple of base salary	Meets ownership level
		Units (#/\$)	Restricted share units (#/\$)	Total units and restricted share units	Value		
Mark Davis, CEO	4x	252,623 / \$3,319,745	460,956 / \$2,945,326	713,579	\$6,265,072	6.96	Yes
Rohit Bhardwaj, CFO	2x	100,000 / \$1,090,815	217,538 / \$1,246,451	317,538	\$2,337,266	5.08	Yes
Scott Rook, COO	3x	48,816 / \$341,712	395,490 / \$2,768,433	444,306	\$3,110,145	3.83	Yes
Leon Aarts, Group Vice President, Commercial	2x	107,916 / \$1,322,715	189,234 / \$1,087,958	297,150	\$2,410,674	4.44	Yes
Emily Powers, Group Vice President, Human Resources and Responsible Care	1x	15,240 / \$106,680	112,406 / \$786,840	127,646	\$893,520	2.75	Yes

Notes:

- Equity ownership values for named executives are based on the higher of the original cost and market value. For all named executives the values are based on original cost, except Scott Rook and Emily Powers whose values are based on market value.

Comprehensive decision-making process

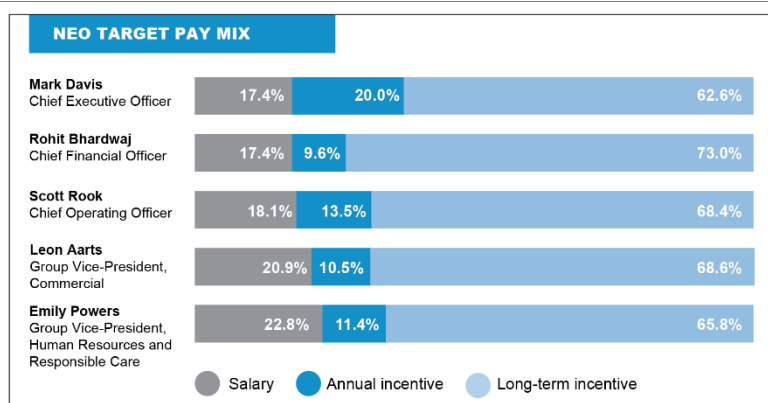
The schematic below sets out our comprehensive decision-making process in determining executive compensation.



2020 COMPENSATION PROGRAM

Fixed compensation	Salary (see page 32)	Cash	Competitive salary based on role and competencies. Reviewed every year Supports retention	one year
Variable compensation	Annual incentive (see page 32)	Cash	Annual cash bonus based on corporate and individual performance	one year
	Long-term incentive (see page 35) Allocated to two components designed to drive long-term value for unitholders			
		Restricted share units (RSUs)	Equity-based incentive where each RSU equals the value of a unit of the Fund. Vests at the end of three years Cash payout is based on the unit price following the end of the vesting period. RSUs earn distribution equivalents (which are notionally reinvested) at the same rate as distributions paid on units during the three-year period	three years
		Performance metrics plan	Cash incentive award paid out at the end of three years based on our performance against two metrics: relative total unitholder return and return on invested capital (ROIC) improvement Must meet certain performance thresholds to achieve a payout	three years
Benefits and perquisites	Retirement benefits (see page 44)	Defined contribution plan	Introduced in 2019 for Canadian executives and employees to replace the group registered retirement savings plan (RRSP). In tandem with this plan, there is an executive benefit plan (EBP) which applies to all members of the pension plan for employees of Chemtrade (Canada). The EBP is designed for high earners who reach the CRA maximum on their DC plan (defined below) or defined benefit plan and is secured through a letter of credit. It allows the company to contribute notional amounts that are paid when the employee leaves the company	
		401(k) plan	U.S. executives and employees	
		Supplemental executive retirement plan	CEO only	
		Unit purchase plan	Encourages ownership of units of the Fund by matching employee contributions, up to 4.5% of base salary per year. Plan is available to all North American employees	
	Perquisites	Car allowance	All executives receive a pre-determined amount and the CEO and CFO also receive reimbursement of operating costs	
		Travel insurance	For all executives	
		Additional life insurance premium	For the CEO only	

The graph to the right shows the compensation mix for target total direct compensation for each named executive in 2020. The majority of executive pay is variable (*at risk*). The amounts the executives actually receive from their annual and long-term incentive awards are not guaranteed (see the discussion beginning on page 32).



2020 PERFORMANCE AND COMPENSATION

Salary

We target base salary around the median of similar roles at companies in our compensation comparator group to stay competitive with the market. Actual salary is based on the executive's skills, competencies and experience in the role. Salary represents a relatively small portion of an executive's total direct compensation (see page 31).

The table below shows the annual base salary for each named executive. The annual base salary for Leon Aarts has been converted from U.S. dollars to Canadian dollars using an exchange rate of \$1.34, the average exchange rate for the year. Salaries are reviewed annually and adjustments typically go into effect on March 1.

Table 5	2019	2020
Mark Davis	\$850,000	\$900,000
Rohit Bhardwaj	\$410,000	\$460,000
Scott Rook	\$700,000	\$700,000
Leon Aarts	\$490,979	\$543,097
Emily Powers	\$300,000	\$325,000

Annual incentive

Annual cash incentives are based on corporate (financial) and individual performance. Payouts for all named executives, except the CEO, can range from 0% to 150% of the target incentive award. The CEO payout can range from 0% to 200%.

Financial metrics for the annual incentive compensation plans are established through the annual business plan. This is typically approved by the board in January. As a result of the uncertainty surrounding the COVID-19 pandemic, approval of the business plan was delayed. Annual incentive targets were established in May as a result. We do not disclose our financial targets for competitive reasons, however the board ensures the targets are challenging. The compensation and corporate governance committee can use its discretion to adjust the actual results used to calculate financial performance if there are major changes or events in the business.

Individual performance is measured against the achievement of annual objectives for each named executive set at the beginning of the year and approved by the compensation and corporate governance committee in the areas of environmental, health and safety, operational excellence, organizational excellence, growth and organizational development (see page 33). The compensation and corporate governance committee weighs performance against the objectives and approves the annual incentive for individual performance for each named executive.

The structure of the annual incentive plan was established in 2001. Since then, as a result of various acquisitions, our risk profile has changed. To provide incentives that better reflect our current business portfolio, in 2020 we modified the payout bands:

- the Distributable cash threshold was set at 65% of target, and it is now more difficult to receive payouts above target levels (see *Non-IFRS measures* on page 66 for more information)
- Business free cash is based on separate sub-plans by business unit, taking into account our current business portfolio.

These changes were made across the Chemtrade organization and reflect our pay for performance philosophy.

The table below shows the 2020 annual incentive for each named executive. The 2020 annual incentive for Leon Aarts has been converted from U.S. dollars to Canadian dollars using an exchange rate of \$1.34, the average exchange rate for the year.

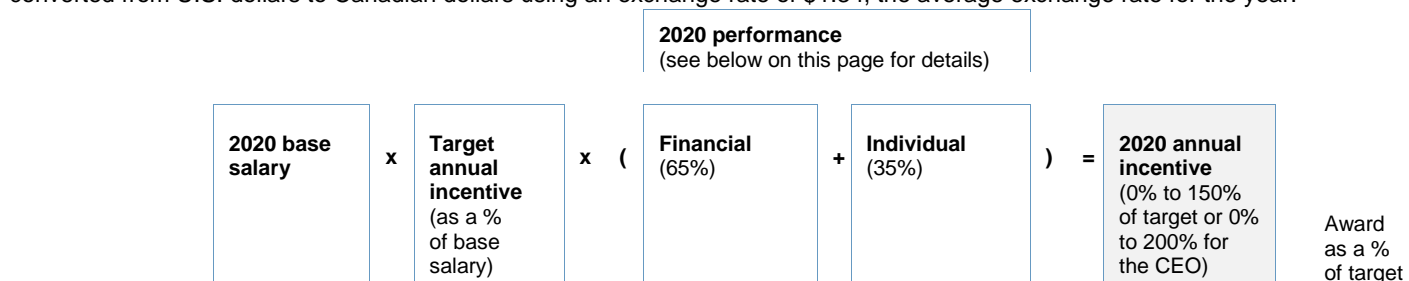


Table 6

Executive	2020 base salary	Target annual incentive (as a % of base salary)	Financial (65%)	Individual (35%)	2020 annual incentive (0% to 150% of target or 0% to 200% for the CEO)	Award as a % of target
Mark Davis	\$900,000	115%	123% ¹ x 65%	200% x 35%	\$1,552,000	150%
Rohit Bhardwaj	\$460,000	55%	110.2% x 65%	150% x 35%	\$314,000	124.1 %
Scott Rook	\$700,000	75%	110.2% x 65%	150% x 35%	\$652,000	124.2 %
Leon Aarts	\$543,097	50%	111.5% ² x 65%	150% x 35%	\$339,268	124.9 %
Emily Powers	\$325,000	50%	110.2% x 65%	150% x 35%	\$202,000	124.3 %

¹ Mark Davis has a different target incentive award maximum payout of 200%, as compared to 150% for the other named executives.

² Leon Aarts is measured on different businesses for the Business free cash component

2020 performance results for the annual incentive

The distributable cash target was met and paid out at 106.7% overall. Business free cash targets for each business segment, which we introduced in 2018, paid out at 122.1% overall. The committee did not use its discretion to adjust the financial performance factor for 2020.

<p>Financial (65%) Financial performance is assessed against targets for two key metrics that are important to unitholders. Targets are set at the beginning of the year.</p> <p>Thresholds vary between 60% and 80% of target. Performance below threshold receives a payout of zero. The committee did not use its discretion to adjust the financial performance factor for 2020.</p>	<p>Individual (35%) Individual performance is measured using five criteria tied to our strategic priorities. Individual goals related to the five criteria are set at the beginning of the year.</p> <p>See page 34 for a discussion of each executive's individual performance in 2020.</p>
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<p>Distributable cash (50%) See <i>Non-IFRS measures</i> on page 66 for details.</p> <p>106.7% x 50% = 53.33%</p>	+	<p>Business free cash (15%) See <i>Non-IFRS measures</i> on page 66 for details.</p> <p>122.1% x 15% = 18.31%</p> <p>Combined results of our three business segments, each weighted at 33%.</p>	<p>Five performance criteria</p> <ul style="list-style-type: none"> • <i>Environmental, health and safety performance</i> – safety performance, including the overall Occupational Incident Rate (OIR) and the identification of Potential for Serious Injuries and Fatalities (PSIFs) and individual performance in advancing the safety culture • <i>Operational excellence</i> – successful execution of initiatives improving the long-term sustainability of distributable cash • <i>Organizational excellence</i> – continuous improvement in the execution of all areas of the business including the integration of business and functional activities • <i>Growth</i> – pursuing growth in financial results and implementing scalable processes and systems to support organic growth and future acquisitions • <i>Organizational development</i> – Leadership and employee development including implementing and maintaining a high-performance culture through an empowered and accountable organizational structure, leadership training and development and succession planning.
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2020 individual performance

Mark Davis, CEO

Leads Chemtrade and is accountable to unitholders for delivering appropriate economic returns. He sets the strategic direction for Chemtrade to ensure our profitable growth and success and is responsible for overseeing our day-to-day business affairs. Retired on February 28, 2021.

2020 individual performance factor: 200%

2020 individual goals and results

Took decisive action to manage through the pandemic. The safety record was improved in 2020 from 2019, reporting of PSIFs was entrenched across the organization and we continued to advance the safety culture. Designed and executed succession plan for Scott Rook to assume role of CEO in first quarter of 2021. Improved financial flexibility by reducing the distribution, refinancing the 2021 convertible debentures and obtaining senior credit multi-year covenant relief. Sponsored the talent review and succession planning process for commercial and manufacturing and engineering leaders.

Rohit Bhardwaj, CFO

Oversees the finance, information technology and legal departments. He is a Certified Management Accountant (U.K.), a fellow of the Chartered Association of Certified Accountants (U.K.) and a Certified Public Accountant (CGA). He also has a Master's degree in Business Administration.

2020 individual performance factor: 150%

2020 individual goals and results

The safety record was improved in 2020 from 2019, reporting of PSIFs was entrenched across the organization and we continued to advance the safety culture. Improved financial flexibility by reducing the distribution, refinancing the 2021 convertible debentures and obtaining senior credit multi-year covenant relief. Implemented accounts receivable financing freeing up significant working capital, some of which was used to redeem remaining 2021 debentures. Encouraged alignment of the finance, IT and legal functions with the businesses. Launched S4 HANA infrastructure in one business as pilot. Pursued organizational development by implementing development plans for senior leaders in finance, IT and legal.

Scott Rook, COO

Oversees Chemtrade's manufacturing organization and the engineering and capital projects teams, and is accountable for delivering improved profitability and free cash generation from all of Chemtrade's businesses.

2020 individual performance factor: 150%

2020 individual goals and results

The safety record was improved in 2020 from 2019, reporting of PSIFs was entrenched across the organization and we continued to advance the safety culture. Undertook succession activities for the role of CEO. Reorganized executive responsibilities to improve organizational excellence necessary to meet current business and operational challenges and provide development to executives. Recruited and integrated new Group Vice-President, Manufacturing and Engineering. Drove initiatives to improve productivity and working capital, and launched initiative to improve reliability. Sponsored the talent review and succession planning process for commercial and manufacturing and engineering leaders, and drove subsequent development plans and execution.

Leon Aarts, Group Vice-President, Commercial (as of October 2020). Prior to October 2020, title was Group Vice-President, Corporate Development and Strategy)

Responsible for corporate development and strategy as well as the South American sodium chlorate and chlor-alkali businesses.

2020 individual performance factor: 150%

2020 individual goals and results

The safety record was improved in 2020 from 2019, reporting of PSIFs was entrenched across the organization and we continued to advance the safety culture. Analyzed our business portfolio and capital allocation and pursued initiatives to surface value and add contribution margin focus to our business. Established framework for all businesses to approach setting strategies. Documented strategy for South American businesses. Sponsored the talent review and succession planning process for commercial leaders.

Emily Powers, Group Vice-President, Human Resources and Responsible Care

Responsible for Chemtrade's human resources and Responsible Care organizations as well as the environment, social and governance (ESG) strategy and approach.

2020 individual performance factor: 150%

2020 individual goals and results

Established and sponsored the Pandemic Steering Team throughout the year. The safety record was improved in 2020 from 2019, reporting of PSIFs was entrenched across the organization and we continued to advance the safety culture. Supported succession planning of CEO. Advanced ESG strategy and disclosure. Drove talent review and succession planning process for commercial and manufacturing and engineering leaders, and subsequent development plans and execution. Encouraged alignment of the human resources and Responsible Care functions with the businesses.

2020 Long-term incentive grants

The long-term incentive was granted after the release of the Fund's third quarter results. The award is allocated to restricted share units (equity-based award) and the performance metrics plan (cash-based award), and pays out after the performance period. The majority of the 2020 long-term incentive vests on December 31, 2022 with a portion of each executives' (except the CEO) RSUs vesting on December 31, 2021. The relative total unitholder return component of the plan and most RSUs have a performance period of November 17, 2020 to the third trading day after the release of the 2022 financial statements, while the rest of the RSUs have a performance period ending after the release of the 2021 financial statements. To drive performance, the grant is more heavily weighted toward the PMP.

The board granted the long-term incentives later in the year than is typical for us given the uncertain climate created by the pandemic. The amounts of the grants and the two vesting dates for the 2020 long-term incentive differ from plans granted in previous years. The board took this approach to minimize the risk of further instability on the senior leadership team following the departure of three members through retirement and resignation in the previous 12 months, during our CEO transition and as we operated through the uncertainty of the COVID-19 pandemic. Similar changes were made to the incentive plans of other key personnel at Chemtrade for the same reasons. These changes apply to 2020 only.

<p>Restricted share units (RSUs) Each restricted share unit is equivalent in value to one unit, and earns distribution equivalents as additional RSUs.</p> <p>To calculate the number of RSUs awarded, we divide the grant value of the award by the volume weighted average unit price for the five trading days leading up to the date of the award</p> <p>We calculate the final payout by multiplying the number of restricted share units that vest (including restricted share units awarded as distribution equivalents) by the volume weighted average unit price for the five trading days following the release of the annual financial statements for the year in which the units vested.</p>	<p>Performance metrics plan (PMP) The performance metrics plan has two equally weighted metrics, each with its own performance criteria and potential payout range.</p> <p>Performance below threshold receives a payout of zero. Payout for performance between threshold and maximum is based on a linear interpolation.</p> <p>The compensation and corporate governance committee can use its discretion to reduce the payout of the PMP award by up to 50% if it believes there are events that are sufficiently material to our future corporate performance or sustainability to warrant a reduction.</p> <table border="1" data-bbox="747 966 1461 1081"> <tr> <td data-bbox="747 966 1071 1081"> Relative total unitholder return (50%) </td> <td data-bbox="1079 966 1120 1081" style="text-align: center;">+</td> <td data-bbox="1128 966 1461 1081"> Return on invested capital (ROIC) improvement (50%) </td> </tr> </table>	Relative total unitholder return (50%)	+	Return on invested capital (ROIC) improvement (50%)
Relative total unitholder return (50%)	+	Return on invested capital (ROIC) improvement (50%)		

The table below shows the 2020 grants (see page 42 for information about how we calculated the number of RSUs). The CEO and Group Vice-President, Human Resources and Responsible Care recommend the target PMP amount for each named executive to the compensation and corporate governance committee for approval, taking into account compensation benchmarking (see page 28). Previous grants are not taken into account when considering new grants, but rather we look at the total target compensation, of which the long-term incentive is an element, and we follow our compensation philosophy.

Payouts, if any, are in cash, and will be paid in early 2023. However, the RSUs vesting in December, 2021 will be paid in early 2022. What the executive ultimately receives depends on our performance during the applicable performance period (see page 36 for the 2020-2022 performance metrics).

	RSUs			PMP		
	Grant value	Units vesting Dec 2021	Units vesting Dec 2022	2020 PMP potential payout range		
Table 7				Minimum	Target	Maximum
Mark Davis	\$1,250,000	-	270,000	\$0	\$2,000,000	\$4,000,000
Rohit Bhardwaj	\$630,000	37,800	98,300	\$0	\$1,300,000	\$2,600,000
Scott Rook	\$900,000	54,000	140,400	\$0	\$1,750,000	\$3,500,000
Leon Aarts	\$556,000	37,800	82,300	\$0	\$1,224,000	\$2,448,000
Emily Powers	\$330,000	21,600	49,700	\$0	\$610,000	\$1,220,000

About the 2020-2022 PMP performance metrics

Table 8

1 Relative total unitholder return (50%)

TUR for the performance period compared to the total return of each of the companies that make up the S&P/TSX Dividend Composite Index (the Index Companies) for the same period

In 2018 we began ranking TUR for the performance period against the total return of each Index Company rather than against the overall return of the index, because we believe it is a better indicator of relative performance

Performance period: November 17, 2020 to 2 trading days after the release of 2022 financial results for most RSUs and November 17, 2020 to 2 trading days after the release of the 2021 financial results for the rest

TUR for the performance period must be at least the 25th percentile of the total return of the Index Companies in the same period to receive a payout. Payout for performance between threshold and maximum is based on a linear interpolation. The payout will not exceed 100% of target if Chemtrade's actual TUR over the performance period is below zero. The table below shows the relative TUR performance criteria for the 2020 PMP.

Relative TUR	Payout multiplier
Below threshold	0%
Threshold: P25	50%
Target: P42	100%
Maximum: P75 and above	200%

2 Return on invested capital (ROIC) improvement (50%)

ROIC is calculated as annual EBITDA divided by average debt, plus the book value of unitholder equity

The ROIC for the performance period is compared to the average annual ROIC of the previous 3 years

Performance period: January 1, 2021 to December 31, 2022

The threshold is a 0% improvement. This metric will pay out at target if the ROIC growth is 3.33%. The maximum payout, being 200% of target, is achieved when the ROIC improvement equals or exceeds 6.67%. Payout for performance between threshold and maximum is based on a linear interpolation. The table below shows the ROIC performance criteria for the 2020 PMP.

ROIC improvement	Payout multiplier
Below threshold	0%
Target: 3.33%	100%
Maximum: 6.67% or higher	200%

Payout of the 2018 long-term incentive

The 2018 long-term incentive was for the performance period from January 1, 2018 to December 31, 2020.

Awards vested on December 31, 2020 and amounts will be paid out in March 2021 as shown below. Scott Rook is not included in the table because he joined Chemtrade in September, 2019. See section below relating to payout of Scott Rook's 2019 transitional long-term incentive award at page 38.

	2018 RSUs		2018 PMP			Total long-term incentive			
	Grant value	Actual payout	Potential payout range			Actual payout	Total grant	Realized value	Payout as a % of grant
			Minimum	Target	Maximum				
Table 9									
Mark Davis	\$1,250,000	\$699,865	\$0	\$1,650,000	\$3,300,000	\$0	\$2,900,000	\$699,865	24%
Mark Davis (retention award)	\$5,000,000	\$2,801,319		n/a			\$5,000,000	\$2,801,319	56%
Rohit Bhardwaj	\$205,000	\$115,250	\$0	\$600,000	\$1,200,000	\$0	\$805,000	\$115,250	14%
Leon Aarts	\$205,000	\$115,250	\$0	\$525,000	\$1,050,000	\$0	\$730,000	\$115,250	16%
Leon Aarts (retention award)	\$1,000,000	\$560,450		n/a			\$1,000,000	\$560,450	56%
Emily Powers	\$103,000	\$57,625	\$0	\$187,500	\$375,000	\$0	\$290,500	\$57,625	20%

About the 2018 RSU awards

The table below shows the final payout of the RSUs awarded in 2018. RSU awards will be paid out at \$6.73 per unit, the volume weighted average unit price on the TSX for the first 20 trading days following the end of the performance period.

$$\left(\begin{array}{|c|} \hline \text{Number of} \\ \text{RSUs} \\ \text{granted} \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Number of} \\ \text{RSUs received} \\ \text{as distribution} \\ \text{equivalents} \\ \hline \end{array} \right) \times \begin{array}{|c|} \hline \text{Volume} \\ \text{weighted} \\ \text{average} \\ \text{trading price} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{2020 RSU} \\ \text{payout} \\ \hline \end{array} \quad \text{Payout as a \% of the grant value}$$

Table 10

Mark Davis	75,300	28,692	\$6.73	\$699,865	56%
Mark Davis (retention award)	301,400	114,844	\$6.73	\$2,801,319	56%
Rohit Bhardwaj	12,400	4,725	\$6.73	\$115,250	56%
Leon Aarts	12,400	4,725	\$6.73	\$115,250	56%
Leon Aarts (retention award)	60,300	22,976	\$6.73	\$560,450	56%
Emily Powers	6,200	2,362	\$6.73	\$57,625	56%

About the 2018 PMP awards

The table below shows the final payout of the PMP awarded in 2018. The committee did not exercise its discretion to adjust the payout of the 2018 award.

$$\left(\begin{array}{|c|} \hline \text{2018 – 2020 PMP performance} \\ \text{(see page 38 for details)} \\ \hline \end{array} \right) \times \left(\begin{array}{|c|} \hline \text{Total} \\ \text{unitholder} \\ \text{return} \\ \text{(33\%)} \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Relative total} \\ \text{unitholder} \\ \text{return} \\ \text{(33\%)} \\ \hline \end{array} + \begin{array}{|c|} \hline \text{EBITDA} \\ \text{growth} \\ \text{(33\%)} \\ \hline \end{array} \right) = \begin{array}{|c|} \hline \text{2020 PMP} \\ \text{payout} \\ \hline \end{array} \quad \text{Payout as a \% of target}$$

0% achieved
 0% achieved
 0% achieved

Table 11

All named executives	\$0	\$0	\$0	\$0	0%
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2018-2020 performance results for the 2018 PMP awards

Performance period: January 1, 2018 to December 31, 2020

1. Total unitholder return (33%)

Table 12

TUR for the performance period compared to grant TUR (TUR target) established at the time of the grant	Payout multiplier	Result
Threshold: 20.14% (grant TUR)	0%	Did not meet threshold of 20.14% (grant TUR), resulting in a payout of \$0.
Target: 30.21% (1.5x grant TUR)	50%	
Maximum: 40.27% (2x grant TUR)	100%	

2. Relative total unitholder return (33%)

Table 13

TUR for the performance period compared to the total return of the S&P/TSX Composite Index for the same period	Payout multiplier	Result
Threshold: TUR = equal to 25 th percentile of the total return of the Index Companies (P25)	25%	Did not meet threshold of P25, resulting in a payout of \$0.
Target: TUR = P50	62.5%	
Maximum: TUR = P75 and above	100%	

3. EBITDA growth (33%)

Table 14

Adjusted EBITDA for the performance period compared to adjusted EBITDA for the previous three-year period	Payout multiplier	Result
Threshold: 0% or below the previous period	0%	Adjusted EBITDA is a non-IFRS measure and does not include an accrual for long-term incentive payouts (see <i>Non-IFRS measures</i> on page 66 for details).
Target: 5% higher than the previous period	50%	
Maximum: 10% or higher than the previous period	100%	

Payout of a portion of the 2019 transitional long-term incentive award to Scott Rook

Scott Rook received a transitional award comprised of two parts when he joined Chemtrade in 2019 as COO, to recognize incentive compensation he forfeited from his previous employer.

- an RSU award of \$760,000 and a 16-month vesting period (September 1, 2019 to December 31, 2020)
- a long-term incentive award that includes an RSU award of \$100,000, and a PMP award with a potential payout range of \$0-\$1,500,000, a three-year performance period (January 1, 2019 to December 31, 2021) and 2019 performance metrics.

The first part of the award vested on December 31, 2020 and the amount was paid out in March 2021.

The table below shows the final payout of the RSUs awarded in 2019. RSU awards will be paid out at \$6.73 per unit, the volume weighted average unit price on the TSX for the first 20 trading days following the end of the performance period.

$$\left(\begin{array}{|c|} \hline \text{Number of} \\ \text{RSUs} \\ \text{granted} \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Number of} \\ \text{RSUs received} \\ \text{as distribution} \\ \text{equivalents} \\ \hline \end{array} \right) \times \begin{array}{|c|} \hline \text{Volume} \\ \text{weighted} \\ \text{average} \\ \text{trading price} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{2020 RSU} \\ \text{payout} \\ \hline \end{array} \quad \begin{array}{|c|} \hline \text{Payout} \\ \text{as a \% of} \\ \text{the} \\ \text{grant value} \\ \hline \end{array}$$

Table 15

Scott Rook	74,900	12,704	\$6.73	\$589,575	78%
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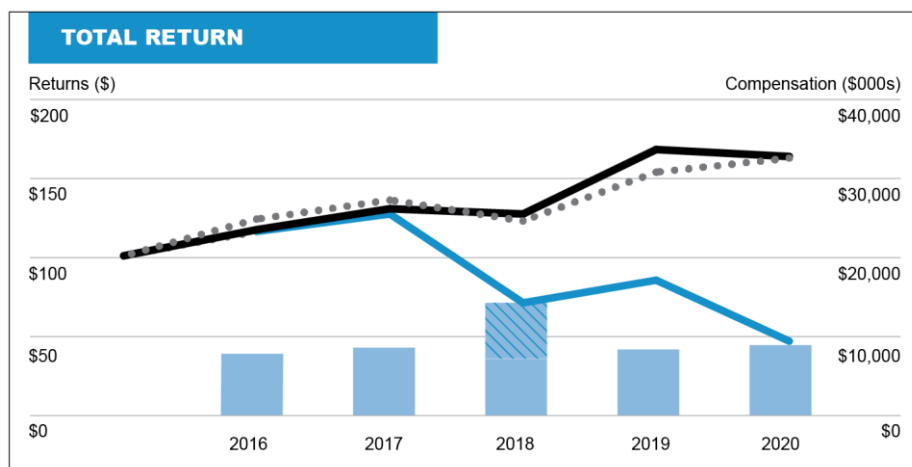
GENERATING VALUE FOR UNITHOLDERS

Total return

The graph below compares the Fund's cumulative total return over the past five years compared to the return of the S&P/TSX Income Trust – Total Return Index and the S&P/TSX Composite – Total Return Index. It assumes \$100 was invested on January 1, 2016 and that distributions or dividends were reinvested. The graph also shows total direct compensation paid to the named executive officers over the same period.

From January 2016 to the end of December 2020 total unitholder return decreased by approximately 49% over the entire period. Total compensation (see table 18 for summary compensation details) for the named executives over the same five-year period increased by approximately 11%. The disconnect between the decrease in unitholder return and the modest increase in executive compensation can be explained by a number of factors:

- (i) as reported in last year's information circular, total unitholder return and executive compensation were aligned up until 2019. In 2020, the pronounced decrease in total unitholder return is indicative of the unusual year that 2020 proved to be for Chemtrade and the impacts of the COVID-19 pandemic.
- (ii) executive compensation in 2020 did reflect the decline in unit value: the executives received no payout under the PMP component of the 2018 long-term incentive (see tables 9 and 11) and only 56% of grant value on the RSU component (see table 10), with the result that the overall 2018 long-term incentive payouts ranged from 14% to 24% of grant value for the named executives.
- (iii) the executives' 2020 total compensation includes RSUs *granted* in 2020. The RSUs vest at the end of 2022 and are paid in 2023. The value realized will depend on the unit price at the time.
- (iv) the total direct compensation amount in 2018 is significantly higher due to retention awards granted to three named executives, as disclosed in our 2019 management information circular. The patterned portion of the 2018 bar identifies the amount of total direct compensation paid to the named executives that year that was made up of the retention awards.



	Jan 1	December 31				
	2016	2016	2017	2018	2019	2020
Chemtrade Logistics Income Fund	\$100	\$114	\$124	\$73	\$86	\$51
S&P/TSX Income Trust – Total Return Index	\$100	\$115	\$127	\$124	\$161	\$157
S&P/TSX Composite – Total Return Index	\$100	\$121	\$132	\$120	\$148	\$156
Total direct compensation paid to the named executives (\$000s)		\$7,878	\$8,336	\$14,159	\$8,285	\$8,771

Cost of management

The table below shows our Adjusted EBITDA for the past five years compared to the total direct compensation paid to the named executive officers for each year.

Total direct compensation was significantly higher in 2018 due to retention awards granted to three named executives, as disclosed in our 2019 management information circular. These awards vested at the end of 2020. Not including the retention awards, total direct compensation in 2018 as a percentage of Adjusted EBITDA was 3.6%.

The 2019 amount included transitional awards granted to Scott Rook to recognize incentive compensation he forfeited from his previous employer (see page 38). These partially vested at the end of 2020, with the remainder to vest at the end of 2021. Not including the transitional awards, total direct compensation in 2019 as a percentage of Adjusted EBITDA was 2.5%. Total direct compensation is higher in 2020 due to the fact that this number reflects RSUs *granted* in 2020, which were higher (see page 35), rather than RSUs *vested* in 2020 which were negatively impacted by total unitholder return, as described in detail in the *Total return* section above.

Table 16	2016	2017	2018	2019	2020
Chemtrade Adjusted EBITDA (000s)	\$200,506	\$283,175	\$196,223	\$295,603 ¹	\$265,268 ¹
Total direct compensation paid to the named executives (000s)	\$7,878	\$8,336	\$14,159	\$8,285	\$8,771
Total direct compensation as a % of Adjusted EBITDA	3.9%	2.9%	7.2%	2.8%	3.3%

¹ Starting in 2019, Adjusted EBITDA does not include lease expenses. Adjusted EBITDA is a non-IFRS measure (see page 66).

Named executives:

2016 and 2017: Mark Davis, Rohit Bhardwaj, Leon Aarts, Tab McCullough, Michael St. Pierre

2018: Mark Davis, Rohit Bhardwaj, Leon Aarts, Tab McCullough, Daniel Dietz

2019: Mark Davis, Rohit Bhardwaj, Scott Rook, Leon Aarts, Tab McCullough

2020: Mark Davis, Rohit Bhardwaj, Scott Rook, Leon Aarts, Emily Powers

CEO five-year lookback

Variable (at-risk) compensation accounts for a large portion of Mr. Davis' compensation, and is not guaranteed. The realized compensation in 2020 was almost 40% below target compensation, and in 2019 and 2018 was more than 25% below target compensation, reflecting Chemtrade's pay for performance philosophy as financial underperformance results in lower compensation.

Table 17	Target compensation	Realized compensation				Realized as a % of target
		Salary	Annual incentive	Long-term incentive	Total realized compensation	
2020	\$9,826,667	\$891,667	\$1,552,000	\$3,501,184	\$5,944,851	60%
2019	\$4,225,000	\$850,000	\$503,000	\$1,771,370	\$3,124,370	74%
2018	\$4,214,167	\$839,167	\$335,000	\$1,887,376	\$3,061,543	73%
2017	\$4,147,500	\$785,000	\$1,100,000	\$2,206,315	\$4,091,315	99%
2016	\$4,090,950	\$780,950	\$855,000	\$2,189,339	\$3,825,289	94%

Target compensation

The 2020 target compensation includes the retention award granted in 2018, as disclosed in our 2019 management information circular.

Salary

Target and realized compensation = base salary for each year

Annual incentive

Target compensation = target annual incentive award for each year

Realized compensation = actual annual incentive award for each year

Long-term incentive

Target compensation = target value of the long-term incentive awards that vested in each year (grant value of the RSUs and target potential payout of the PMP)

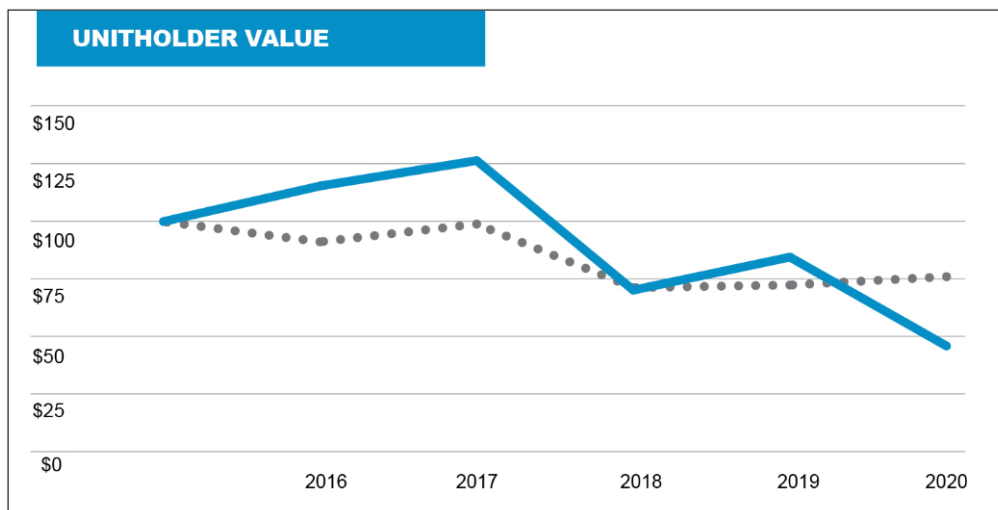
Realized compensation = payout value of the RSUs and PMP that vested in each year (based on three-year performance)

The 2020 long-term incentive includes the payout of the retention award granted in 2018, which paid out at 56% of grant value (see table 10)

Alignment between pay and performance

The image below shows the relationship between the CEO's total realized compensation and unitholder returns. The table shows Mr. Davis' total realized compensation from the table above, excluding the RSU retention awards paid to Mr. Davis in 2020, in each of the past five years indexed to \$100, compared with total unitholder return for the same period, assuming \$100 was invested in units of the Fund on January 1, 2016 and that distributions were reinvested. The exclusion of the retention award as shown below enables the 2020 total direct compensation to be more directly compared with the total direct compensation in prior years and with unitholder returns. The board's goal in granting the retention award was to retain stable leadership while selecting and transitioning to a new CEO, which was achieved this year (see discussion in *Message from the chair of the compensation and corporate governance committee* on page 22).

On average, Mr. Davis has realized 80% of his target compensation for the last five years. The strong correlation between the two lines up to 2019 highlights the link between the CEO's realized pay and our unit performance over time. The 2020 fiscal year proved to be an unusual year impacted by the COVID-19 pandemic, which explains the divergence in 2020.



	Jan 1	December 31				
	2015	2016	2017	2018	2019	2020
— Chemtrade Logistics Income Fund	\$100	\$114	\$124	\$73	\$86	\$51
••• Total direct compensation paid to the CEO	\$100	\$92	\$99	\$74	\$75	\$76

2020 Compensation details

SUMMARY COMPENSATION TABLE

The table below shows the total compensation awarded to each named executive officer for each of the last three fiscal years ending December 31.

Table 18	Year	Salary	Share-based awards	Non-equity incentive plan compensation			All other compensation	Total compensation
				Annual incentive plans	Long-term incentive plan	Pension value		
Mark Davis	2020	\$891,667	\$1,250,000	\$1,552,000	\$0	\$384,976	\$40,500	\$4,119,143
Chief Executive Officer	2019	\$850,000	\$1,250,000	\$503,000	\$850,000	\$384,130	\$39,885	\$3,877,015
	2018	\$839,167	\$6,250,000	\$335,000	\$850,000	\$350,000	\$64,215	\$8,688,382
Rohit Bhardwaj	2020	\$451,667	\$630,000	\$314,000	\$0	\$27,057	\$20,700	\$1,443,424
Chief Financial Officer	2019	\$410,000	\$205,000	\$134,000	\$250,000	\$24,566	\$19,238	\$1,042,805
	2018	\$405,000	\$205,000	\$90,000	\$250,000	–	\$38,644	\$988,644
Scott Rook	2020	\$700,000	\$900,000	\$652,000	\$0	\$37,380	\$31,500	\$2,320,880
Chief Operating Officer (joined Sept. 16, 2019)	2019	\$204,167	\$1,260,000	\$246,000	–	–	–	\$1,710,167
Leon Aarts	2020	\$535,275	\$556,000	\$339,268	\$0	–	\$46,964	\$1,477,507
Group Vice-President, Commercial	2019	\$490,979	\$205,000	\$100,850	\$250,000	–	\$51,899	\$1,098,728
	2018	\$472,051	\$1,205,000	\$97,219	\$250,000	–	\$50,563	\$2,074,834
Emily Powers	2020	\$320,834	\$330,000	\$202,000	\$0	\$19,933	\$14,430	\$887,197
Group Vice-President, Human Resources and Responsible Care	2019	\$273,750	\$103,000	\$97,000	\$75,000	\$16,425	\$12,435	\$577,610
	2018	\$261,234	\$103,000	\$45,000	\$75,000	–	\$24,945	\$509,179

Mr. Aarts is based in the U.S. and paid in U.S. dollars. His salary, annual incentive and other compensation have been converted from U.S. dollars to Canadian dollars using the following average exchange rates for the year: \$1.34 (2020), \$1.33 (2019) and \$1.30 (2018).

Salary

Amounts are the actual salaries paid during the calendar year. Salary adjustments typically go into effect on March 1. Salaries for the named executives were frozen in 2019.

Share-based awards

We calculated the number of RSUs granted by dividing the dollar amount of the award by the volume weighted average price of units for the five trading days leading up to the date of the award: \$4.63 (2020), \$10.15 (2019) and \$16.59 (2018). Scott Rook's amount in 2019 includes the transitional award of RSUs to recognize incentive compensation he forfeited from his previous employer (see page 38). We used \$10.15 to calculate Scott's transitional award.

2018 amounts for Mark Davis and Leon Aarts include a retention award in RSUs as disclosed in our 2019 management information circular. The number of RSUs awarded was based on \$16.59, the volume weighted average price of units for the five trading days leading up to the date of the award. Awards vested in December 2020 at the end of the three-year performance period.

Long-term incentive

- Long-term incentive payments have been the same over the past several years for each named executive because only the EBITDA metric paid in full during that period. However, for the 2018 LTIP, none of the PMP metrics resulted in a payment. We replaced the EBITDA metric in 2020 (see page 36, as well as change details in our 2019 management information circular).
- 2020 amounts are for the 2018 PMP award that vested on December 31, 2020 and did not pay out.
- 2019 amounts are for the 2017 PMP award that vested on December 31, 2019 and will be paid out in March 2020.
- 2018 amounts are for the 2016 PMP award that vested on December 31, 2018 and paid out in March 2019.

Pension value

Includes Chemtrade's contribution to the defined contribution pension plan in 2019 and 2020, and to Mark Davis' supplemental executive retirement plan in 2018, 2019 and 2020.

All other compensation

Includes the following:

- Chemtrade's contribution to the unit purchase plan
- Mark Davis, Rohit Bhardwaj and Emily Powers: Chemtrade contributions to the group RRSP prior to 2019.
- Leon Aarts: company contributions to the 401(k) plan.
- Amounts do not include the value of perquisites and benefits received by each named executive because they total less than \$50,000 or 10% of their salary.

INCENTIVE PLAN AWARDS

The table below shows the outstanding share-based awards (RSUs) for each named executive as at December 31, 2020. Market values are calculated using \$5.83, the price of units on the TSX on December 31, 2020 and include distributions. The 2018 RSU awards vested on December 31, 2020 and amounts were calculated based on the volume weighted average unit price for the first 20 trading days after the end of the performance period. They will be paid out in March 2021 as shown below.

You can read more about the long-term incentive beginning on page 35.

Outstanding share-based awards

Table 19	Year award was granted	Share-based awards		
		Number of share-based awards that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
Mark Davis	2020	297,799	\$1,736,170	–
	2019	156,547	\$912,672	–
	2018	–	–	\$3,501,184
	Total	454,347	\$2,648,842	\$3,501,184
Rohit Bhardwaj	2020	150,113	\$875,158	–
	2019	25,668	\$149,643	–
	2018	–	–	\$115,250
	Total	175,781	\$1,024,801	\$115,250
Scott Rook	2020	214,415	\$1,250,042	–
	2019 ¹	62,644	\$365,217	\$589,575
	Total	277,060	\$1,615,259	\$589,575
Leon Aarts	2020	132,466	\$772,274	–
	2019	25,668	\$149,643	–
	2018	–	–	\$675,700
	Total	158,133	\$921,917	\$675,700
Emily Powers	2020	78,641	\$458,477	–
	2019	12,834	\$74,821	–
	2018	–	–	\$57,625
	Total	91,475	\$533,299	\$57,625

¹ Scott Rook's amounts include the transitional award of RSUs to recognize incentive compensation he forfeited from his previous employer (see page 38).

Incentive plan awards – value vested or earned in 2020

The table below shows the value of share-based awards (RSUs) that vested in 2020 and cash incentive awards that were earned in 2020 (annual incentive award and PMP award under the long-term incentive plan).

Table 20	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
Mark Davis	–	\$3,032,972	\$1,552,000
Rohit Bhardwaj	–	\$99,838	\$314,000
Scott Rook	–	\$510,731	\$652,000
Leon Aarts	–	\$585,339	\$339,268
Emily Powers	–	\$49,919	\$202,000

Option-based awards

We do not grant stock option awards.

Share-based awards

Represents the number of RSUs that vested in 2020 under the 2018 long-term incentive plan (or, in the case of Scott Rook, the 2019 long-term incentive plan for his transitional award), multiplied by \$5.83 per unit, the closing unit price on the TSX on December 31, 2020.

Non-equity incentive plan compensation

Includes the 2020 annual incentive and the 2018 PMP award that vested on December 31, 2020 (see pages 32 and 37, and as disclosed in the summary compensation table on page 42). The annual incentive amounts for Leon Aarts has been converted from U.S. dollars to Canadian dollars using \$1.34, the average exchange rate for the year.

About burn rate

We do not have a stock option plan. The TSX requirement for disclosing burn rate does not apply to RSUs granted to the named executives because the RSU plan does not involve the issuance, or potential issuance, of units from treasury and therefore is not dilutive in nature.

RETIREMENT BENEFITS

Retirement benefits for our named executives include:

- defined contribution pension plan for Canadian executives
- 401(k) plan for U.S. executives

These plans are identical to the plans offered to all employees in the same jurisdiction other than certain unionized employees.

As CEO, Mark Davis also participates in a supplementary executive retirement plan (see below).

Defined contribution pension plan

In 2019, we introduced a defined contribution pension plan (DC plan) for all eligible Chemtrade employees in Canada, replacing our group registered retirement savings plan (group RRSP). The DC plan is open to four of the named executives (Mark Davis, Rohit Bhardwaj, Emily Powers and Scott Rook).

The DC plan is self-directed. Participants choose from a range of investment options offered by Sun Life Financial, who administers the plan. The interest and earnings on the investments held in the DC plan account vary, and depend on the terms and performance of the investments chosen.

We provide a basic contribution of 4% of base salary for plan participants. They can make additional voluntary contributions up to 2% of their base salary, and we match each dollar contributed up to 2% for a total of 6% of base salary. Our contributions to the DC plan vest immediately. We no longer make contributions to the group RRSP.

Defined contribution plan table

The table below shows the accumulated value at the start and end of the year, and the compensatory amount earned by the four named executives participating in the plan in 2020. *Compensatory (executive plan)* is the notional amount contributed to the defined contribution plan after the executive reaches the contribution limit allowed under the *Income Tax Act* (Canada).

Table 21	Accumulated value at start of the year	Compensatory	Compensatory (executive plan)	Accumulated value at year-end
Mark Davis	\$28,327	\$27,830	\$7,746	\$76,225
Rohit Bhardwaj	\$28,891	\$20,611	\$6,446	\$74,088
Scott Rook	–	\$21,907	\$15,473	\$47,012
Emily Powers	\$23,233	\$19,933	-	\$54,422

401(k) plan

We offer a 401(k) plan to employees in the U.S. The plan is open to one of the named executives (Leon Aarts) and other employees.

The plan is a qualified retirement 401(k) plan, and is self-directed. Participants choose from a range of investment options offered by Securian, who administers the plan. The interest and earnings on the investments held in the 401(k) plan account vary, and depend on the terms and performance of the investments chosen.

Employees make voluntary contributions on each pay, and we match the first 6% of eligible earnings subject to legislated government maximums. Our contributions to the 401(k) plan vest immediately.

Supplemental executive retirement plan

Mark Davis has participated in a supplemental executive retirement plan (SERP) since January 1, 2013.

We notionally credit \$350,000 to the SERP for each year that Mr. Davis is employed by Chemtrade until he reaches the age of 65. After age 65, we will notionally credit 10% of his annual cash compensation (annual base salary + annual incentive award) for every year he continues to be employed by Chemtrade.

The table below shows the accumulated value in the SERP at the start and end of the year, and the compensatory amount notionally earned by Mr. Davis in 2020.

Table 22	Accumulated value at start of the year	Compensatory	Accumulated value at year-end
Mark Davis	\$2,450,000	\$350,000	\$2,800,000

TERMINATION AND CHANGE OF CONTROL

We have employment agreements with Mark Davis and each of the other named executives that set out the terms of their employment and provide for certain benefits if their employment is terminated other than for cause. Certain of our employment agreements include non-competition, non-solicitation and confidentiality provisions to protect our interests. Upon retirement, participants must sign a non-competition agreement to receive vested long-term incentive awards.

The table below sets out the key benefits for the named executives.

	Voluntary resignation/ Termination with cause	Retirement	Death or incapacity	Termination without cause	Change of control
Cash severance	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<p>Mark Davis:</p> <ul style="list-style-type: none"> two times the sum of his base salary, annualized car allowance, and the average of his last two annual bonuses employment-related benefits continue for two years or payment in lieu <p>Scott Rook:</p> <ul style="list-style-type: none"> 12 months annual compensation (base salary plus the amount of his annual incentive based on the Fund's most recently completed financial year) <p>Emily Powers:</p> <ul style="list-style-type: none"> 12 months annual compensation (base salary plus target annual incentive). Target annual incentive is 50% of base salary <p>Rohit Bhardwaj and Leon Aarts:</p> <ul style="list-style-type: none"> 18 months annual compensation (base salary plus target annual incentive as noted below) target annual incentive is 55% of base salary for Rohit Bhardwaj and 50% for Leon Aarts 	<ul style="list-style-type: none"> If Mark Davis resigns for good reason within one year of a change of control, his severance is two times the sum of his base salary, annualized car allowance, and the average of his last two annual bonuses, and his employment-related benefits continue for two years or payment in lieu
Long-term incentive	<ul style="list-style-type: none"> Outstanding awards are cancelled 	<ul style="list-style-type: none"> Outstanding awards vest in full at the end of the performance period and are paid out 	<ul style="list-style-type: none"> Outstanding awards vest in full at the end of the performance period and are paid out. Under the 2019 long-term incentive only, outstanding awards vest and are paid out immediately 	<ul style="list-style-type: none"> Outstanding awards vest and are paid out immediately 	<ul style="list-style-type: none"> Outstanding awards vest in full and are paid out immediately
Retirement benefits	<ul style="list-style-type: none"> Entitled to accrued retirement benefits On voluntary resignation, Mark Davis also receives the accumulated value of his SERP 	<ul style="list-style-type: none"> Entitled to accrued retirement benefits Mark Davis also receives the accumulated value of his SERP 	<ul style="list-style-type: none"> Entitled to accrued retirement benefits Mark Davis also receives the accumulated value of his SERP 	<ul style="list-style-type: none"> Entitled to accrued retirement benefits Mark Davis also receives the accumulated value of his SERP 	<ul style="list-style-type: none"> Entitled to accrued retirement benefits Mark Davis also receives the accumulated value of his SERP
2018 RSU retention plan	<ul style="list-style-type: none"> Outstanding awards are cancelled 	<ul style="list-style-type: none"> Outstanding awards are cancelled 	<ul style="list-style-type: none"> Outstanding awards continue, vest at the end of the performance period and are paid out 	<ul style="list-style-type: none"> Outstanding awards vest in full and are paid out immediately 	<ul style="list-style-type: none"> Outstanding awards vest in full and are paid out immediately
Perquisites and other benefits	<ul style="list-style-type: none"> Cease immediately 	<ul style="list-style-type: none"> Cease immediately 	<ul style="list-style-type: none"> Cease immediately 	<ul style="list-style-type: none"> Cease immediately 	<ul style="list-style-type: none"> Cease immediately

The table below shows the estimated incremental amounts that would be paid to each named executive if their employment had been terminated on December 31, 2020.

Table 23		Voluntary resignation/ Termination with cause	Retirement	Incapacity	Death	Termination without cause	Change of control
Mark Davis	Cash severance	–	–	–	–	\$3,890,930	\$3,890,930 (resignation within one year of a change of control)
	Negotiated retirement package	–	\$4,956,852	–	–	–	–
	Long-term incentive	–	–	\$2,562,672	\$6,298,842	\$6,298,842	\$6,298,842
	Retirement benefits	\$2,800,000 (voluntary resignation)	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000	\$2,800,000 (resignation within one year of a change of control)
	Retention award	–	–	–	–	–	–
	Other benefits	–	–	–	–	\$29,400	\$29,400 (resignation within one year of a change of control)
Rohit Bhardwaj	Cash severance	–	–	–	–	\$1,069,500	–
	Long-term incentive	–	–	\$749,643	\$2,924,801	\$2,708,134	\$2,924,801
	Retirement benefits	–	–	–	–	–	–
	Other benefits	–	–	–	–	–	–
Scott Rook	Cash severance	–	–	–	–	\$1,352,000	–
	Long-term incentive	–	–	\$1,865,217	\$4,865,259	\$4,281,926	\$4,865,259
	Retirement benefits	–	–	–	–	–	–
	Other benefits	–	–	–	–	–	–
Leon Aarts	Cash severance	–	–	–	–	\$1,221,968	–
	Long-term incentive	–	–	\$674,643	\$2,670,917	\$2,466,917	\$2,670,917
	Retention award	–	–	–	–	–	–
	Other benefits	–	–	–	–	–	–
Emily Powers	Cash severance	–	–	–	–	\$487,500	–
	Long-term Incentive	–	–	\$262,321	\$1,330,799	\$1,127,465	\$1,330,799
	Retirement benefits	–	–	–	–	–	–
	Retention award	–	–	–	–	–	–
	Other benefits	–	–	–	–	–	–

Cash severance

Amounts for Leon Aarts have been converted from U.S. dollars to Canadian dollars using an exchange rate of US\$1.00 = \$1.34 on December 31, 2020.

Long-term incentive

Retirement is defined as:

- For the 2018-2020 long-term incentive: between age 55 and 59 with five years of service, or 60 years or older, and in each case retirement deemed by the board
- For both the 2019-2021 and 2020-2022 long-term incentive: between age 55 and 59 with five years of service, or 60 years or older with three years of service, and in each case retirement deemed by the board.

Payouts

Termination without cause and Change of control: RSU amounts assume the performance level achieved through December 31, 2020, and are based on \$5.83, the closing unit price on December 31, 2020. PMP amounts have been calculated using target.

Negotiated retirement package of Mark Davis

Mark Davis' negotiated retirement package includes 2 years of total compensation (base, annual incentive compensation and ancillary benefits), which will be paid upon his departure from the organization and disclosed in next year's management information circular. See further details in the section directly following.

Negotiated retirement package of Mark Davis

In August 2020, Mr. Davis advised the board that he wished to retire as CEO and to step down from the board. As part of its succession planning, the board had previously hired Scott Rook as COO and asked that Mr. Davis remain with Chemtrade for an appropriate length of time to complete Mr. Rook's transition into the role of CEO. The board delegated to the chair the negotiation of the terms of Mr. Davis' retirement package, which consists of two years' worth of salary, incentive compensation and ancillary benefits. See table 23. This will be paid upon his departure from the organization and disclosed in next year's management information circular. The chair, Mr. Davis and Mr. Rook determined that Mr. Rook would assume the role of CEO on March 1, 2021.

Additional information about the long-term incentive

Outstanding long-term incentive awards (and the retention award for Mark Davis and Leon Aarts) vest in full if employment is terminated without cause or if there is a change of control. Payouts are calculated as follows:

- RSU component: we assume RSU value as at the end of 2020, including distributions
- PMP component: we consider target

The compensation and corporate governance committee can use its discretion to accelerate vesting of long-term incentive awards if a named executive is absent from service for a reason other than those contemplated under the plan.

Change of control

We define *change of control* as any one of the following events:

- a person, firm, corporation or other legal entity, or a group acting jointly or in concert, acquires directly or indirectly and by any means whatsoever, the beneficial ownership or control or direction over the number of voting securities of the Fund that represents more than 50% of the total issued and outstanding units entitled to vote for trustees of the Fund
- the Fund's voting unitholders approve a reorganization, amalgamation, merger or plan of arrangement that results in the voting unitholders owning or controlling less than 50% of the voting power of the Fund on a fully diluted basis
- the majority of the trustees are replaced immediately following a meeting of the Fund's unitholders or upon execution of a unitholders' resolution
- the Fund sells all or substantially all of its assets to a person, firm, corporation or other legal entity (not affiliated with the Fund), or to a group acting jointly or in concert
- the board of trustees adopts a resolution to the effect that a change in control of the Fund has occurred.

Change of control has a similar definition under Mr. Davis' employment agreement.

If Mr. Davis resigns for *good reason* within one year of a change of control, he is entitled to the amounts specified in the table above. *Good reason* in Mr. Davis' employment agreement includes the following, among other things:

- the Fund reduces his position, title, duties, responsibilities, authority, status or reporting relationships without his written consent, or removes his title of CEO
- the Fund ceases to be a publicly traded entity
- the Fund reduces his compensation at the time of the change of control, except as a direct result of the Fund's performance in the fiscal year
- the Fund discontinues any perquisites or participation in employee incentive plans, compensation plans, employee benefits or arrangements at the time of the change of control, if the discontinuation is material to his total compensation
- any reason that would be considered to amount to a constructive dismissal by a court of competent jurisdiction.

CORPORATE GOVERNANCE

Chemtrade is committed to high standards of corporate governance. The Fund's board of trustees is responsible for overseeing management and the overall stewardship of Chemtrade.

We comply with the rules and regulations that apply to us and follow governance best practices wherever possible.

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ABOUT THE BOARD

Structure

Unitholders	Elect the board See page 52 to read about our majority voting policy
Board of trustees	Led by an independent Chair of the Board Oversees management of Chemtrade Logistics Income Fund Has overall stewardship responsibility for Chemtrade. The board of trustees also declares Fund distributions to unitholders and reports to unitholders. The board's mandate is consistent with the requirements of NI 58-101 and NP 58-201. It is reviewed annually and was last reviewed in August 2020. You can find a copy in Appendix B and on our website (www.chemtradelogistics.com).
Board committees	Three standing committees help the board carry out its responsibilities: <ul style="list-style-type: none">• audit committee• compensation and corporate governance committee• Responsible Care committee You can read about the committees on page 19. Copies of the committee charters are available on our website (www.chemtradelogistics.com).

Position descriptions

We have a formal written position description for the Chair of the Board that sets out his duties and responsibilities. The board and the CEO have developed a formal written position description for the CEO.

The compensation and corporate governance committee reviews the position descriptions every year. They were last reviewed in February 2021 and are available on our website (www.chemtradelogistics.com).

About the Chair of the Board

The Chair of the Board is independent and provides the board with independent leadership, overseeing the effective functioning of the board, presides over board meetings and chairs meetings of the unitholders. The Chair acts as a resource for the CEO on major strategy issues and also serves as a liaison between the board and management. Lorie Waisberg has served as the Chair of the Board since 2009.

About the committee chairs

We do not have formal position descriptions for committee chairs. Each committee chair is responsible for providing leadership to the committee, presiding over committee meetings, making sure the committees have adequate resources to support their decision-making, facilitating candid and full discussions on all key matters and advising management as appropriate.

About subsidiary governance

Each Chemtrade subsidiary has its own board of directors. Our CEO, CFO and Corporate Secretary are members of the board of each Canadian subsidiary.

The CEO and two members of U.S. management sit on the boards of each U.S. subsidiary.

Size and composition

Our Declaration of Trust states that we must have from three to 10 trustees on our board.

The board believes that having a relatively small number of trustees encourages active discussion and engagement. We currently have seven trustees on our board.

Independence

Six of the seven trustees are *independent* as defined in NI 58-101 and NP 58-201, meaning that they do not have a direct or indirect “material relationship” with the Fund that could reasonably interfere with their ability to exercise independent judgment. Scott Rook is not independent because he is President and Chief Executive Officer of the Fund.

The table below sets out the board and committee memberships. The board and board committees are each led by an independent trustee. The independent trustees met *in camera* without management and non-independent trustees present at all meetings of the board and committees in 2020.

	Board of trustees	Audit committee	Compensation and corporate governance committee	Responsible Care committee	Independent
Lorie Waisberg	Chair	●	●	●	Yes
Mark Davis (retired from the board on February 28, 2021)	●	○	○	○	no – CEO
Lucio Di Clemente	●	chair	●	●	Yes
Daniella Dimitrov (joined the board on May 15, 2020)	●	●	●	●	Yes
David Gee (retired from the board on May 15, 2020)	●	●	●	chair (2019)	Yes
Emily Moore	●	●	●	chair (2020)	Yes
Douglas Muzyka (joined the board on November 12, 2020)	●	●	●	●	Yes
Katherine Rethy	●	●	chair	●	Yes
Scott Rook (joined the board on March 1, 2021)	●	○	○	○	no – CEO

● = member

○ = invited to meetings

David Gee retired from the board on May 15, 2020, on which date Daniella Dimitrov was elected. Mr. Gee was chair of the Responsible Care committee until January 2020, when Emily Moore was appointed to the role. Douglas Muzyka was appointed to the board on November 12, 2020. Mark Davis retired from the board on February 28, 2021 and Scott Rook was appointed effective March 1, 2021.

The board sets aside time at each board meeting to meet *in camera* without management present. In 2020 the independent trustees met separately at all 15 meetings.

Each committee charter requires the committee to meet periodically without management present, and a trustee can request a meeting of independent trustees at any time. In 2020 the committees met without management present at all 14 meetings.

Board and committee meetings are scheduled on the same day or generally within one day of each other so the trustees are able to raise issues or concerns relating to all committees at an *in camera* meeting of the independent trustees. You can read about each committee beginning on page 19.

Diversity

We have a written diversity policy that recognizes the importance of diversity on the board and management, including diversity of thought, experience, gender, cultural background, age, geographic representation, knowledge and skills. Our policy requires the identification and consideration of gender diverse candidates as detailed in the Board and Management sections directly below. Given our current gender diversity statistics on both board and management levels (as set out below), we have not yet considered it necessary to set specific gender or other diversity targets for the board or management within our policy. We plan to review this policy in 2021.

Trustees and senior leaders are appointed based on merit, keeping these diversity characteristics in mind. We monitor the make-up of the board and the senior management team every year, and build the results into the recruitment and leadership succession process.

Board

Three of our trustees are female, representing 42.8% of the board. While we have not set specific gender or other diversity targets for the board, the compensation and corporate governance committee considers several aspects of diversity when assessing the overall make-up of the board (see *Skills matrix* on page 54). The compensation and corporate governance committee retains an executive search firm to assist in identifying potential candidates. Our diversity policy mandates the search firm to put forward at least one female candidate to maintain gender diversity. In the search which resulted in Ms. Dimitrov's nomination in May 2020, three of the four finalists were women and one was a visible minority. The search committee (the Chair of the Board and the chair of the compensation and corporate governance committee), with the assistance of the CEO and the chair of the audit committee, selected one candidate to recommend to the board. You can read more about the trustee recruitment process on page 53, and leadership succession on page 62.

Management

As of December 31, 2020, there were seven individuals on our senior leadership team. Two executives were female, representing 28.6% of the senior leadership team, and one male executive was a visible minority, representing 14.3% of the senior leadership team. As of March 22, 2021, our senior leadership team consists of six individuals. Two executives are female, representing 33% of the senior leadership team, and one male executive is a visible minority, representing 16.7% of the senior leadership team. Our diversity policy provides that at least one female candidate should be considered when filling senior positions to enhance gender diversity.

For our material subsidiaries, the officers are made up of various combinations of the separate individuals on our senior leadership team (reflecting similar diversity characteristics as set out above). Certain material subsidiaries have additional individuals as officers where necessary for business purposes or jurisdictional requirements.

Expectations of the board

Serving on other boards

We do not limit the number of other public company boards our trustees can serve on; however we expect all trustees to fulfill their obligations for serving on our board. This includes being prepared for meetings, attending all board and committee meetings and carrying out other duties as required, all of which is monitored by the compensation and corporate governance committee as part of the board assessment process.

When the compensation and corporate governance committee conducts a trustee search, it considers the existing commitments of a potential candidate to ensure that the person will be able to fulfill their obligations as a member of the board.

Equity ownership

In 2019 the board decided that all members of the board would receive 100% of their retainer in deferred units from July 1, 2019 to December 31, 2020, regardless of their equity ownership level, because of the Fund's financial underperformance. This decision was taken to further align the interests of board members and unitholders.

Board members must attain an ownership level of three times their retainer within five years of becoming a board member. We assess compliance annually, usually in the first quarter of every year and use the higher of cost and market value to evaluate their holdings.

As of January 1, 2021, trustees who meet the requirement must take at least 50% of their retainer in deferred units on an ongoing basis, up from 30% previously, and may receive the balance in cash. For this purpose, retainer includes the additional amounts paid to committee chairs. These requirements ensure that board members have a vested interest in our future success and build their equity ownership.

The table on the next page shows the equity ownership of each trustee as at March 19, 2021, based on the higher of the original cost and the market value of \$7.00, the closing price of a unit on the TSX on that date. Mark Davis and Scott Rook are not included in the table because they are required to meet our executive equity ownership requirements (see page 29).

Table 24 (as at March 19, 2021)	Total equity holdings			Total value	As a multiple of annual retainer
	Units (# / \$)	Deferred units (# / \$)	Total units and deferred units		
Lucio Di Clemente	3,500 / \$34,300	89,112 / \$917,884	92,612	\$952,184	6.35
Daniella Dimitrov	–	18,570 / \$129,990	18,570	\$129,990	0.87
Emily Moore	–	41,340 / \$289,378	41,340	\$289,378	1.93
Douglas Muzyka	25,400 / \$263,608	64,942 / \$510,994	90,342	\$774,602	5.16
Katherine Rethy	2,000 / \$36,330	83,438 / \$781,772	85,438	\$818,102	5.45
Lorie Waisberg	15,000 / \$161,885	152,780 / \$1,568,274	167,780	\$1,730,159	7.36

Notes:

- David Gee is not included in the table because he retired from the board on May 15, 2020.
- Daniella Dimitrov was appointed to the board on May 15, 2020 and has until May 2025 to meet the ownership requirement
- Emily Moore was appointed to the board on July 1, 2019 and has until July 2024 to meet the ownership requirement.
- Equity ownership values for trustees are based on the higher of the original cost and market value. For all trustees the values are based on original cost, except Daniella Dimitrov and Emily Moore whose values are based on market value.

Attendance

We expect all trustees to attend all board meetings and all of their committee meetings.

2020 meeting attendance

The table below sets out the 2020 attendance record for each member of the board.

Table 25	Board committees							
	Board of trustees			Audit		Compensation and corporate governance		Responsible Care
Mark Davis	14 of 14	100%	5 of 5	100%	4 of 4	100%	5 of 5	100%
Lucio Di Clemente	15 of 15	100%	5 of 5	100%	4 of 4	100%	5 of 5	100%
Daniella Dimitrov	12 of 12	100%	3 of 3	100%	2 of 2	100%	3 of 3	100%
David Gee	6 of 6	100%	3 of 3	100%	2 of 2	100%	3 of 3	100%
Emily Moore	15 of 15	100%	5 of 5	100%	4 of 4	100%	5 of 5	100%
Douglas Muzyka	15 of 15	100%	5 of 5	100%	4 of 4	100%	5 of 5	100%
Katherine Rethy	13 of 15	87%	4 of 5	80%	3 of 4	75%	4 of 5	80%
Lorie Waisberg	15 of 15	100%	5 of 5	100%	4 of 4	100%	5 of 5	100%

Notes:

- The board and each committee held *in camera* sessions of the independent trustees at each meeting in 2020.
- Mr. Davis was invited to all meetings of the audit, compensation and corporate governance and the Responsible Care committees as a guest.
- Ms. Dimitrov attended three board meetings, and one meeting of the audit and Responsible Care committees as a guest prior to being elected as a trustee.
- David Gee retired from the board on May 15, 2020.
- Ms. Rethy was absent from one board meeting and one joint meeting of the board and all committees.
- Lorie Waisberg and Douglas Muzyka were appointed to the audit committee on May 12 and November 12, 2020, respectively and previously attended meetings as guests. They each remained for the *in camera* sessions.

Tenure and renewal

We do not have term limits or a mandatory retirement age for trustees serving on our board. The performance of individual trustees is overseen and managed through a rigorous board assessment process (see page 57) and strong leadership from the Chair of the Board.

The board considers it important to have longer-serving trustees because of the complexities of the business, and we have an effective combination of longer-serving trustees and trustees who have joined the board in the last few years.

In the past five years, four long-serving trustees have retired from the board. Since then we have added four new board members: Emily Moore was appointed to the board on July 1, 2019, Daniella Dimitrov was elected to the board on May 15, 2020, Douglas Muzyka started attending meetings in an advisory capacity January 1, 2018 and was appointed to the board on November 12, 2020, and Scott Rook was appointed to the board on March 1, 2021 (see Board renewal on page 53).

Majority voting

We have had a majority voting policy since 2013. Trustees in an uncontested election who do not receive the support of a majority of the votes cast at a meeting of unitholders in their favor are required to immediately tender their resignation to the Chair, to be effective upon acceptance by the board. The board will accept the resignation unless there are exceptional circumstances. The board will issue a news release within 90 days of the vote, disclosing its decision and its reasons for

accepting or rejecting the resignation. The affected trustee does not participate in any meeting of the board at which the resignation is considered. The policy was last updated in 2017.

Appointing and nominating new trustees

The board uses a skills matrix (see page 54) to identify any gaps or specific skills, experience or character it should seek in a new trustee candidate in light of the opportunities and risks facing Chemtrade. The committee invites suggestions for potential candidates from the board and management. It also retains an external search firm to identify and help to assess additional qualified candidates.

Potential candidates are assessed against the required attributes, including chemical industry and manufacturing experience, experience or knowledge of accounting, environment, health and safety, human resources and risk management, independent thinking skills, integrity, accountability, process orientation in decision making and open-mindedness. In considering potential new trustee candidates, the board requires at least one candidate to be female to enhance the gender diversity on the board. The CEO participates in the selection process.

Board renewal

The Board recruits new members upon retirement of existing members and should the Board assessment process identify the need to replace a member or to add additional competencies or skills. At such times, an executive search firm is retained to help search for new trustees, with search criteria provided by the Chair and the chair of the compensation and corporate governance committee with input from the CEO. In the most recent searches, the search firm developed a list of potential candidates to review with the Chair of the Board, the committee chair and the CEO for feedback and then approached potential candidates to gauge their interest and availability. A shorter, more focused list was then reviewed by the group and a short list created. The Chair of the Board, chair of the compensation and corporate governance committee, chair of the audit committee or other board member, and the CEO interviewed each candidate and a final candidate was selected based on the value they could bring to the board.

The search process resulted in the selection of two highly qualified candidates:

- Emily Moore, who was appointed to the board on July 1, 2019, has extensive experience in new technology development and engineering, is a subject matter expert in water and mining and also brings an academic perspective
- Daniella Dimitrov who was elected to the board on May 15, 2020, based on her depth of leadership experience and strong background in governance and the resource sector.

Board attributes, development and assessment

The compensation and corporate governance committee takes into account several factors when reviewing the board's composition, including gender, age, cultural background and other personal characteristics, as well as the experience, knowledge, skills and character of an individual. The board believes the right combination of these factors and qualities provides diversity of thought, which brings a richer perspective and makes for a more effective board.

Skills matrix

The table on the next page sets out the skills and competencies of the current board. David Gee retired from the board on May 15, 2020. Mark Davis retired from the board on February 28, 2021.

The board believes the mix of skills and competencies of this group of trustees is appropriate for the board to effectively carry out its responsibilities.

Skills matrix		Lorie Waisberg	Lucio Di Clemente	Daniella Dimitrov	Emily Moore	Douglas Muzyka	Katherine Rethy	Scott Rook
Years on board	0 to 5			X	X	X	X	X
	6 to 10							
	11+	X	X					
Age	59 or younger			X	X			X
	60 to 69		X			X	X	
	70 +	X						
Gender	Male	X	X			X		X
	Female			X	X		X	
Skills	Chemical industry experience	○	⊙	○	●	●	●	●
	Manufacturing experience	●	●	○	●	●	●	●
	Executive leadership experience	●	●	●	●	●	●	●
	Financial/Accounting experience/knowledge	●	●	●	⊙	⊙	⊙	⊙
	Environment, health and safety experience/knowledge	⊙	⊙	●	●	●	●	●
	HR/Compensation experience/knowledge	●	●	●	⊙	⊙	●	●
	Corporate governance knowledge	●	●	●	●	●	●	●
	Risk management experience/knowledge	●	●	●	●	⊙	●	●
	Legal/Government/Regulatory affairs knowledge	●	⊙	●	○	⊙	●	⊙
Competencies	Independent thinking skills	●	●	●	●	●	●	●
	Process orientation in decision-making	●	●	●	●	●	●	●
	Open-minded/Information seeking skills	●	●	●	●	●	●	●
	Conflict resolution	●	●	●	⊙	●	⊙	●
	Communication and listening skills	●	●	●	●	●	●	●

- = Strong experience or knowledge
- ⊙ = General experience or knowledge
- = Limited experience or knowledge

Orientation

New trustees receive comprehensive orientation so they can effectively contribute to the board as soon as possible. Orientation includes:

- meetings with the Chair of the board and committee chairs to review the functioning of the board and committees and our expectations of trustees
- briefings by the CEO, CFO and other members of senior management about Chemtrade and each business segment, including our key products and operations
- tour of our head office
- tours of our manufacturing facilities in conjunction with the meetings of the Responsible Care committee.

Owing to the restrictions caused by the COVID-19 pandemic, Ms. Dimitrov has as yet been unable to visit our head office or any of the manufacturing facilities.

New trustees also receive a reference manual that includes:

- a description of their responsibilities as a trustee
- information about our business
- board materials (board mandate and committee charters)

- key policies (code of conduct and insider trading policy)
- important background information from previous board and committee meetings.

Continuing education

Trustees attend continuing education sessions so they stay current on issues relating to our business and operations, corporate governance, financial and accounting practices, environmental, health and safety and corporate ethics among other things.

Chemtrade manufactures and distributes chemicals and it is important that board members understand the safety culture of the organization and visit day-to-day operations to fulfil their duties. Touring the manufacturing facilities and meeting with site management and employees are critical to their understanding of the operations and issues facing the organization. The visits include various presentations by management focused on the facility and they give the board an opportunity to interact with leaders throughout the organization and with local plant personnel.

We usually arrange for board members to visit at least one facility every year. Unfortunately, these visits have had to be postponed due to the COVID-19 pandemic.

Facility visits

The table below shows the facility visits by current board members over the last five years.

Chemtrade facilities	Business segment	Lorie Waisberg	Lucio Di Clemente	Daniella Dimitrov	Emily Moore	Douglas Muzyka	Katherine Rethy	Scott Rook
Toledo, OH (December 2019)	SPPC	✓	✓		✓	✓	✓	✓
North Vancouver, BC (November 2018)	EC	✓	✓			✓	✓	
Brandon MB (November 2017)	EC	✓	✓				✓	
Anacortes, WA (November 2016)	SPPC	✓					✓	
Mount Vernon, WA (November 2016)	SPPC	✓					✓	
Tulsa, OK (June 2015)	SPPC	✓	✓				✓	

Notes:

- SPPC: Sulphur products and performance chemicals
- EC: Electrochemicals
- Shaded areas indicate that the individual was not yet a member of the board.

2020 continuing education program

We also hold sessions on a range of topics. The table below shows our 2020 continuing education program as well as external sessions that board members attended on their own.

2020 board and committee sessions	Presenter	Board	Audit committee	Compensation and corporate governance committee	Responsible Care committee
Strategy Product market analysis and outlook (January; August; November)	Management	✓			
Financial Recent developments update – KPMG (February, May, August, November)	KPMG		✓		
Insurance Industry Trends and Strategies (November)	Marsh Canada	✓			
Risk Cyber-security overview (January)	Management	✓			
Environmental Risk Management – overview of program (January)	Management	✓			
Internal Financial Controls – overview of program (February)	Management		✓		
ESG Review of Mandate and Charters (February)	Management			✓	
Review of framework choice (August)	Management				✓
Update regarding metrics (November)	Management			✓	

2020 individual sessions	Presenter	Participant
Crisis Leadership	CEO Global Network	Lucio Di Clemente
Diversity, Equity and Inclusion Roundtable	CEO Global Network	
Board Oversight of Organizations in Financial Distress (as speaker and participant)	Osler, Hoskin & Harcourt LLP	Daniella Dimitrov
Capital Projects Symposium (as speaker and participant)	Canadian Institute of Mining, Metallurgy, Petroleum	
The Art of Directorship: CEO Succession	NACD	
The Art of Directorship: Strategy and Long-Term Value Creation	NACD	
Board Oversight of Strategy	ICD	Emily Moore
Unconscious Bias Training	Metrolinx	
Controversial Board Topics: Stakeholders, Liability & Combined CEO-Chair	Diligent	
Climate Change and Competitiveness in Canada (4-part series)	ICD	Katherine Rethy
Executive Compensation 2020: Topics Arising from Recent Disruptions	ICD	
Climate Change, COVID-19 and Canadian Business: Our Path Ahead	ICD	
Corporate Culture	ICD	Lorie Waisberg
Stakeholder Capitalism	Webinar	
D&O Insurance	Webinar	
Climate Change	Webinar	
COVID Impact on Executive Compensation	Webinar	
Board Composition	Webinar	

All board members are members of the Institute of Corporate Directors (ICD) and some members of the board hold the ICD.D designation or other corporate director certification. We pay for their membership and also provide each board member with an

annual education budget of \$2,500 to attend external workshops, seminars and conferences that are relevant to their role and responsibilities on our board.

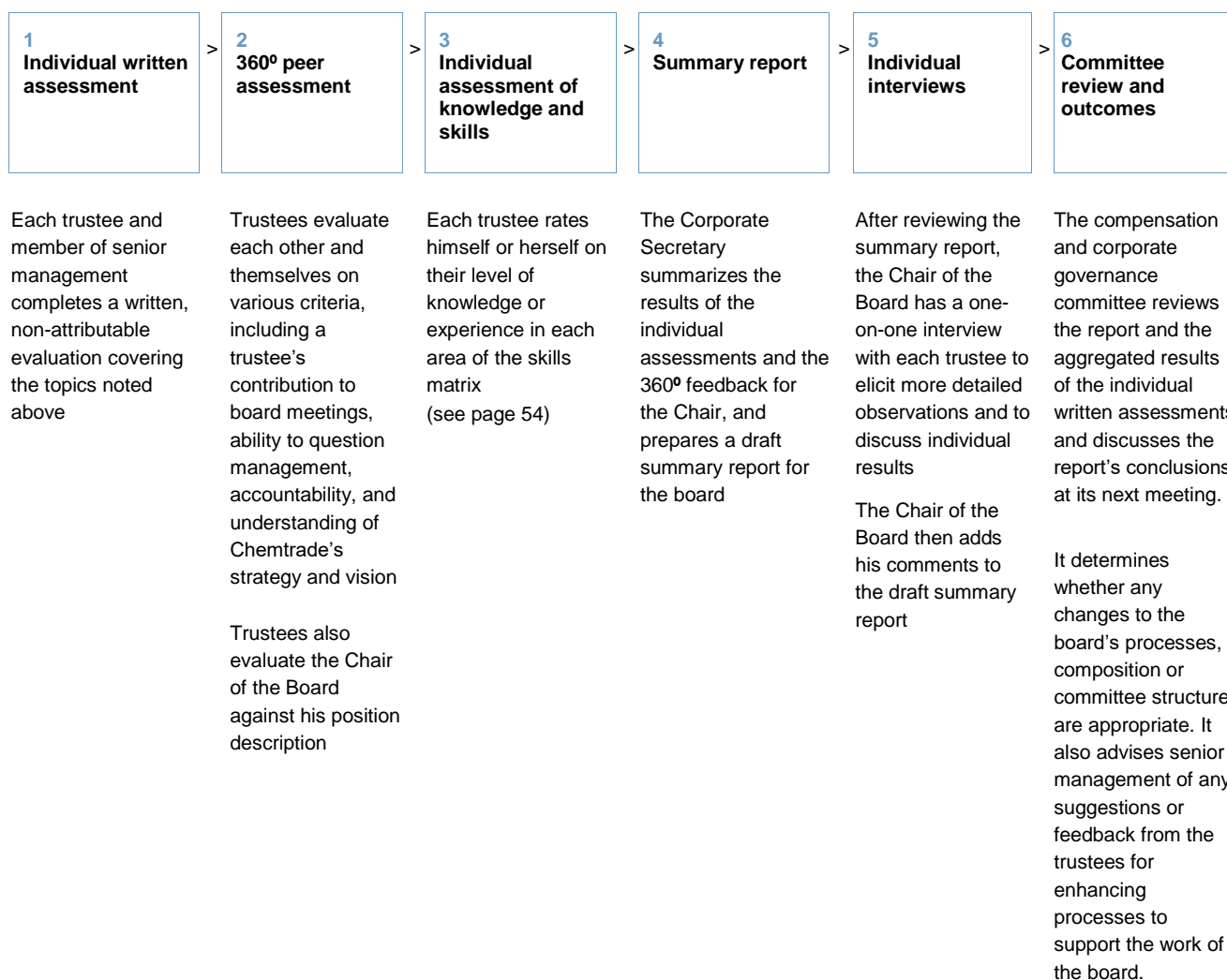
Board assessment

The compensation and corporate governance committee oversees the annual board assessment process, covering the performance of the trustees, board committees and the board overall.

We use a six-step process and cover a range of topics as set out in the committee’s charter. These include the following, among others:

- the effectiveness of the board as a whole and of each board committee
- the standards to be applied for determining material relationships between a trustee and Chemtrade, and compliance with the standards
- the competencies, skills and personal qualities required of our trustees that bring value to the organization in overseeing our strategy, opportunities and risks
- trustee contributions to the effective functioning of the board, in the context of the position description of the board chair, the results of the annual trustee surveys, board and committee meeting attendance and overall contributions
- Chemtrade’s approach to governance issues.

One outcome from the 2018 individual self-assessments was to consider the value of having an independent third party run the board assessment process from time to time, as an opportunity to elicit fresh insights. The board had planned to implement this in 2020 but has postponed retaining an independent third party until pandemic restrictions ease. Instead, during 2020 the board followed the process below to evaluate its performance.



BOARD PRIORITIES

The board of trustees has overall stewardship responsibility for Chemtrade, including maintaining a culture of integrity, and overseeing strategy, governance, risk and succession planning.

Integrity and ethical conduct

The board is responsible for satisfying itself as to the integrity of the CEO and other executive officers and that management has created a culture of integrity throughout the organization.

Code of conduct

The board has approved a code of conduct (the code) that sets out the high business and personal standards we expect of everyone at Chemtrade – officers, employees, trustees and directors. Our code of conduct borrows from our Responsible Care philosophy, aiming to ensure that employees “do the right thing and are seen to do the right thing” while performing their daily tasks. Everyone must read and follow the code, including the guidelines, policies and procedures for ethical conduct, avoid conflicts of interest and comply with the law. The code encompasses several other Chemtrade policies, including our antitrust and competition compliance policy. All employees and board members are trained and tested annually on the contents of the code and certify completion.

Everyone is expected to act with integrity and to speak up if something does not seem right. If anyone suspects a breach or violation of the code, they must immediately report it to the appropriate supervisor, EHS representative or human resources representative, or alternatively to senior management, the legal department, the chair of the audit committee or the Compliance Line, a hotline that allows anyone to raise a concern or file a report anonymously through a special toll-free number or website. The Compliance Line is administered by an independent company to provide anonymity and to encourage and promote a culture of ethical conduct. The independent third party notifies the board of any reports or concerns for appropriate follow-up.

Senior management (or the audit committee chair) investigates any alleged breaches of the code and reports the results of the investigation to the board immediately (if warranted) or at the next scheduled board meeting. The audit committee is notified (immediately if warranted) of any alleged violations of the code relating to accounting, internal controls or auditing matters.

The CEO oversees the code and monitors compliance under the board’s supervision. The CEO is responsible for reviewing the code and changes in laws that apply to Chemtrade, and recommending changes to the code to the compensation and corporate governance committee.

The audit committee reviews the Compliance Line procedures annually and completed its last review in November 2020. The compensation and corporate governance committee, in consultation with the board, periodically reviews the code and the process for administering it. The code was substantially revised in May 2020 and last reviewed by the compensation and corporate governance committee in August 2020. A copy of the code is available on our website (www.chemtradelogistics.com) or by writing to our Corporate Secretary.

Clawback policy

The board has approved a clawback policy that reinforces our philosophy of aligning the interests of executives and unitholders. It allows the board to cancel, adjust or require an executive to repay annual and long-term incentives, including vested and unvested awards, if:

- there are errors in the financial results that were used to determine the awards, whether or not they result in a restatement of the Fund’s financial statements, or
- there was wrongdoing by the executive that affects, or has the potential to affect, Chemtrade’s financial results or reputation.

Insider trading policy

The board has approved an insider trading policy that covers, among other things:

- Insider trading – Our insider trading policy restricts trustees, directors, officers and employees (and their families and household members) from trading in securities of the Fund when they have material information that has not been generally disclosed. It also restricts them from trading in the securities of another public company or entity that we may have undisclosed material information about as a result of a potential transaction or arrangement.
- Anti-hedging – Trustees, directors, officers and employees, and any of their associates, are not allowed to purchase financial instruments, including prepaid variable forward contracts, instruments for the short sale or purchase or sale of call or put options, equity swaps, collars, or units of exchangeable funds, that are designed to, or that may reasonably be expected to, have the effect of hedging or offsetting a decrease in the market value of securities of the Fund.

Disclosure policy

The board has appointed a disclosure committee and approved a disclosure policy. The policy establishes procedures respecting disclosure of material information and maintaining the confidentiality of confidential information. The disclosure committee is responsible for the public disclosure of all material information about the Fund, including our interim and annual financial statements. It includes five members of management who review all information before it is publicly disclosed, ensuring it:

- is accurate and complete
- fairly represents in all material respects the Fund's financial condition, results of operations and cash flows
- is balanced, timely and in line with all legal and regulatory requirements that apply.

The disclosure committee has a charter that governs its actions. The committee also has a system of internal controls to make sure that its members are apprised in a timely manner of information that may need to be disclosed.

Strategic planning

The board is responsible for overseeing the development and execution of Chemtrade's strategy.

We hold an annual financial planning meeting with the board and management to discuss our strategic direction, the challenges and opportunities for each business, product line and function as well as our capital structure. The board challenges management on its assumptions and outlook and approves the annual budget for the coming year. Targets are then set for the incentive plan measures at a follow-up meeting and individual goals and objectives are also set for the named executives to align with the strategy.

Earnings transparency

In 2019 we began issuing annual earnings guidance to give investors more insight into the key assumptions and drivers of our business. In April 2020, we suspended our 2020 earnings guidance because of general economic uncertainty caused by the COVID-19 pandemic.

The board sets aside time at each quarterly meeting to receive a strategy update from the CEO, which includes progress on our strategic direction and objectives, growth opportunities, risks and leadership succession plan. The board then meets without management present to assess our progress against our strategy and stated business objectives for the year.

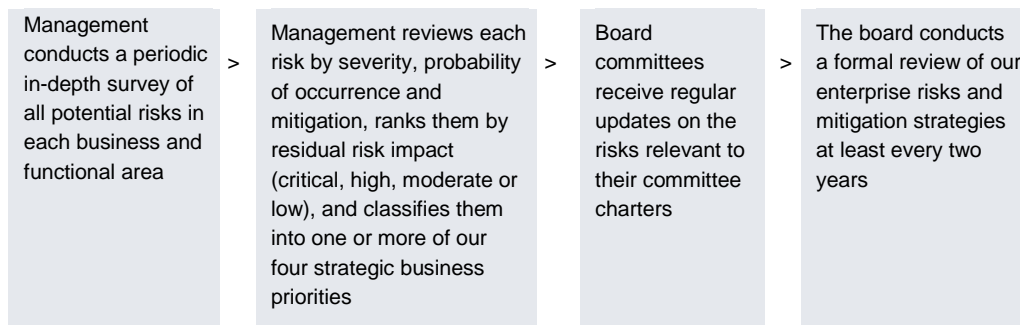
Risk oversight

The board is responsible for risk oversight, and for overseeing our approach to sustainability and Responsible Care. The charters of the board's committees include specific duties related to risk management, and environmental, social and governance (ESG) oversight. Turn to page 19 for more about the committees.

<p>Audit committee Oversees major operational and financial risks, the systems implemented to monitor them and the strategies and controls in place to manage them</p>	<p>Compensation and corporate governance committee Oversees our governance practices and compensation policies and programs, including plan design, incentive plan targets and awards to make sure they do not motivate inappropriate risk-taking</p>	<p>Responsible Care committee Oversees environment, health, safety and security risks and the policies to manage them, and monitors our performance. Responsible for tracking our ESG metrics</p>
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Risk identification and management

The board is responsible for ensuring that management identifies, understands and evaluates the principal risks of our business and implements appropriate systems to mitigate or manage them. We identify and manage risk using the following process:



In addition to the above formal process, the board routinely addresses topics related to risk identification and management at its various board and board committee meetings as such topics arise and are warranted.

Cybersecurity and information security risk

The security of our data and other information is one of the operational risks overseen by our independent audit committee. One member of the audit committee has a background in overseeing the assessment and mitigation of cybersecurity risks. In 2016, Tejinder Kaushik was added as Vice-President, Information Technology to our leadership team, bringing his extensive experience in assessing and mitigating cybersecurity risks. He reports to the board annually respecting Chemtrade's cybersecurity structure, consisting of network security, corporate internet security and end point security, as well as other cybersecurity related topics. We use a third party to monitor end point security and our data center provider monitors our network security and corporate internet security. Internally, we have an information security incident response plan. This plan sets out potential information security risk scenarios and the related processes and actions to implement in such scenarios to mitigate our risk exposure.

Currently, employees are periodically informed, reminded and cautioned regarding information security. Starting in late April 2021, we plan to begin implementing an information security awareness training program on a quarterly basis and compliance will be audited on a quarterly basis. At the same time, a continuous improvement email phishing campaign will be implemented to ensure, track and monitor the effectiveness of the training. We had a Trojan Virus Attack in March 2018 and a Microsoft Exchange breach in March 2021, both of which did not result in any known material or productivity loss. On a quarterly basis, we have an internal audit requiring sign off on the occurrence or non-occurrence, as the case may be, of information security breaches by our CEO and CFO. We also participate in U.S. Department of Homeland Security audits on a periodic basis which assess information security risks at all of our U.S. plants. In addition, the software at each critical manufacturing facility, including all EC and SPPC sites, that controls plant operations is run separately such that a network breach would not affect plant operations at these facilities.

Sustainability and Responsible Care®

The board is responsible for overseeing our approach to sustainability and Responsible Care.

As a manufacturer and distributor of chemicals, environmental, health, safety, security and sustainability issues are among our highest priorities. The nature of Chemtrade's business means it is governed by environmental, health and safety (EHS) regulations in the jurisdictions it operates in, and where its products are shipped and sold. As members of the Chemistry Industry Association of Canada (CIAC) and the American Chemistry Council (ACC), however, we do more than just comply with regulations. We have been actively adhering to the CIAC's Responsible Care ethic and its codes of practice and principles since the Fund was formed in 2001.

The board has been working with management this year to better understand environmental, social and governance (ESG) reporting frameworks, and looking at how we integrate ESG across our organization. The table below describes how we currently oversee and manage ESG issues across our business, and notes the areas we are focusing on for the future.

Governance	Strategy	Risk management	Metrics
<p>Board</p> <p>The board is responsible for overseeing strategy, governance and risk. The audit committee oversees risk. The Responsible Care committee oversees our environment, health, safety and security. The compensation and corporate governance committee oversees governance practices, business ethics and compensation.</p> <p>Management</p> <p>The Group Vice President of Human Resources and Responsible Care has overall ESG oversight responsibility, working with the General Counsel and the Director of Responsible Care. The Responsible Care team works with all of our facilities to monitor, support and report on our environmental, health and safety performance.</p>	<p>What we do now</p> <p>The board has committed to doing business in a responsible way, guided by the principles of environmental, societal and economic sustainability. This helps shape our strategic planning and risk management processes, and our management of day-to-day operations. Key safety and environmental metrics are included in the executive compensation program.</p> <p>What we are working on</p> <p>We have assessed material environmental and social risks and opportunities, including those associated with climate change, and are integrating them in a more formal way into our strategic planning process.</p>	<p>What we do now</p> <p>We consider environmental, social, safety and security issues across the lifecycle of our operations, and include them in our overall enterprise risk management process. We use the RC14001 management system to manage these risks, underpinned by environment, health and safety policies, systems, training and tools that are applied across the organization.</p> <p>What we are working on</p> <p>We are implementing RC14001 at facilities we have recently acquired, prioritized by risk, and building out our procedures, systems, training and tools at newer facilities that are still in the implementation process.</p>	<p>What we do now</p> <p>We track health, safety and environment metrics that align with the Responsible Care ethic and our RC14001 corporate objectives.</p> <p>What we are working on</p> <p>In 2020, we completed a materiality assessment based on SASB metrics and investor expectations. Our goal is to track, monitor, and report publicly on new metrics company-wide. We plan to begin implementation in 2021. More detail can be found in our 2020 annual information form.</p>

Lifecycle approach

Environmental, health and safety issues pose a significant risk for Chemtrade's operations and financial results. We consider these issues across the lifecycle of our operations (during due diligence and acquisition, in our day-to-day operations and when we remediate and close or sell a site).

Management framework

Chemtrade uses the RC14001 management system, which combines Responsible Care and ISO14001, to support its continuous improvement process in several key areas: community awareness and emergency response, security, distribution, employee health and safety, pollution prevention, environmental footprint and process and product safety.

Policies and training

Policies, standards and procedures define how the EHS management system functions and how we measure performance. Employees receive training on our EHS management systems, and on issues specific to their position and their responsibilities in support of the system.

- *Responsible care policy* – forms the basis of our approach to societal, economic and environmental sustainability. It focuses on continuous improvement in environmental management, safety and health protection, safe transportation, process safety management and security of our processes, products, services and activities.
- *Quality policy* – sets out the quality expectations we have of our employees: a commitment to customer satisfaction, safe, cost effective and environmentally responsible operations, safe transportation, teamwork and open communication, personal growth and development, diligent records management and performance monitoring.
- *Sustainable excellence program* – combines Responsible Care principles with operational excellence practices to encourage employee engagement by focusing on lean manufacturing, quality and community involvement. Introduced at the Toledo, OH acid facility in 2013, and implemented at the Beaumont, TX facility in 2018, and the Anacortes and Mt. Vernon WA facilities in 2019.

ESG approach

In 2020, we conducted a materiality assessment to identify the sustainability topics that are most likely to affect the financial or operating performance of Chemtrade. The assessment was modelled after a five-factor test developed by the SASB. These topics are described in the Fund's AIF.

See the Fund's AIF for more information about ESG, sustainability and Responsible Care.

Succession planning

The board is committed to developing our talent and oversees succession planning for the senior leadership team and throughout the organization.

Senior leadership

Having a sound succession planning process for the CEO and other members of the senior leadership team, and for other strategic positions considered essential to our success is critical to our business. The compensation and corporate governance committee works with the CEO and the Group Vice-President, Human Resources and Responsible Care to review the internal talent pool on a regular basis, monitoring and promoting executive development opportunities, and evaluating development and performance. This includes long range planning for retention, recruitment, development and succession to ensure leadership sustainability and continuity.

The board and committee discuss potential successors to the CEO and other senior leadership positions based on their observations and the CEO's quarterly updates to the committee on the performance, competencies and potential of each member of the senior leadership team. The board and committee then set aside time to meet *in camera*, without management present.

In August 2020, we announced that Scott Rook would assume the role of CEO in March 2021. Scott Rook was hired in September 2019 as the COO as a potential successor to the CEO. Scott Rook was provided with development and coaching to enable him to assume the role in this timeline.

Non-executive management

Management has developed a four-pronged plan to develop our leadership pipeline, focusing on our core competencies to strengthen the foundation of our training and development:

- *annual performance evaluations* – managers are assessed on their progress in developing their direct reports
- *manager development programs* – managers receive training and education as part of their development program
- *talent review and succession planning* – managers are assessed on performance and potential
- *cross-training and advancement* – management execute individual development plans for leaders and seek opportunities to promote and re-assign employees from within the organization for development purposes.

TRUSTEE COMPENSATION

Board compensation is designed to attract and retain the most qualified people to serve on the Fund's board and committees, align the interests of trustees and unitholders and provide appropriate compensation to board members for carrying out their duties and responsibilities.

We pay an all-in, flat fee retainer which includes all board and committee meetings. The Chair of the Board receives a higher retainer because of the greater scope of his role. Each of the committee chairs receive additional compensation to recognize their additional duties in directing the work of their respective committees. Scott Rook does not receive compensation as a trustee because he is compensated for his role as CEO and neither did his predecessor, Mark Davis.

The compensation and corporate governance committee is responsible for establishing the compensation of Fund trustees and non-management directors on subsidiary boards. It reviews the compensation programs and competitive data every few years with the assistance of its external compensation consultant (Willis Towers Watson). The last review was completed in February 2020. Trustee compensation is benchmarked against 11 heavy industry, publicly-traded Canadian companies that are similar in size based on revenue and market cap.

Fee schedule

The table below shows the 2020 retainers for trustees. We also reimburse board members for any travel or out-of-pocket expenses related to attending our board and committee meetings.

Table 26	Annual retainer (cash + equity)	Committee Chair Additional Compensation
Board Chair retainer	\$235,000	
Board retainer	\$150,000	
Audit committee; Compensation and corporate governance committee		\$15,000
Responsible Care committee		\$10,000

In 2019, the board decided that all members of the board would receive 100% of their retainer in deferred units from July 1, 2019 to December 31, 2020, regardless of their equity ownership level, because of the Fund's financial underperformance. This decision was taken to further align the interests of board members and unitholders.

Board members must attain an ownership level of three times their retainer within five years of becoming a board member. As of January 1, 2021, trustees who meet the requirement must take at least 50% of their retainer in deferred units on an ongoing basis, up from 30% previously, and may receive the balance in cash. For this purpose, retainer includes the additional amounts paid to committee chairs. These requirements ensure that board members have a vested interest in our future success and build their equity ownership. You can read more about the changes in equity ownership on page 51.

About deferred units

Under the deferred unit plan for non-management trustees and directors of subsidiaries, participants can elect before the end of the prior fiscal year to receive all or a portion of their retainer in deferred units, subject to the mandatory deferred unit requirements set out above.

Deferred units earn distribution equivalents at the same rate as cash distributions paid by the Fund.

Deferred units are redeemed for units (issued from treasury) or cash when a trustee or director of a subsidiary retires from the board.

About burn rate

The burn rates, calculated in accordance with the rules of the TSX, would be 0.30% in 2020, 0.11% in 2019 and 0.06% in 2018.

2020 trustee compensation

Table 27	Cash fees earned	Share-based awards (deferred units)	All other compensation	Total
Lucio Di Clemente	–	\$198,750	–	\$198,750
Daniella Dimitrov	–	\$94,780	–	\$94,780
David Gee	–	\$93,132	–	\$93,132
Emily Moore	–	\$195,000	–	\$195,000
Douglas Muzyka	–	\$187,500	–	\$187,500
Katherine Rethy	–	\$198,750	–	\$198,750
Lorie Waisberg	–	\$293,750	–	\$293,750

Notes:

- We use the weighted average trading price of units on the TSX for the five trading days prior to the award date to determine the number of deferred units granted.
- Daniella Dimitrov was appointed to the board on May 15, 2020.
- David Gee retired from the board on May 15, 2020.
- Douglas Muzyka's fees are for (i) his service on the board of one of the Fund's U.S. subsidiaries until November 12, 2020, and (ii) his service as trustee since November 12, 2020.
- Mark Davis and Scott Rook do not receive any fees for their role as trustees.

Outstanding share-based awards

The table below shows the outstanding share-based awards for each trustee as at December 31, 2020. Amounts include additional units received during the year as distribution equivalents. Market values are based on \$5.83, the price of units on the TSX on December 31, 2020. You can read more about share-based awards beginning on page 35.

Table 28	Share-based awards		
	Number of share-based awards that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
Lucio Di Clemente	–	–	\$512,305
Daniella Dimitrov	–	–	\$106,760
David Gee	–	–	\$658,912
Emily Moore	–	–	\$237,663
Douglas Muzyka	–	–	\$373,350
Katherine Rethy	–	–	\$479,687
Lorie Waisberg	–	–	\$878,332

Notes:

- David Gee retired from the board on May 15, 2020.
- Trustees received 100% of their retainer in deferred units from July 1, 2019 until December 31, 2020.
- Douglas Muzyka's fees are for (i) his service on the board of one of the Fund's U.S. subsidiaries until November 12, 2020, and (ii) his service as trustee since November 12, 2020.

COMMUNICATING WITH THE BOARD

We communicate with the investment community in a number of ways, including through our disclosure documents (annual report, annual information form, management information circular and quarterly management's discussion and analysis and financial statements), news releases, website, and in presentations to the investment community and at industry conferences. We also hold conference calls for our quarterly earnings releases and major corporate developments for the investment community, media and the general public.

We encourage holders of our units and debentures to contact management or the board with feedback or concerns.

You can also speak to the CEO and Chair of the Board at our annual meeting of unitholders.

How to contact us

Management is mainly responsible for communication with investors. The CEO and CFO are our principal spokespersons though either may occasionally delegate their responsibility.

Mail

Chemtrade Logistics Income Fund
155 Gordon Baker Road, Suite 300
Toronto, Ontario M2H 3N5
Attention: Chief Executive Officer and Chief Financial Officer

Email

CEO: srook@chemtradelogistics.com
CFO: rbhardwaj@chemtradelogistics.com

Phone

CEO: 647-255-3651
CFO: 416-496-4177

Investor engagement policy

We adopted an investor engagement policy in 2016 to promote open dialogue, consistent with our obligations to provide fair disclosure and maintain effective disclosure controls and procedures. A copy of the policy is available on our website (www.chemtradelogistics.com).

The **board of trustees** is responsible for monitoring and supervising our relationships with investors. The board engages with investors on board composition, governance policies, executive compensation philosophy, CEO performance and succession planning and any matter submitted to unitholders for approval. You can reach the independent Chair of the Board as follows.

Mail

Chemtrade Logistics Income Fund
155 Gordon Baker Road, Suite 300
Toronto, Ontario M2H 3N5
Attention: Chair of the Board of Trustees

Email

chair@chemtradelogistics.com

Our Corporate Secretary will make the arrangements for any meetings with the Chair of the Board. The Chair will determine whether anyone from management should be present, bearing in mind our desire to promote transparency as well as our need to comply with the requirements for fair disclosure and disclosure controls and procedures.

OTHER INFORMATION

Non-IFRS measures

Distributable cash (D-cash) is a non-IFRS measure and it is used in this circular to mean the non-IFRS term *Distributable cash after maintenance capital expenditures* excluding any accrual for LTIP. The table and text below explains our use of the term.

Cash flow -The following table is derived from, and should be read in conjunction with, the consolidated statements of cash flows contained in the Fund's Consolidated Annual Financial Statements for the year ended December 31, 2020. Management believes this supplementary disclosure provides useful additional information related to the cash flows of Chemtrade including the amount of cash available for distribution to unitholders, repayment of debt and other investing activities. Certain sub-totals presented within the cash flows table below, such as *Adjusted cash flows from operating activities*, *Distributable cash after maintenance capital expenditures* and *Distributable cash after all capital expenditures*, are not defined terms under International Financial Reporting Standards (IFRS). These sub-totals are used by management as measures of internal performance and as a supplement to the consolidated statement of cash flows. Investors are cautioned that these measures should not be construed as an alternative to using net earnings as a measure of profitability or as an alternative to the IFRS consolidated statement of cash flows. Further, the Chemtrade's method of calculating each measure may not be comparable to calculations used by other income trusts or companies bearing the same description.

Table 29

(\$000)	December 31, 2020
Cash flows from operating activities	\$ 261,954
Add (less):	
Lease payments net of sub-lease receipts	(56,010)
Changes in non-cash working capital and other items	(72,565)
Adjusted cash flows from operating activities	133,379
Less:	
Maintenance capital expenditures	74,411
Distributable cash after maintenance capital expenditures	58,968
Less:	
Non-maintenance capital expenditures ¹	2,677
Distributable cash after all capital expenditures	\$ 56,291

¹ Non-maintenance capital expenditures are: (a) pre-identified or pre-funded, usually as part of a significant acquisition and related financing; (b) considered to expand the capacity of Chemtrade's operations; (c) significant environmental capital expenditures that are considered to be non-recurring; or (d) capital expenditures to be reimbursed by a third party.

EBITDA and Adjusted EBITDA – Management defines EBITDA as net earnings before any deduction for net finance costs, income taxes, depreciation and amortization. Adjusted EBITDA also excludes other non-cash charges such as impairment, change in environmental liability, net gains and losses on the disposal and write-down of property, plant and equipment, and unrealized foreign exchange gains and losses. EBITDA and Adjusted EBITDA are metrics used by many investors and analysts to compare organizations on the basis of ability to generate cash from operations. Management considers Adjusted EBITDA (as defined) to be an indirect measure of operating cash flow, which is a significant indicator of the success of any business. Adjusted EBITDA is not intended to be representative of cash flow from operations or results of operations determined in accordance with IFRS or cash available for distribution.

Management defines *Free cash* as Adjusted EBITDA less expenditures for maintenance capital. Following the adoption of IFRS 16 on January 1, 2019, *free cash* also includes a deduction for lease payments. *Business free cash* is *free cash* earned by one of Chemtrade's reportable segments: SPPC, WSSC or EC (excluding Brazil). Business Free cash is used by Management as an internal measure of business performance.

EBITDA, *Adjusted EBITDA*, *Free cash* and *Business free cash* are not recognized measures under IFRS. Chemtrade's method of calculating EBITDA, Adjusted EBITDA, Free cash and Business free cash may be different from methods used by other income trusts or companies, and accordingly may not be comparable to similar measures presented by other organizations.

A reconciliation of net loss to EBITDA, Adjusted EBITDA and Free cash is provided below:

Table 30 (\$000)	Year ended	
	December 31, 2020	December 31, 2019
Net loss	\$ (167,478)	\$ (99,654)
Add:		
Depreciation and amortization	253,912	262,458
Net finance costs	140,296	88,487
Income tax recovery	(47,464)	(24,291)
EBITDA	179,266	227,000
Impairment of goodwill	56,000	65,600
Change in environmental liability	8,170	-
Net loss (gain) on disposal and write-down of property, plant and equipment	20,999	13,790
Unrealized foreign exchange loss (gain)	833	(10,787)
Adjusted EBITDA	\$ 265,268	\$ 295,603
Less:		
Lease payments	56,010	56,815
Maintenance capital expenditures	74,411	82,743
Free cash	\$ 134,847	\$ 156,045

You can find more information about non-IFRS measures in our 2020 MD&A and annual consolidated financial statements on our website (www.chemtradelogistics.com) and on SEDAR (www.sedar.com).

Interests of insiders

Except as disclosed in this circular, the board is not aware of any material interest, direct or indirect, of any trustee, proposed trustee, or executive officer of the Fund, or any director or executive officer of any subsidiary of the Fund, or any unitholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the units, or any of their associates or affiliates, in any transaction since January 1, 2020, or in any proposed transaction, that has or would materially affect the Fund or any of its subsidiaries.

Liability insurance

The Fund has insurance policies to protect its trustees and officers, and directors and officers of our subsidiaries, against liabilities they may incur while carrying out their duties and responsibilities in circumstances where they are not indemnified by Chemtrade.

Loans to trustees and officers

Other than routine indebtedness, no trustee, director, officer or employee was indebted to the Fund or any of its subsidiaries as at December 31, 2020.

APPENDIX A

Blackline of 2020 Declaration of Trust

CHEMTRADE LOGISTICS INCOME FUND

**AMENDED AND RESTATED
DECLARATION OF TRUST**

July 8~~July 8~~November 12, 2020

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CHEMTRADE LOGISTICS INCOME FUND

THIS AMENDED AND RESTATED DECLARATION OF TRUST is made the ~~812th~~ day of ~~July~~November, 2020 by Mark Davis, resident in the Province of Ontario, Lucio Di Clemente, resident in the Province of Ontario, Daniella Dimitrov, resident in the Province of Ontario, Emily Moore, resident in the Province of Ontario, Katherine Rethy, resident in the Province of Ontario and Lorie Waisberg, resident in the Province of Ontario, all of whom are the current trustees of the Trust, and each person who after the date hereof becomes a Trustee as herein provided, and replaces and amends and restates the Amended and Restated Declaration of Trust made ~~May 12~~July 8, 20~~16~~20 (the "July 2016 Declaration").

WHEREAS by the Amended and Restated Declaration of Trust made July 11, 2001 (the "2001 Declaration") made between the Initial Trustees and the Company, the Company created a trust for investment purposes, including investing in securities and notes of the Company;

AND WHEREAS for the purpose of settling the Trust, the Company has paid to the Initial Trustees the Initial Contribution and the Company was issued one Trust Unit which Trust Unit has been cancelled;

AND WHEREAS the Trustees have agreed to hold the Initial Contribution and all amounts and assets subsequently received under this Declaration of Trust or in respect of the investment of the assets of the Trust in accordance with the provisions hereinafter set forth;

AND WHEREAS it is intended that the beneficiaries of the Trust shall be the holders of Trust Units, each of which shall rank equally in all respects with every other Trust Unit;

AND WHEREAS it is intended that the Trust shall qualify as a "mutual fund trust" pursuant to subsection 132(6) of the Tax Act;

AND WHEREAS the 2001 Declaration has been amended by supplemental indentures dated December 20, 2002 and August 15, 2003 (the "2001 Supplemental Indentures");

AND WHEREAS the Amended and Restated Declaration of Trust made May 27, 2004 (the "2004 Declaration") as amended by supplemental indentures dated August 2, 2005 and March 6, 2012 (the "2004 Supplemental Indentures") replaced, amended and restated the 2001 Declaration as amended by the 2001 Supplemental Indentures;

AND WHEREAS the Amended and Restated Declaration of Trust made May 12, 2016 (the "2016 Declaration") replaced, amended and restated the 2004 Declaration as amended by the 2004 Supplemental Indentures;

AND WHEREAS the July 2020 Declaration replaced, amended and restated the 2016 Declaration;

AND WHEREAS this Declaration of Trust replaces, amends and restates the July 2016 Declaration;

AND WHEREAS the Trustees have all necessary authority to execute this Declaration of Trust.

NOW THEREFORE the Trustees do hereby declare that they will continue to act as trustees of all sums or property of any type or description, any accretions thereto and any additions thereto from time to time, all of which constitute the trust fund, to be held and managed and dealt with by the Trustees in trust for the benefit of the Trust Unitholders upon and subject to the express terms, conditions and trusts as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Declaration of Trust including the recitals hereto, unless the context otherwise requires, the following terms shall have the following meanings:

- (a) **“Affiliate”** has, with respect to the relationship between two or more companies, the meaning given to it in the *Securities Act* (Ontario) as amended from time to time and, with respect to the relationship between two or more Persons any of whom are not companies, a Person shall be deemed to be an affiliate of another Person if one of them is controlled by the other or both are controlled by the same Person, and for this purpose, control means the right, directly or indirectly, to direct or cause a direction of the management of the affairs of a Person, whether by ownership of securities, by contract or otherwise;
- (b) **“Associate”** shall have the meaning given to such term (without an initial capital letter) in the *Securities Act* (Ontario), as constituted on the date hereof;
- (c) **“Auditors”** means the firm of chartered accountants appointed as the auditors of the Trust from time to time in accordance with the provisions hereof and, as of the date hereof, means KPMG LLP, Chartered Accountants;
- (d) **“Book-Entry System”** means the record-entry securities transfer and pledge system known, as of the date hereof, by such name, which is administered by CDS in accordance with the operating rules and procedures of the Securities Settlement Service of CDS in force from time to time, or any successor system which CDS may offer from time to time;
- (e) **“Business Day”** means a day which is not a Saturday, Sunday, bank holiday or holiday in the City of Toronto, Ontario;
- (f) **“Cash Flow of the Trust”** has the meaning specified in subsection 5.1(a);
- (g) **“CDS”** means The Canadian Depository for Securities Limited and its successors;

- (h) **“CDS Participant”** means a broker, dealer, bank, other financial institution or other Person who, directly or indirectly, from time to time, effects book-based transfers with CDS and pledges of securities deposited with CDS;
- (i) **“Chemtrade”** means all or any of the Company and any Affiliate of the Company or the Trust, whether now or hereafter existing (other than the Trust or any General Partner) which is wholly-owned, directly or indirectly, by the Trust;
- (j) **“Chemtrade Common Shares”** means the common shares or other fully participating equity securities of Chemtrade which are now or hereafter held directly by the Trust; provided that, for the purposes of Section 6.5, in the case of Chemtrade Common Shares which are units of a trust “Chemtrade Common Shares” means the securities of such trust which are issued to the Trust on the redemption of such trust units;
- (k) **“Chemtrade Note Indenture”** means any agreement entered, or to be entered, into between the Company and a trust company pursuant to which Chemtrade Notes are or will be issued;
- (l) **“Chemtrade Notes”** means the unsecured subordinated notes of Chemtrade which are now or hereafter held directly by the Trust; provided that, for the purposes of Section 6.5, in the case of Chemtrade Notes which are demand unsecured subordinated notes of a trust, “Chemtrade Notes” means the term unsecured subordinated notes of such trust which are issued to the Trust on the redemption of such demand unsecured subordinated notes;
- (m) **“Company”** means Chemtrade Logistics Inc.;
- (n) **“Complainant”** means any Trust Unitholder or beneficial owner of Trust Units, or former Trust Unitholder or beneficial owner of Trust Units, or any securityholder, Trustee or officer or any other Person who in the discretion of the court is a proper Person to make an application under the applicable Section in Article 14;
- (o) **“Counsel”** means a barrister or solicitor or firm of barristers and solicitors or other lawyers in an appropriate jurisdiction retained by the Trust;
- (p) **“court”** means the Superior Court of Justice in the Province of Ontario;
- (q) **“Declaration of Trust”, “hereto”, “herein”, “hereof”, “hereby”, “hereunder”** and similar expressions refer to this instrument and not to any particular Article, Section or portion hereof, and include any and every instrument supplemental or ancillary hereto;
- (r) **“Depository”** has the meaning specified in subsection 13.1(a);
- (s) **“Distributable Cash Flow”** has the meaning specified in subsection 5.1(b);

- (t) **“Distribution Payment Dates”** in respect of a Distribution Period means on or about, but no later than, the last day of the month immediately following the end of the Distribution Period or, if such day is not a Business Day, the next following Business Day or such other date determined from time to time by the Trustees;
- (u) **“Distribution Period”** means each calendar month in each calendar year from and including the first day thereof and to and including the last day thereof;
- (v) **“Distribution Record Date”** means the last Business Day of each Distribution Period;
- (w) **“General Partner”** means a general partner of a limited partnership which owns not more than a nominal equity interest in such partnership; and in such circumstances, for the purposes of this Declaration of Trust, such limited partnership shall be considered to be “wholly-owned” by its limited partner or partners;
- (x) **“Global Trust Unit Certificate”** has the meaning specified in subsection 13.1(a);
- (y) **“Going-Private Transaction”** means an arrangement, consolidation or other transaction involving the Trust, other than an acquisition pursuant to Section 13.12, that results in the interest of a holder of Participating Securities of the Trust being terminated without the consent of the holder and without the substitution of an interest of equivalent value in Participating Securities of the Trust or of a Person that succeeds to the business of the Trust, which Participating Securities have rights and privileges that are equal to or greater than the affected Participating Securities;
- (z) **“Income of the Trust”** has the meaning specified in subsection 5.2(a);
- (aa) **“Initial Contribution”** means the amount of \$10.00 paid by the Company to the Trustees on July 11, 2001 for the purpose of settling the trust constituted by the Trust;
- (bb) **“Initial Trustees”** means those Persons named as the first trustees of the Trust in the 2001 Declaration;
- (cc) **“Issue Expenses”** means amounts payable by the Trust in respect of any Offering;
- (dd) **“Net Realized Capital Gains”** has the meaning specified in subsection 5.2(b);
- (ee) **“Nominating Unitholder”** has the meaning specified in subsection 8.3(a);
- (ff) **“Notice Date”** has the meaning specified in subsection 8.3(c);

- (gg) **“Offering”** means any offering by the Trust of securities of the Trust, including Trust Units whether pursuant to a prospectus or otherwise;
- (hh) **“Participating Securities”** means securities that give the holder of the securities a right to share in the earnings of the Person that issued the securities and after the liquidation, dissolution, or winding up of the Person that issued the securities or, in the case of the Trust, upon the termination of the Trust, a right to share in its assets. For greater certainty, Participating Securities includes the Trust Units;
- (ii) **“Person”** includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural Person in his or her capacity as trustee, executor, administrator or other legal representative;
- (jj) **“Proposal”** has the meaning specified in Section 12.10(a);
- (kk) **“Pro Rata Number”** in respect of Chemtrade Common Shares and Chemtrade Notes (in the principal amount of \$100) means the proportion of the aggregate number of all of the Chemtrade Common Shares and Chemtrade Notes (in the principal amount of \$100) that is determined by the following formula:

$$\frac{A \times B}{(C \times B) + D}$$

where:

A = the number of Trust Units tendered for redemption;

B = the Redemption Price per Trust Unit specified in Section 6.3;

C = the total number of Trust Units outstanding (calculated on a non-diluted basis) on the date on which the Trust Units were tendered for redemption; and

D = the aggregate amount of any indebtedness or accrued liabilities owed by the Trust on the date on which the Trust Units were tendered for redemption, provided that, in the case of any debt obligation that is convertible into, or exchangeable for, Trust Units or other securities of the Trust, the amount of such debt obligation shall be the greater of (i) the principal amount of the debt obligation on the date on which the Trust Units were tendered for redemption, and (ii) the fair market value, on the date on which the Trust Units were tendered for redemption, of a security of the Trust of the kind into which the debt obligation is convertible or for which the debt obligation is exchangeable, as the case may be, provided that, where such security is a Trust Unit, the fair market value of such Trust Unit shall be the Redemption Price per Trust Unit specified in Section 6.3;

- (ll) **“Redemption Price”** has the meaning specified in subsection 6.3(a);

- (mm) “Resident Canadian” at any particular time means an individual who is a resident of Canada at such time for purposes of the Tax Act;
- (nn) ~~(mm)~~ **“SIFT Taxes”** means taxes payable under paragraph 122(1)(b) of the Tax Act;
- (oo) ~~(nn)~~ **“Special Resolution”** shall have the meaning specified in Section 12.6;
- (pp) ~~(oo)~~ **“Subordination Agreement”** has the meaning specified in subsection 2.6(d);
- (qq) ~~(pp)~~ **“Tax Act”** means the *Income Tax Act*, R.S.C. 1985 (5th Supp.) c. 1, as amended from time to time, and the regulations thereunder;
- (rr) ~~(qq)~~ **“Transfer Agent”** means such company as may from time to time be appointed by the Trust to act as registrar and transfer agent of the Trust Units, together with any sub-transfer agent duly appointed by the Transfer Agent;
- (ss) ~~(rr)~~ **“Trust”** means the trust constituted by this Declaration of Trust;
- (tt) ~~(ss)~~ **“Trust Assets”**, at any time, means such of the following monies, properties and other assets as are at such time held by the Trust or by the Trustees on behalf of the Trust:
- (i) the Initial Contribution;
 - (ii) all funds or property derived from the issuance or sale of Trust Units and other securities of the Trust, and other cash received by the Trust;
 - (iii) the Chemtrade Common Shares and the Chemtrade Notes;
 - (iv) any proceeds of disposition of any of the foregoing property; and
 - (v) all income, interest, profit, return of capital, gains and accretions and all substituted assets, rights and benefits of any kind or nature whatsoever arising directly or indirectly from or in connection with or accruing to such foregoing property or such proceeds of disposition;
- (uu) ~~(tt)~~ **“Trust Liabilities”** has the meaning specified in subsection 2.6(a);
- (vv) ~~(uu)~~ **“Trust Unit Certificate”** means a certificate, in the form approved by the Trustees, evidencing one or more Trust Units, issued and certified in accordance with the provisions hereof;
- (ww) ~~(vv)~~ **“Trust Unitholders”** means at any time the holders at that time of one or more Trust Units, as shown on the register of such holders maintained by the Transfer Agent on behalf of the Trust;

- (xx) ~~(ww)~~ “**Trust Units**” means the trust units of the Trust authorized and issued hereunder as such and for the time being outstanding and entitled to the benefits hereof;
- (yy) ~~(xx)~~ “**Trustee**”, at any time, means an individual who is, in accordance with the provisions hereof, a trustee of the Trust at that time and “**Trustees**” means, at any time, all of the individuals, each of whom is at that time a trustee; ~~and~~
- (zz) ~~(yy)~~ “**U.S. Unitholder**” means any Trust Unitholder that is a United States person as defined in Section 7701(a)(30) of the *Internal Revenue Code* including: (i) a citizen or resident of the United States; (ii) a partnership, or other entity taxable as a partnership, created or organized in the United States or under the law of the United States or any State; (iii) a corporation, or other entity taxable as a corporation, created or organized in the United States or under the law of the United States or any State; (iv) an estate (other than a foreign estate as defined in Section 7701(a)(31) of the *Internal Revenue Code*); or (v) a trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust; and
- (aaa) “**Virtual Meeting**” means a meeting held by way of a telephonic, electronic or other communication facility (including but not limited to meetings hosted over a wireless commercial platform) made available by the Trust or its agent that permits all participants to communicate adequately at the meeting.

1.2 References to Acts Performed by the Trust

For greater certainty, where any reference is made in this Declaration of Trust to an act to be performed by the Trust, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by the Trustees on behalf of the Trust or by some other Person duly authorized to do so by the Trustees or pursuant to the provisions hereof.

1.3 Tax Act

Any reference herein to a particular provision of the Tax Act shall include a reference to that provision as it may be renumbered or amended from time to time. Where there are proposals for amendments to the Tax Act which have not been enacted into law or proclaimed into force on or before the date on which such proposals are to become effective, the Trustees may take such proposals into consideration and apply the provisions hereof as if such proposals had been enacted into law and proclaimed into force.

1.4 Gender

In this Declaration of Trust, unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular number include the plural, and vice versa; and words importing a gender shall include the feminine, masculine and neuter genders.

1.5 Headings for Reference Only

The division of this Declaration of Trust into Articles and Sections, the provision of a Table of Contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Declaration of Trust.

1.6 Day Not a Business Day

In the event that any day on which any amount is to be determined or any action is required to be taken hereunder is not a Business Day, then such amount shall be determined or such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day. This section is not applicable to Sections 5.1, 5.2, 5.3 and 5.4.

1.7 Time of the Essence

Time shall be of the essence in this Declaration of Trust.

1.8 Governing Law

This Declaration of Trust and the Trust Unit Certificates shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as Ontario contracts. The parties hereto hereby irrevocably submit and attorn to the jurisdiction of the courts of the Province of Ontario.

1.9 Applications to Court

As the rights and remedies set out in this Declaration of Trust are not statute-based, the Trustees, the Trust and the Trust Unitholders acknowledge that references in this Declaration of Trust to Trust Unitholder rights that may be enforced by a court or to remedies that may be granted by a court are subject to the court, in its discretion, accepting jurisdiction to consider and determine any proceeding commenced by a Trust Unitholder applying to the court pursuant to this Declaration of Trust.

ARTICLE 2 TRUST

2.1 Trust

The Trustees hold and shall continue to hold the Trust Assets in trust for the use and benefit of the Trust Unitholders, their successors, permitted assigns and personal representatives, and subject to the terms and conditions hereinafter declared and set forth, such trust constituting the Trust hereunder.

2.2 Name of Trust

- (a) The Trust shall be known and designated as the "CHEMTRADE LOGISTICS INCOME FUND" and, whenever practicable, lawful and convenient, the property

of the Trust shall be held and the affairs of the Trust shall be conducted and transacted under that name.

- (b) If the Trustees determine that the use of such name is not practicable, legal or convenient, the Trust may use such other designation or may adopt such other name as the Trustees deem appropriate, and the Trust may hold property and conduct and transact its affairs under such other designation or name.

2.3 Head Office

The head office of the Trust shall be located at 155 Gordon Baker Road, Suite 300, Toronto, Ontario, M2H 3N5 or such other place or places in Canada as the Trustees may from time to time designate.

2.4 Nature of the Trust

The Trust is a limited purpose trust, established for the purposes specified in Section 4.1. The Trust is not, shall not be deemed to be and shall not be treated as, a general partnership, limited partnership, syndicate, association, joint venture, company, corporation or joint stock company nor shall the Trustees or any individual Trustee or the Trust Unitholders or any of them or any Person be, or be deemed to be, treated in any way whatsoever as liable or responsible hereunder as partners or joint venturers. The Trustees are not and shall not be, or be deemed to be, agents of the Trust Unitholders. The relationship of the Trust Unitholders to the Trustees shall be solely that of beneficiaries of the Trust and their rights shall be limited to those conferred upon them by this Declaration of Trust.

2.5 Rights of Trust Unitholders

The rights of each Trust Unitholder to call for a distribution or division of assets, monies, funds, income and capital gains held, received or realized by the Trustees are limited to those contained herein and, except as provided herein, no Trust Unitholder shall be entitled to call for any partition or division of the Trust Assets or for a distribution of any particular asset forming part of the Trust Assets or of any particular monies or funds received by the Trustees. The legal ownership of the assets of the Trust and the right to conduct the activities of the Trust are vested exclusively in the Trustees, and no Trust Unitholder has or is deemed to have any right of ownership in any of the assets of the Trust, except as specifically provided herein. Except as specifically provided herein, no Trust Unitholder or Trust Unitholders shall be entitled to interfere with or give any direction to the Trustees with respect to the affairs of the Trust or in connection with the exercise of any powers or authorities conferred upon the Trustees under this Declaration of Trust. The Trust Units shall be personal property and shall confer upon the holders thereof only the interest and rights specifically set forth in this Declaration of Trust.

2.6 Liability of Trust Unitholders

- (a) Subject to Section 5.8, no Trust Unitholder, in its capacity as such, shall incur or be subject to any liability, direct or indirect, absolute or contingent, in contract or in tort or of any other kind to any Person in connection with: (i) the Trust Assets or the ownership, use, operation, acquisition or disposition thereof or exercise or enjoyment of the rights, privileges, conditions or benefits attached thereto,

associated therewith or derived therefrom; (ii) the indebtedness, obligations or the activities or affairs of the Trust; (iii) any actual or alleged act or omission of the Trustees or by any other Person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to this Declaration of Trust); (iv) any act or omission of the Trustees or any other Person in the performance or exercise, or purported or attempted performance or exercise, of any obligation, power, discretion or authority conferred upon the Trustees or such other Person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to this Declaration of Trust); (v) any transaction entered into by the Trustees or by any other Person in respect of the activities or affairs of the Trust (whether or not authorized by or pursuant to this Declaration of Trust); or (vi) any taxes, levies, imposts or charges or fines, penalties or interest in respect thereof payable by the Trust or by the Trustees or by any other Person on behalf of or in connection with the activities or affairs of the Trust (collectively, "Trust Liabilities").

- (b) Subject to Section 5.8, no Trust Unitholder in its capacity as a Trust Unitholder shall be liable to indemnify the Trustees or any other Person with respect to any Trust Liabilities.
- (c) Subject to Section 5.8, to the extent that, notwithstanding the provisions of this Section 2.6, any Trust Unitholder, in its capacity as such, may be determined by a judgement of a court of competent jurisdiction to be subject to or liable in respect of any Trust Liabilities or is required to indemnify the Trustees or any other Person:
 - (i) any such judgment, writ of execution or similar process in respect thereof will be enforceable only against, and will be satisfied only out of, the Trust Assets; and
 - (ii) in the event that, notwithstanding subsection 2.6(c)(i), the judgment, writ of execution or similar process is enforceable against the Trust Unitholder, or the Trust Unitholder is otherwise held personally liable, the Trust Unitholder will be entitled to indemnity and reimbursement out of the Trust Assets to the full extent of the liability and for all costs of any litigation or other proceedings in which such liability has been determined, including all fees and disbursements of counsel.
- (d) If any Trust Asset should be distributed or declared to be distributable to Trust Unitholders contrary to the provisions of any subordination agreement (each a "Subordination Agreement") between the Trust and the Persons (other than the Trust) entitled to enforce any of the indebtedness of Chemtrade, or contrary to the terms of any Chemtrade Notes or the subordination provisions of any Chemtrade Note Indenture under which the same are issued, or contrary to the terms of any debt obligation issued by the Trust, then the Persons entitled to enforce such provisions or terms shall be entitled to pursue whatever remedies may be available to them to enforce such provisions or terms and the limitations in subsection 2.6(c) shall not apply to any judgment in respect of (and to the extent

only based on) such contrary distribution and no Trust Unitholder shall have the right to enforce any distribution contrary to such provisions or terms.

- (e) The rights accruing to a Trust Unitholder under this Section 2.6 and the limitations of a Trust Unitholder's liability set out herein are in addition to, and do not exclude, any other rights or limitations of liability to which such Trust Unitholder may be lawfully entitled, pursuant to statute, regulation or otherwise, nor does anything herein contained restrict the right of the Trustees to indemnify or reimburse a Trust Unitholder out of the assets of the Trust in any appropriate situation not specially provided herein but, for greater certainty, the Trustees have no liability to reimburse Trust Unitholders for taxes assessed against them by reason of or arising out of their ownership of Trust Units.

ARTICLE 3 ISSUE AND SALE OF TRUST UNITS

3.1 Nature of Trust Units

- (a) The beneficial interests in the Trust shall be divided into interests of one class, described and designated as "Trust Units", which shall be entitled to the rights and subject to the limitations, restrictions and conditions set out herein, and the interest of each Trust Unitholder shall be determined by the number of Trust Units registered in the name of the Trust Unitholder.
- (b) Each Trust Unit represents an equal undivided beneficial interest in any distribution from the Trust (whether of Income of the Trust, Net Realized Capital Gains or other amounts) and in any net assets of the Trust in the event of termination or winding-up of the Trust. All Trust Units shall rank among themselves equally and rateably without discrimination, preference or priority.

3.2 Authorized Number of Trust Units

The aggregate number of Trust Units which is authorized and may be issued hereunder is unlimited.

3.3 Issue of Trust Units

- (a) Trust Units and securities convertible into or exchangeable for, Trust Units, may be issued by the Trust at the times, to the Persons, for the consideration and on the terms and conditions that the Trustees determine and, without limiting the generality of the foregoing, the Trustees may authorize the Trust to pay a reasonable commission to any Person in consideration of such Person purchasing or agreeing to purchase Trust Units or such convertible or exchangeable securities from the Trust or from any other Person or procuring or agreeing to procure purchasers for Trust Units or such convertible or exchangeable securities. Without limitation of the foregoing, the Trustees may create and issue rights, warrants (including so-called "special warrants" which may be exercisable for no additional consideration) or options to subscribe for Trust Units or securities convertible into or exchangeable for, Trust Units, which rights, warrants or

options may be exercisable at such subscription price or prices and at such time or times as the Trustees may determine. The rights, warrants or options so created may be issued for such consideration or for no consideration, all as the Trustees may determine. A right, warrant or option or a security convertible into or exchangeable for, Trust Units shall not be a Trust Unit and the holder thereof shall not be a Trust Unitholder.

- (b) Trust Units are only to be issued as fully paid in money, property, including an obligation to pay consideration in instalments, or past services, and are not to be subject to future calls or assessments, except that Trust Units to be issued under an Offering may be issued for a consideration payable in instalments and the Trust may take a security interest over such Trust Units for unpaid instalments.
- (c) Trust Units may not be issued by the Trust or the Trustees other than:
 - (i) pursuant to subsection 3.3(a); or
 - (ii) pursuant to Section 5.7.

3.4 No Fractional Trust Units

Fractions of Trust Units shall not be issued, except pursuant to distributions of additional Trust Units to all Trust Unitholders pursuant to Section 5.7.

3.5 Consolidation of Trust Units

Immediately after any pro rata distribution of additional Trust Units to all Trust Unitholders pursuant to Section 5.7, the number of the outstanding Trust Units will be consolidated such that each Trust Unitholder will hold after the consolidation the same number of Trust Units as the Trust Unitholder held before the distribution of additional Trust Units. In this case, each Trust Unit Certificate representing a number of Trust Units prior to the distribution of additional Trust Units is deemed to represent the same number of Trust Units after the non-cash distribution of additional Trust Units and the consolidation.

Notwithstanding the foregoing, where tax is required to be withheld from a Trust Unitholder's share of the distribution, the consolidation will result in such Trust Unitholder holding that number of Trust Units equal to (i) the number of Trust Units held by such Trust Unitholder prior to the distribution plus the number of Trust Units received by such Trust Unitholder in connection with the distribution (net of the number of whole and part Trust Units withheld on account of withholding taxes) multiplied by (ii) the fraction obtained by dividing the aggregate number of Trust Units outstanding prior to the distribution by the aggregate number of Trust Units that would be outstanding following the distribution and before the consolidation if no withholding were required in respect of any part of the distribution payable to any Trust Unitholder. Such Trust Unitholder will be required to surrender the Trust Unit Certificates, if any, representing such Trust Unitholder's original Trust Units, in exchange for a Trust Unit Certificate representing such Trust Unitholder's post consolidation Trust Units.

3.6 No Pre-Emptive Rights

No Person shall be entitled, as a matter of right, to subscribe for or purchase any Trust Unit.

ARTICLE 4 INVESTMENTS OF TRUST

4.1 Purpose of the Trust

The Trust is a limited purpose trust and its operations and activities shall be restricted to:

- (a) investing in securities including those issued by Chemtrade, including, without limitation, Chemtrade Common Shares and Chemtrade Notes;
- (b) temporarily holding cash in interest bearing accounts, short-term government debt or investment grade corporate debt for the purposes of paying the expenses of the Trust, paying amounts payable by the Trust in connection with the redemption of any Trust Units, and making distributions to Trust Unitholders;
- (c) issuing Trust Units, and securities convertible into or exchangeable for, Trust Units for cash or in satisfaction of any non-cash distribution or in order to acquire securities including those issued by Chemtrade;
- (d) issuing debt securities or borrowing funds, including letters of credit, bank guarantees and bankers' acceptances, and granting security in respect of any of the foregoing;
- (e) guaranteeing the obligations of Chemtrade or any Affiliate of the Trust pursuant to any good faith debt for borrowed money incurred by Chemtrade or the Affiliate, as the case may be, and pledging securities issued by Chemtrade or the Affiliate, as the case may be, as security for such guarantee;
- (f) issuing rights and Trust Units pursuant to any Trust Unitholder rights plan adopted by the Trust;
- (g) purchasing securities pursuant to any issuer bid made by the Trust; and
- (h) undertaking such other activities, or taking such actions, including investing in securities as shall be approved by the Trustees from time to time;

provided that the Trust shall not undertake any activity, take any action, or make any investment which would result in the Trust not being considered a "mutual fund trust" for purposes of the Tax Act or would result in the Trust Units being foreign property for the purposes of the Tax Act.

4.2 Other Investments

To the extent that any monies or other property received by the Trust or the Trustees are not to be immediately used by the Trustees for the purpose of making distributions under Article 5 hereof,

the Trustees are hereby authorized and, where prudent to do so, shall invest such monies in: (i) debt obligations of or guaranteed by the Government of Canada or a province of Canada; (ii) short term commercial paper obligations of a corporation whose short term commercial paper is rated R-1 (or higher by Dominion Bond Rating Service Limited or A-1 or higher by CBRS Inc.); or (iii) interest-bearing accounts and certificates of deposit issued or guaranteed by one of the six largest (in terms of total assets) Canadian chartered banks, the Trustees shall not purchase or authorize the purchase of any investment which is “foreign property” under subsection 206(1) of the Tax Act if such purchase would result in the Trust exceeding the foreign property limitations contained in the Tax Act. For the purpose hereof, “short term” shall mean having a date of maturity or call for payment not more than 60 days from the date on which the investment is made.

ARTICLE 5 DISTRIBUTIONS

5.1 Computation of Distributable Cash Flow of the Trust

- (a) The Cash Flow of the Trust, for any Distribution Period, shall be determined pursuant to the following provisions:
 - (i) all amounts which are received by the Trust in the Distribution Period, including, without limitation, interest, dividends, proceeds from the disposition of securities, returns of capital and repayments of indebtedness, shall be included in the calculation;
 - (ii) the following amounts shall be deducted in the calculation:
 - (A) all costs and expenses of the Trust which, in the opinion of the Trustees, may reasonably be considered to have accrued and become owing in respect of, or which relate to, such Distribution Period or a prior Distribution Period if not accrued in such prior period;
 - (B) all amounts which relate to the redemption of Trust Units and which have become payable in cash by the Trust in such Distribution Period;
 - (C) any other interest expenses incurred by the Trust between distributions; and
 - (iii) the proceeds of any Offering and the Issue Expenses shall not be included in the calculations of Cash Flow of the Trust in respect of any Distribution Period.
- (b) The Distributable Cash Flow for, or in respect of, a Distribution Period shall be the Cash Flow of the Trust for such Distribution Period less any amount which the Trustees may reasonably consider to be necessary to provide for the payment

of any costs which have been or will be incurred in the activities and operations of the Trust and to provide for the payments of any income tax liability of the Trust.

5.2 Computation of Income and Net Realized Capital Gains

- (a) The Income of the Trust for any taxation year of the Trust shall be the net income for the year determined pursuant to the provisions of the Tax Act having regard to the provisions thereof which relate to the calculation of income of a trust, and taking into account such adjustments thereto as are determined by the Trustees in respect of dividends received from taxable Canadian corporations, amounts paid or payable by the Trust to Trust Unitholders and such other amounts as may be determined in the discretion of the Trustees; provided, however, that capital gains and capital losses shall be excluded from the computation of net income.
- (b) The Net Realized Capital Gains of the Trust for any taxation year of the Trust shall be determined as the amount, if any, by which the aggregate of the capital gains of the Trust in the year exceeds (i) the aggregate of the capital losses of the Trust in the year, (ii) any capital gains which are realized by the Trust as a result of a redemption of Trust Units pursuant to Article 6, and (iii) the amount determined by the Trustees in respect of any net capital losses for prior taxation years which the Trust is permitted by the Tax Act to deduct in computing the taxable income of the Trust for the year.

5.3 Distributions of Distributable Cash Flow

The Trustees may, on or before each Distribution Record Date, declare payable to the Trust Unitholders on such Distribution Record Date, all or any part of the Distributable Cash Flow for the Distribution Period which includes such Distribution Record Date. The proportionate share of each Trust Unit of the amount of such Distributable Cash Flow shall be determined by dividing such amount by the number of issued and outstanding Trust Units on such Distribution Record Date. Each Trust Unitholder's share of such Distributable Cash Flow shall be an amount equal to the proportionate share of each Trust Unit of such Distributable Cash Flow multiplied by the number of Trust Units owned of record by each such Trust Unitholder on such Distribution Record Date. Subject to Section 5.7, Distributable Cash Flow which has been declared to be payable to Trust Unitholders in respect of a Distribution Period shall be paid in cash on the Distribution Payment Date in respect of such Distribution Period.

5.4 Other Distributions

- (a) In addition to the distributions which are made payable to Trust Unitholders pursuant to Section 5.3, the Trustees may declare to be payable and make distributions, from time to time, out of Income of the Trust, Net Realized Capital Gains, the capital of the Trust or otherwise, in any year, in such amount or amounts, and on such dates as the Trustees may determine.
- (b) Having regard to the present intention of the Trustees to allocate, distribute and make payable to Trust Unitholders all of the Income of the Trust, Net Realized Capital Gains and any other applicable amounts so that the Trust will not have any liability for tax under Part I of the Tax Act in any taxation year (other than

SIFT Taxes), the following amounts shall, without any further actions on the part of the Trustees, be due and payable to Trust Unitholders of record on December 31 in each such year:

- (i) an amount equal to the amount, if any, by which the Income of the Trust for such year (determined without regard to the Trust's "non-portfolio earnings" (as defined in the Tax Act) for such year) exceeds the aggregate of the portions, if any, of each distribution made by the Trust pursuant to Section 5.3 and subsection 5.4(a) which have been determined by the Trustees, pursuant to Section 5.5, to have been payable by the Trust out of Income of the Trust for such year; and
 - (ii) an amount equal to the amount, if any, by which the Net Realized Capital Gains of the Trust for such year (determined without regard to any such capital gains that would be "non-portfolio earnings" (as defined in the Tax Act) of the Trust for such year) exceeds the aggregate of the portions, if any, of each distribution made by the Trust pursuant to Section 5.3 and subsection 5.4(a) which have been determined by the Trustees, pursuant to Section 5.5, to have been payable by the Trust out of Net Realized Capital Gains for such year.
- (c) The proportionate share of each Trust Unit of the amount of any distribution made pursuant to either or both of subsections 5.4(a) and (b) shall be determined by dividing such amount by the number of issued and outstanding Trust Units on the applicable record date in respect of a distribution pursuant to subsection 5.4(a) and on December 31 in respect of a distribution pursuant to subsection 5.4(b). Each Trust Unitholder's share of the amount of any such distribution shall be an amount equal to the proportionate share of each Trust Unit of such amount multiplied by the number of Trust Units owned of record by each such Trust Unitholder on such applicable record date or December 31 in the year of such distribution, as the case may be. Subject to Section 5.7, amounts which have been declared to be payable to Trust Unitholders pursuant to either subsection 5.4(a) or (b) shall be paid in cash on the Distribution Payment Date which immediately follows the applicable record date in respect of a distribution pursuant to subsection 5.4(a) or December 31 in the applicable year in respect of a distribution pursuant to subsection 5.4(b).
- (d) In addition to the distributions which are made payable to Trust Unitholders, the Trustees may designate any capital gain or income realized by the Trust as a result of the redemption of Trust Units pursuant to Section 6.5 to the redeeming Trust Unitholders in accordance with that section.

5.5 Character of Distributions and Designations

In accordance with and to the extent permitted by the Tax Act, the Trustees in each year shall make designations in respect of the amounts payable to Trust Unitholders for such amounts that the Trustees consider to be reasonable in all of the circumstances, including, without limitation, designations relating to taxable dividends received by the Trust in the year on shares of taxable

Canadian corporations, net capital gains realized by the Trust in the year and foreign source income of the Trust for the year, as well as elect under subsections 104(13.1) and/or (13.2) of the Tax Act that income be taxed to the Trust, rather than to the Trust Unitholders. Distributions payable to Trust Unitholders pursuant to this Article 5 shall be deemed to be distributions of Income of the Trust, Net Realized Capital Gains, trust capital or other items in such amounts as the Trustees shall, in their absolute discretion, determine. For greater certainty, it is hereby declared that: (a) any distribution of Net Realized Capital Gains shall include the non-taxable portion of the capital gains of the Trust which are encompassed in such distribution; and (b) with respect to bonus distributions, if any, paid to Trust Unitholders who participate in a distribution reinvestment plan established by the Trust, no taxable income of the Trust will be allocated to such Trust Unitholders in respect of such bonus distributions paid.

5.6 Enforceability of Right to Receive Distributions

Subject to subsection 2.6(d), for greater certainty, it is hereby declared that each Trust Unitholder shall have the legal right to enforce payment of any amount payable to such Trust Unitholder as a result of any distribution which is declared payable to such Trust Unitholder pursuant to this Article.

5.7 Method of Payment of Distributions

- (a) Where the Trustees determine that the Trust does not have available cash in an amount sufficient to make payment of the full amount of any distribution which has been declared to be payable pursuant to this Article on the due date for such payment, the payment may, at the option of the Trustees, include the issuance of additional Trust Units, or fractions of Trust Units, if necessary, having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution.
- (b) For purposes of subsection 5.7(a), the value of each Trust Unit which is issued pursuant to subsection 5.7(a) shall be deemed to be equal to the market price (as defined in Section 6.3) of the Trust Units on the applicable Distribution Record Date in respect of a distribution pursuant to Section 5.3, on the applicable Distribution Record Date in respect of a distribution under subsection 5.4(a) or December 31 in respect of a distribution under subsection 5.4(b), provided that if the particular date is not a Business Day then the market price (as defined in Section 6.3) shall be determined on the last Business Day which precedes such particular date.

5.8 Withholding Taxes

- (a) The Trustees may deduct or withhold from distributions payable to any Trust Unitholder all amounts required by law to be withheld from such distribution. If Chemtrade is obligated to withhold and pay any amount to any governmental agency or body from any payment or distribution to the Trust (including, without limitation, United States federal withholding taxes with respect to persons who are not U.S. Unitholders) because of a Trust Unitholder's status or which is

otherwise specifically attributable to a Trust Unitholder (including, without limitation, any amount that Chemtrade is obligated to withhold and pay to such governmental agency or body as a result of a failure by the Trust Unitholder to provide the Trust with any form or other documentation, including a W8-BEN form), then the Trust shall reduce distributions which would otherwise be made to such Trust Unitholder by the amount withheld and paid to any such governmental agency or body. Each Trust Unitholder, by its acceptance of Trust Units, grants the Trustees the power of attorney to do so.

- (b) Any Trust Unitholder, that is not a U.S. Unitholder, that is or becomes a “10-percent shareholder” of Chemtrade within the meaning of Section 871(h)(3)(B) or Section 881(c)(3)(B) of the *Internal Revenue Code* and any Trust Unitholder that is a bank that receives interest as described in Section 881(c)(3)(A) of the *Internal Revenue Code* or a controlled foreign corporation within the meaning of Section 881(c)(3)(C) of the *Internal Revenue Code*, shall forthwith give notice thereof to the Trustees in accordance with subsection 17.1(b). Each holder of a Trust Unit, by its acceptance of Trust Units, agrees that it shall indemnify and hold harmless the Trust and Chemtrade for any amount required to be withheld (including any interest and penalties assessed on such amounts) as provided in subsection 5.8(a) and that such Trust Unitholder is entitled to subsequent distributions from the Trust only to the extent that such distributions are, in the sole opinion of the Trustees, in excess of amounts sufficient to discharge the required withholding.

5.9 Definitions

Unless otherwise specified or the context otherwise requires, any term in this Article which is defined in the Tax Act shall have for the purposes of this Article the meaning that it has in the Tax Act.

ARTICLE 6 REDEMPTION OF TRUST UNITS

6.1 Right of Redemption

Each Trust Unitholder shall be entitled to require the Trust to redeem at any time or from time to time at the demand of the Trust Unitholder all or any part of the Trust Units registered in the name of the Trust Unitholder at the prices determined and payable in accordance with the conditions hereinafter provided.

6.2 Exercise of Redemption Right

- (a) To exercise a Trust Unitholder's right to require redemption under this Article 6, a duly completed and properly executed notice requiring the Trust to redeem Trust Units, in a form approved by the Trustees, shall be sent to the Trust at the head office of the Trust. No form or manner of completion or execution shall be sufficient unless the same is in all respects satisfactory to the Trustees and is

accompanied by any further evidence that the Trustees may reasonably require with respect to the identity, capacity or authority of the Person giving such notice.

- (b) Upon receipt by the Trust of the notice to redeem Trust Units, the Trust Unitholder shall thereafter cease to have any rights with respect to the Trust Units tendered for redemption (other than to receive the redemption payment therefor) including the right to receive any distributions thereon which are declared payable to the Trust Unitholders of record on a date which is subsequent to the day of receipt by the Trust of such notice. Trust Units shall be considered to be tendered for redemption on the date that the Trust has, to the satisfaction of the Trustees, received the notice and other required documents or evidence as aforesaid.

6.3 Cash Redemption

- (a) Upon receipt by the Trust of the notice to redeem Trust Units in accordance with Section 6.2, the holder of the Trust Units tendered for redemption shall be entitled to receive a price per Trust Unit (hereinafter called the “Redemption Price”) equal to the lesser of:
 - (i) 90% of the “market price” of the Trust Units on the principal market on which the Trust Units are quoted for trading during the 10 trading day period commencing immediately after the date on which the Trust Units were surrendered to the Trust for redemption; and
 - (ii) 100% of the “closing market price” on the principal market on which the Trust Units are quoted for trading on the date that the Trust Units were so surrendered for redemption.

For the purposes hereof, “market price” shall be: an amount equal to the weighted average of the closing price of the Trust Units for each of the trading days on which there was a closing price; provided that if the applicable exchange or market does not provide a closing price, but only provides the highest and lowest prices of the Trust Units traded on a particular day, the “market price” shall be an amount equal to the weighted average of the highest and lowest prices for each of the trading days on which there was a trade; and provided further that if there was trading on the applicable exchange or market for fewer than five of the 10 trading days, the “market price” shall be the weighted average of the following prices established for each of the 10 trading days: the average of the last bid and last asking prices for each day on which there was no trading; the closing price of the Trust Units for each day that there was trading if the exchange or market provides a closing price; and the weighted average of the highest and lowest prices of the Trust Units for each day that there was trading, if the market provides only the highest and lowest prices of Trust Units traded on a particular day. For the purposes of subsection 6.3(a)(ii), the “closing market price” shall be: an amount equal to the closing price of the Trust Units if there was a trade on the date and the exchange or market provides a closing price; an amount equal to the average of the highest and lowest prices of Trust Units if there was trading and the exchange or other market provides only the highest and lowest trading prices of

Trust Units traded on a particular day; and the average of the last bid and last asking prices if there was no trading on the date.

- (b) Subject to Sections 6.4 and 6.5, the Redemption Price payable in respect of the Trust Units surrendered for redemption during any calendar month shall be satisfied by way of cash payment no later than the last day of the calendar month following the month in which the Trust Units were tendered for redemption. Payments made by the Trust of the Redemption Price are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the former Trust Unitholder unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to the former Trust Unitholder in respect of the Trust Units so redeemed.

6.4 No Cash Redemption in Certain Circumstances

Subsection 6.3(b) shall not be applicable to Trust Units tendered for redemption by a Trust Unitholder, if:

- (a) the total amount payable by the Trust pursuant to Section 6.3 in respect of such Trust Units and all other Trust Units tendered for redemption in the same calendar month exceeds \$50,000 (the "Monthly Limit"); provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Trust Units tendered for redemption in any calendar month. Trust Units tendered for redemption in any calendar month in which the total amount payable by the Trust pursuant to subsection 6.3(b) exceeds the Monthly Limit will be redeemed for cash pursuant to subsection 6.3(b) and, subject to any applicable regulatory approvals, by a distribution in specie of securities of Chemtrade under Section 6.5 on a pro rata basis;
- (b) at the time the Trust Units are tendered for redemption, the outstanding Trust Units (or, as applicable, instalment receipts) are not listed for trading or quoted on any stock exchange or market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Trust Units (or, as applicable, instalment receipts); or
- (c) the normal trading of the outstanding Trust Units (or, as applicable, instalment receipts) is suspended or halted on any stock exchange on which the Trust Units (or, as applicable, instalment receipts) are listed for trading or, if not so listed, on any market on which the Trust Units (or, as applicable, instalment receipts) are quoted for trading, on the date that such Trust Units tendered for redemption were tendered to the Trust for redemption or for more than five trading days during the 10-day trading period commencing immediately after the date on which such Trust Units tendered for redemption were tendered to the Trust for redemption.

6.5 In Specie Redemption

If, pursuant to Section 6.4, subsection 6.3(b) is not applicable to Trust Units tendered for redemption by a Trust Unitholder, the Redemption Price per Trust Unit specified in Section 6.3 to which the Trust Unitholder would otherwise be entitled shall, subject to receipt of all

necessary regulatory approvals (which the Trust shall use reasonable commercial efforts to obtain forthwith), be paid and satisfied by way of a distribution in specie to such Trust Unitholder, of a Pro Rata Number of Chemtrade Common Shares and Chemtrade Notes (in the principal amount of \$100). The Redemption Price payable pursuant to this Section 6.5 in respect of Trust Units tendered for redemption during any month shall, subject to receipt of all necessary regulatory approvals, be paid by the transfer, to or to the order of the Trust Unitholder who exercised the right of redemption, on the last day (the "Transfer Date") of the calendar month following the month in which the Trust Units were tendered for redemption, of the number of Chemtrade Common Shares and Chemtrade Notes (in the principal amount of \$100) determined as aforesaid. The Trust shall be entitled to all interest paid on the Chemtrade Notes and the distributions paid on the Chemtrade Common Shares being transferred to and including the Transfer Date. Payments by the Trust of the Redemption Price are conclusively deemed to have been made upon the mailing of the securities of Chemtrade by registered mail in a postage prepaid envelope addressed to the former Trust Unitholder and/or any party having a security interest. Upon such payment, the Trust shall be discharged from all liability to the former Trust Unitholder and any party having a security interest in respect of the Trust Units so redeemed. No fractional Chemtrade Common Shares or Chemtrade Notes in a principal amount less than \$100 will be distributed and, where the number of securities of the Company to be received by the former Trust Unitholder includes a fraction or a principal amount less than a multiple of \$100, such number shall be rounded to the next lowest number or multiple of \$100, as the case may be. Where the Trust makes a distribution in specie of a Pro Rata Number of securities of the Company on a redemption of Trust Units pursuant to this subsection, the Trustees may, in their sole discretion, designate to the redeeming trust Unitholders any capital gain or income realized by the Trust as a result of the distribution of such securities to the Unitholder.

6.6 Cancellation of all Redeemed Trust Units

All Trust Units which are redeemed under this Article 6 shall be cancelled and such Trust Units shall no longer be outstanding and shall not be reissued.

ARTICLE 7 TRUSTEES

7.1 Number of Trustees

The Trustees shall consist of not less than three and no more than ten Trustees, with the number of Trustees from time to time within such range being fixed by resolution of the Trustees; provided that until otherwise so determined by resolution, the number of Trustees shall be ~~four~~six.

7.2 Calling and Notice of Meetings

Meetings of the Trustees shall be called and held at such time and ~~at~~by such ~~place~~means (in person in Canada and/or by Virtual Meeting) as the Trustees, the Chair of the Trustees or any two Trustees may determine, and any one Trustee or officer of the Trust may give notice of meetings when directed or authorized by such persons. Notice of each meeting of the Trustees shall be given to each Trustee not less than 48 hours before the time when the meeting is to be held, provided that if a quorum of Trustees is present, the Trustees may without notice hold a

meeting immediately following an annual meeting of Trust Unitholders. Notice of a meeting of the Trustees may be given verbally, in writing or by telephone, fax or other means of communication, including electronic communication. A notice of a meeting of Trustees need not specify the purpose of or the business to be transacted at the meeting. Notwithstanding the foregoing, the Trustees may by resolution from time to time fix a day or days in any month or months for regular meetings of the Trustees at ~~a place~~such time and ~~hour~~by such means (in person in Canada and/or by Virtual Meeting) to be named, in which case, provided that a copy of such resolution is sent to each Trustee forthwith after being passed and forthwith after each Trustee's appointment, no other notice shall be required for any such regular meeting.

7.3 Place of Meetings

- (a) Meetings of the Trustees may be held at any place in Canada and/or by Virtual Meeting.
- (b) For the purpose of Section 7.3(a), any meeting of the Trustees held solely by Virtual Meeting, or in part or simultaneously in person and also by Virtual Meeting, shall be considered to be held in Canada only where a majority of the Trustees attending such meeting (whether in person or by Virtual Meeting) is physically located in Canada at the time of the meeting.
- (c) A Trustee who attends any meeting ~~of Trustees, in Person or by telephone,~~ is under this Article 7 is deemed to be present at such meeting and is also deemed to have consented to the location of the meeting except when he attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held.

7.4 Virtual Meetings ~~by Telephone~~

With the consent of the Chair of the meeting or a majority of the other Trustees present at the meeting, a Trustee may participate in a meeting of the Trustees or of a committee of the Trustees by ~~means of telephone or other communication facilities that permit all Persons participating in the meeting to hear each other. A Trustee participating in~~ Virtual Meeting provided that a majority of the Trustees attending such a meeting (whether in ~~such manner shall be considered present at the meeting and~~ person or by Virtual Meeting) is physically located in Canada at the ~~place~~time of ~~the~~such meeting.

7.5 Quorum

The quorum for the transaction of business at any meeting of the Trustees shall consist of the greater of two Trustees or a majority of the number of Trustees then holding office, ~~and, notwithstanding~~ at least the majority of whom shall (a) be Resident Canadians, and (b) be physically present in Canada at the time of the meeting; provided that if there is no quorum, the meeting may be adjourned to a Business Day on notice to all of the Trustees and, at the reconvened meeting, the quorum requirement relating to Resident Canadians and physical presence in Canada is satisfied. Notwithstanding any vacancy among the number of Trustees, a quorum of Trustees may exercise all of the powers of the Trustees.

7.6 Chair

The Chair of any meeting of the Trustees shall be the Trustee present at the meeting who holds the office of Chair of the Trustees or if such Person is not present, the Trustees present shall choose one of their number to be Chair.

7.7 Action by the Trustees

At all meetings of the Trustees every question shall be decided by a majority of the votes cast on the question. In the case of equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote. The powers of the Trustees may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all Trustees who would be entitled to vote on that resolution at a meeting of the Trustees. Resolutions in writing may be signed in counterparts each of which shall be deemed to be an original and all originals together shall be deemed to be one and the same instrument.

7.8 Adjourned Meeting

Any meeting of Trustees may be adjourned from time to time by the Chair of the meeting with the consent of the meeting to a fixed time and place, [including by Virtual Meeting](#). Further notice of the adjourned meeting need not be given. The adjourned meeting shall be duly constituted if a quorum is present and if it is held in accordance with the terms of the adjournment. If there is not a quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated upon its adjournment.

7.9 Remuneration and Expenses

The Trustees shall be paid such remuneration for their services as the Trustees may from time to time determine. Until otherwise determined, such compensation shall be \$5,000 per year for each Trustee plus \$1,000 per meeting of the Trustees. The Trustees shall also be entitled to be reimbursed for reasonable travelling and other expenses properly incurred by them in attending meetings of the Trustees or any committee thereof or in connection with their services as Trustees. Nothing herein contained shall preclude any Trustee from serving the Trust in any other capacity and receiving remuneration therefor.

7.10 Officers

The Trustees from time to time may appoint one or more officers of the Trust, including without limitation a Chair of the Trustees, and, without prejudice to rights under any employment contract, may remove any officer of the Trust. The powers and duties of each officer of the Trust shall be those determined from time to time by the Trustees and, in the absence of such determination, shall be those usually applicable to the office held.

ARTICLE 8
ELECTION, APPOINTMENT, RESIGNATION AND REMOVAL OF THE TRUSTEES

8.1 ~~Qualification~~Qualifications of Trustees

- (a) The following Persons are disqualified from being a Trustee of the Trust:
- (i) ~~(a)~~ anyone who is less than eighteen years of age;
 - (ii) ~~(b)~~ anyone who is of unsound mind and has been so found by a court in Canada or elsewhere;
 - (iii) ~~(c)~~ a Person who is not an individual;
 - ~~(d) — a Person who is a non-resident of Canada as defined in the Tax Act; and~~
 - (iv) ~~(e)~~ a Person who has the status of bankrupt.
- (b) A majority of Trustees shall be at all times Resident Canadians. If at any time a majority of Trustees are not Resident Canadians because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was a Resident Canadian Trustee, the remaining Trustees, whether or not they constitute a quorum, shall appoint a sufficient number of Resident Canadian Trustees to comply with this requirement.

8.2 Election of Trustees

Except as otherwise provided herein, Trustees shall be elected (including the re-election of incumbent Trustees) at each annual meeting of Trust Unitholders, and may be elected at a special meeting of Trust Unitholders, in each case to hold office, subject to Section 8.6, for a term expiring at the close of the next annual meeting of Trust Unitholders following such an election. Any such election (other than by the Initial Trustees) shall be made either by a resolution approved by a majority of the votes cast at a meeting of Trust Unitholders or shall be made by resolution in writing in the manner set out in Section 12.13. Notwithstanding the foregoing:

- (a) if no Trustees are elected at the annual meeting of Trust Unitholders held immediately before the term of office of the existing Trustees expires, such existing Trustees shall continue to hold the office of Trustees under this Declaration of Trust until successors have been elected or appointed or they cease to hold office; and
- (b) the Trustees may, between annual meetings of the Trust Unitholders, appoint one or more additional Trustees for a term to expire (subject to further election) at the close of the next annual meeting of Trust Unitholders, but the number of additional Trustees so appointed shall not at any time exceed one-third of the number of Trustees who held office immediately at the expiration of the immediately preceding annual meeting of Trust Unitholders.

8.3 Nomination of Trustees

- (a) Only persons who are nominated in accordance with the following procedures (and who comply with the requirements of Section 8.1) shall be eligible for election as Trustees. Nominations of persons for election as a Trustee may be made at any annual meeting of Trust Unitholders, or at any special meeting of Trust Unitholders, if one of the purposes for which the special meeting was called was the election of Trustees:
 - (i) by or at the direction of the Trustees, including pursuant to a notice of meeting;
 - (ii) by or at the direction or request of one or more Trust Unitholders pursuant to a requisition of the Trust Unitholders made in accordance with this Declaration of Trust; or
 - (iii) by any Person (a “Nominating Unitholder”) who (A) at the close of business on the date of the giving of the notice provided for below in this Section 8.3 and on the record date for notice of such meeting, is a Trust Unitholder or who beneficially owns one or more Trust Units; and (B) who complies with the procedures set forth below in this Section 8.3.
- (b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Unitholder, the Nominating Unitholder must have given timely notice thereof to the Trustees in the manner prescribed by this Declaration of Trust. Furthermore, if such notice is made on a day which is not a Business Day or later than 5:00 p.m. (Toronto Time) on a day which is a Business Day, then such notice shall be deemed to have been made on the next day that is a Business Day.
- (c) To be timely, a Nominating Unitholder’s notice to the Trustees must be made:
 - (i) in the case of an annual meeting of Trust Unitholders, not less than 30 days prior to the date of the annual meeting of Trust Unitholders; provided, however, that in the event that the annual meeting of Trust Unitholders is to be held on a date that is less than 50 days after the date (the “Notice Date”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Unitholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (ii) in the case of a special meeting (which is not also an annual meeting) of Trust Unitholders called for the purpose of electing Trustees (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of Trust Unitholders was made.

- (d) A Nominating Unitholder's notice to the Trustees must set forth:
- (i) as to each person whom the Nominating Unitholder proposes to nominate for election as a Trustee: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the number of Trust Units which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of Trust Unitholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable securities laws; and
 - (ii) as to the Nominating Unitholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Unitholder has a right to vote any Trust Units and any other information relating to such Nominating Unitholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable securities laws.
- (e) The Trust may require any proposed nominee to furnish such other information as may reasonably be required by the Trust to determine the eligibility of such proposed nominee to serve as an independent Trustee or that could be material to a reasonable Trust Unitholder's understanding of the independence, or lack thereof, of such proposed nominee.
- (f) No person shall be eligible for election as a Trustee unless nominated in accordance with the provisions of this Section 8.3 and unless such person complies with the requirements of Section 8.1; provided, however, that nothing in this Section 8.3 shall be deemed to preclude discussion by a Trust Unitholder (as distinct from the nomination of Trustees) at a meeting of Trust Unitholders of any matter in respect of which it would have been entitled to submit to a vote pursuant to the terms and conditions contained in this Declaration of Trust. The Chair of the applicable meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (g) For purposes of this Section 8.3, "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Trust under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

- (h) Notwithstanding the foregoing, the Trustees may, in their sole discretion, waive any requirement in this Section 8.3.

8.4 Consent to Act

- (a) A Person who is elected or appointed a Trustee hereunder (other than the Initial Trustees whose consent to act was given by the signatures to the 2001 Declaration) shall not become a Trustee until the Person has, either before or after such election or appointment, executed and delivered to the Trust a consent substantially as follows:

“To: Chemtrade Logistics Income Trust (the “Trust”)
And to: The Trustees thereof

The undersigned hereby consents to act as a Trustee of the Trust and hereby agrees, upon the later of the date of this consent and the date of the undersigned’s election or appointment as a Trustee of the Trust, to thereby become a party, as a Trustee, to the Amended and Restated Declaration of Trust dated as of the ~~8¹²~~ day of ~~July~~November, 2020, as amended from time to time, constituting the Trust.

Dated: _____

[Signature]

[Print Name]”

- (b) Upon the later of a Person being elected or appointed a Trustee hereunder and executing and delivering to the Trust a consent substantially as set forth in subsection 8.4(a), such Person shall become a Trustee hereunder and shall be deemed to be a party (as a Trustee) to this Declaration of Trust, as amended from time to time.

8.5 Failure to Elect Minimum Number of Trustees

If a meeting of Trust Unitholders fails to elect the minimum number of Trustees required by this Declaration of Trust by reason of the disqualification or death of any nominee, the Trustees elected at the meeting may exercise all of the powers of the Trustees if the number of Trustees so elected constitutes a quorum.

8.6 Ceasing to Hold Office

A Trustee ceases to hold office when:

- (a) he or she dies or resigns;
- (b) he or she is removed in accordance with Section 8.7; or

- (c) he or she ceases to be duly qualified to act as a Trustee as provided under Section 8.1.

A resignation of a Trustee becomes effective at the time a written resignation is sent to the Trust, or at the time specified in the resignation, whichever is later, provided that if, upon the resignation becoming effective, the number of remaining Trustees would be less than the number necessary to constitute a quorum for a meeting of Trustees, the resignation is not effective until the resigning Trustee's successor is duly elected or appointed as a Trustee.

Upon a Trustee ceasing to hold office as such hereunder, such Trustee shall cease to be a party (as a Trustee) to this Declaration of Trust; provided, however, that such Trustee shall continue to be entitled to be paid any amounts owing by the Trust to the Trustee and to the benefits of the indemnity provided in Section 9.8. Upon the resignation or removal of any Trustee, or upon a Trustee otherwise ceasing to be a Trustee, the Trustee shall cease to have the rights, privileges and powers of a Trustee hereunder, shall execute and deliver such documents as the remaining Trustees shall require for the conveyance of any Trust property held in that Trustee's name, shall account to the remaining Trustees as they may require for all property which that Trustee holds as Trustee, shall resign from all representative or other positions held by such Trustee on behalf of the Trust, including as a director or officer of any Person in which the Trust owns any securities (directly or indirectly) and shall thereupon be discharged as Trustee. Upon the incapacity or death of any Trustee, his or her legal representative shall execute and deliver on his or her behalf such documents as the remaining Trustees may require as provided in this Section 8.6. In the event that a Trustee or his or her legal representatives, as applicable, are unable or unwilling to execute and deliver such required documents, each of the remaining Trustees is hereby appointed as the attorney of such Trustee for the purposes of executing and delivering such required documents.

8.7 Removal of Trustees

The Trust Unitholders may remove any Trustee or Trustees from office, by resolution approved by a majority of the votes cast at a meeting of Trust Unitholders called for that purpose. This Declaration of Trust may not be amended to require a greater number of votes of Trust Unitholders to remove a Trustee than the number set forth in this Section 8.7 unless the Trust Unitholders unanimously agree. A vacancy created by the removal of a Trustee may be filled at the meeting of Trust Unitholders at which the Trustee is removed or, if not so filled, may be filled as set forth in Section 8.8.

8.8 Filling Vacancies

Subject to subsection 8.2(b), a quorum of Trustees may fill a vacancy among the Trustees, except a vacancy resulting from a failure to elect the minimum number of Trustees fixed by or pursuant to this Declaration of Trust. If there is not a quorum of Trustees, or if there has been a failure to elect the minimum number of Trustees required by or pursuant to this Declaration of Trust, the Trustees then in office shall forthwith call a special meeting of Trust Unitholders to fill the vacancy and, if they fail to call a meeting or if there are no Trustees then in office, the meeting may be called by any Trust Unitholder. A Trustee elected or appointed to fill a vacancy holds office, subject to Section 8.6, until the close of the next annual meeting of the Trust Unitholders.

8.9 Validity of Acts

Any act of a Trustee is valid notwithstanding any irregularity in the election or appointment of the Trustees or a defect in the qualifications of the Trustees.

8.10 Successor and Additional Trustee

The rights of the Trustees to control and exclusively administer the Trust and to have the title to the Trust Assets drawn up in their names or in the name of any other successor and all other rights of the Trustees at law shall vest automatically in any Person who may hereafter become a Trustee upon such Person's due election or appointment and qualification without any further act and such Person shall thereupon have all the rights, privileges, powers, authorities, obligations and immunities of a Trustee hereunder whether or not conveyancing documents have been executed and delivered pursuant to Section 8.6 or otherwise.

ARTICLE 9 CONCERNING THE TRUSTEES

9.1 Powers of the Trustees

Subject to the terms and conditions of this Declaration of Trust, the Trustees may exercise from time to time in respect of the Trust Assets and the investments and affairs of the Trust any and all rights, powers and privileges that could be exercised by a legal and beneficial owner thereof.

9.2 Specific Powers and Authorities

Subject only to the express limitations contained in this Declaration of Trust and in addition to any other powers and authorities conferred by this Declaration of Trust or which the Trustees may have by virtue of any present or future statute or rule of law, the Trustees without any action or consent by the Trust Unitholders shall have and may exercise at any time and from time to time the following powers and authorities which may or may not be exercised by the Trustees in such manner and upon such terms and conditions as they may from time to time determine proper including the following powers and authorities:

- (a) to supervise the activities and manage the investments and affairs of the Trust;
- (b) to maintain records and provide reports to Trust Unitholders;
- (c) to collect, sue for and receive all sums of money due to the Trust;
- (d) to effect payment of distributions to the Trust Unitholders as provided in Article 5 but not contrary to any provisions of any Subordination Agreement or the terms of any Chemtrade Notes or the subordination provisions of any Chemtrade Note Indenture under which the same are issued;
- (e) to invest funds of the Trust as provided in Article 4;
- (f) if the Trustees become aware by written notice that the beneficial owners of 49% of the Trust Units then outstanding are, or may be, Non-residents (as defined

below) or that such situation is imminent, the Trustees shall ensure that the limitations on non-resident ownership as provided in Section 13.5 are met;

- (g) to possess and exercise all the rights, powers and privileges pertaining to the ownership of Chemtrade Common Shares, Chemtrade Notes (subject to the applicable Chemtrade Note Indenture), and any other securities to the same extent that an individual might, unless otherwise limited herein, and, without limiting the generality of the foregoing, to vote or give any consent, request or notice, or waive any notice, either in ~~Person~~person or by proxy or power of attorney, with or without power of substitution, to one or more Persons, which proxies and powers of attorney may be for meetings or actions generally or for any particular meeting or action and may include the exercise of discretionary power;
- (h) where reasonably required, to engage or employ on behalf of the Trust any Persons as agents, representatives, employees or independent contractors (including, without limitation, investment advisors, registrars, underwriters, accountants, lawyers, appraisers, brokers or otherwise) in one or more capacities;
- (i) except as prohibited by law, to delegate any of the powers and duties of the Trustees to any one or more agents, representatives, officers, employees, independent contractors or other Persons without liability to the Trustees, except as provided in Section 10.1 and in any other provision of this Declaration of Trust;
- (j) to engage in, intervene in, prosecute, join, defend, compromise, abandon or adjust, by arbitration or otherwise, any actions, suits, disputes, claims, demands or other litigation or proceedings, regulatory or judicial, relating to the Trust, the assets of the Trust or the Trust's affairs, to enter into agreements therefor, whether or not any suit or proceeding is commenced or claim asserted and, in advance of any controversy, to enter into agreements regarding the arbitration, adjudication or settlement thereof;
- (k) to arrange for insurance contracts and policies insuring the Trust, its assets, the business of Chemtrade and/or any or all of the Trustees or the Trust Unitholders, including against any and all claims and liabilities of any nature asserted by any Person arising by reason of any action alleged to have been taken or omitted by the Trust or by the Trustees or Trust Unitholders;
- (l) to cause legal title to any of the assets of the Trust to be held by and/or in the name of a Trustee, or except as prohibited by law, by and/or in the name of the Trust or any other custodian or Person, on such terms, in such manner, with such powers in such Person as the Trustees may determine and with or without disclosure that the Trust or the Trustee is interested therein; provided, however, that should legal title to any of the Trust Assets be held by and/or in the name of any Person or Persons other than a Trustee or the Trust, the Trustees shall require such Person or Persons to execute a trust agreement acknowledging that legal title to such assets is held in trust for the benefit of the Trust;

- (m) to issue securities of the Trust, including Trust Units, for such consideration as the Trustees may deem appropriate in their sole discretion, such issuance to be subject to the terms and conditions of the Declaration of Trust;
- (n) to do all such other acts and things as are incidental to the foregoing, and to exercise all powers which are necessary or useful to carry on the purpose and activities of the Trust, to promote any of the purposes for which the Trust is formed and to carry out the provisions of this Declaration of Trust;
- (o) the Trustees shall use their best efforts to ensure that the Trust qualifies at all times as a “mutual fund trust” pursuant to subsection 132(6) of the Tax Act and that the Trust Units are not foreign property within the meaning of the Tax Act;
- (p) in addition to the mandatory indemnification provided for in Section 9.8 to the extent permitted by law to indemnify, or enter into agreements with respect to the indemnification of any Person with whom the Trust has dealings including, without limitation, the Trustees, the Depository, registrar and transfer agent or escrow agent, to such extent as the Trustees shall determine;
- (q) with the approval or confirmation of Trust Unitholders, enact and from time to time amend or repeal by-laws not inconsistent with this Declaration of Trust containing provisions relating to the Trust, the Trust Assets and the conduct of the affairs of the Trust, but not in conflict with any provision of this Declaration of Trust;
- (r) without limit as to amount, to issue any type of debt securities or convertible debt securities and to borrow money or incur any other form of indebtedness for the purpose of carrying out the purposes of the Trust or for other expenses incurred in connection with the Trust and for such purposes may draw, make, execute and issue promissory notes and other negotiable and non-negotiable instruments or securities and evidences of indebtedness, secure the payment of sums so borrowed or indebtedness incurred and mortgage, pledge, assign or grant a security interest in any money owing to the Trust or engage in any other means of financing the Trust; and
- (s) to pay all taxes or assessments, of whatever kind or nature, whether within or outside Canada, imposed upon or against the Trustees in connection with the Trust Assets, undertaking or income of the Trust, or imposed upon or against the Trust Assets, undertaking or income of the Trust, or any part thereof and to settle or compromise disputed tax liabilities and for the foregoing purposes to make such returns, take such deductions, and make such designations, elections and determinations in respect of Net Income or Net Realized Capital Gains distributed to Trust Unitholders in the year and any other matter as shall be permitted under the Tax Act (provided that to the extent necessary the Trustees will seek the advice of the Trust’s counsel or the Auditors), and do all such other acts and things as may be deemed by the Trustees in their sole discretion to be necessary, desirable or convenient.

- (t) to guarantee the obligations of Chemtrade or any Affiliate of the Trust pursuant to any good faith debt for borrowed money incurred by Chemtrade or the Affiliate, as the case may be, and to pledge securities issued by Chemtrade or the Affiliate, as the case may be, or otherwise grant security interests in all or any part of the Trust Assets as security for such guarantee.

9.3 Restrictions on Trustee's Powers

- (a) Notwithstanding subsection 9.2(g), the Trustees may not under any circumstances whatsoever authorize in any manner:
 - (i) any sale, lease or other disposition of, all or substantially all of the assets of Chemtrade, taken as a whole, except in conjunction with an internal reorganization or pursuant to a pledge in accordance with subsection 9.2(t);
 - (ii) any amalgamation, arrangement or other merger of the Company with any other corporation except in conjunction with an internal reorganization;
 - (iii) any material amendment to a Chemtrade Note Indenture other than in contemplation of a future issuance of Chemtrade Notes; or
 - (iv) any material amendment to the constating documents of any Chemtrade entity to change the authorized equity capital in a manner which may be prejudicial to the Trust;

without the approval of the Trust Unitholders by Special Resolution at a meeting of Trust Unitholders called for that purpose.

- (b) Except pursuant to a pledge in accordance with subsection 9.2(t) hereof, the Trustees shall have no power to sell or otherwise dispose of any Chemtrade Common Shares or Chemtrade Notes (except pursuant to an in specie redemption under Section 6.5), or to sell all or substantially all of the Trust Assets or cause Chemtrade, taken as a whole, to sell, lease or otherwise dispose of all or substantially all of their assets, except with the approval of the Trust Unitholders by Special Resolution at a meeting of Trust Unitholders called for that purpose or except as part of an internal reorganization of the direct or indirect assets of the Trust as a result of which the Trust has the same interest, whether direct or indirect, in the assets as the interest, whether direct or indirect, that it had prior to the reorganization.
- (c) The Trustees shall only vote Chemtrade Common Shares and exercise the rights under Chemtrade Notes in the manner provided for herein or permitted under the applicable Chemtrade Note Indenture, on the conditions contained therein.

9.4 Banking

The banking activities of the Trust, or any part thereof, including, but without restricting the generality of the foregoing, the operation of the Trust's accounts; the making, signing, drawing,

accepting, endorsing, negotiation, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money; the giving of receipts for orders relating to any property of the Trust; the execution of any agreement relating to any property of the Trust; the execution of any agreement relating to any such banking activities and defining the rights and powers of the parties thereto; and the authorizing of any officer of such banker to do any act or thing on the Trust's behalf to facilitate such banking activities, shall be transacted with such bank, trust company, or other firm or corporation carrying on a banking business as the Trustees may designate, appoint or authorize from time to time and shall be transacted on the Trust's behalf by one or more officers of the Trust or Chemtrade as the Trustees may designate, appoint or authorize from time to time.

9.5 Standard of Care and Duties

The Trustees shall act honestly and in good faith with a view to the best interests of the Trust and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent Person would exercise in comparable circumstances. The Trustees shall not be liable in carrying out their duties under this Declaration of Trust except in cases where the Trustees fail to act honestly and in good faith with a view to the best interests of the Trust or to exercise the degree of care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances. The duties and standard of care of the Trustees provided as aforesaid are intended to be similar to, and not to be any greater than, those imposed on a director of a corporation governed by the *Business Corporations Act* (Ontario). Unless otherwise required by law, the Trustees shall not be required to give bond surety or security in any jurisdiction for the performance of any duties or obligations hereunder. The Trustees shall not be required to devote their entire time to the investments or business or affairs of the Trust.

9.6 Fees and Expenses

As part of the expenses of the Trust, the Trustees may pay or cause to be paid out of the Trust Assets, reasonable fees, costs and expenses incurred in connection with the administration and management of the Trust, including (without limitation) fees of auditors, accountants, lawyers, appraisers and other agents, consultants and professional advisors employed by or on behalf of the Trust and the cost of reporting or giving notices to Trust Unitholders. All costs, charges and expenses properly incurred by the Trustees on behalf of the Trust shall be payable out of the Trust Assets.

9.7 Limitations on Liability of Trustees

- (a) Subject to the standard of care set forth in Section 9.5, none of the Trustees nor the officers shall be liable to any Trust Unitholder for any action taken in good faith in reliance on any documents that are, prima facie, properly executed; for any depreciation of, or loss to, the Trust incurred by reason of the sale of any security; for the loss or disposition of monies or securities; or for any other action or failure to act including, without limitation, the failure to compel in any way any former trustee to redress any breach of trust or any failure by Chemtrade to perform obligations or pay monies owed to the Trust, except for a breach of the standard of care, diligence and skill as set out in Section 9.5 or a breach of Section 9.3. If the Trustees have retained an appropriate expert or advisor with

respect to any matter connected with their duties under this Declaration of Trust, the Trustees may act or refuse to act based on the advice of such expert or advisor and, notwithstanding any provision of this Declaration of Trust, including, without limitation, the standard of care, diligence and skill set out in Section 9.5 hereof, the Trustees shall not be liable for any action or refusal to act based on the advice of any such expert or advisor which it is reasonable to conclude is within the expertise of such expert or advisor to give.

- (b) None of the Trustee nor any officer, director, employee or agent thereof shall be subject to any liability whatsoever in tort, contract or otherwise, in connection with Trust Assets or the affairs of the Trust, including, without limitation, in respect of any loss or diminution in value of any Trust Assets, to the Trust or to the Trust Unitholders or to any other Person for anything done or permitted to be done by the Trustees. The Trustees shall not be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgements, costs, charges or expenses against or with respect to the Trust arising out of anything done or permitted or omitted to be done in respect of the execution of the duties of the office of Trustees for or in respect to the affairs of the Trust. No property or assets of the Trustees, owned in their personal capacity or otherwise, will be subject to any levy, execution or other enforcement procedure with regard to any obligations under this Declaration of Trust or under any other related agreements. No recourse may be had or taken, directly or indirectly, against the Trustees in their personal capacity or against any incorporator shareholder, director, officer, employee or agent of the Trustees or any successor of the Trustees. The Trust shall be solely liable therefor and resort shall be had solely to the Trust Assets for payment or performance thereof.

9.8 Indemnification of Trustees

Each Trustee, each former Trustee, each officer of the Trust and each former officer of the Trust shall be entitled to be and shall be indemnified and reimbursed out of the Trust Assets in respect of any and all taxes, penalties or interest in respect of unpaid taxes or other governmental charges imposed upon the Trustee or officer in consequence of its performance of its duties hereunder and in respect of any and all costs, charges and expenses, including amounts paid to settle an action or satisfy a judgement, reasonably incurred in respect of any civil, criminal or administrative action or proceeding to which the Trustee, former Trustee, officer or former officer is made a party by reason of being or having been a Trustee or officer of the Trust or, at the request of the Trust, a director or officer of Chemtrade or an Affiliate; provided that a Trustee, former Trustee, officer or former officer shall not be indemnified out of the Trust Assets in respect of unpaid taxes or other governmental charges or in respect of such costs, charges and expenses that arise out of or as a result or in the course of his or her failure to act honestly and in good faith with a view to the best interests of the Trust Unitholders. A Trustee, former Trustee, officer or former officer shall not be entitled to satisfy any right of indemnity or reimbursement granted herein, or otherwise existing under law, except out of the Trust Assets, and no Trust Unitholder or other Trustee or officer shall be personally liable to any Person with respect to any claim for such indemnity or reimbursement as aforesaid.

9.9 Contractual Obligations of Trust

In respect of any obligations or liabilities being incurred by the Trust or the Trustees on behalf of the Trust, the Trustees and the Trust shall make all reasonable efforts to include as a specific term of such obligations or liabilities a contractual provision to the effect that neither the Trust Unitholders nor the Trustees shall have any personal liability or obligations in respect thereof. The omission of such statement from any such document or instrument shall not render the Trustees or the Trust Unitholders liable to any Person, nor shall the Trustees or the Trust Unitholders be liable for such omission. If, notwithstanding this provision, the Trustees or any Trust Unitholder shall be held liable to any Person by reason of the omission of such statement from any such agreement, undertaking or obligation such Trustee or Trust Unitholder shall be entitled to indemnity and reimbursement out of the Trust Assets to the full extent of such liability.

9.10 Conflicts of Interest

- (a) A Trustee or an officer of the Trust shall disclose to the Trust, in writing or by requesting to have entered in the minutes of meetings of the Trustees or of meetings of committees of Trustees, the nature and extent of any interest that he or she has in a material contract or transaction, whether made or proposed, with the Trust, if such Trustee or officer:
 - (i) is a party to the contract or transaction;
 - (ii) is a director or officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or
 - (iii) has a material interest in a party to the contract or transaction.
- (b) The disclosure required in subsection (a) must be made, in the case of a Trustee:
 - (i) at the meeting at which the proposed material contract or transaction is first considered;
 - (ii) if the Trustee was not then interested in the proposed material contract or transaction, at the first such meeting after he or she becomes so interested;
 - (iii) if the Trustee becomes interested after a material contract or transaction is entered into, at the first meeting of Trustees after he or she becomes so interested; or
 - (iv) if a person who is interested in a material contract or transaction later becomes a Trustee, at the first such meeting after he or she becomes a Trustee.
- (c) The disclosure required in subsection (a) must be made, in the case of an officer of the Trust who is not a Trustee:

- (i) immediately after he or she becomes aware that the contract, transaction, proposed contract or proposed transaction is to be considered or has been considered at a meeting;
 - (ii) if the officer becomes interested after a contract or transaction is made, immediately after he or she becomes so interested; or
 - (iii) if a person who is interested in a contract or transaction later becomes an officer, immediately after he or she becomes an officer.
- (d) Notwithstanding subsections (b) and (c), if a material contract or material transaction, whether entered into or proposed, is one that, in the ordinary course of business of the Trust, would not require approval by the Trustees or Trust Unitholders, then a Trustee or officer shall disclose in writing to the Trustees, or request to have entered in the minutes of meetings of the Trustees or of meetings of committees of the Trustees, the nature and extent of his or her interest immediately after he or she becomes aware of the contract or transaction.
- (e) A Trustee required to make disclosure under subsection (a) shall not vote on any resolution to approve the contract or transaction unless the contract or transaction:
 - (i) relates primarily to his or her remuneration as a Trustee, officer, employee, agent or mandatary of the Trust or any Affiliate of the Trust;
 - (ii) is for indemnity as permitted hereunder or the purchase of liability insurance; or
 - (iii) is with an Affiliate.
- (f) For the purposes hereof, a general notice to the Trustees by a Trustee or an officer of the Trust declaring that he or she is to be regarded as interested, for any of the following reasons, in a contract or transaction made with a party, is a sufficient declaration of interest in relation to the contract or transaction:
 - (i) the Trustee or officer is a director or officer, or acting in a similar capacity, of the party;
 - (ii) the Trustee or officer has a material interest in the party; or
 - (iii) there has been a material change in the nature of the interest of the Trustee or officer in the party.
- (g) The Trust Unitholders may examine the portions of any minutes of meetings of Trustees or of committees of Trustees that contain disclosures under this Section 9.10, and any other documents that contain those disclosures, during normal business hours.
- (h) A contract or transaction for which disclosure is required under subsection (a) is not invalid, and the Trustee or officer, as applicable, is not accountable to the

Trust or to the Trust Unitholders for any profit or gain realized from the contract or transaction because of that interest in the contract or transaction or because the Trustee was present or was counted to determine whether a quorum existed at the meeting of Trustees or committee of Trustees that considered the contract or transaction, if:

- (i) the Trustee or officer disclosed his or her interest as set out above,
 - (ii) the Trustees approved the contract or transaction, and
 - (iii) the contract or transaction was reasonable and fair to the Trust at the time it was so approved.
- (i) Even if the conditions of subsection (h) are not met, a Trustee or officer of the Trust, acting honestly and in good faith, is not accountable to the Trust or to the Trust Unitholders for any profit realized from a contract or transaction for which disclosure is required under subsection (a), and the contract or transaction is not invalid by reason only of the interest of the Trustee or officer in the contract or transaction, if:
- (i) the contract or transaction is approved or confirmed by Special Resolution at a meeting of Trust Unitholders;
 - (ii) disclosure of the interest was made to Trust Unitholders in a manner sufficient to indicate its nature before the contract or transaction was approved or confirmed; and
 - (iii) the contract or transaction was reasonable and fair to the Trust when it was approved or confirmed.
- (j) If a Trustee or officer fails to comply with this section, the Trust, any Trustee or any Trust Unitholder may apply to court for an order setting aside the contract or transaction on any terms that it sees fit, or require the Trustee or officer to account to the Trust for any profit or gain realized on it, or do both of those things.

9.11 Conditions Precedent

The obligation of the Trustees to commence or continue any act, action, suit or proceeding or to represent the Trust in any action, suit or proceeding shall be conditional upon sufficient funds being available to the Trustees from the Trust Assets to commence or continue such act, action, suit or proceeding or to represent the Trust in any action, suit or proceeding and an indemnity reasonably satisfactory to the Trustees to protect and hold harmless the Trustees against the costs, charges and expenses and liabilities to be incurred therein and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Declaration of Trust shall require the Trustees to expend or risk their own funds or otherwise incur financial liability in the performance of their duties or in the exercise of any of their rights or powers unless it is given an indemnity and funding satisfactory to the Trustees, acting reasonably.

ARTICLE 10 COMMITTEES OF TRUSTEES

10.1 Delegation

Except as prohibited by law, the Trustees may appoint from their number a committee of Trustees, provided that a majority of the Trustees appointed to such committee shall be Resident Canadians, and may delegate to the committee of Trustees such authority as the Trustees may in their sole discretion deem necessary or desirable to effect the administration of the duties of the Trustees under this Declaration of Trust, without regard to whether such authority is normally granted or delegated by Trustees; provided that the Trustees may not delegate to any managing Trustee or any committee of Trustees or any officer the authority to: (a) submit to Trust Unitholders any question or matter requiring the approval of Trust Unitholders; (b) fill a vacancy among the Trustees or appoint additional trustees; (c) issue Trust Units except as authorized by the Trustees; (d) declare distributions; (e) approve a proxy circular; (f) approve a take-over bid circular; or (g) approve the annual financial statements of the Trust.

10.2 Procedure

Unless otherwise determined by the Trustees, a quorum for meetings of any committee shall be a majority of its members, ~~each~~ provided that (a) such majority shall consist of a majority of Resident Canadian Trustees, and (b) a majority of members attending the meeting in any manner is physically present in Canada at the time of the meeting. Each committee shall have the power to appoint its Chair and the rules for calling, holding, conducting and adjourning meetings of the committee shall be the same as those governing the Trustees. Each member of a committee shall serve during the pleasure of the Trustees and, in any event, only so long as he or she shall be a Trustee. The Trustees may fill vacancies in a committee by appointment from among their members. Provided that a quorum is maintained, the committee may continue to exercise its powers notwithstanding any vacancy among its members.

10.3 Place of Meetings

- (a) Meetings of any committee of the Trustees may be held at any place in Canada and.
- (b) For the purpose of Section 10.3(a), any meeting of a committee of the Trustees held solely by Virtual Meeting, or in part or simultaneously in person and also by Virtual Meeting, shall be considered to be held in Canada only where a majority of the members attending such meeting (whether in person or by Virtual Meeting) is physically located in Canada at the time of the meeting.
- (c) A Trustee who attends any meeting under this Article 10 is deemed to be present at such meeting and is also deemed to have consented to the location of the meeting except when he attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held.

ARTICLE 11 AMENDMENT

11.1 Amendment

- (a) Subject to subsection (d) and except where specifically provided otherwise herein, the Trustees shall submit to the Trust Unitholders at the next meeting of Trust Unitholders any amendment to this Declaration of Trust that has not been approved by the Trust Unitholders, and the Trust Unitholders may, by Special Resolution, confirm, reject or amend the amendment to the Declaration of Trust.
- (b) An amendment to this Declaration of Trust which the Trustees are expressly empowered to make pursuant to the terms hereof is effective from the date the amended Declaration of Trust is signed which reflects the amendment approved by the Trustees and, if subsection (a) applies, until it is confirmed, confirmed as amended or rejected by the Trust Unitholders under subsection (a) or until it ceases to be effective under subsection (c) and, where the amendment is confirmed or confirmed as amended, it continues in effect in the form in which it was so confirmed.
- (c) If an amendment to this Declaration of Trust is rejected by the Trust Unitholders, or if the Trustees do not submit an amendment to the Trust Unitholders as required under subsection (a), the amendment ceases to be effective immediately after the meeting of Trust Unitholders referred to in subsection (a) and no subsequent resolution of the Trustees to amend the Declaration of Trust having substantially the same purpose or effect is effective until it is confirmed or confirmed as amended by the Trust Unitholders. The Trustees shall sign an amended Declaration of Trust which removes the rejected or unapproved amendment.
- (d) The provisions of this Declaration of Trust may be amended by the Trustees without the consent, approval or ratification of the Trust Unitholders or any other Person at any time for the purpose of:
 - (i) ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees or the Trust;
 - (ii) providing additional protection, in the opinion of Counsel, for the Trust Unitholders;
 - (iii) removing any conflicts or inconsistencies in this Declaration of Trust or making minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Trust Unitholders; or
 - (iv) making amendments which, in the opinion of the Trustees, are necessary or desirable as a result of changes in Canadian taxation laws.

Any Trust Unitholder may apply to a court for an order setting aside any such amendment on the grounds that it does not fall within clauses (i) to (iv) above.

- (e) Notwithstanding the ~~forgoing~~foregoing (i) no amendment may be made to this Declaration of Trust, the subject matter of which is contemplated by Sections 8.7, 9.3, 12.5 or 15.2, except in accordance with the approval thresholds set out in such Sections; and (ii) no amendment to this Declaration of Trust shall modify the right to one vote per Trust Unit or reduce the fractional undivided interest in the Trust Assets represented by any Trust Unit without the consent of the holder of such Trust Unit and no amendment shall reduce the percentage of votes required to be cast at a meeting of the Trust Unitholders for the purpose of this Section 11.1 without the consent of the holders of all of the Trust Units then outstanding.

11.2 Notification of Amendment

As soon as shall be practicable after the making of any amendment pursuant to this Article 11, the Trustees shall furnish written notification of the substance of such amendment to each Trust Unitholder.

ARTICLE 12 MEETINGS OF TRUST UNITHOLDERS

12.1 Annual and Special Meetings of Trust Unitholders

Annual meetings of the Trust Unitholders shall be called by the Trustees not later than 15 months after holding the last preceding annual meeting of Trust Unitholders but no later than six months after the end of the Trust's preceding financial year, at a time and ~~at a place~~by such means (in person in Canada and/or by Virtual Meeting) set by the Trustees. Notwithstanding the ~~forgoing~~foregoing, the Trust may apply to the court for an order extending the time for calling an annual meeting. For the avoidance of doubt, any meeting of the Trust Unitholders called by the Trustees may be held entirely by Virtual Meeting and any vote may be held partially or entirely by means of a telephonic, electronic or other communication facility that the Trust has made available for that purpose. The business transacted at such meetings shall include the presentation of the audited financial statements of the Trust for the immediately preceding fiscal year, the appointment of the Trustees for the ensuing year in accordance with Article 8, the appointment of Auditors and the transaction of such other business as Trust Unitholders may be entitled to vote upon as hereinafter provided in this Article 12 or as the Trustees may determine.

Special meetings of the Trust Unitholders may be called at any time by the Trustees and, subject to Section 12.12 and the remainder of this Section 12.1, shall be called by the Trustees upon a written requisition of Trust Unitholders holding in the aggregate not less than 5% of the Trust Units then outstanding, such requisition specifying in reasonable detail the business proposed to be transacted at the meeting and being sent to each Trustee and the head office of the Trust. Upon receipt by the Trustees of a written requisition for a meeting from Trust Unitholders holding the requisite number of Trust Units as aforesaid, the Trustees shall call a special meeting of Trust Unitholders to transact the business referred to the requisition, unless:

- (a) a record date for a meeting of Trust Unitholders has been fixed and notice thereof has been given to each stock exchange in Canada on which the Trust Units are listed for trading;
- (b) the Trustees have called a meeting of Trust Unitholders and have given notice thereof pursuant to Section 12.2; or
- (c) in connection with the business as stated in the requisition:
 - (i) it clearly appears that the matter covered by the requisition is (A) submitted by a Trust Unitholder primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the Trust, the Trustees, the Trust Unitholders or other securityholders of the Trust; or (B) does not relate in a significant way to the business or affairs of the Trust;
 - (ii) the Trust, at the request of any of the Trust Unitholders who signed the requisition, included a matter covered by another requisition in an information circular relating to a meeting of Trust Unitholders held within two years preceding the receipt of the requisition and such Trust Unitholder failed to present the matter, in person or by proxy, at the meeting;
 - (iii) substantially the same matter covered by the requisition was submitted to Trust Unitholders in an information circular relating to a meeting of Trust Unitholders held within two years preceding the receipt of the requisition and the matter covered by the requisition was not approved at the meeting; or
 - (iv) the rights conferred by this Section 12.1 are being abused to secure publicity.

Subject to the foregoing, if the Trustees do not within 21 days after receiving the requisition call a meeting, any Trust Unitholder who signed the requisition may call the meeting as nearly as possible in the manner in which meetings are to be called pursuant to this Article 12.

Unless the Trust Unitholders otherwise resolve at a meeting called under this Section 12.1, the Trust shall reimburse the Trust Unitholders who signed the requisition the expenses reasonably incurred by them in requisitioning, calling and holding the meeting.

The Chair of any annual or special meeting shall be the Chair of the Trustees or any other individual specified by resolution of the Trustees or, in the absence of the foregoing, any individual appointed as Chair of the meeting by the Trust Unitholders present. The Trustees, the officers of the Trust, the Auditors and any other Person approved by the Trustees, the Chair of the meeting or by resolution passed by a majority of the votes cast by Trust Unitholders represented at the meeting may attend meetings of the Trust Unitholders.

12.2 Notice of Meetings

Notice of all meetings of Trust Unitholders shall be given by either (a) electronic delivery, or (b) if the Trust Unitholder has not indicated a preference for electronic delivery, unregistered mail, postage prepaid, addressed to each Trust Unitholder at his or her last address on the books of the Trust, mailed at least 21 days and not more than 50 days before the meeting. Such notice shall specify the time when, and the ~~place where~~manner (in person in Canada and/or by Virtual Meeting) in which, such meeting is to be held and shall specify the nature of the business to be transacted at such meeting in sufficient detail to permit a Trust Unitholder to form a reasoned judgement thereon, together with the text of any Special Resolution or any other resolution of the Trust Unitholders, at the time of mailing of the notice, proposed to be passed. The Chair at the meeting of Trust Unitholders may adjourn the meeting from time to time and from place to place. Any adjourned meeting, other than a meeting adjourned for lack of a quorum under subsection 12.6(b), may be held as adjourned without further notice. The accidental omission to give notice or the non-receipt of such notice by a Trust Unitholder shall not invalidate any resolution passed at any such meeting. Notwithstanding the foregoing, a meeting of Trust Unitholders may be held at any time without notice if all the Trust Unitholders are present or represented thereat or those not so present or represented have waived notice. Any Trust Unitholder (or a duly appointed proxy of a Trust Unitholder) may waive any notice required to be given under the provisions of this section, and such waiver, whether given before or after the meeting, shall cure any default in the giving of such notice.

12.3 Quorum

At any meeting of the Trust Unitholders, including any Virtual Meeting, subject as hereinafter provided, a quorum shall consist of two or more individuals present whether in person or by Virtual Meeting either holding personally or representing as proxies not less in aggregate than 25% of the vote attached to all outstanding Trust Units. In the event of such quorum not being ~~present at the appointed place~~met on the date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting, if called by request of Trust Unitholders, shall be terminated and, if otherwise called, shall stand adjourned to such day being not less than 14 days later and ~~to be held in~~ such ~~place~~manner (in person and/or by Virtual Meeting, and time as may be appointed by the Chair of the meeting. If at such adjourned meeting a quorum as above defined is not present, the Trust Unitholders ~~present in attendance, whether in person and/or by Virtual Meeting~~, either personally or by proxy, shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

12.4 Voting Rights of Trust Unitholders

Only Trust Unitholders of record shall be entitled to vote and each Trust Unit shall entitle the holder or holders of that Trust Unit to one vote on a poll vote at any meeting of Trust Unitholders. Every question submitted to a meeting, other than a Special Resolution, shall, unless a poll vote is demanded, be decided by a show of hands vote, on which every Person present and entitled to vote shall be entitled to one vote. At any meeting of Trust Unitholders, any holder of Trust Units entitled to vote thereat may ~~vote by proxy and a proxy~~appoint a proxyholder or one or more alternate proxyholders, who need not be ~~a~~-Trust ~~Unitholder~~,

~~provided that no~~ Unitholders to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy. The Chair of the meeting may, but need not, at the Chair's sole discretion make determination as to the acceptability of proxies deposited for use at the meeting. The Trustees may specify in the notice given pursuant to Section 12.2 a deadline not more than 48 hours (excluding Saturdays and holidays) before the meeting or any adjournment for the receipt of proxies to be used at the meeting. No proxy shall be voted at any meeting unless it shall have been received by the Transfer Agent for verification ~~at least 24 hours~~ prior to ~~the commencement of such meetings~~ such deadline; provided that the Chair of the meeting or the Chair of the Trustees may, but need not, at the Chair's sole discretion, waive or extend the deadline for the deposit of proxies and any such waiver made in good faith shall be final and conclusive. When any Trust Unit is held jointly by several Persons, any one of them may vote at any meeting (including any Virtual Meeting) in person, by Virtual Meeting (if provided) or by proxy in respect of such Trust Unit, but if more than one of them shall be ~~present at such meeting~~ in attendance, whether in person or by ~~proxy~~ Virtual Meeting, and such joint owners or their proxies so present disagree as to any vote to be cast, such vote ~~purporting to be executed by or on behalf of a~~ will be invalid with respect to any resolutions for which voting instructions received from the joint owners or their proxies are inconsistent. Unless otherwise determined by the Trustees, ~~no~~ Trust Unitholder ~~shall~~ will be ~~deemed valid unless challenged at or prior to its exercise~~ provided with access to materials containing proxy votes or instructions relating to a meeting of Trust Unitholders prior to such meeting taking place. Upon the request of a Trust Unitholder not earlier than one day following a meeting of Trust Unitholders, ~~and the burden of proving invalidity~~ Trust shall ~~rest on the challenger~~ provide such Trust Unitholder with access to the proxies deposited with the Trust in connection with such meeting.

12.5 Resolutions Binding the Trustees

Trust Unitholders shall be entitled to pass resolutions that will bind the Trust only with respect to the following matters:

- (a) the election or removal of a Trustee (or increasing the number of votes of Trust Unitholders required to remove a Trustee) as provided in Article 8;
- (b) the appointment or removal of Auditors as provided in Article 18;
- (c) the appointment of an inspector as provided in Section 12.12;
- (d) amendments of this Declaration of Trust as provided in Section 11.1;
- (e) the termination of the Trust as provided in Section 15.2;
- (f) the sale or other disposition of Chemtrade Common Shares or Chemtrade Notes, the sale of all or substantially all of the Trust Assets or the sale, lease or other disposition of all or substantially all of the assets of Chemtrade, taken as a whole, as provided in subsection 9.3(b);
- (g) the exercise of certain voting rights attached to the securities of Chemtrade held by the Trust as provided in subsection 9.3(a);

- (h) the dissolution of the Trust prior to the end of its term; and
- (i) any other matters which (i) expressly require the approval of the Trust Unitholders pursuant to this Declaration of Trust; or (ii) the Trustees determine to present to the Trust Unitholders for their approval or ratification notwithstanding that there is no express requirement for such approval or ratification hereunder.

Except with respect to the above matters set out in this Section 12.5, no action taken by the Trust Unitholders or any resolution of the Trust Unitholders at any meeting shall in any way bind the Trustees. Any action taken or resolution passed in respect of any matter at a meeting of Trust Unitholders shall be by Special Resolution, except (i) if the contrary is otherwise expressly provided under any specific provision of this Declaration of Trust, (ii) for the matters set out in subsections 12.5(a) and 12.5(b) above which matters may be dealt with by a resolution passed by a majority of the votes cast by Trust Unitholders represented at the meeting, and (iii) if the matter is one which the Trustees present to the Trust Unitholders for their approval or ratification notwithstanding that there is no express requirement for such approval or ratification hereunder, in which case any such action taken or resolution passed shall be by Special Resolution or by a majority of the votes cast by Trust Unitholders represented at the meeting, whichever the Trustees may deem appropriate.

12.6 Meaning of “Special Resolution”

- (a) The expression “Special Resolution” when used in this Declaration of Trust means, subject to Article 12, a resolution proposed to be passed as a special resolution at a meeting of Trust Unitholders (including an adjourned meeting) duly convened for that purpose (including any Virtual Meeting) and held in accordance with the provisions of this Article at which two or more individuals present in person either holding personally or representing as proxies not less in aggregate than 25% of the number of Trust Units then outstanding and passed by the affirmative votes of the holders of more than 66⅔% of the Trust Units represented at the meeting and voted on a poll upon such resolution.
- (b) Notwithstanding Section 12.3, if at any meeting at which a Special Resolution is proposed to be passed the holders of 25% of the aggregate number of Trust Units outstanding are not present in person, by Virtual Meeting (if provided) or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by or on the requisition of Trust Unitholders, shall be dissolved; but in any other case it shall stand adjourned to such date, being not less than 21 nor more than 60 days later and to be held in such ~~place~~manner (in person and/or Virtual Meeting, and time as may be appointed by the Chair of the meeting. Not less than 10 days prior notice shall be given of the time and ~~place of manner for holding~~ such adjourned meeting in the manner provided in Section 12.2. Such notice shall state that at the adjourned meeting the Trust Unitholders present in person, by Virtual Meeting (if provided) or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting, the Trust Unitholders present in person, by Virtual Meeting (if provided) or by proxy shall form a quorum and may transact the business for which the meeting

was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in subsection 12.6(a) shall be a Special Resolution within the meaning of this Declaration of Trust, notwithstanding that the holders of less than 25% of the aggregate number of Trust Units then outstanding are present in Person or by proxy at such adjourned meeting.

- (c) Votes on a Special Resolution shall always be given on a poll and no demand for a poll on a Special Resolution shall be necessary.

12.7 Meaning of “Outstanding”

Every Trust Unit issued, certified and delivered hereunder, whether issued in uncertificated or certificated form, shall be deemed to be outstanding until it shall be cancelled or delivered to the Trustees or Transfer Agent for cancellation, provided that when a new certificate has been issued in substitution for a Trust Unit Certificate which has been lost, stolen, mutilated or destroyed, only one of such Trust Unit Certificates shall be counted for the purposes of determining the number of Trust Units outstanding.

12.8 Voting Units Held by the Trust

- (a) If the Trust holds any Trust Units, the Trust shall not vote or permit those Trust Units to be voted unless:
 - (i) the Trust holds the Trust Units for the benefit of the beneficial owner;
 - (ii) the Trust, without delay following the filing or receipt by the Trust, as applicable, of the notice of the meeting, financial statements, management proxy circular, dissident’s proxy circular and any other documents (other than the form of proxy) sent to registered Trust Unitholders by or on behalf of any Person for use in connection with the applicable meeting, sends a copy of the document to the beneficial owner of the Trust Units and, except where the Trust has received written voting instructions from the beneficial owner of the Trust Units, a written request for such instructions; and
 - (iii) the Trust receives written voting instructions from the beneficial owner of the Trust Units,

in which case the Trust shall vote, or appoint a proxyholder to vote, any such Trust Units in accordance with any written voting instructions received from the beneficial owner thereof.

- (b) A Trust Unitholder by or on behalf of whom a solicitation is made shall provide, at the request of the Trust, without delay, to the Trust at the Trust Unitholder’s expense the necessary number of copies of the documents referred to in subsection (a), other than copies of the document requesting voting instructions.

- (c) If a beneficial owner of Trust Units held by the Trust so requests and provides the Trust with appropriate documentation, the Trust must appoint the beneficial owner or a nominee of the beneficial owner as proxyholder.
- (d) The Trust, the Trustees and the Trust Unitholders agree that the failure of the Trust to comply with this Section 12.8 does not render void any meeting of Trust Unitholders or any action taken at the meeting.
- (e) Nothing in this Section 12.8 gives the Trust the right to vote Trust Units that the Trust is otherwise prohibited from voting.
- (f) The Trust shall not permit any Chemtrade entity holding Trust Units to vote, or permit those Trust Units to be voted, unless such Chemtrade entity satisfies the requirements of subsection (a).

12.9 Record Date for Voting

For the purpose of determining the Trust Unitholders who are entitled to vote or act at any meeting or any adjournment thereof, the Trustees may fix a date not more than 60 days and not less than 21 days prior to the date of any meeting of Trust Unitholders as a record date for the determination of Trust Unitholders entitled to vote at such meeting or any adjournment thereof, and any Trust Unitholder who was a Trust Unitholder at the time so fixed shall be entitled to vote at such meeting or any adjournment thereof even though the Trust Unitholder has since that time disposed of his or her Trust Units, and no Trust Unitholder becoming such after that time shall be so entitled to vote at such meeting or any adjournment thereof. In the event that the Trustees do not fix a record date for any meeting of Trust Unitholders, the record date for such meeting shall be the date upon which notice of the meeting is given as provided under Section 12.2.

12.10 Trust Unitholder Proposals

- (a) Subject to subsections (b) and (c), a Trust Unitholder or beneficial owner of Trust Units may (i) submit notice to the Trust of any matter that the Person proposes to raise at an annual meeting of Trust Unitholders (a “Proposal”); and (ii) discuss at the meeting any matter with respect to which the Person would have been entitled to submit a Proposal.
- (b) To be eligible to submit a Proposal, a Person:
 - (i) must be, for at least the six-month period immediately before the day on which the Person submits the Proposal, the registered holder or the beneficial owner of (A) at least 1% of the total number of outstanding Trust Units, as of the day on which the Person submits a Proposal; or (B) Trust Units whose fair market value, as determined at the close of business on the day before the Person submits the Proposal, is at least \$2,000; or
 - (ii) must have the support of Persons who, in the aggregate, including or not including the Person that submits the Proposal, have been, for at least the

six-month period immediately before the day on which the Person submits the Proposal, the registered holders or beneficial owners of (A) at least 1% of the total number of outstanding Trust Units, as of the day on which the Person submits the Proposal; or (B) Trust Units whose fair market value, as determined at the close of business on the day before the Person submits the Proposal, is at least \$2,000.

- (c) A Proposal must be accompanied by the following information:
 - (i) the name and address of the Person submitting the Proposal and the Person's supporters, if applicable; and
 - (ii) the number of Trust Units held or owned by the Person submitting the Proposal and the Person's supporters, if applicable, and the date such Trust Units were acquired.
- (d) If requested by the Trust within 14 days of the receipt of the Proposal, a Person who submits a Proposal must provide proof, within 21 days following the day on which the Person receives the Trust's request, or if the request was mailed to the Person, within 21 days after the postmark date stamped on the envelope containing the request, that the Person meets the requirements set out in subsection (b).
- (e) The Trust shall set out the Proposal in its information circular delivered in connection with its annual meeting or attach the Proposal thereto.
- (f) If so requested by the Person who submits the Proposal, the Trust shall include in, or attach to, its information circular delivered in connection with its annual meeting, a statement in support of the Proposal by the Person and the name and address of the Person making the Proposal. The statement and Proposal so included must not exceed 500 words excluding the information required by subsection (c).
- (g) A Proposal may not include nominations for the election of Trustees and a Trust Unitholder shall not have the right to make nominations at the meeting, unless such nomination is made in accordance with the provisions of Section 8.3.
- (h) The Trust shall not be required to comply with subsections (e) and (f) if:
 - (i) the Proposal is submitted less than 90 days before the anniversary date of the notice of meeting that was sent to Trust Unitholders in connection with the Trust's previous annual meeting of Trust Unitholders;
 - (ii) it clearly appears that (A) the primary purpose of the Proposal is to enforce a personal claim or redress a personal grievance against the Trust, the Trustees, its officers, the Trust Unitholders or other securityholders of the Trust; or (B) the Proposal does not relate in a significant way to the business or affairs of the Trust;

- (iii) not more than two years preceding the receipt of such Proposal, the proposing Person failed to present, in person or by proxy, at a meeting of Trust Unitholders, a Proposal that, at the Person's request, had been included in an information circular relating to a meeting of the Trust Unitholders;
 - (iv) substantially the same proposal was submitted to Trust Unitholders in an information circular relating to a meeting of the Trust Unitholders held within five years preceding the receipt of the Proposal and the matter covered by the Proposal did not receive the required support at that meeting. For the purposes hereof, the required support for a Proposal is:
 - (A) 3% of the total number of Trust Units voted, if the Proposal has been introduced at only one annual meeting of Trust Unitholders;
 - (B) 6% of the total number of Trust Units voted at the last meeting at which the matter was submitted to Trust Unitholders, if the Proposal was introduced at two annual meetings of Trust Unitholders; and
 - (C) 10% of the total number of Trust Units voted at the last meeting at which the matter was submitted to Trust Unitholders, if the Proposal was introduced at three or more annual meetings of Trust Unitholders; or
 - (v) the rights conferred by this Section 12.10 are being abused to secure publicity.
- (i) If a Person who submits a Proposal fails to continue to hold or own the number of Trust Units referred to in subsection (b) up to and including the day of the meeting, the Trust is not required to set out in its information circular for such meeting, or attach to it, any proposal submitted by that Person for any meeting held within two years following the date of the meeting.
 - (j) Neither the Trust nor any Person acting on its behalf will incur any liability to Trust Unitholders or any other Person by reason only of circulating a Proposal or statement in compliance with this Section 12.10.
 - (k) If the Trust refuses to include a Proposal in its information circular, it shall, within 21 days of the later of receipt of the Proposal or proof of ownership under subsection (d), as the case may be, notify in writing the Person submitting the Proposal of its intention to omit the Proposal from the Trust's information circular and of the reasons for the refusal.
 - (l) On the application of a Person submitting a Proposal who claims to be aggrieved by the Trust's refusal under subsection (k), a court may restrain the holding of the meeting to which the Proposal is sought to be presented and make any further order it thinks fit.

- (m) The Trust or any Person claiming to be aggrieved by a Proposal may apply to a court for an order permitting the Trust to omit the Proposal from the information circular, and the Trustees, the Trust and the Trust Unitholders agree that the court, if it is satisfied that subsection (h) applies, may make such order as it thinks fit.

12.11 Place of Meetings

- (a) Annual meetings of Trust Unitholders and special meetings of Trust Unitholders may be held at any place in Canada and/or by Virtual Meeting.
- (b) The location of any annual meeting of Trust Unitholders or special meeting of Trust Unitholders held solely by Virtual Meeting shall be deemed to be the Trust's head office as determined by Section 2.3 hereunder.
- (c) The location of any annual meeting of Trust Unitholders or special meeting of Trust Unitholders held in part or simultaneously in person and also by Virtual Meeting shall be deemed to be held at the location of the in person meeting.
- (d) A Person who attends any meeting under this Article 12 is deemed to be present at such meeting and is also deemed to have consented to the location of the meeting except when he attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held.

12.12 ~~12.11~~ **Court Requisitioned Meetings**

- (a) A Trust Unitholder or a Trustee may apply to a court to order a meeting of the Trust Unitholders to be called, held and conducted in the manner that the court directs, if:
 - (i) it is impracticable to call the meeting within the time or in the manner in which those meetings are to be called pursuant to this Declaration of Trust;
 - (ii) it is impracticable to conduct the meeting in the manner required by this Declaration of Trust; or
 - (iii) the court thinks that the meeting should be called, held and conducted within the time or in the manner it directs for any other reason.
- (b) Without restricting the generality of subsection (a), the Trustees, the Trust and the Trust Unitholders agree that the court may order that the quorum required by this Declaration of Trust be varied or dispensed with at a meeting called pursuant to this Section 12.11.
- (c) A meeting called, held and conducted pursuant to this Section 12.11 is for all purposes a meeting of Trust Unitholders duly called, held and conducted.

12.13 ~~12.12~~ Appointment of Inspector

The Trustees shall call a meeting of Trust Unitholders upon the written request of Trust Unitholders holding in the aggregate not less than 25% of the Trust Units then outstanding for the purpose of considering the appointment of an inspector to investigate the performance by the Trustees of their responsibilities and duties in respect of the Trust. An inspector may be appointed for such purpose, at the expense of the Trust, at such meeting by a resolution approved by a majority of the votes cast at the meeting.

12.14 ~~12.13~~ Resolutions in Writing

Notwithstanding any other provision of this Declaration of Trust, a resolution in writing executed by Trust Unitholders holding more than 66 $\frac{2}{3}$ % of the outstanding Trust Units at any time shall be as valid and binding for all purposes of this Declaration of Trust as if such Trust Unitholders had exercised at that time all of the voting rights to which they were then entitled under Section 12.5 or 12.6 in favour of such resolution at a meeting of Trust Unitholders duly called for the purpose.

**ARTICLE 13
CERTIFICATES, REGISTRATION AND TRANSFER OF TRUST UNITS**

13.1 Nature of Trust Units

- (a) The provisions of this Article 13 shall not in any way alter the nature of Trust Units or the relationships of a Trust Unitholder to the Trustees and of one Trust Unitholder to another but are intended only to facilitate the issuance of certificates evidencing the ownership of Trust Units if desirable to issue them to Trust Unitholders and the recording of all transactions in respect of Trust Units and Trust Unit Certificates whether by the Trust, securities dealers, stock exchanges, transfer agents, registrars or other Persons. The Trust Units may be issued in the form of the Trust Unit Certificate. Trust Units or a Global Trust Unit Certificate (a "Global Trust Unit Certificate") representing Trust Units may be issued in the name of and deposited by the Transfer Agent with, or on behalf of, CDS or a successor (collectively, the "Depository"), as custodian of such Global Trust Unit Certificate and registered by the Transfer Agent in the name of the Depository or its nominee, in the Book-Entry System. No purchaser of Trust Units represented by a Global Trust Unit Certificate will be entitled to a certificate or other instrument from the Trust or the Depository evidencing that purchaser's ownership thereof except in the circumstances where the Depository resigns or is removed from its responsibilities as depository and the Trustee is unable or does not wish to locate a qualified successor. Beneficial interests in a Global Trust Unit Certificate will be represented only through the Book-Entry System. Transfers of Trust Units between CDS Participants shall occur in accordance with the Depository's rules and procedures.
- (b) All references herein to actions by, notices given or payments made to Trust Unitholders shall, where such Trust Units are held through the Depository, refer to actions taken by, or notices given or payments made to, the Depository upon

instruction from the CDS Participants in accordance with the Depository's rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Trust Unitholders evidencing a specified percentage of the aggregate Trust Units outstanding, such direction or consent may be given by Trust Unitholders acting through the Depository and the CDS Participants owning Trust Units evidencing the requisite percentage of the Trust Units. The rights of a Trust Unitholder whose Trust Units are held through the Depository shall be exercised only through the Depository and the CDS Participants and shall be limited to those established by law and agreements between such Trust Unitholders and the Depository and/or the CDS Participants or upon instruction from the CDS Participants. Each of the Transfer Agent and the Trustee may deal with the Depository for all purposes (including the making of payments) as the authorized representative of the respective Trust Unitholders and such dealing with the Depository shall constitute satisfaction or performance, as applicable, towards their respective obligations hereunder.

- (c) For so long as Trust Units are held through the Depository, if any notice or other communication is required to be given to Trust Unitholders, the Trustees and the Transfer Agent will give all such notices and communications to the Depository.
- (d) If the Depository resigns or is removed from its responsibilities as depository and the Trustee is unable or does not wish to locate a qualified successor, the Depository shall surrender the Trust Units registered in its name to the Transfer Agent with instructions from the Depository for registration of Trust Units in the name and in the amounts specified by the Depository and the Trust shall issue and the Trustee and Transfer Agent shall execute and deliver the aggregate number of Trust Units then outstanding in the form of definitive Trust Unit Certificates representing such Trust Units.

13.2 Trust Unit Certificates

- (a) Trust Unit Certificates, if issued, shall, subject to the provisions hereof, be in such form as is authorized from time to time by the Trustees.
- (b) If issued, Trust Unit Certificates are issuable only in fully registered form.
- (c) The definitive form of the Trust Unit Certificates shall:
 - (i) be in the English language;
 - (ii) be dated as of the date of issue thereof;
 - (iii) contain the CUSIP number for the Trust Units; and
 - (iv) contain such distinguishing letters and numbers as the Trustees shall prescribe.
- (d) In the event that the Trust Unit Certificate is translated into the French language and any provision of the Trust Unit Certificates in the French language shall be

susceptible of an interpretation different from the equivalent provision in the English language, the interpretation of such provision in the English language shall be determinative.

- (e) Each Trust Unit Certificate shall be signed on behalf of the Trustees and the Transfer Agent of such Trust Units. The signature of the Trustees required to appear on such certificate may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid as if they had been signed manually.

13.3 Contents of Trust Unit Certificates

- (a) Until otherwise determined by the Trustees, each Trust Unit Certificate shall legibly set forth on the face thereof, inter alia, the following:
 - (i) the name of the Trust and the words “A trust created under the laws of the Province of Ontario by a Declaration of Trust dated as of the 17th day of May, 2001” or words of like effect;
 - (ii) the name of the Person to whom the Trust Unit Certificate is issued as Trust Unitholder;
 - (iii) the number of Trust Units represented thereby and whether or not the Trust Units represented thereby are fully paid;
 - (iv) that the Trust Units represented thereby are transferable;
 - (v) “The Trust Units represented by this certificate are issued upon the terms and subject to the conditions of the Declaration of Trust, which Declaration of Trust is binding upon all holders of Trust Units and, by acceptance of this certificate, the holder assents to the terms and conditions of the Declaration of Trust. A copy of the Declaration of Trust pursuant to which this certificate and the Trust Units represented thereby are issued may be obtained by a Trust Unitholder on demand and without fee from the head office of the Trust” or words of like effect; and
 - (vi) “For information as to personal liability of a Trust Unitholder, see the reverse side of this certificate” or words of like effect.
- (b) Until otherwise determined by the Trustees, each such certificate shall legibly set forth on the face or the reverse side thereof, inter alia, the following:
 - (i) “The Declaration of Trust provides that no Trust Unitholder shall be subject to any personal liability whatsoever, in tort, contract or otherwise, to any Person in connection with the assets of the Trust or the obligations or the affairs of the Trust and all such Persons shall look solely to the assets of the Trust for satisfaction of claims of any nature arising out of or

in connection therewith and the assets of the Trust only shall be subject to levy or execution”, or words of like effect; and

- (ii) appropriate forms of notice of exercise of the right of redemption and of powers of attorney for transferring Trust Units.

The Trust Unit Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Trustees may determine.

13.4 Register of Trust Unitholders

A register shall be kept at the principal stock transfer office in Toronto, Ontario of the Transfer Agent, which register shall contain the names and addresses of the Trust Unitholders, the respective numbers of Trust Units held by them, the certificate numbers of Trust Unit Certificates representing such Trust Units, if any, and a record of all transfers and redemptions thereof. Branch transfer registers shall be maintained at such other offices of the Transfer Agent as the Trustees may from time to time designate. Only Trust Unitholders whose certificates are so recorded shall be entitled to receive distributions or to exercise or enjoy the rights of Trust Unitholders hereunder. The Trustees shall have the right to treat the Person registered as a Trust Unitholder on the register of the Trust as the owner of such Trust Units for all purposes, including, without limitation, payment of any distribution, giving notice to Trust Unitholders and determining the right to attend and vote at meetings of Trust Unitholders.

13.5 Limitation of Non-Resident Ownership

At no time may non-residents of Canada within the meaning of the Tax Act (“Non-residents”) be the beneficial owners of more than 50% of the Trust Units. For purposes of determining the percentage of Trust Units that are held by Non-residents, where any securities have been issued that are exchangeable or convertible into or for Trust Units, any such exchangeable or convertible securities that are held by Non-residents shall be deemed to have been exchanged or converted into the number of Trust Units into which or for which they are exchangeable or convertible and such Trust Units shall be deemed to be held by Non-residents. The Trustees may require declarations as to the jurisdictions in which beneficial owners of Trust Units are resident. If the Trustees become aware that the beneficial owners of 49% of the Trust Units then outstanding are, or may be, Non-residents or that such a situation is imminent, the Transfer Agent or registrar shall make a public announcement thereof and shall not accept a subscription for Trust Units from or issue or register a transfer of Trust Units to a Person unless the Person provides a declaration in form and content satisfactory to the Trustees that the Person is not a Non-resident. If notwithstanding the foregoing, the Trustees determine that a majority of the Trust Units are held by Non-residents, the Trustees may send a notice to Non-resident holders of Trust Units, chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Trust Units or a portion thereof within a specified period of not less than 60 days. If the Trust Unitholders receiving such notice have not sold the specified number of Trust Units or provided the Trustees with satisfactory evidence that they are not Non-residents within such period, the Trustees may on behalf of such Trust Unitholders sell such Trust Units and, in the interim, shall suspend the voting and distribution rights attached to such Trust Units. Upon such sale the affected holders shall cease to be holders of Trust Units and their rights shall be limited to

receiving the net proceeds of sale upon surrender of the certificates representing such Trust Units. Subject to Section 9.5, unless and until the Trustees shall have been required to do so under the terms hereof, the Trustees shall not be bound to do or take any proceeding or action with respect to this Section 13.5 by virtue of the powers conferred on it hereby. The Trustees shall not be deemed to have notice of any violation of this Section 13.5 unless and until they have been given written notice of such violation and shall act only as required by this Declaration of Trust once an indemnity is provided. The Trustees shall not be required to actively monitor the foreign holdings of the Trust. It is acknowledged that the Trustees cannot monitor the Non-resident holders of the Trust Units given that the Trust Units are registered in the name of CDS. The Trustees shall not be liable for any violation of the Non-resident ownership restriction which may occur during the term of the Trust.

13.6 Transfer of Trust Units

- (a) Subject to the provisions of this Article 13, the Trust Units shall be fully transferable without charge as between Persons, but no transfer of Trust Units shall be effective as against the Trustees or shall be in any way binding upon the Trustees until the transfer has been recorded on the register or one of the branch transfer registers maintained by the Trustees, the Trust or the Transfer Agent. No transfer of a Trust Unit shall be recognized unless such transfer is of a whole Trust Unit.
- (b) Subject to the provisions of this Article 13, Trust Units shall be transferable on the register or one of the branch transfer registers only by the Trust Unitholders of record thereof or their executors, administrators or other legal representatives or by their agents or attorneys duly authorized in writing, and only upon delivery to the Trust or to the Transfer Agent of the certificate therefor, properly endorsed or accompanied by a duly executed instrument of transfer or power of attorney and accompanied by all necessary transfer or other taxes imposed by law, together with such evidence of the genuineness of such endorsement, execution and authorization and other matters that may reasonably be required by the Trustees or the Transfer Agent. Upon such delivery the transfer shall be recorded on the register or branch transfer registers and a new certificate for the Trust Units shall be issued to the transferee and a new certificate for the balance of Trust Units not transferred shall be issued to the transferor.
- (c) Any Person becoming entitled to any Trust Units as a consequence of the death, bankruptcy or mental incompetence of any Trust Unitholder, or otherwise by operation of law, shall be recorded as the holder of such Trust Units and shall receive a new certificate therefor only upon production of evidence satisfactory to the Trustees or the Transfer Agent and delivery of the existing certificate to the Trustees or the Transfer Agent, but until such record is made the Trust Unitholder of record shall continue to be and be deemed to be the holder of such Trust Units for all purposes whether or not the Trustees or the Transfer Agent shall have actual or other notice of such death or other event.
- (d) Trust Unit Certificates representing any number of Trust Units may be exchanged without charge for Trust Unit Certificates representing an equivalent number of

Trust Units in the aggregate. Any exchange of Trust Unit Certificates may be made at the offices of the Trust or the Transfer Agent where registers are maintained for Trust Unit Certificates pursuant to the provisions of this Article 13. Any Trust Unit Certificates tendered for exchange shall be surrendered to the Trustees or appropriate Transfer Agent and then shall be cancelled.

13.7 Trust Units Held Jointly or in a Fiduciary Capacity

Except as herein provided, the Trustees may treat two or more Persons holding any Trust Units as joint owners of the entire interest therein unless their ownership is expressly otherwise recorded on the register of the Trust, but no entry shall be made in the register or on any certificate that any Person is in any other manner entitled to any future, limited or contingent interest in any Trust Units; provided, however, that any Person recorded as a Trust Unitholder may, subject to the provisions hereinafter contained, be described in the register or on any certificate as a fiduciary of any kind and any customary words may be added to the description of the holder to identify the nature of such fiduciary relationship.

13.8 Performance of Trust

The Trustees and the Transfer Agent shall not be bound to be responsible for or otherwise inquire into or ensure the performance of any trust, express, implied or constructive, or of any pledge or equity to which any of the Trust Units or any interest therein are or may be subject, or to ascertain or enquire whether any transfer of any such Trust Units or interests therein by any such Trust Unitholder or by his or her personal representatives is authorized by such trust, pledge, or equity, or to recognize any Person as having any interest therein except for the Person recorded as Trust Unitholder.

13.9 Lost Certificates

In the event that any certificate for Trust Units is lost, stolen, destroyed or mutilated, the Trustees may authorize the issuance of a new certificate for the same number of Trust Units in lieu thereof. The Trustees may in their sole discretion, before the issuance of such new certificate, require the owner of the lost, stolen, destroyed or mutilated certificate, or the legal representative of the owner, to make an affidavit or statutory declaration setting forth such facts as to the loss, theft, destruction or mutilation as the Trustees may deem necessary, to surrender any mutilated certificate and shall require the applicant to supply to the Trust a "lost certificate bond" or a similar bond in such reasonable sum as the Trustees or the Transfer Agent may direct indemnifying the Trust for so doing.

13.10 Death of a Trust Unitholder

The death of a Trust Unitholder during the continuance of the Trust shall not terminate the Trust or any of the mutual or respective rights and obligations created by or arising under this Declaration of Trust nor give such Trust Unitholder's personal representatives a right to an accounting or take any action in court or otherwise against other Trust Unitholders or the Trustees or the Trust Assets, but shall merely entitle the personal representatives of the deceased Trust Unitholder to demand and receive, pursuant to the provisions hereof, a new certificate for Trust Units in place of the certificate held by the deceased Trust Unitholder, if any, and upon the

acceptance thereof such personal representatives shall succeed to all rights of the deceased Trust Unitholder under this Declaration of Trust.

13.11 Unclaimed Distribution

In the event that the Trustees shall hold any distributable amount which is unclaimed or which cannot be paid for any reason, the Trustees shall be under no obligation to invest or reinvest the same but shall only be obliged to hold the same in a current interest bearing account pending payment to the Person or Persons entitled thereto. The Trustees shall, as and when required by law, and may at any time prior to such required time, pay all or part of such distributable amount so held to the Public Guardian and Trustees (or other appropriate government official or agency) whose receipt shall be a good discharge and release of the Trustees.

13.12 Offer for Trust Units

- (a) In this Section 13.12:
 - (i) “Dissenting Unitholder” means a Trust Unitholder who does not accept an Offer referred to in subsection 13.12(c) and includes any assignee of the Trust Unit of a Trust Unitholder to whom such an Offer is made, whether or not such assignee is recognized under this Declaration of Trust;
 - (ii) “Offer” means an offer to acquire outstanding Trust Units where, as of the date of the offer to acquire, the Trust Units that are subject to the offer to acquire, together with the Offeror's Trust Units, constitute in the aggregate 20% or more of all outstanding Trust Units;
 - (iii) “offer to acquire” includes an acceptance of an offer to sell;
 - (iv) “Offeror” means a Person, or two or more Persons acting jointly or in concert, who make an Offer;
 - (v) “Offeror's Notice” means the notice described in subsection 13.12(c); and
 - (vi) “Offeror's Trust Units” means Trust Units beneficially owned, or over which control or direction is exercised, on the date of an Offer by the Offeror, any Affiliate or Associate of the Offeror or any Person or company acting jointly or in concert with the Offeror.
- (b) If an Offer for all of the outstanding Trust Units (other than Trust Units held by or on behalf of the Offeror or an Affiliate or Associate of the Offeror) is made and, by such Offer, the Offeror agrees to be bound by the provisions of this Article 13, and:
 - (i) within the time provided in the Offer for its acceptance or within 45 days after the date the Offer is made, whichever period is the shorter, the Offer is accepted by Trust Unitholders representing at least 90% of the outstanding Trust Units, other than the Offeror's Trust Units;

- (ii) the Offeror is bound to take up and pay for, or has taken up and paid for the Trust Units of the Trust Unitholders who accepted the Offer; and
- (iii) the Offeror complies with subsections 13.12(c) and 13.12(e);

the Offeror is entitled to acquire, and the Dissenting Unitholders are required to sell to the Offeror, the Trust Units held by the Dissenting Unitholders for the same consideration per Trust Unit payable or paid, as the case may be, under the Offer.

- (c) Where an Offeror is entitled to acquire Trust Units held by a Dissenting Unitholder pursuant to subsection 13.12(b), and the Offeror wishes to exercise such right, the Offeror shall send by registered mail within 30 days after the date of termination of the Offer a notice (the "Offeror's Notice") to each Dissenting Unitholder stating that:
 - (i) Trust Unitholders holding at least 90% of the Trust Units of all Trust Unitholders, other than Offeror's Trust Units, have accepted the Offer;
 - (ii) the Offeror is bound to take up and pay for, or has taken up and paid for, the Trust Units of the Trust Unitholders who accepted the Offer;
 - (iii) Dissenting Unitholders must transfer their respective Trust Units to the Offeror on the terms on which the Offeror acquired the Trust Units of the Trust Unitholders who accepted the Offer within 21 days after the date of the sending of the Offeror's Notice; and
 - (iv) Dissenting Unitholders must send their respective Trust Unit Certificate(s) to the Trust within 21 days after the date of the sending of the Offeror's Notice.
- (d) A Dissenting Unitholder to whom an Offeror's Notice is sent pursuant to subsection 13.12(c), shall, within 21 days after the sending of the Offeror's Notice, send his or her Trust Unit Certificate(s) to the Trust, duly endorsed for transfer, if a Trust Unit Certificate has been provided.
- (e) Within 21 days after the Offeror sends an Offeror's Notice pursuant to subsection 13.12(c) the Offeror shall pay or transfer to the Trustees, or to such other Person as the Trustees may direct, the cash or other consideration that is payable to Dissenting Unitholders pursuant to subsection 13.12(b).
- (f) The Trustees, or the Person directed by the Trustees, shall hold in trust for the Dissenting Unitholders the cash or other consideration it receives under subsection 13.12(e), but such cash or other consideration shall not form any part of the Trust Assets. The Trustees, or such Persons, shall deposit cash in a separate account in a Canadian chartered bank, and shall place other consideration in the custody of a Canadian chartered bank or similar institution for safekeeping.

- (g) Within 30 days after the date of the sending of an Offeror's Notice pursuant to subsection 13.12(c), the Trustees, if the Offeror has complied with subsection 13.12(e), shall:
- (i) do all acts and things and execute and cause to be executed all instruments as in the Trustee's opinion may be necessary or desirable to cause the transfer of the Trust Units of the Dissenting Unitholders to the Offeror;
 - (ii) send to each Dissenting Unitholder who has complied with subsection 13.12(d) the consideration to which such Dissenting Unitholder is entitled under this Section 13.12; and
 - (iii) send to each Dissenting Unitholder who has not complied with subsection 13.12(d) a notice stating that:
 - (A) his or her Trust Units have been transferred to the Offeror;
 - (B) the Trustees or some other Person designated in such notice are holding in trust the consideration for such Trust Units; and
 - (C) the Trustees, or such other Person, will send the consideration to such Dissenting Unitholder as soon as practicable after receiving such Dissenting Unitholders Trust Unit Certificate(s) or such other documents as the Trustees or such other Person may require in lieu thereof,
- and the Trustee is hereby appointed the agent and attorney of the Dissenting Unitholders for the purposes of giving effect to the foregoing provisions.
- (h) Subject to applicable law, an Offeror cannot make an Offer for Trust Units unless, concurrent with the communication of the Offer to any Trust Unitholder, a copy of the Offer is provided to the Trust.

ARTICLE 14 TRUST UNITHOLDER REMEDIES

14.1 Dissent and Appraisal Rights

- (a) Subject to subsection 14.2(e), a Trust Unitholder who complies with this Section 14.1 may dissent if the Trust resolves to:
- (i) sell or otherwise dispose of Chemtrade Common Shares or Chemtrade Notes, sell all or substantially all of the Trust Assets or sell, lease or otherwise dispose of all or substantially all of the assets of Chemtrade, taken as a whole, where approval of the Trust Unitholders by Special Resolution is required as provided in subsection 9.3(b);
 - (ii) carry out a Going-Private Transaction; or

- (iii) amend this Declaration of Trust to (A) add, change or remove any provision restricting or constraining the issue, transfer or ownership of Trust Units; (B) add, change or remove any restriction on the business that the Trust may carry on; (C) add, change or remove the rights, privileges, restrictions or conditions attached to the Trust Units of the class held by the dissenting Trust Unitholder; (D) increase the rights or privileges of any class of Trust Units having rights or privileges equal or superior to the class of Trust Units held by the dissenting Trust Unitholder; (E) create a new class of Trust Units equal to or superior to the Trust Units of the class held by the dissenting Trust Unitholder; (F) make any class of Trust Units having rights or privileges inferior to the class of Trust Units held by the dissenting Trust Unitholder superior to that class; or (G) effect an exchange or create a right of exchange in all or part of a class of Trust Units into the class of Trust Units held by the dissenting Trust Unitholder.
- (b) In addition to any other right the Trust Unitholder may have, a Trust Unitholder who complies with this Section 14.1 is entitled, when the action approved by the resolution from which the Trust Unitholder dissents becomes effective, to be paid by the Trust the fair value of the Trust Units held by the Trust Unitholder in respect of which the Trust Unitholder dissents, determined as of the close of business on the day before the resolution was adopted.
- (c) A dissenting Trust Unitholder may only claim under this Section 14.1 with respect to all the Trust Units held by the dissenting Trust Unitholder on behalf of any one beneficial owner and registered in the name of the dissenting Trust Unitholder.
- (d) A dissenting Trust Unitholder shall send to the Trust, at or before any meeting of Trust Unitholders at which a resolution referred to in subsection (a) is to be voted on, a written objection to the resolution, unless the Trust did not give notice to the Trust Unitholder of the purpose of the meeting and of the Trust Unitholder's right to dissent.
- (e) The Trust shall, within ten days after the Trust Unitholders adopt the resolution, send to each Trust Unitholder who has filed the objection referred to in subsection (d) notice that the resolution has been adopted, but such notice is not required to be sent to any Trust Unitholder who voted for the resolution or who has withdrawn its objection.
- (f) A dissenting Trust Unitholder shall, within 20 days after receiving a notice under subsection (e) or, if the Trust Unitholder does not receive such notice, within 20 days after learning that the resolution has been adopted, send to the Trust a written notice containing:

- (i) the Trust Unitholder's name and address;
 - (ii) the number of Trust Units (and class and series, if applicable) in respect of which the Trust Unitholder dissents; and
 - (iii) a demand for payment of the fair value of such Trust Units.
- (g) A dissenting Trust Unitholder shall, within 30 days after the sending of a notice under subsection (f), send the Trust Unit Certificates representing the Trust Units in respect of which the Trust Unitholder dissents to the Trust or the Transfer Agent.
- (h) A dissenting Trust Unitholder who fails to comply with subsection (g) has no right to make a claim under this Section 14.1.
- (i) The Trust or the Transfer Agent shall endorse on any Trust Unit Certificate received under subsection (g) a notice that the holder is a dissenting Trust Unitholder under this Section 14.1 and shall return forthwith the Trust Unit Certificates to the dissenting Trust Unitholder.
- (j) On sending a notice under subsection (f), a dissenting Trust Unitholder ceases to have any rights as a Trust Unitholder other than the right to be paid the fair value of its Trust Units as determined under this Section 14.1 except where:
- (i) the Trust Unitholder withdraws that notice before the Trust makes an offer under subsection (k);
 - (ii) the Trust fails to make an offer in accordance with subsection (k) and the dissenting Trust Unitholder withdraws the notice; or
 - (iii) the Trustees revoke the resolution which gave rise to the dissent rights under this Section 14.1, and to the extent applicable, terminate the related agreements or abandon a sale, lease or exchange to which the resolution relates,
- in which case the Trust Unitholder's rights are reinstated as of the date the notice under subsection (f) was sent.
- (k) The Trust shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the Trust received the notice referred to in subsection (f), send to each dissenting Trust Unitholder who has sent such notice a written offer to pay for the dissenting Trust Unitholder's Trust Units in an amount considered by the Trustees to be the fair value, accompanied by a statement showing how the fair value was determined.
- (l) Every offer made under subsection (k) for Trust Units of the same class or series shall be on the same terms.

- (m) The Trust shall pay for the Trust Units of a dissenting Trust Unitholder within ten days after an offer made under subsection (k) has been accepted, but any such offer lapses if the Trust does not receive an acceptance thereof within 30 days after the offer has been made.
- (n) Where the Trust fails to make an offer under subsection (k), or if a dissenting Trust Unitholder fails to accept an offer, the Trust may, within 50 days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the Trust Units of any dissenting Trust Unitholder.
- (o) If the Trust fails to apply to a court under subsection (n), a dissenting Trust Unitholder may apply to a court for the same purpose within a further period of 20 days or within such further period as a court may allow.
- (p) The court where an application under subsection (n) or (o) may be made is a court having jurisdiction in the place where the Trust has its head office.
- (q) A dissenting Trust Unitholder is not required to give security for costs in an application made under subsection (n) or (o).
- (r) On an application under subsection (n) or (o):
 - (i) all dissenting Trust Unitholders whose Trust Units have not been purchased by the Trust shall be joined as parties and bound by the decision of the court; and
 - (ii) the Trust shall notify each affected dissenting Trust Unitholder of the date, place and consequences of the application and of the dissenting Trust Unitholder's right to appear and be heard in person or by counsel.
- (s) On an application to a court under subsection (n) or (o), the court may determine whether any other Person is a dissenting Trust Unitholder who should be joined as a party, and the court shall fix a fair value for the Trust Units of all dissenting Trust Unitholders.
- (t) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the Trust Units of the dissenting Trust Unitholders.
- (u) The final order of a court in the proceedings commenced by an application under subsection (n) or (o) shall be rendered against the Trust in favour of each dissenting Trust Unitholder and for the amount of the Trust Units as fixed by the court.
- (v) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting Trust Unitholder from the date the action approved by the resolution is effective until the date of payment.

- (w) If subsection (y) applies, the Trust shall, within ten days after the pronouncement of an order under subsection (u), notify each dissenting Trust Unitholder that it is unable lawfully to pay dissenting Trust Unitholders for their Trust Units.
- (x) If subsection (y) applies, a dissenting Trust Unitholder, by written notice delivered to the Trust within 30 days after receiving a notice under subsection (w), may:
 - (i) withdraw its notice of dissent, in which case the Trust is deemed to consent to the withdrawal and the Trust Unitholder is reinstated to their full rights as a Trust Unitholder; or
 - (ii) retain a status as a claimant against the Trust, to be paid as soon as the Trust is able to do so hereunder or, in a liquidation, to be ranked subordinate to the rights of creditors of the Trust but in priority to its Trust Unitholders.
- (y) A Trust shall not make a payment to a dissenting Trust Unitholder under this Section 14.1 if there are reasonable grounds for believing that:
 - (i) the Trust is or would after the payment be unable to pay its liabilities as they become due; or
 - (ii) the realizable value of the assets of the Trust would thereby be less than the aggregate of its liabilities.

14.2 Oppression Remedy

- (a) Any Complainant may apply to a court for remedy under this Section 14.2.
- (b) If, on application, the court is satisfied that in respect of the Trust:
 - (i) any act or omission of the Trust or Chemtrade effects a result,
 - (ii) the business or affairs of the Trust or Chemtrade are or have been carried on or conducted in a manner, or
 - (iii) the power of the Trustees are or have been exercised in a manner,that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any Trust Unitholder, securityholder, creditor, Trustee or officer, the court may make an order to rectify the matters complained of by the Complainant.
- (c) In connection with an application by a Complainant under subsection (a) and without limiting subsection (b), a court may make any interim or final order it thinks fit including, without limiting the generality of the foregoing,

- (i) an order restraining the conduct complained of;
 - (ii) an order appointing a receiver or receiver-manager;
 - (iii) an order to regulate the Trust's affairs or those of Chemtrade by amending this Declaration of Trust or the constating documents of Chemtrade;
 - (iv) an order directing an issue or exchange of securities;
 - (v) an order appointing Trustees or directors of Chemtrade in place of or in addition to all or any of the Trustees or directors then in office;
 - (vi) an order directing the Trust or any other Person to purchase securities of a holder of securities;
 - (vii) an order directing the Trust or any other Person to pay a securityholder any part of the monies that the securityholder paid for securities;
 - (viii) an order varying or setting aside a transaction or contract to which the Trust or Chemtrade is a party and compensating the Trust or Chemtrade or any other party to the transaction or contract;
 - (ix) an order requiring the Trust or Chemtrade, within a time specified by the court, to produce to the court or an interested Person financial statements or an accounting in such form as the court may determine;
 - (x) an order compensating an aggrieved Person;
 - (xi) an order directing rectification of the registers or other records of the Trust or Chemtrade;
 - (xii) an order directing an investigation to be made; and
 - (xiii) an order requiring the trial of any issue.
- (d) If an order made under this Section 14.2 directs an amendment of this Declaration of Trust or to the constating documents of Chemtrade, then:
- (i) the Trustees shall request the Trust, Chemtrade and all directors, Trustees, officers and other persons responsible for management to take all steps necessary to carry out that direction; and
 - (ii) no other amendment to this Declaration of Trust or such constating documents shall be made without the consent of the court, until a court otherwise orders.
- (e) A Trust Unitholder is not entitled to dissent under this Declaration of Trust or other applicable law if an amendment to the Declaration of Trust or such constating documents is effected under this Section 14.2.

- (f) A Complainant may apply in the alternative for an order to wind up the Trust or liquidate and dissolve Chemtrade and a court may so order if the court is satisfied that it is just and equitable that such winding up, liquidation or dissolution occur.

14.3 Derivative Action

- (a) Subject to subsection (b), the Trust, the Trustees and each Chemtrade entity agree to permit a Complainant to apply to a court for leave to bring an action in the name and on behalf of: (i) the Trustees on behalf of the Trust, or (ii) any Chemtrade entity, or to intervene in an action to which any such body corporate, trust or other entity is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of the Trustees on behalf of the Trust or such Chemtrade entity, as applicable.
- (b) No action may be brought and no intervention in an action may be made under subsection (a) unless the court is satisfied that:
 - (i) the Complainant has given notice to the Trustees or the directors, trustees or persons in a similar capacity of the applicable Chemtrade entity (the "Directors"), as applicable, of the Complainant's intention to apply to the court under subsection (a) not less than 14 days before bringing the application, or as otherwise ordered by the court, if the Trustees or Directors, as applicable, do not bring, diligently prosecute or defend or discontinue the action;
 - (ii) the Complainant is acting in good faith; and
 - (iii) it appears to be in the interests of the Trust or Chemtrade, as applicable, that the action be brought, prosecuted, defended or discontinued.
- (c) In connection with an action brought or intervened in under subsections (a) and (b), the court may at any time make any order it thinks fit including, without limiting the generality of the foregoing,
 - (i) an order authorizing the Complainant or any other Person to control the conduct of the action;
 - (ii) an order giving directions for the conduct of the action;
 - (iii) an order directing that any amount adjudged payable by a defendant in the action shall be paid, in whole or in part, directly to former and present securityholders of the Trust or Chemtrade instead of to the Trust or Chemtrade; and
 - (iv) an order requiring the Trust or Chemtrade to pay reasonable legal fees incurred by the Complainant in connection with the action.

ARTICLE 15 TERMINATION

15.1 Term of Trust

Subject to the other provisions of this Declaration of Trust, the Trust shall continue for a term ending 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on May 17, 2001. For the purpose of terminating the Trust by such date, the Trustees shall commence to wind-up the affairs of the Trust on such date as may be determined by the Trustees, being not more than two years prior to the end of the term of the Trust.

15.2 Termination with the Approval of Trust Unitholders

The Trust Unitholders may vote by Special Resolution to terminate the Trust at any meeting of Trust Unitholders duly called by the Trustees for the purpose of considering termination of the Trust, following which the Trustees shall commence to wind up the affairs of the Trust. Such Special Resolution may contain such directions to the Trustees as the Trust Unitholders determine, including a direction to distribute Chemtrade Common Shares and Chemtrade Notes and any other Trust Assets, in specie.

15.3 Procedure Upon Termination

Forthwith upon being required to commence to wind up the affairs of the Trust, the Trustees shall give notice thereof to the Trust Unitholders, which notice shall designate the time or times at which Trust Unitholders may surrender their Trust Units for cancellation and the date at which the registers of Trust Units of the Trust shall be closed.

15.4 Powers of the Trustees Upon Termination

After the date on which the Trustees are required to commence to wind up the affairs of the Trust, the Trustees shall undertake no activities except for the purpose of winding-up the affairs of the Trust as hereinafter provided and, for this purpose, the Trustees shall continue to be vested with and may exercise all or any of the powers conferred upon the Trustees under this Declaration of Trust.

15.5 Sale of Investments

After the date referred to in Section 15.3, the Trustees shall proceed to wind up the affairs of the Trust as soon as may be reasonably practicable and for such purpose shall, subject to any direction to the contrary in respect of a termination authorized under Section 15.2, sell and convert into money the Chemtrade Common Shares, the Chemtrade Notes and all other Trust Assets in one transaction or in a series of transactions at public or private sales and do all other acts appropriate to liquidate the Trust, and shall in all respects act in accordance with the directions, if any, of the Trust Unitholders (in respect of a termination authorized under Section 15.2). If the Trustees are unable to sell all or any of the Chemtrade Common Shares or the Chemtrade Notes or other Trust Assets by the date set for termination, the Trustees may, subject to obtaining all necessary regulatory approvals, distribute the remaining shares or other Trust Assets directly to the Trust Unitholders in accordance with their pro rata interests.

15.6 Distribution of Proceeds or Assets

After paying, retiring or discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Trust and providing for indemnity against any other outstanding liabilities and obligations, the Trustees shall, subject to obtaining all necessary regulatory approvals, distribute the remaining part of the proceeds of the sale of Chemtrade Common Shares, Chemtrade Notes and other assets together with any cash forming part of the Trust Assets among the Trust Unitholders in accordance with their pro rata interests.

15.7 Further Notice to Trust Unitholders

In the event that less than all of the Trust Unitholders have surrendered their Trust Units for cancellation within six months after the time specified in the notice referred to in Section 15.3, the Trustees shall give further notice to the remaining Trust Unitholders to surrender their Trust Units for cancellation and if, within one year after the further notice, all the Trust Units shall not have been surrendered for cancellation, such remaining Trust Units shall be deemed to be cancelled without prejudice to the rights of the holders of such Trust Units to receive their pro rata share of the remaining Trust Assets, and the Trustees may either take appropriate steps, or appoint an agent to take appropriate steps, to contact such Trust Unitholders (deducting all expenses thereby incurred from the amounts to which such Trust Unitholders are entitled as aforesaid) or, in the discretion of the Trustees or Administrator, may pay such amounts into court.

15.8 Responsibility of the Trustees after Sale and Conversion

The Trustees shall be under no obligation to invest the proceeds of any sale of investments or other assets or cash forming part of the Trust Assets after the date referred to in Section 15.3 and, after such sale, the sole obligation of the Trustees under this Declaration of Trust shall be to hold such proceeds or assets in trust for distribution under Section 15.6.

ARTICLE 16 SUPPLEMENTAL INDENTURES

16.1 Provision for Supplemental Indentures for Certain Purposes

The Trustees may, without approval of the Trust Unitholders and subject to the provisions hereof, and it shall, when so directed in accordance with the provisions hereof, execute and deliver indentures or instruments supplemental hereto which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) modifying or amending any provisions of this Declaration of Trust in the circumstances set forth in Section 11.1 where the Trustees may do so without the consent, approval or ratification of the Trust Unitholders or any other Person; and
- (b) modifying or amending any provisions of this Declaration of Trust where the modification or amendment has been approved by Special Resolution or, if required, with the consent of the holders of all of the Trust Units.

**ARTICLE 17
GENERAL**

17.1 Notices

- (a) Any notice or other document required to be given or sent to Trust Unitholders under this Declaration of Trust ~~shall~~may be given or sent:
- (i) by hand delivery or through ordinary post addressed to each registered holder at his or her last address appearing on the register; provided that if there is a general discontinuance of postal service due to strike, lockout or otherwise, such notice may be given by publication twice in the Report on Business section of the National Edition of The Globe and Mail or similar section of any other newspaper having national circulation in Canada; provided further that if there is no newspaper having national circulation, then by publishing twice in the business section of a newspaper in each city where the register or a branch register is maintained. Any notice so given shall be deemed to have been given on the day following that on which the letter or circular was posted or, in the case of notice being given by publication, after publishing such notice twice in the designated newspaper or newspapers. In proving notice was posted, it shall be sufficient to prove that such letter or circular was properly addressed, stamped and posted;
 - (ii) by e-mail, or other form of electronic transmission,
 - (iii) by providing or posting the notice, document or other information on or making it available through a generally accessible electronic source and providing notice of the availability and location of the notice, document or other information to the unitholder via any of the methods specified in (i) and (ii) above, including by hand delivery, mail, e-mail or other form of electronic transmission, or
 - (iv) by any other method permitted by applicable law.
- (b) Any written notice or written communication given to the Trustees shall be addressed to the Trustees at 155 Gordon Baker Road, Suite 300, Toronto, Ontario, M2H 3N5, Attention: Secretary (Facsimile: 416-496-9942), with a copy to the head office of the Trust, and shall be deemed to have been given on the date of delivery or, if mailed, five days from the date of mailing. If any such notice or communication shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such notice or communication shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted any notice or other communication shall be given by personal delivery or by cable, telegram, telex or other means of prepaid, transmitted or recorded communication.

17.2 Failure to Give Notice

The failure by the Trustees, by accident or omission or otherwise unintentionally, to give any Trust Unitholder any notice provided for herein shall not affect the validity, effect or taking effect of any action referred to in such notice, and the Trustees shall not be liable to any Trust Unitholder for any such failure.

17.3 Joint Holders

Service of a notice or document on any one of several joint holders of Trust Units shall be deemed effective service on the other joint holders.

17.4 Service of Notice

Any notice or document sent by post to or left at the address of a Trust Unitholder pursuant to this Article shall, notwithstanding the death or bankruptcy of such Trust Unitholder, and whether or not the Trustees have notice of such death or bankruptcy, be deemed to have been fully served and such service shall be deemed sufficient service on all Persons having an interest in the Trust Units concerned.

17.5 Information Available to Trust Unitholders and Other Securityholders

- (a) Trust Unitholders and other securityholders of the Trust and their respective personal representatives, on payment of a reasonable fee therefor and on sending the Trust or its agent or mandatary an affidavit referred to in Section 17.8 may on application require the Trust or its agent or mandatary to provide within 10 days after receipt of the affidavit a list (in this Section 17.5 referred to as the “basic list”) made up to a date not more than ten days before the receipt of the affidavit setting out the names of the Trust Unitholders, the number of Trust Units held by each Trust Unitholder and the address of each Trust Unitholder as shown in the records of the Trust.
- (b) A Person requiring the Trust to provide a basic list may, by stating in the affidavit referred to in subsection (a) that they require supplemental lists, require the Trust or its agent or mandatary on payment of a reasonable fee to provide supplemental lists setting out any changes from the basic list in the names or addresses of the Trust Unitholders and the number of Trust Units owned by each Trust Unitholder for each Business Day following the date the basic list is made up to.
- (c) The Trust or its agent or mandatary shall provide a supplemental list required under subsection (b):
 - (i) on the date the basic list is furnished, where the information relates to changes that took place prior to that date; and
 - (ii) on the Business Day following the day to which the supplemental list relates, where the information relates to changes that take place on or after the date the basic list is furnished.

- (d) A Person requiring the Trust to furnish a basic list or a supplemental list may also require the Trust to include in that list the name and address of any known holder of an option or right to acquire Trust Units.

17.6 Records of the Trust

- (a) The Trustees shall cause the Trust to prepare and maintain, at its head office or at any other place in Canada designated by the Trustees, records containing:
 - (i) this Declaration of Trust and any amendments hereto;
 - (ii) minutes of meetings and resolutions of Trust Unitholders; and
 - (iii) a securities register which complies with Section 13.4.
- (b) Subject to subsection (c), Trust Unitholders and other securityholders of the Trust and their respective personal representatives may examine the records described in subsection (a) during normal business hours, and take extracts from the records, free of charge.
- (c) Any Person described in subsection (b) who wishes to examine the securities register of the Trust must first make a request to Trust or its agent or mandatary, accompanied by an affidavit referred to in Section 17.8. On receipt of the affidavit, the Trust or its agent or mandatary shall allow the applicant access to the securities register during the normal business hours, and, on payment of a reasonable fee, provide the applicant with an extract from the securities register.
- (d) The Trustees shall cause the Trust to prepare an alphabetical list of Trust Unitholders entitled to receive notice of a meeting, showing the number of Trust Units held by each Trust Unitholder, no later than ten days after the record date for receiving notice and for voting. A Trust Unitholder may examine the list during normal business hours at the head office of the Trust or at the place where its central securities register is maintained, and at the meeting of Trust Unitholders for which the list was prepared.

17.7 Use of Securities Register Information

A list of Trust Unitholders or information from a securities register obtained pursuant to the provisions of this Declaration of Trust shall not be used by any Person except in connection with

- (a) an effort to influence the voting of Trust Unitholders;
- (b) an offer to acquire securities of the Trust; or
- (c) any other matter relating to the affairs of the Trust.

17.8 Affidavits

An affidavit required under Section 17.5 or 17.6 shall state:

- (a) the name and address of the applicant;
- (b) the name and address for service of the body corporate, if the applicant is a body corporate; and
- (c) that the information contained in the securities register obtained pursuant to Section 17.6 or the basic list and any supplemental lists obtained pursuant to Section 17.5, as the case may be, will not be used except as permitted under Section 17.7.

17.9 Fiscal Year

The fiscal year of the Trust shall end on December 31 of each year.

17.10 Financial Disclosure

The Trust will send to Trust Unitholders:

- (a) at least 21 days prior to the date of each annual meeting of Trust Unitholders, the annual financial statements of the Trust for the fiscal year ended immediately prior to such annual meeting, together with comparative financial statements for the preceding fiscal year, if any, and the report of the Auditors thereon referred to in Section 18.4; and
- (b) within 60 days after the end of each fiscal quarter of the Trust (other than the fourth quarter of each year), unaudited quarterly financial statements of the Trust for such fiscal quarter, together with comparative financial statements for the same fiscal quarter in the preceding fiscal year, if any.

Such financial statements shall be prepared in accordance with generally accepted accounting principles in Canada as recommended from time to time in the Handbook of the Canadian Institute of Chartered Accountants; provided that such statements and the obligations to deliver such statements may vary from such principles to the extent required to comply with applicable securities laws or securities regulatory requirements or to the extent permitted by applicable securities regulatory authorities.

17.11 Trust Unitholder Meeting Information

Prior to each meeting of Trust Unitholders, the Trustees will provide to each Trust Unitholder, together with the notice of the meeting:

- (a) a form of proxy which can be used by a Trust Unitholder to appoint a proxy, who need not be a Trust Unitholder, to attend and act at the meeting on behalf of the Trust Unitholder, in the manner and to the extent authorized by the proxy; and
- (b) all information required by applicable law.

17.12 Taxation Information

On or before March 15 in each year, the Trust will provide to Trust Unitholders who received distributions from the Trust in the prior calendar year, such information regarding the Trust required by Canadian law to be submitted to Trust Unitholders for income tax purposes to enable Trust Unitholders to complete their tax returns in respect of the prior calendar year.

17.13 Execution of Documents

Any contracts, documents or instruments in writing required or permitted to be executed by one or more persons on behalf of the Trust may be (i) signed by means of electronic signature and (ii) executed in separate counterparts, each of which when duly executed by one or more of such persons shall be an original and all such counterparts together shall constitute one and the same such instrument or document. Wherever a notice, document or other information is required under this Declaration of Trust to be created or provided in writing, that requirement may be satisfied by the creation and/or provision of an electronic document, including by electronic means. An electronic document includes any form of representation of information or of concepts fixed in any medium in or by electronic, optical or other similar means and that can be read or perceived by a person or by any means. Notwithstanding the foregoing, the Trustees may from time to time direct the manner in which and the person or persons by whom any particular contract, document or instrument in writing, or class of contracts, documents or instruments in writing, may or shall be signed.

ARTICLE 18 AUDITORS

18.1 Qualification of Auditors

The Auditors shall be an independent recognized firm of chartered accountants which has an office in Canada.

18.2 Appointment of Auditors

The Auditors will be selected at each annual meeting of Trust Unitholders. The Auditors will receive such remuneration as may be approved by the Trustees.

18.3 Change of Auditors

The Auditors may at any time be removed by the Trustees with the approval of a majority of the votes cast by Trust Unitholders at a meeting of Trust Unitholders duly called for the purpose and, upon the resignation or the removal of Auditors as aforesaid, new auditors may be appointed by a

majority of votes cast by Trust Unitholders at a meeting duly called for the purpose or, in the absence of such meeting, by the Trustees.

18.4 Report of Auditors

The Auditors shall audit the accounts of the Trust at least once in each year and a report of the Auditors with respect to the annual financial statements of the Trust shall be provided to each Trust Unitholder with the annual financial statements referred to in Section 17.10.

**ARTICLE 19
MISCELLANEOUS**

19.1 Counterparts

This Declaration of Trust may be simultaneously executed in several counterparts, each of which when executed shall be deemed to be an original, and such counterparts, together, shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterparts.

19.2 Severability

If any provision of this Declaration of Trust shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Declaration of Trust in any jurisdiction.

19.3 Language

Les parties aux présentes ont exigés que la présente convention ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en la langue anglaise. The parties hereto have required that this Declaration of Trust and all documents and notices resulting herefrom be drawn up in English.

IN WITNESS WHEREOF each of the parties has caused these presents to be executed as of the ~~8~~¹²~~th~~th day of ~~July~~^{November}, 2020.

~~“Mark Davis”~~

MARK DAVIS

~~“Lucio Di Clemente”~~

LUCIO DI CLEMENTE

~~“Daniella Dimitrov”~~

DANIELLA DIMITROV

~~“Emily Moore”~~

EMILY MOORE

~~“Katherine Rethy”~~

KATHERINE RETHY

“Lorie Waisberg”

LORIE WAISBERG

APPENDIX B

Chemtrade Logistics Income Fund

Mandate of the Board of Trustees

The Board of Trustees of the Fund (the “Board”) shall be responsible for the stewardship of the Fund, including supervision of the management of the business and affairs of the Fund, and shall have the powers and authorities set out in the Declaration of Trust. In fulfilling its mandate, the Board shall, either directly or indirectly through committees of the Board:

1. establish broad parameters within which the Fund’s management is to operate, including the adoption of a strategic planning process and approving, on an annual basis, a strategic plan taking into account, among other things, the opportunities and risks of the business;
2. review the framework to identify the principal risks of the Fund’s business, and ensure the implementation of appropriate systems to manage these risks;
3. monitor the integrity of all public disclosures, financial and otherwise, of the Fund;
4. adopt and monitor for effectiveness, a communications policy for the Fund;
5. monitor the appropriateness for the nature of the Fund’s enterprise, the internal control and management information systems adopted by the Fund and its subsidiaries (the “Organization”);
6. appoint a chief executive officer (“CEO”) for the Fund and provide guidance and advice to the management team;
7. assess the effectiveness of the management team of the Organization, consisting of the CEO and the senior officers who report directly to the CEO and such other employees as may be identified by the Board (collectively, the “Designated Employees”), by overseeing performance management evaluations, management development and training programs and succession planning;
8. review the compensation policies and processes (including incentive compensation and equity compensation plans) of the Organization and in particular, of the Designated Employees;
9. take reasonable steps to satisfy itself as to the integrity of the CEO and other Designated Employees and that the CEO and Designated Employees create a culture of integrity throughout the Organization;
10. oversee the environmental, social and governance (ESG) framework selected by management to ensure it is appropriate for the Organization;
11. develop the Fund’s approach to corporate governance, including the expectations and responsibilities of Trustees; and
12. ensure that a process is implemented for the Board to receive feedback directly from stakeholders.

Board Assessment

Performance Assessment - On an annual basis, the Board shall follow the process established by the Trustees and overseen by the Compensation and Corporate Governance Committee for assessing the performance of the Board.

Last updated August 2020



CHEMTRADE

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www.chemtradelogistics.com



Responsible Care[®]
Good Chemistry at Work