

CHEMTRADE LOGISTICS INCOME FUND

# Notice of our 2022 annual meeting of unitholders Management information circular

March 7, 2022

2022



**CHEMTRADE**



## NOTICE OF OUR 2022 ANNUAL MEETING OF UNITHOLDERS

### When

10 a.m. (Toronto time)  
Tuesday, May 10, 2022

### Where

Virtual-only meeting via live  
webcast online at  
<https://meetnow.global/MHKRXAY>

### Items of business

- 1 Receive the financial statements of Chemtrade Logistics Income Fund for the year ended December 31, 2021 and the auditors' report
- 2 Appoint the auditors and authorize the trustees to set the auditors' fees
- 3 Elect the trustees
- 4 Vote on the advisory resolution on our approach to executive pay
- 5 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, 2022 (the *record date*), you are entitled to virtually attend and vote at our 2022 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 8 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 7, 2022

### 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 10 to find out how to vote.

# MESSAGE TO UNITHOLDERS

Dear fellow unitholders,

2021 was eventful for Chemtrade. I comment below on some of our principal events.

## CEO Succession

Our founding CEO, Mark Davis, retired on February 28, 2021 and was replaced by our Chief Operating Officer, Scott Rook. Scott has taken the reins with authority; I and my board colleagues are very pleased with the smoothness of the transition and the many changes Scott, and his team, have initiated.

## Say on Pay

Approximately 60% of the votes cast at our May 2021 annual and special meeting were not in support of our executive compensation program. While the vote represented a small percentage of our unitholders (<15%), the board took this lack of support seriously. We selected a new independent compensation consultant, we undertook a thorough review of our executive compensation program, and we appointed a new chair of our compensation and corporate governance committee. Importantly, we obtained direct feedback from our unitholders. On behalf of the board, the chair of the corporate governance committee and I met with unitholders representing more than 13% of our outstanding units over the course of the summer and fall of 2021. A number of modifications to our program were made as a result of this review and engagement process. We continue to engage with our unitholders.

## Balance Sheet Repair

One of our most important achievements in 2021 was the strengthening of our balance sheet. The principal contributors were: the \$70 million offering of units in March, 2021, the sale of two specialty chemical businesses for approximately US\$154 million in November 2021, the \$130 million offering of 2021 Convertible Debentures in December 2021 to redeem our 2016 Convertible Debentures, and \$21.1 million on the settlement of our Canexus/North American Terminal Operation (NATO) lawsuit. This provides us with a comfortable cushion going forward and will help finance our organic growth initiatives as we balance prudent capital allocation and the continued management of our balance sheet.

## Organic Growth

We made great strides in progressing organic growth initiatives. The U.S. semi-conductor industry which purchases our ultrapure sulphuric acid has announced a number of growth projects. As the largest ultrapure sulphuric acid supplier to this industry, we announced an expansion at our Cairo, Ohio facility and have other projects

under review to maintain our leadership position in the North American ultrapure sulphuric acid industry. We produce excess “green” hydrogen (made from renewable electrical energy) at four of our sites. Active discussions are underway to exploit this valuable energy resource. Finally, we are pursuing projects in our water chemicals division and hope to have announcements regarding growth projects soon.

## ESG

We made good progress in ESG initiatives in 2021. I urge you to review the *Environmental, Social, and Governance* (ESG) section of our Annual Information Form (AIF) for a summary of our ESG activities and plans. Recognizing the critical importance of ESG on our business and the need to continue to align these priorities with our executives, we intend to continue to measure ESG in our annual incentive plan and will be incorporating ESG targets in our long-term incentive plan for the first time, beginning in 2022.

## Topical Issues

Most investor reports this year touch on the effects of COVID, inflation, supply chain problems, and climate change. We were, of course, affected by some of these issues; for example, the railway closures into and out of Vancouver caused five days of complete outages and ten days of reduced production at our North Vancouver facility. But, for the most part, we were able to manage these challenges with temporary minor negative effects.

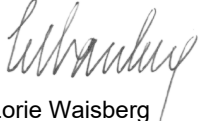
## Board Renewal

You will have noted that I am not standing for re-election as a trustee at this year’s annual general meeting. I have served on the Chemtrade board for some time and I believe the time has come for new blood. The board has designated Doug Muzyka as my replacement as chair and we are confident he will serve our constituents well. Luc Doyon will be standing for election this year. Mr. Doyon brings a wealth of experience in the industrial chemical and manufacturing industries. In addition, the board, with the assistance of an executive search firm, is conducting a rigorous search for an additional trustee.

I have great confidence in the high quality of our senior leadership team and my colleagues on the board. You are in good hands.

If there is anything you would like to communicate to the board, please get in touch with me at [chair@chemtradelogistics.com](mailto:chair@chemtradelogistics.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Lorie Waisberg". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Lorie Waisberg  
Chair, Board of Trustees  
Chemtrade Logistics Income Fund

# Your vote is important.

This management information circular contains important information about our 2022 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.

## Where to find it

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### Appendix A

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, 2022. That gives you the right to attend and vote at our 2022 annual meeting at 10 a.m. on Tuesday, May 10, 2022 via live webcast online at <https://meetnow.global/MHKRXAY>, 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. Chemtrade has retained the services of Carson Proxy Advisors to facilitate communication with unitholders. In connection with these services, Chemtrade will pay fees of up to \$40,000, plus certain out-of-pocket expenses. The cost of proxy solicitation will be borne by Chemtrade.

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, 2021. These and other documents, including the 2021 annual information form (AIF), are available on our website ([www.chemtradelogistics.com](http://www.chemtradelogistics.com)) and on SEDAR ([www.sedar.com](http://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 A* 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.

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 2022 annual meeting of unitholders
- *board of trustees* and *board* mean the Fund's board of trustees
- *Declaration of Trust* means the Amended and Restated Declaration of Trust dated November 12, 2020

Our record date is March 16, 2022.

All information is as of March 7, 2022 and all dollar amounts are in Canadian dollars unless specified otherwise.

**Chemtrade head office**

155 Gordon Baker Road  
Suite 300  
Toronto, Ontario M2H 3N5

**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.

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.

#### **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 2021 annual financial statements, annual management's discussion, and analysis and auditors' report) to non-registered (beneficial) unitholders for our 2022 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.

#### **Stratification**

We have also elected to use procedures known as 'stratification' in relation to our use of the notice and access method. Stratification occurs when a reporting issuer using the notice and access provisions provides a paper copy of an information circular and, if applicable, a paper copy of financial statements and related management's discussion and analysis, to some unitholders together with a notice of a meeting of its unitholders. In relation to our 2022 annual meeting, non-registered (beneficial) unitholders holding greater than 5,000 units will receive a paper copy of the notice of the meeting, this circular and voting instruction form or form of proxy whereas non-registered (beneficial) unitholders holding less than 5,000 units will still receive a voting instruction form or form of proxy 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.

By order of the board of trustees,



Susan M. Paré  
Corporate Secretary, Chemtrade Logistics Income Fund  
Toronto, Ontario  
March 7, 2022

#### **Do you wish to receive future meeting materials by e-mail?**

E-Delivery with your brokerage or other intermediary institution ensures that unitholders receive documents faster, helps reduce printing and postage expenses and creates less paper waste. Unitholders who wish to enroll in E-Delivery should contact their brokerage or other intermediary institution.

**If you have any questions or require assistance with voting your units, please contact:**

**North American Toll Free Phone: 1-800-530-5189**

**Local (Collect outside North America): 416-751-2066**

**Email: [info@carsonproxy.com](mailto:info@carsonproxy.com)**



# 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](http://www.chemtradelogistics.com)) and on SEDAR ([www.sedar.com](http://www.sedar.com)).

## Where to find it

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- Voting information..... 10**
- About the proposed board ..... 16**
- Board committees ..... 21**



# BUSINESS OF THE MEETING

## 1. Receive our financial statements

The Fund's consolidated financial statements for the year ended December 31, 2021 and the auditors' report will be presented at the meeting.

These consolidated financial statements form part of our 2021 annual report, which is available on our website ([www.chemtradelogistics.com](http://www.chemtradelogistics.com)) and on SEDAR ([www.sedar.com](http://www.sedar.com)) or by contacting our Corporate Secretary. They are also available through *notice and access* (see page 6).

## 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	2021	2020
<b>Audit fees</b>	\$1,356,760	\$1,398,834
<b>Audit-related fees</b> For French translation of our MD&A, financial statements and prospectus	\$37,450	\$60,990
<b>Tax fees</b> For tax compliance and general advisory services	\$648,080	\$1,125,497
<b>All other fees</b> For audit of certain vendor contracts in 2021	\$21,000	\$0
<b>Total</b>	<b>\$2,063,290</b>	<b>\$2,585,321</b>

Note: 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. Lucio Di Clemente
2. Daniella Dimitrov
3. Luc Doyon
4. Emily Moore
5. Douglas Muzyka
6. Katherine Rethy
7. Scott Rook

With the exception of Mr. Luc Doyon, all of the nominated trustees currently serve on the board. All trustees stand for election every year. 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 16. We have a majority voting policy, which you can read about on page 60.

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. Vote on 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.

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

You will vote on our approach to executive pay as described in this circular. Our compensation discussion and analysis begins on page 27 and explains our compensation governance, pay for performance philosophy, the compensation elements, and the board's decisions about 2021 executive pay. Last year 59.86% of the votes cast were *against* our approach to executive pay. The board has taken steps to address the concerns clearly communicated by unitholders at last year's meeting. Please find a summary of our engagement with unitholders following the 2021 'say-on-pay' vote and changes to the compensation programs for 2022 as a result of this engagement beginning on page 24.

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 73 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 7, 2022 and delivered in advance of the 2022 annual meeting of unitholders.*

#### 5. 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 2022 meeting.

If you want to submit a unitholder proposal for our 2023 annual meeting, we must receive your proposal by November 20, 2022, 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 2023 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](http://www.sedar.com)).

## VOTING INFORMATION

The Fund is authorized to issue an unlimited number of units and had 104,438,845 units issued and outstanding as of March 7, 2022.

### Who can vote

Each unitholder of record at the close of business on March 16, 2022, 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 and stratification

We are using the Canadian securities notice and access rules this year to deliver meeting materials to non-registered (beneficial) unitholders. We have also elected to use procedures known as 'stratification' in relation to our use of the notice and access method. See page 6 for more information on notice and access and stratification.

### How to vote

You can vote by proxy in advance of the virtual meeting, 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. Unitholders will not be able to attend the meeting in person.

Regardless of location, unitholders and duly appointed proxyholders will be able to attend, vote and participate in the virtual meeting's live webcast. 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 10 to 14.

The virtual meeting platform is fully supported across most commonly used web browsers (**PLEASE NOTE THAT INTERNET EXPLORER IS NOT A SUPPORTED BROWSER**). We encourage you to access the meeting prior to the start time. It is important that you are connected to the internet at all times during the meeting in order to vote when balloting commences. **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 ([www.chemtradelogistics.com/main/investors/](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 bank, trust company, investment dealer, broker, trustee, plan administrator, or other intermediary institution and are thus beneficial holders of units. 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 as your proxyholder. 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 12 for the proxy voting deadline.

If you vote by proxy in advance, be sure to click "Guest" when you log in to the meeting and complete the online form. See the section in this table entitled "How to attend the virtual meeting as a guest".

#### 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 12). It is important to act promptly in order to ensure your instructions are received and your registration completed prior to the Deadline.

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

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 the 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 12)**.
  - 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 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 12)**.

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 12)** in order to vote at the meeting.
  - b. If these steps are followed, Computershare will provide you with an Invite Code via email after the deadline has passed. **Failure to register yourself as the proxyholder will result in you not receiving an Invite Code that is required to vote at the meeting and you will only be able to attend as a guest.**

**Day of Meeting**

3. Duly appointed proxyholders (including yourself, if you have appointed yourself as a proxyholder) can attend the meeting by going to **<https://meetnow.global/MHKRXAY>**. 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 10 for technical requirements for virtual meeting).
4. Click "**Invitation**" and enter your Invite Code.
5. Duly appointed proxyholders: (including yourself if you have appointed yourself as a proxyholder) will be provided an Invite Code after the Deadline has passed by Computershare. **Without an Invite Code, proxyholders will not be able to vote at the meeting.**
6. Follow the instructions to view the meeting and vote when prompted.

**You must register yourself or a third party as a proxyholder (needed for step 5 above) prior to the proxy Deadline.** Computershare will provide the proxyholder with an Invite Code by email after the **proxy voting Deadline (see page 12)**, provided the proxyholder has been duly appointed AND registered.

Once you log into the virtual meeting as a duly appointed proxyholder with an Invite Code 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)

**How to appoint a third party proxy to attend and vote at the virtual meeting**

You can appoint a person (called a third-party proxyholder) 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 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.

Registering your proxyholder is an additional step **AFTER** you submit your voting instruction form or proxy form. Failure to register the third-party proxyholder will result in the third-party proxyholder not receiving an Invite Code to attend, participate or vote at the meeting. Appointed third party proxyholders do not need to be unitholders.

Please follow these steps:

1. **Appoint a proxyholder:**

- a. *Canadian beneficial holders:* 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. *U.S. beneficial holders:* Follow the instructions your intermediary has provided in the voting instruction form about how to request a legal proxy 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 100 University Avenue 8th Floor Toronto, Ontario M5J 2Y1

After you submit your legal proxy, you will receive a confirmation of registration by email after Computershare receives your registration materials. Please note that you are additionally required to register your third-party proxyholder 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)**.

2. **Register your proxyholder with Computershare:**

- 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 an Invite Code via email after the Deadline has passed. **Failure to register the third-party proxyholder will result in the third-party proxyholder not receiving an Invite Code that is required to vote at the meeting and they will only be able to attend as a guest.**

**You must complete BOTH steps prior to the proxy voting Deadline (see below on this page).**

**How to attend the virtual meeting as a guest**

Unitholders who have not duly appointed themselves as proxyholders, as well as other guests, can log into the meeting by following the steps below:

- 1. Log in online at <https://meetnow.global/MHKRXY>
- 2. Click "Guest" and then complete the online form.

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 "Guest" when logging in.

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.

**Deadline**

**May 6, 2022, before 10 a.m. (Toronto time)**

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 6, 2022, OR if the meeting is postponed or adjourned, 48 hours (excluding Saturdays, Sundays and holidays)** before the reconvened meeting.

**How to change your**

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.

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

**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><b>mind about your vote</b></p>	<p>intermediary to receive your voting instructions and provide them to Computershare <b>before the Deadline (see page 12)</b>.</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><b>How to vote by proxy before the meeting</b></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 as your proxyholder. 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><b>Internet</b></p> <ul style="list-style-type: none"> <li>By visiting the website: <b>www.investorvote.com</b>. Refer to your control number (shown on your proxy form) and follow the online voting instructions.</li> </ul> <p><b>Telephone</b></p> <ul style="list-style-type: none"> <li>By calling the toll-free-number, <b>1-866-732-VOTE (8683)</b> 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.</li> </ul> <p><b>Mail</b></p> <ul style="list-style-type: none"> <li>By completing the proxy form and sending it by mail to Computershare following the instructions on the form.</li> </ul> <p>You must ensure your vote is received by Computershare <b>before the Deadline (see page 14 for the proxy voting deadline)</b>.</p>
<p><b>How to attend and vote at the virtual meeting</b></p>	<p>Please follow these steps:</p> <ol style="list-style-type: none"> <li>On the day of the meeting, log in online at <b>https://meetnow.global/MHKRXAY</b>. 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 10 for technical requirements for virtual meeting).</li> <li>Click <b>"Unitholder"</b>.</li> <li>Enter your 15-digit control number (on your proxy form or in the email notification you received)</li> <li>Follow the instructions to view the meeting and vote when prompted.</li> </ol> <p>Once you log into the virtual meeting with your 15-digit control number, if you choose to vote at the meeting you will be revoking any and all previously submitted proxies. If you do not wish to revoke previously submitted proxies <b>do not vote by ballot on the matters put forth at the meeting</b>, your originally submitted proxies will be tabulated in accordance with your previous instructions.</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><b>How to appoint a third party proxy to attend and vote at the virtual meeting</b></p>	<p>If you want to appoint a person (called a third-party proxyholder) other than the Chemtrade representatives identified in the form of proxy to attend, participate and vote at the meeting, <b>you MUST appoint a third-party 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 14)</b>. It is important to act promptly in order to ensure your instructions are received and your registration completed prior to the Deadline.</p> <p><b>Registering your third-party proxyholder is an additional step AFTER you submit your proxy form. Failure to register the third-party proxyholder will result in the proxyholder not receiving an Invite Code to attend, participate or vote at the meeting. Appointed third-party proxyholders do not need to be unitholders.</b></p> <p>Please follow these steps:</p> <ol style="list-style-type: none"> <li><b>Appoint a third-party proxyholder:</b> <ol style="list-style-type: none"> <li>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.</li> </ol> </li> </ol>

Chemtrade employee unit plan holders	
	<p>You must ensure your form is received by Computershare <b>before the Deadline (see below on this page).</b></p> <p>2. <b>Register your third-party proxyholder with Computershare:</b></p> <ol style="list-style-type: none"> <li>a. You must register the third-party proxyholder at <a href="http://www.computershare.com/chemtrade">http://www.computershare.com/chemtrade</a> and provide Computershare with the required proxyholder contact information by no later than the proxy voting <b>Deadline (see below on this page)</b> in order to vote at the meeting.</li> <li>b. If these steps are followed, Computershare will provide the third-party proxyholder with an Invite Code via email after the Deadline has passed. <b>Failure to register the third-party proxyholder will result in the proxyholder not receiving an Invite Code that is required to vote at the meeting and they will only be able to attend as a guest.</b></li> </ol> <p><b>You must complete BOTH steps prior to the proxy voting Deadline (see below on this page).</b></p>
<b>How to attend the virtual meeting as a guest</b>	<p>Guests can log into the meeting by following the steps below:</p> <ol style="list-style-type: none"> <li>1. Log in online at <a href="https://meetnow.global/MHKRXAY">https://meetnow.global/MHKRXAY</a></li> <li>2. Click "Guest" and then complete the online form.</li> </ol> <p>If you have already voted by proxy in advance of the meeting and wish to attend the meeting, and not revoke a previously submitted proxy, click "Guest" when logging in. Please note that if you login as a "Unitholder" to the meeting with your 15-digit control number, your previously submitted proxies will only be revoked if you vote by ballot on the matters put forth at the meeting.</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>
<b>Deadline</b>	<p><b>May 6, 2022, before 10 a.m. (Toronto time)</b></p> <p>You need to act promptly to allow enough time for your proxy form to be received by Computershare <b>before 10 a.m. (Toronto time) on May 6, 2022</b>, OR if the meeting is postponed or adjourned, <b>48 hours (excluding Saturdays, Sundays and holidays) before the reconvened meeting.</b></p>
<b>How to change your mind about your vote</b>	<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"> <li>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 <b>before the Deadline (see above on this page).</b></li> <li>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 <b>before the Deadline (see above on this page).</b></li> <li>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.</li> <li>4. Any other manner permitted by law.</li> <li>5. Attend the meeting as a "Unitholder" by logging into the meeting with your 15-digit control number and voting by ballot on the matters put forth at the meeting.</li> </ol>

### Broadridge QuickVote™

Chemtrade may also utilize the Broadridge QuickVote service to assist unitholders with voting their units. Certain beneficial unitholders may be contacted by Carson Proxy Advisors to conveniently obtain a vote directly over the phone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of units to be represented at the meeting.

### 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 and authorize the trustees to set the auditors' fees
- FOR each nominated trustee
- 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 7, 2022, 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

*Email:* [service@computershare.com](mailto: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](mailto:srook@chemtradelogistics.com), [rbhardwaj@chemtradelogistics.com](mailto:rbhardwaj@chemtradelogistics.com) and [chair@chemtradelogistics.com](mailto:chair@chemtradelogistics.com), respectively. For more detailed information about the appropriate person to contact, taking into account the nature of your inquiry, see page 73.

**If you have any questions or require assistance with voting your units, please contact:**

**North American Toll Free Phone: 1-800-530-5189**

**Local (Collect outside North America): 416-751-2066**

**Email: [info@carsonproxy.com](mailto:info@carsonproxy.com)**





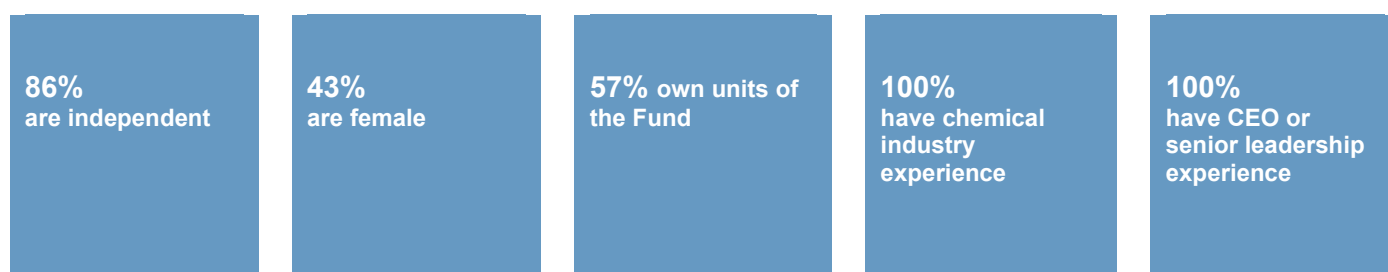
## ABOUT THE PROPOSED BOARD

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

The board seeks to have a board size that 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 a one year term. With the exception of Mr. Luc Doyon, 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 CEO of the Fund.

Scott Rook was appointed CEO of the Fund and to the board on March 1, 2021. Mr. Rook brings a wealth of chemical industry, operational, commercial, and management experience. Mark Davis retired from the board and as CEO on February 28, 2021 after serving as CEO for 20 years. Lorie Waisberg will not stand for re-election after serving the board for 21 years. Douglas Muzyka has been appointed by the board to serve as chair, effective following the May 10, 2022 annual meeting. Mr. Doyon will stand for election at the 2022 annual meeting as a new trustee. Mr. Doyon brings extensive leadership experience in the industrial chemical and manufacturing industries.

### Characteristics of the proposed board



You can read about each nominee beginning on the next page, and the board committees on page 21. A general discussion of corporate governance at Chemtrade begins on page 55.

### 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.

### 2021 meeting attendance summary

The table to the right is a summary of meeting attendance in 2021. Each board and committee meeting also included an *in camera* session (without management present). You can find the 2021 attendance record for each member of the board starting on page 17.

Table 2	Number of meetings	Overall meeting attendance
Board	10	100%
Audit committee	5	100%
Compensation and corporate governance committee	5	100%
Responsible Care committee	5	100%
<b>Total number of meetings held</b>	<b>25</b>	<b>100%</b>

### 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 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, Mr. Rook is required to meet our unit ownership requirements for executives (see page 33).

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 \$7.42, the closing price of units on the TSX on March 7, 2022.

## DOUGLAS MUZYKA (CHAIR)

Corporate director

Independent

**Residence:** Philadelphia, PA, USA

**Age:** 67

**Trustee since:** November 13, 2020

**2021 attendance:** 100%

**2021 voting result:** 97.91% for

### Knowledge and experience

Chemical industry	Human resources/
Manufacturing	Compensation
Executive leadership	Corporate governance
Financial/Accounting	Risk management
Environmental, 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 / \$261,143

Deferred units: 81,668 / \$630,104

Total: 107,068 / \$891,247

Meets his equity ownership requirement (see page 59).

## LUCIO DI CLEMENTE, CPA, CA

Management consultant & Corporate director

Independent

**Residence:** Toronto, Ontario, Canada

**Age:** 63

**Trustee since:** July 7, 2009

**2021 attendance:** 100%

**2021 voting result:** 80.44% for

### Knowledge and experience

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

### Board committees

Audit (chair until May 2021)

Compensation and corporate governance (chair since May 2021)

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: 109,047 / \$1,059,933

Total: 112,547 / \$1,094,233

Meets his equity ownership requirement (see page 59).

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

Chief Financial Officer

Independent

**Residence:** Toronto, Ontario, Canada

**Age:** 52

**Trustee since:** May 15, 2020

**2021 attendance:** 100%

**2021 voting result:** 81.04% for

### Knowledge and experience

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

### Board committees

Audit (chair since May 2021)

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 is the Chief Financial Officer at IAMGOLD since March 2021 and President since January 2022. Previously, she was a Partner at 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. (May 2018 to May 2021)

Nexa Resources SA (since January 2018)

Excellon Resources Ltd. (December 2016 to April 2020)

Aldridge Minerals Inc. (October 2010 to June 2017)

### 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: 31,904 / \$236,725

Total: 31,904 / \$236,725

Has until May 2025 to meet her equity ownership requirement (see page 59).

## LUC DOYON

Corporate Director

Independent

**Residence:** Montreal, Quebec, Canada

**Age:** 62

### New nominee

### Knowledge and experience

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

### Business experience

Mr. Doyon spent his career with the French industrial group Air Liquide, where he worked from 1983 to 2017. Mr. Doyon served as Vice-President, Merchant Gases at Air Liquide America in Houston, and President and Chief Executive Officer of Air Liquide Canada in Montréal. In 2012, he was appointed President and Chief Executive Officer of the welding division of Groupe Air Liquide in Paris. Mr. Doyon is an engineer. He has also completed the Executive Education program at INSEAD (Institut européen d'administration des affaires) [European Institute of Business Administration] in Fontainebleau, France.

### Other public company boards in the past five years

None

### Public board interlocks

None

### Other boards and memberships

Hydro Québec (Since 2019; member of the ESG and Investment Committees)

### Education

B. Eng (Mechanical Engineering) Polytechnique Montréal

Graduate diploma (Welding Engineering) École supérieure

du soudage et de ses applications in Paris, France

Executive Education program at INSEAD

### Equity ownership

Units: -

Deferred units: -

Total: -

Will have until May 2027 to meet his equity ownership requirement (see page 59).

## EMILY MOORE

Corporate director and Director of Troost Institute

Independent

**Residence:** Mississauga, Ontario, Canada

**Age:** 52

**Trustee since:** July 1, 2019

**2021 attendance:** 100%

**2021 voting result:** 80.05% for

### Knowledge and experience

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

### Board committees

Audit

Compensation and corporate governance

Responsible Care (chair since January 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 Directors Education Program with the Institute of Corporate Directors (ICD)

### Other public company boards in the past five years

International Petroleum Corp. (since May 2021)

### Public board interlocks

None

### Other boards and memberships

Canadian Mining Innovation Council (member)

Canadian Society for Chemical Engineering (past president)

Haltech (regional innovation centre serving Halton Region)

MetroInx

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: 68,576 / \$508,850

Total: 68,576 / \$508,850

Meets her equity ownership requirement (see page 59).

## KATHERINE RETHY

Corporate director

Independent

**Residence:** Huntsville, Ontario, Canada

**Age:** 65

**Trustee since:** July 1, 2015

**2021 attendance:** 100%

**2021 voting result:** 80.15% for

### Knowledge and experience

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

### Board committees

Audit

Compensation and corporate governance (chair until May 2021)

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: 102,244 / \$915,668

Total: 104,244 / \$951,998

Meets her equity ownership requirement (see page 59).

## SCOTT ROOK

Chief Executive Officer  
Chemtrade Logistics Income Fund

Not independent

**Residence:** Toronto, Ontario, Canada

**Age:** 56

**Trustee since:** March 1, 2020

**2021 attendance:** 100%

**2021 voting result:** 98.15% *for*

### Knowledge and experience

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

### Board committees

–

### 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: 50,897 / \$377,656

Restricted units: 428,760 / \$3,181,403

Total: 479,657 / \$3,559,059

Is subject to CEO equity ownership requirement (see page 33)

## 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](http://www.chemtradelogistics.com)).

Daniella Dimitrov was appointed chair of the audit committee, replacing Lucio Di Clemente, in May 2021. Lucio Di Clemente was concurrently appointed chair of the compensation and corporate governance committee, replacing Katherine Rethy. Katherine Rethy remains a member of the compensation and corporate governance committee.

### Third party advice

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

#### Audit committee

100% independent | Met five times in 2021

Daniella Dimitrov (chair)  
Lucio Di Clemente, CPA, CA  
Emily Moore

Douglas Muzyka  
Katherine Rethy  
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 five times in 2021

Lucio Di Clemente (chair)  
Katherine Rethy  
Daniella Dimitrov

Emily Moore  
Douglas Muzyka  
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 2021

Emily Moore (chair)	Douglas Muzyka
Lucio Di Clemente	Katherine Rethy
Daniella Dimitrov	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 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 2021 compensation awarded to the Fund's Chief Executive Officers, 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.

## 2021 named executives

- Mark Davis, Former Chief Executive Officer (Former CEO) (retired February 28, 2021)
- Scott Rook, Chief Executive Officer (CEO) (from March 1, 2021) & Chief Operating Officer (COO) (until February 28, 2021)
- Rohit Bhardwaj, Chief Financial Officer (CFO)
- Leon Aarts, Group Vice-President, Commercial (departed December 31, 2021)
- Tim Montgomery, Group Vice-President, Manufacturing and Engineering (joined October 26, 2020)
- Emily Powers, Group Vice-President, Human Resources and Responsible Care

## Where to find it

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## Message from the chair of the compensation and corporate governance committee

Dear Fellow Unitholders,

I want to address the actions our board has taken since you expressed a disappointing level of support for our executive compensation programs in 2021, with only 40.14% of the votes cast for the approval of our 'Say on Pay' proposal. Our annual advisory 'Say on Pay' vote is one of our opportunities to receive feedback from unitholders regarding our compensation programs, and the compensation and corporate governance committee takes the results of this vote into account when determining compensation of named executive officers.

### *Initial actions taken in response to say on pay vote*

We heard your concerns and have acted in response. Subsequent to the annual meeting, we changed our executive compensation consultant to bring fresh thinking to executive compensation.

### *First round of unitholder engagement*

Over the course of the summer and fall of 2021, the board of trustees engaged directly with our unitholders to understand why they voted against Say on Pay. The chair of the board and I reached out to all our unitholders who owned more than 0.5% of our units and met directly with our largest unitholders representing more than 13% of outstanding units. Given our largely retail unitholder base, this represents approximately 50% of the units typically voted at our annual meeting. We shared this unitholder feedback directly with the board, our management team, and our new executive compensation consultant. As well, management discussed with one of our large unitholders our intention to include ESG targets in short-term and long-term compensation plans and received positive feedback.

### *Summary of actions taken*

The table below summarizes key pieces of feedback from unitholders and the key changes we've implemented to address this feedback:

Area of focus	Background and explanation	Key changes and outcomes
Enhanced engagement with unitholders following negative 'Say on Pay' results	The chair of the compensation and corporate governance committee and the chair of the board met with Chemtrade's largest unitholders representing 13% of our units to discuss our approach to executive compensation	The compensation and corporate governance committee incorporated this unitholder feedback in its review of Chemtrade's compensation programs, resulting in material changes. Chemtrade will continue to incorporate unitholder feedback in its decisions respecting compensation programs
Proxy advisor criticism of the misalignment of pay-and-performance due to one-time retention bonuses in 2018	Proxy advisor ISS was critical of Chemtrade's alignment on pay-and-performance based on the ISS formulaic test which uses a peer group selected by ISS and assesses compensation using summary compensation table values, rather than realizable values	The compensation and corporate governance committee's independent consultant reviewed pay-and-performance outcomes from 2018-2020 using the peer group it used to benchmark CEO compensation. The results showed strong alignment with lower performance resulting in lower realizable compensation, relative to peers (See page 31)
Compensation peer group	Our independent compensation consultant reviewed our compensation peer group to ensure continued size-appropriateness for benchmarking	We added 5 companies and removed 1 company from the group, in order to position Chemtrade closer to the middle (median) of the peer group on revenue
Relative total unitholder return (TUR) goal-setting	The relative TUR component of the long-term performance metrics plan (PMP) formerly paid out at target for below-median relative performance	Beginning with the 2022 PMP grant (now performance units (PSUs)), relative performance at the median of Chemtrade's relative performance benchmark is required for a target payout, aligned with market practice in setting relative TUR targets
Relative TUR performance benchmark	Some investors asked that we review our relative TUR benchmark group. We have historically used the companies in the S&P/TSX Composite Dividend Index to benchmark TUR performance in our PMP plan	Our independent consultant reviewed our approach to performance measurement using unit price correlation analysis and recommended no change. The compensation and corporate governance committee continues to view the companies in the S&P/TSX Composite Dividend Index as the most relevant competition for investor capital in North America. The companies in the index also have the benefit of being independently selected
PMP (performance cash plan) is not directly linked to unit price	Our PMP has driven strong pay-for-performance given its focus on return on invested capital (ROIC) improvement and relative TUR	Beginning with the 2022 long-term incentive grant, 60% of long-term incentives will be granted in the form of PSUs, based on unit price and directly linked to ROIC and relative TUR. The PSUs will track the

Area of focus	Background and explanation	Key changes and outcomes
	performance. However, we recognize that the PMP is not directly linked to unit price performance	underlying unit price, increasing alignment with unitholders. The balance of long-term incentives (40%) will be granted in the form of restricted units (RSUs.) As a result of the transition to PSUs and the higher performance requirement to achieve a target payout, we are removing the absolute TUR cap, as PSUs track the underlying unit price and so are directly impacted by negative TUR
Short-term incentive metrics	Annual business plan is focused on growing earnings, including organic growth opportunities	The financial targets of the annual incentive compensation program are derived from the strategic plan and in 2022 will continue to focus on distributable cash <sup>(1)</sup> (50%) and business free cash <sup>(2)</sup> (15%). The balance will be split between individual objectives (20%) and organizational objectives including ESG strategy (15%)
Enhanced disclosure of short-term incentive targets	Investors and proxy advisors have asked for more detail and disclosure around performance goals in our short-term incentive plan. We have historically limited this disclosure to avoid disclosing competitively sensitive information	Chemtrade will provide disclosure of goals in the short-term incentive program at payout, in order to increase the transparency of our programs. See page 36 for a discussion of our achievements against 2021 short-term incentive program targets, including the original goals set by the board at the start of last year
ESG in incentive plans	Unitholders asked us to increase the focus on advancing ESG goals in our incentive plans	New for 2022, Chemtrade will include ESG goals in both the short-term and long-term incentive plans. In the short-term plan, ESG will be included in the organizational objectives which are weighted at 15%. ESG goals will be based on key environmental and social goals. In the long-term incentive plan, ESG will be included as a modifier, modifying the PSU payout up/down by up to 5% based on achievement of ESG goals (see pages 53 and 54 for more details)
Single trigger accelerated equity vesting upon a change-in-control (CIC)	Our current plan provides for single trigger accelerated equity vesting. This has become a minority market practice	Chemtrade has amended its plan to provide market-typical double trigger CIC equity vesting (i.e. termination without cause or resignation for good reason within 12 months of CIC) for all awards made after December 31, 2021

(1)(2) See *Non-IFRS measures* on page 74 for details.

### Second round of unitholder engagement

Subsequent to the compensation and corporate governance committee's approval of the 2022 compensation programs and the significant unitholder-aligned changes made to the programs, the board will seek engagement with unitholders for a second time in the spring of 2022 to explain changes made and seek further feedback.

### Snapshot of 2021 executive pay

The board and compensation and corporate governance committee assessed corporate performance and individual performance of the named executives against pre-determined objectives for 2021, and determined the awards for the year.

<b>Salary</b>	Base salaries can be seen at page 36.
<b>Annual incentive</b>	The financial performance factor ranged from 141.1% to 141.9% for the six named executive officers, including both current CEO Scott Rook and former CEO Mark Davis (see page 37). Mark Davis was paid at target for his time as CEO in 2021. Distributable cash, which accounts for most of the financial performance factor, was well above target for 2021 resulting in a 150% payout for this component, and business free cash overall was also above target resulting in an average 115% payout for this component. Details of our financial targets for the 2021 annual incentive can be found on page 36. After factoring in strong individual performance in a transformational year, awards ranged from 100% to 139.6% of target. Upon Mr. Davis' retirement in 2021, his annual incentive was paid out at 100% of target pursuant to a contractual obligation related to Mr. Davis' accelerated retirement at the request of the board (see page 47).
<b>Long-term incentive</b>	The 2021 long-term incentive award was granted at target, and allocated to RSUs and the PMP (see page 38 for details). In 2022, we will be making changes to our long-term incentive award to make them more unitholder aligned, which will result in the replacement of the PMP with PSUs that link to Chemtrade's unit price directly, but maintain the existing focus on ROIC and relative TUR (see pages 53 and 54 for details)

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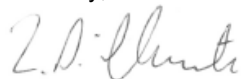
**Payout of 2019 long-term incentive awards**

The 2019 long-term incentive award vested on December 31, 2021. RSUs paid out at \$7.35 per unit, and the named executives realized 100% of the initial RSU grant value (see page 40). Aligned with our strong pay-for-performance culture, the named executives did not receive any payout under the 2019 PMP. Each of the performance metrics: total unitholder return, relative total unitholder return, and EBITDA growth, were below the long-term goals set in 2019.

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The enhancements to our programs support our efforts to thoughtfully align our compensation plans with the interests of unitholders while also incentivizing long-term growth. On behalf of the board, we appreciate your support, welcome your feedback, and look forward to continued dialogue on our executive compensation programs.

Sincerely,



Lucio Di Clemente  
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 PMP 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 compensation and corporate governance committee also reviews and approves executive employment contracts and arrangements.

During 2021, the compensation and corporate governance committee had 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 current member. The committee is 100% independent. See page 61 for the complete skills matrix of the board.

Skills and experience	Human resources/ Compensation	Governance (including environmental, health and safety)	Executive leadership	Industry experience	Risk management
<b>Lucio Di Clemente</b> (chair since May 2021) <ul style="list-style-type: none"> <li>• has executive experience in a variety of industry sectors</li> <li>• also a member of the audit committee (chair until May 2021) and Responsible Care committee</li> </ul>	✓	✓	✓	✓	✓
<b>Katherine Rethy</b> (chair until May 2021) <ul style="list-style-type: none"> <li>• lawyer with senior executive experience at public companies including oversight of the HR function</li> <li>• has chaired or been a member of compensation committees for a number of other public companies</li> <li>• also a member of the audit and Responsible Care committees</li> </ul>	✓	✓	✓	✓	✓
<b>Daniella Dimitrov</b> <ul style="list-style-type: none"> <li>• lawyer with senior executive leadership experience including oversight of the HR function and held operations, corporate development and governance roles</li> <li>• has chaired or been a member of compensation committees for a number of other public companies</li> <li>• also a member of the audit (chair since May 2021) and Responsible Care committees</li> </ul>	✓	✓	✓		✓
<b>Emily Moore</b> <ul style="list-style-type: none"> <li>• has chemical industry and manufacturing experience as well as executive leadership experience</li> <li>• leads teaching, research and programming at the University of Toronto to help develop the next generation of engineering leaders</li> <li>• is a member of the compensation committee of another public board</li> <li>• also a member of the audit and Responsible Care (chair) committees</li> </ul>	✓	✓	✓	✓	✓

<b>Douglas Muzyka</b>	✓	✓	✓	✓	✓
<ul style="list-style-type: none"> <li>has specific experience in executive compensation and has executive leadership experience</li> <li>has extensive chemical industry and manufacturing experience</li> <li>also a member of the audit and Responsible Care committees</li> </ul>					
<b>Lorie Waisberg</b>	✓	✓	✓		✓
<ul style="list-style-type: none"> <li>lawyer with senior executive experience</li> <li>has served on the board since the Fund's initial public offering in 2001 and chair since 2009</li> <li>also a member of the audit and Responsible Care committees</li> </ul>					

Lorie Waisberg is not standing for re-election and will retire at the end of the 2022 meeting.

You can read more about the compensation and corporate governance committee on page 21, and each of the members beginning on page 17. A copy of the committee charter is available on our website ([www.chemtradelogistics.com](http://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 compensation and corporate governance 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 compensation and corporate governance 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 2021 the compensation and corporate governance 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 compensation and corporate governance 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 compensation and corporate governance committee also conducts a comprehensive review of our compensation program and practices annually.

### Independent advice

The compensation and corporate governance committee receives independent advice from an external compensation consultant. The compensation and corporate governance committee had retained Willis Towers Watson since 2004 to provide advice, analysis and expertise on matters related to compensation and compensation governance; however, in 2021 the compensation and corporate governance committee engaged Meridian Compensation Partners as our new executive compensation consultant, to bring fresh thinking to our executive compensation.

The table to the right shows the combined fees paid to Willis Towers Watson and Meridian Compensation Partners in the last two fiscal years. In 2021, Willis Towers Watson gave advice related to ISS's negative say on pay vote recommendation. In 2021, Meridian Compensation Partners gave advice on, among other things, peer group, benchmarking, say on pay issues, pay and performance, and incentive plan design.

Table 3	2021	2020
Executive compensation-related fees	\$73,730	\$125,163
All other fees	–	–
<b>Total</b>	<b>\$73,730</b>	<b>\$125,163</b>

### **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 50).

## PHILOSOPHY AND APPROACH

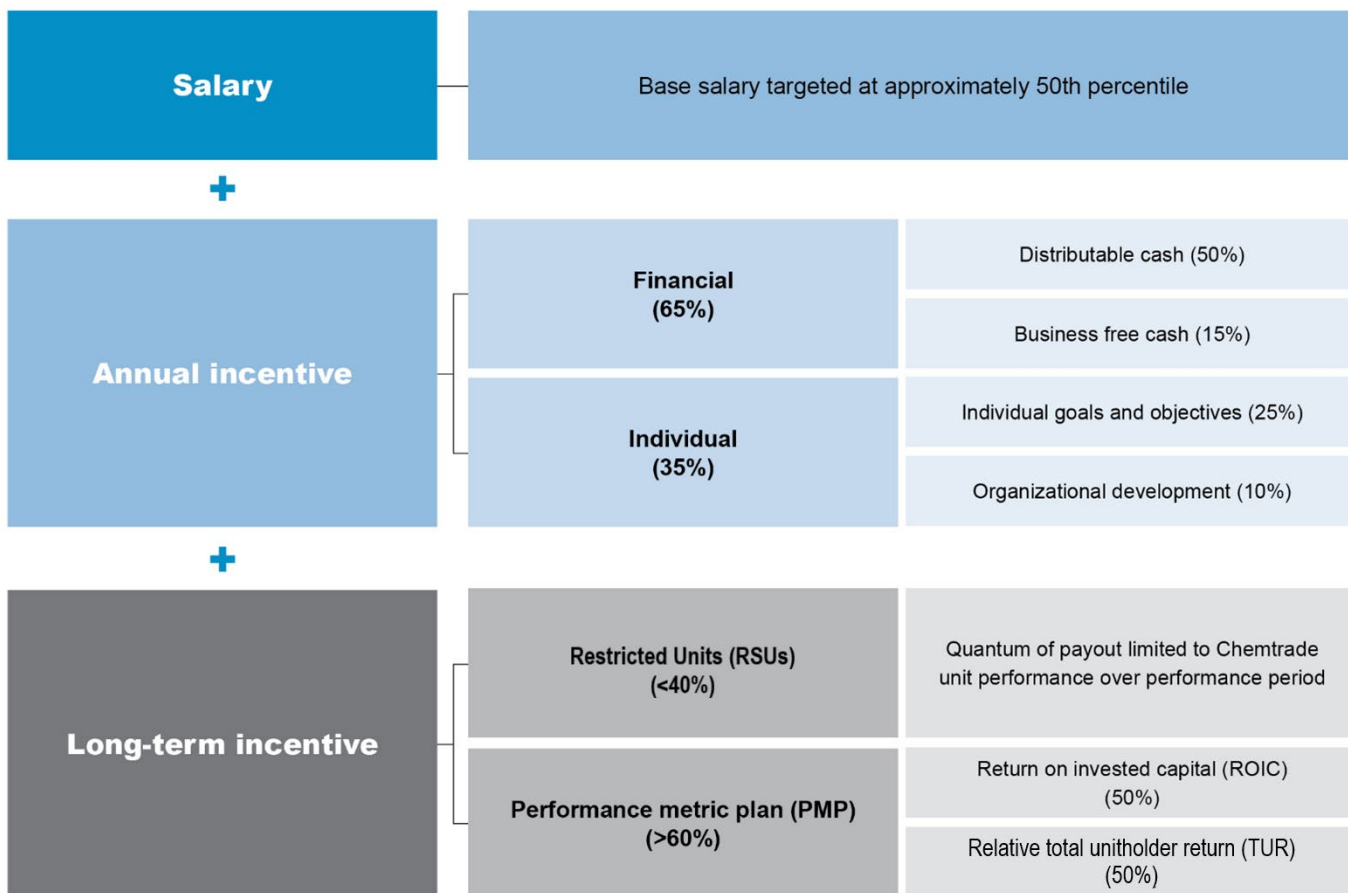
Executive compensation at Chemtrade is designed to pay for performance, be competitive with the market, and align the interests of executives and unitholders.

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

### 2021 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 approximately two-thirds of total direct compensation for the named executives and is highest for the CEO at 78.9% (see page 35).

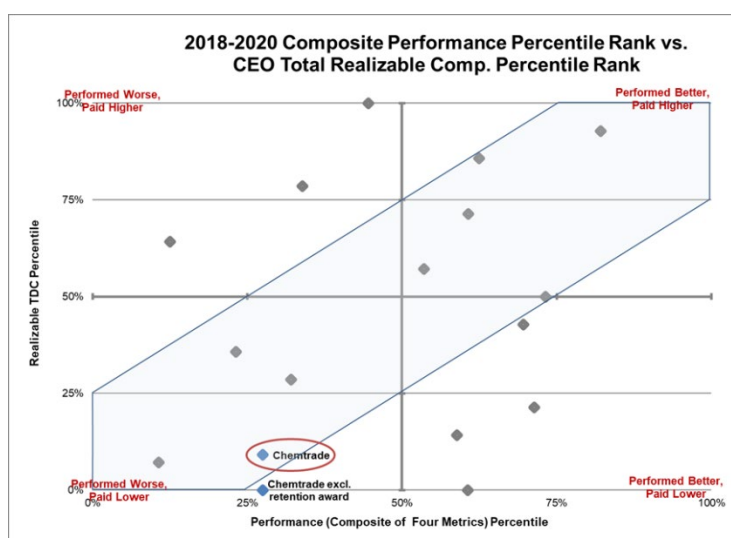
We link a significant portion of the annual incentive (65%) to the financial performance of the Fund. Individual performance accounts for 35%.

For the long-term incentive, we link the value of the award to key financial and market metrics critical to our business:

- 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 (TUR) (see page 39 for details).
- the restricted 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.

The compensation and corporate governance committee monitors alignment of pay-for-performance. Below are results from our 2021 review of CEO pay and Chemtrade's performance, relative to our comparator group.



The results of this analysis indicate a strong link between realizable CEO pay and performance (as measured by relative TUR, ROIC, free cash flow growth, and EBITDA growth) from 2018-2020.

The analysis uses compensation paid to the former CEO Mark Davis and shows that his realizable compensation from 2018-2020 was bottom quartile, aligned with lower quartile performance.

Absent the retention award granted to Mr. Davis to support the CEO succession plan in 2018, pay and performance would have been below the zone of alignment.

## 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, target total cash compensation, and target total direct compensation within a competitive range of market median of the comparator group. Our programs allow for above-median realized pay for strong performance.

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



The table below shows the 16 companies in our 2021 compensation comparator group noted above.

<b>Canadian companies</b>	<b>U.S. companies</b>		
Neo Performance Materials Inc.	AdvanSix Inc.	Hawkins, Inc.	Minerals Technologies
Superior Plus Corp.	Ecovyst Inc.	Koppers Holdings Inc..	Orion Engineered Carbons S.A.
	Ferro Corporation.	Kraton Corporation.	Rayonier Advanced Materials Inc.
	GCP Applied Technologies.	Kronos Worldwide, Inc.	Tredegar Corporation
		Livent Corporation	

These are primarily commodity and specialty chemical companies with one-third time to three times Chemtrade's revenue and market capitalization, and direct competitors for executive talent.

The compensation and corporate governance committee includes U.S. companies in the comparator group as we attract executive talent from across North America and compete mostly against U.S. companies for executive talent, customers, and unitholder capital.

The compensation and corporate governance committee reviews the comparator group regularly to make sure it stays relevant and reflects the nature, scope and scale of Chemtrade's business and our competition for talent. The 2022 comparator group has been reviewed by our compensation consultant and changed from the 2021 comparator group. See page 53.

The compensation and corporate governance 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 35 to read about our compensation program and the 2021 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 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 7, 2022 using the higher of cost and the closing price of our units on the TSX (\$7.42).

Mark Davis is not included in the table because he retired on February 28, 2021. Leon Aarts is not included in the table because he departed on December 31, 2021.

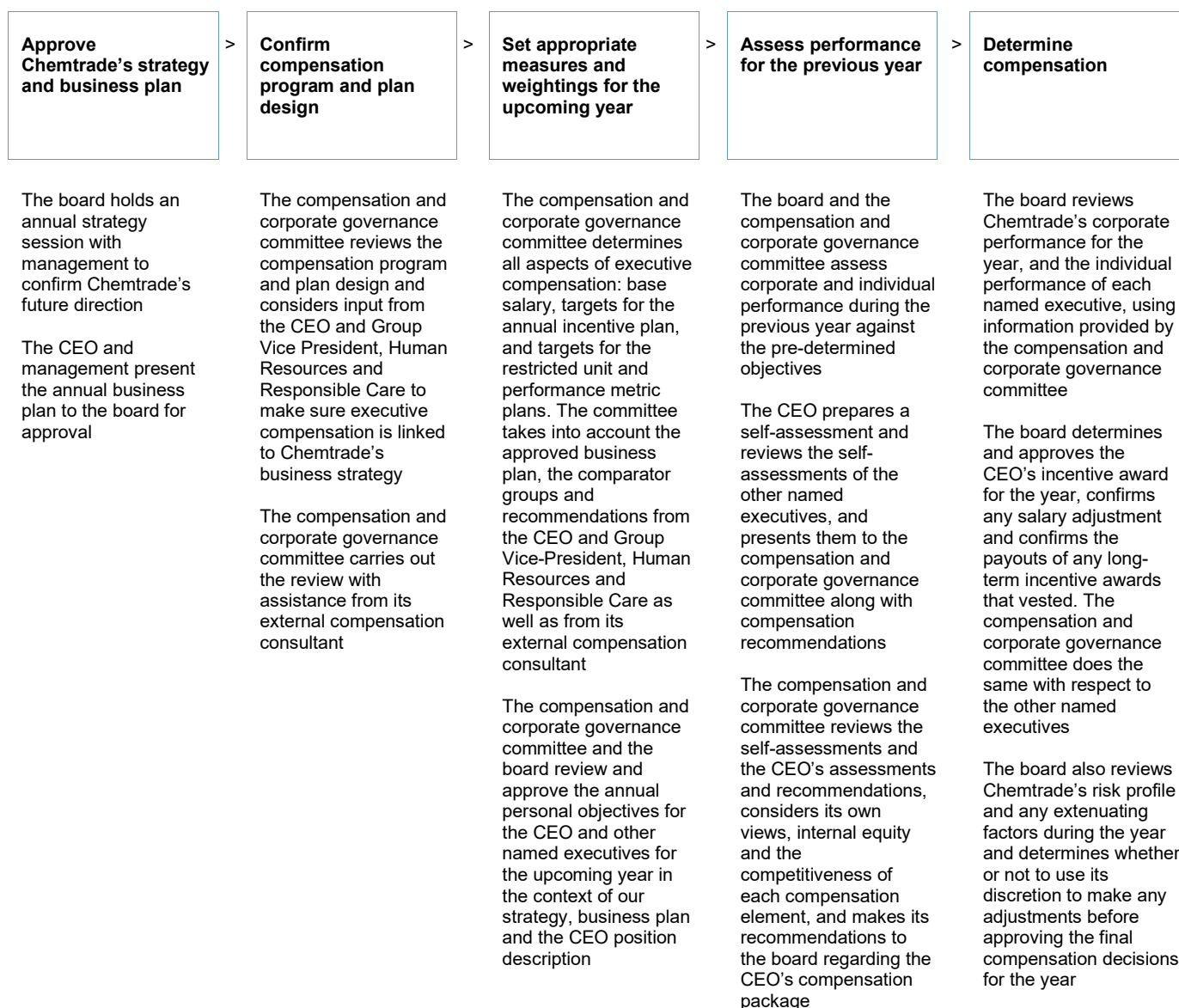
Table 4	Ownership requirement (as a multiple of base salary)	Ownership (as of March 7, 2022)					
		Units (#/\$)	Restricted share units (#/\$)	Total holdings		As a multiple of base salary	Meets ownership level
				Total units and restricted units	Value		
Scott Rook, CEO/COO	3x	50,897 / \$377,656	428,760 / \$3,181,403	479,657	\$3,559,059	4.19	Yes
Rohit Bhardwaj, CFO	2x	107,000 / \$793,940	235,968 / \$1,750,885	342,968	\$2,544,825	5.43	Yes
Tim Montgomery, Group Vice President Engineering and Manufacturing	2x	6,091 / \$45,195	76,561 / \$568,085	82,652	\$613,280	1.40	No - must invest 75% of after-tax payments of long-term incentive award until he meets the ownership level
Emily Powers, Group Vice President, Human Resources and Responsible Care	1x	20,312 / \$150,715	121,935 / \$904,761	142,247	\$1,055,476	2.89	Yes

Note:

- 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 market value.

## Comprehensive decision-making process

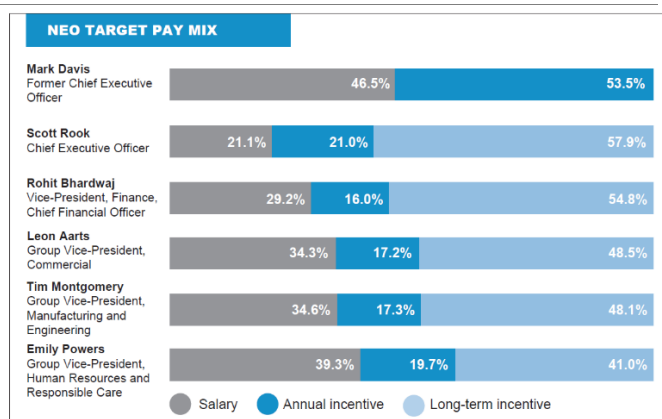
The schematic below sets out our decision-making process in determining executive compensation.



## 2021 COMPENSATION PROGRAM

<b>Fixed compensation</b>	<b>Salary</b> (see page 36)	Cash	Competitive salary based on role, level of experience, and competencies. Reviewed every year against market data from our comparator group and survey data.	one year
<b>Variable compensation</b>	<b>Annual incentive</b> (starting at page 36)	Cash	Annual cash bonus based on corporate (65%) and individual performance (35%)	one year
		<b>Long-term incentive</b> (see page 38) Allocated to two components designed to drive long-term value for unitholders		
		Restricted 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 performance 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 (TUR) and return on invested capital (ROIC) improvement Must meet certain performance thresholds to achieve a payout	three years
<b>Benefits and perquisites</b>	<b>Retirement benefits</b> (see page 49)	Defined contribution plan (DC 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 in Canada. The EBP is designed for high earners who reach the Canada Revenue Agency maximum on their DC plan or defined benefit plan and is secured through a letter of credit. For members in the DC plan, it allows the company to contribute to a non-registered account and is available to the employee immediately. Prior to 2021, Chemtrade contributed to a notional account.	
		401(k) plan	U.S. executives and employees	
		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	
	<b>Perquisites</b>	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	
		Personal financial or tax advice	CEO only	

The graph to the right shows the compensation mix for target total direct compensation for each named executive in 2021. 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 36).



## 2021 PERFORMANCE AND COMPENSATION

### Salary

We target base salary around the median of similar roles at companies in our comparator groups 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 35).

The table below shows the annual base salary for each named executive. The annual base salary for Leon Aarts and Tim Montgomery has been converted from U.S. dollars to Canadian dollars using an exchange rate of \$1.25, the average exchange rate for the year. Salaries are reviewed annually and adjustments typically go into effect on March 1. However, in 2021, salary increases went into effect on June 1.

	2020	2021
Mark Davis (retired Feb. 28, 2021)	\$900,000	\$900,000
Scott Rook	\$700,000	\$850,000
Rohit Bhardwaj	\$460,000	\$469,000
Leon Aarts	\$543,097	\$517,729
Tim Montgomery (joined October, 2020)	-	\$438,753
Emily Powers	\$325,000	\$365,000

### Annual incentive

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

Financial metrics for the annual incentive compensation plans are established through the annual business plan. 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. Unitholders asked for more transparency around financial targets. The table below summarizes our performance in 2021, relative to targets initially set and approved by the board, and the associated payout for each financial target.

Financial Component Target (Percent contribution)	Threshold (\$M) – For 50% Payout	Target (\$M)	Maximum (\$M) – For 150% Payout	Achieved (\$M)	Achieved (% of Target)	% Payout
Distributable cash (50%)	\$38.7	\$59.5	\$77.4	\$105.5	177%	150%
Business free cash (15%)	\$149.9	\$200.6	\$236.5	\$217.2	108%	115% <sup>1</sup>

**Total Financial Component Payout: 141.9%**

- <sup>1</sup> The actual payout for the business free cash component of the annual incentive is dependent upon the achievement of individual product level free cash targets. The business free cash target provided in the table above consolidates each of these individual product level free cash targets. We do not disclose our individual product level free cash targets for competitive reasons. Payout ranges for each product level free cash component are from 50% to 150% of target. Based upon the performance of each relative to their respective targets a payout of 115% was awarded.

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 38). The compensation and corporate governance committee weighs performance against the objectives and approves the annual incentive for individual performance for each named executive.

The table on the next page shows the 2021 annual incentive for each named executive. The 2021 annual incentive for Leon Aarts and Tim Montgomery has been converted from U.S. dollars to Canadian dollars using an exchange rate of \$1.25, the average exchange rate for the year.

TABLE 6

2021 performance  
(see below on this page for details)

$$\begin{array}{c} \text{2021 base} \\ \text{salary} \end{array} \times \begin{array}{c} \text{Target} \\ \text{annual} \\ \text{incentive} \\ \text{(as a \%} \\ \text{of base} \\ \text{salary)} \end{array} \times \left( \begin{array}{c} \text{Financial} \\ \text{(65\%)} \end{array} + \begin{array}{c} \text{Individual} \\ \text{(35\%)} \end{array} \right) = \begin{array}{c} \text{2021 annual} \\ \text{incentive} \\ \text{(0\% to 150\%} \\ \text{of target)} \end{array} \quad \text{Award} \\ \text{as a \%} \\ \text{of target}$$

Table 6

Executive	2021 base salary	Target annual incentive (as a % of base salary)	Financial (65%)	Individual (35%)	2021 annual incentive (0% to 150% of target)	Award as a % of target
Mark Davis (former CEO)	\$900,000	115%	N/A	N/A	\$258,750	100% <sup>1</sup>
Scott Rook	\$850,000	100%	141.9% x 65%	130% x 35%	\$1,171,000	137.8%
Rohit Bhardwaj	\$469,000	55%	141.9% x 65%	135% x 35%	\$360,000	139.6%
Leon Aarts	\$517,729	50%	141.1% <sup>2</sup> x 65%	70% x 35%	\$300,859	116.2%
Tim Montgomery	\$438,753	50%	141.9% x 65%	125% x 35%	\$298,352	136.0%
Emily Powers	\$365,000	50%	141.9 x 65%	130% x 35%	\$251,000	137.5%

- Our former CEO Mark Davis had a different target incentive award maximum payout of 200%, as compared to 150% for the other named executives. For the year 2021, Mr. Davis' incentive was calculated at target and pro-rated for the period of his employment in 2021 (i.e. 3 months), resulting in a payout of \$258,760 for 2021.
- Leon Aarts is measured on different businesses for the business free cash component for the first 10 months of the year. After the sale of Chemtrade's KCI and vaccine adjuvants businesses, the measures are the same for the other named executives. The financial achievement above is the weighted average of the performance under both measures.

### 2021 performance results for the annual incentive

The distributable cash target was met and paid out at 150% overall. Business free cash targets for each business segment, which we introduced in 2018, paid out at 115% overall. The committee did not use its discretion to adjust the financial performance factor for 2021.

#### 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.

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 2021.

#### 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.

See page 38 for a discussion of each executive's individual performance in 2021.

#### Distributable cash (50%)

See *Non-IFRS measures* on page 74 for details.

150% x 50% = 75%

+

#### Business free cash (15%)

See *Non-IFRS measures* on page 74 for details.

115.0% x 15% = 17.25%

Combined results of our three 2021 business segments, each weighted at 33%.<sup>1</sup>

#### Five performance criteria

- Environmental, health and safety performance* – 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
- Operational excellence* – successful execution of initiatives improving the long-term sustainability of distributable cash
- Organizational excellence* – continuous improvement in the execution of all areas of the business including the integration of business and functional activities
- Growth* – pursuing growth in financial results and implementing scalable processes and systems to support organic growth and future acquisitions
- Organizational development* – 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.

<sup>1</sup> Leon Aarts is measured on different businesses (including Brazil and KCI and adjuvants) for the business free cash component for the first 10 months of the year. After the sale of Chemtrade's KCI and vaccine adjuvants businesses, the weighting is the same for the other named executives.

## 2021 individual performance

### **Scott Rook, CEO (as of March 1, 2021). Acted as COO until March 1, 2021**

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.

**2021 individual performance factor:** 130%

#### **2021 individual goals and results**

Contractor safety achieved the best results in past 3 years, proactive reporting of PSIFs was the highest on record and we continued to advance our safety culture. Transitioned into the role of CEO. Exceeded business plan results. Advanced ESG to set long-term targets and incorporate these targets into short-term and long-term incentive plans of all executives. Established strategic plans and advanced organic growth opportunities in ultrapure acid, hydrogen, and water specialties. Reorganized responsibilities to improve organizational excellence necessary to meet current business and operational challenges and provide development to leadership. Sponsored initiatives to improve productivity, working capital, and reliability. Sponsored the talent review and succession planning process for corporate functions, and drove subsequent development plans and execution.

### **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.

**2021 individual performance factor:** 135%

#### **2021 individual goals and results**

Contractor safety achieved the best results in past 3 years, proactive reporting of PSIFs was the highest on record and we continued to advance our safety culture. Improved financial flexibility by raising equity, issuing convertible debentures and amending senior bank facility, including extending bank covenant relief. Led the sale of the potassium chloride and vaccine adjuvants businesses. Supported the development and succession planning activities for Finance, IT and Legal. Led IT security enhancements.

### **Leon Aarts, Group Vice-President, Commercial**

Responsible for corporate development and strategy as well as the South American sodium chlorate and chlor-alkali businesses. Departed Chemtrade on December 31, 2021

**2021 individual performance factor:** 70%

#### **2021 individual goals and results**

Contractor safety achieved the best results in the past 3 years, proactive reporting of PSIFs was highest on record and we continued to advance our safety culture. Advanced organic growth opportunities in ultrapure acid, hydrogen, and water specialties.

### **Tim Montgomery, Group Vice-President, Manufacturing and Engineering**

Responsible for manufacturing and engineering organizations as well as business and operational excellence

**2021 individual performance factor:** 125%

#### **2021 individual goals and results**

Contractor safety achieved the best results in past 3 years, proactive reporting of PSIFs was highest on record and we continued to advance our safety culture. Reduced unplanned outages, improved margin through productivity improvements, and oversaw capital spending to budget. Realigned resources and upgraded talent to meet the needs of the businesses.

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

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

**2021 individual performance factor:** 130%

#### **2021 individual goals and results**

Sponsored the Pandemic Steering Team throughout the year. Contractor safety achieved the best results in past 3 years, proactive reporting of PSIFs was highest on record and we continued to advance our safety culture. Advanced ESG strategy and disclosure including establishing long-term targets and incorporating those targets into short-term and long term incentive plans of executives. Established Diversity and Inclusion strategy. Drove talent review and succession planning process for corporate functions, and subsequent development plans and execution.

## 2021 Long-term incentive grants

The long-term incentive was granted after the release of the Fund's year-end results for the prior year. The award is allocated to RSUs (equity-based award) and the PMP (cash-based award), and pays out after the performance period. The 2021 long-term incentive vests on December 31, 2023. The relative total unitholder return (TUR) component of the plan and the RSUs have a performance period of March 5, 2021 to the third trading day after the release of the 2023 financial statements. The return on invested capital (ROIC) component of the plan has a performance period of January 1, 2021 to December 31, 2023. To drive performance, the grant is more heavily weighted toward the PMP.

<p><b>Restricted units (RSUs)</b> Each restricted 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 units that vest (including restricted 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><b>Performance metrics plan (PMP)</b> The PMP 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>	
	<p><b>Relative total unitholder return (TUR)</b> (50%)</p>	<p>+</p>

The table below shows the 2021 grants (see page 47 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 31). 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 2024. What the executive ultimately receives depends on our performance during the applicable performance period (see page 40 for the 2021-2023 performance metrics).

	<b>RSUs</b>		<b>PMP</b>		
	Grant value	Units vesting Dec 2023	2021 PMP potential payout range		
			Minimum	Target	Maximum
Scott Rook	\$818,000	114,400	\$0	\$1,520,000	\$3,040,000
Rohit Bhardwaj	\$280,000	39,200	\$0	\$600,000	\$1,200,000
Leon Aarts	\$206,000	28,800	\$0	\$524,000	\$1,048,000
Tim Montgomery	\$210,000	29,400	\$0	\$400,000	\$800,000
Emily Powers	\$140,000	19,600	\$0	\$240,000	\$480,000



## About the 2021-2023 PMP performance metrics

Table 8

### 1 Relative total unitholder return (50%)

Relative 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:* March 5, 2021 to 2 trading days after the release of 2023 financial results

Relative 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 2021 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 Adjusted 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, 2023

Adjusted EBITDA is a non-IFRS measure and does not include an accrual for long-term incentive payouts (see *Non-IFRS measures* on page 74 for details)

The threshold is a 0% improvement. This metric will pay out at target if the ROIC growth is 5%. The maximum payout, being 200% of target, is achieved when the ROIC improvement equals or exceeds 10%. Payout for performance between threshold and maximum is based on a linear interpolation. The table below shows the ROIC performance criteria for the 2021 PMP.

ROIC improvement	Payout multiplier
Below threshold	0%
Target: 5%	100%
Maximum: 10% or higher	200%

## Payout of the 2019 long-term incentive

The 2019 long-term incentive was for the performance period from January 1, 2019 to December 31, 2021.

Awards vested on December 31, 2021 and amounts will be paid out in March 2022 as shown below.

	2019 RSUs		2019 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				
<b>Table 9</b>									
Mark Davis (Retired Feb. 28, 2021)	\$1,250,000	\$1,251,248	\$0	\$1,650,000	\$3,300,000	\$0	\$2,900,000	\$1,251,248	43%
Scott Rook (transitional awards)	\$400,000	\$400,155	\$0	\$750,000	\$1,500,000	\$0	\$1,150,000	\$400,155	25% combined
	\$100,000	\$100,547	\$0	\$750,000	\$1,500,000	\$0	\$850,000	\$100,547	
Rohit Bhardwaj	\$205,000	\$205,156	\$0	\$600,000	\$1,200,000	\$0	\$805,000	\$205,156	25%
Leon Aarts	\$205,000	\$205,156	\$0	\$525,000	\$1,050,000	\$0	\$730,000	\$205,156	28%
Emily Powers	\$103,000	\$102,578	\$0	\$187,500	\$375,000	\$0	\$290,500	\$102,578	35%

## About the 2019 RSU awards

The table below shows the final payout of the RSUs awarded in 2019. RSU awards will be paid out at \$7.35 per unit, the volume weighted average unit price on the TSX for the first 20 trading days following the end of the performance period.

$$\left( \begin{array}{|c|} \hline \text{Number of} \\ \text{RSUs granted} \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Number of RSUs} \\ \text{received as} \\ \text{distribution} \\ \text{equivalents} \\ \hline \end{array} \right) \times \begin{array}{|c|} \hline \text{Volume weighted} \\ \text{average} \\ \text{trading price} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{2019 RSU} \\ \text{payout} \\ \hline \end{array} \quad \text{Payout as a \% of the grant value}$$

Table 10

	Number of RSUs granted	Number of RSUs received as distribution equivalents	Volume weighted average trading price	2019 RSU payout	Payout as a % of the grant value
Mark Davis	123,200	47,038	\$7.35	\$1,251,248	100%
Scott Rook	39,400	15,043	\$7.35	\$400,155	100%
(transitional award)	9,900	3,780	\$7.35	\$100,547	100%
Rohit Bhardwaj	20,200	7,712	\$7.35	\$205,156	100%
Leon Aarts	20,200	7,712	\$7.35	\$205,156	100%
Emily Powers	10,100	3,856	\$7.35	\$102,578	100%

## About the 2019 PMP awards

The table below shows the final payout of the PMP awarded in 2019. The committee did not exercise its discretion to adjust the payout of the 2019 award.

$$\left( \begin{array}{|c|} \hline \text{2019 – 2021 PMP performance} \\ \text{(see this page and page 42 for details)} \\ \hline \end{array} \right) \times \left( \begin{array}{|c|} \hline \text{Total unitholder} \\ \text{return} \\ \text{(33\%)} \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Relative total} \\ \text{unitholder} \\ \text{return} \\ \text{(33\%)} \\ \hline \end{array} + \begin{array}{|c|} \hline \text{EBITDA} \\ \text{growth} \\ \text{(33\%)} \\ \hline \end{array} \right) = \begin{array}{|c|} \hline \text{2021 PMP} \\ \text{payout} \\ \hline \end{array} \quad \text{Payout as a \% of target}$$

0% achieved      0% achieved      0% achieved

Table 11

	Total unitholder return (33%)	Relative total unitholder return (33%)	EBITDA growth (33%)	2021 PMP payout	Payout as a % of target
All named executives	\$0	\$0	\$0	\$0	0%

## 2019-2021 performance results for the 2019 PMP awards

Performance period: January 1, 2019 to December 31, 2021

### 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: 34.37% (grant TUR)	0%	Did not meet threshold of 34.37% (grant TUR), as final TUR was -2.92%, resulting in a payout of \$0.
Target: 51.55% (1.5x grant TUR)	50%	
Maximum: 68.73% (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 <sup>th</sup> percentile of the total return of the Index Companies (P25)	25%	Did not meet threshold of P25, as relative TUR was P1 relative to the S&P/TSX Composite Index, 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%	Did not meet threshold, as EBITDA growth was -0.1%, resulting in a payout of \$0. Adjusted EBITDA is a non-IFRS measure and does not include an accrual for long-term incentive payouts (see <i>Non-IFRS</i> measures on page 74 for details).
Target: 5% higher than the previous period	50%	
Maximum: 10% or higher than the previous period	100%	

#### Payout of the 2020 long-term incentive

##### RSUs vesting December 31, 2021

There are two performance periods for the 2020 long-term incentive. Awards in respect of the performance period that ran from November 17, 2020 to 2 days following the release of 2021 financial results vested on December 31, 2021 and amounts will be paid out in March 2022 at \$7.39 per unit, the volume weighted average unit price on the TSX for the first 5 trading days after the performance period.

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

Table 15

Executive	Number of RSUs granted	Number of RSUs received as distribution equivalents	Volume weighted average trading price	2020 RSU payout	Payout as a % of the grant value
Scott Rook	54,000	11,653	\$7.39	\$485,177	194%
Rohit Bhardwaj	37,800	8,157	\$7.39	\$339,624	194%
Leon Aarts	37,800	8,157	\$7.39	\$339,624	194%
Emily Powers	21,600	4,661	\$7.39	\$194,071	194%

## GENERATING VALUE FOR UNITHOLDERS

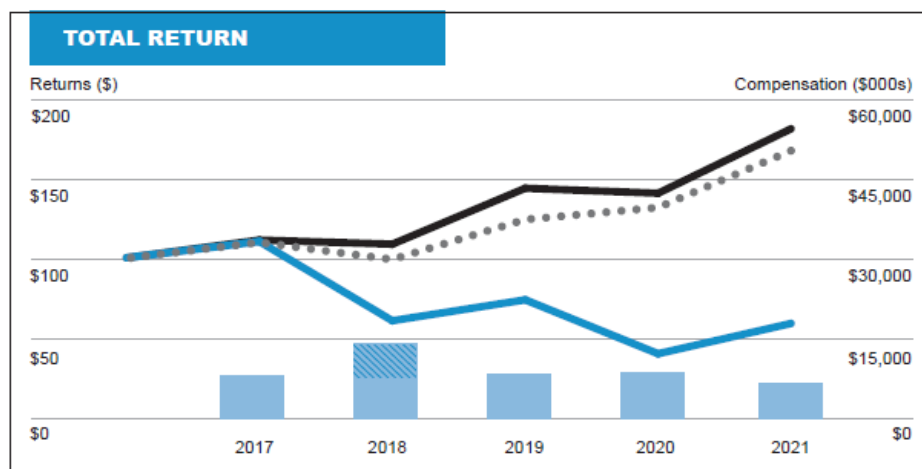
### Total return

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, 2017 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 2017 to the end of December 2021 total unitholder return decreased by approximately 37% over the entire period. Total compensation (see Table 18 for summary compensation details) for the named executives over the same five-year period decreased by approximately 14.5%. As both the total unitholder return and executive pay decreased, there is a strong alignment of pay for performance. The reasons that total unitholder return decreased modestly more than executive pay include:

- (i) as reported in our 2020 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 2021 did reflect the decline in unit value: the executives received no payout under the PMP component of the 2019 long-term incentive (see Tables 9 and 11) and 100% of grant value on the RSU component (see Table 10), with the result that the overall 2019 long-term incentive payouts ranged from 25% to 43% of grant value for the named executives.
- (iii) the executives' 2020 and 2021 total compensation includes RSUs *granted* in 2020 and 2021, respectively. The RSUs vest at the end of 2021, 2022 and 2023 and are paid in 2022, 2023 and 2024, respectively. 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 to support stability of management during a succession planning process, 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.
- (v) the total direct compensation in 2021 includes six, rather than five, named executives, as Mr. Davis' direct compensation is included for the portion of 2021 in which he remained CEO prior to the transition to Mr. Rook.



	Jan 1	Jan 1	December 31	December 31	December 31	December 31
	2017	2017	2018	2019	2020	2021
Chemtrade Logistics Income Fund	\$100	\$109	\$64	\$76	\$45	\$63
S&P/TSX Income Trust – Total Return Index	\$100	\$110	\$108	\$140	\$137	\$173
S&P/TSX Composite – Total Return Index	\$100	\$109	\$99	\$122	\$129	\$161
Total direct compensation paid to the named executives (\$000s)		\$8,336	\$14,159	\$8,285	\$8,771	\$7,127

## 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. These vested in part at the end of 2020 and in part 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 in 2021 includes six, rather than five, named executives, as Mr. Davis' direct compensation is included for the portion of 2021 in which he remained CEO prior to the transition to Mr. Rook.

	2017	2018	2019	2020	2021
Chemtrade Adjusted EBITDA (000s)	\$283,175	\$196,223	\$295,603 <sup>1</sup>	\$265,268 <sup>1</sup>	\$280,380 <sup>1</sup>
Total direct compensation paid to the named executives (000s)	\$8,336	\$14,159	\$8,285	\$8,771	\$7,127
Total direct compensation as a % of Adjusted EBITDA	2.9%	7.2%	2.8%	3.3%	2.5%

1 Starting in 2019, Adjusted EBITDA does not include lease expenses. Adjusted EBITDA is a non-IFRS measure (see page 74).

### Named executives:

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 and Mr. Rook's compensation, and is and was not guaranteed. The realized and estimated realizable compensation of our CEO in 2021 and 2020 was above target due to stronger unit price resulting in a larger realizable compensation related to the long-term incentive. In all prior years, realized and realizable compensation of the CEO was below target, reflecting Chemtrade's pay for performance philosophy as financial underperformance results in lower compensation.

Table 17	Target compensation	Realized or Estimated Realizable compensation			Total realized or estimated realizable compensation	Realized or Estimated Realizable as a % of target
		Salary	Annual incentive	Long-term incentive (realized or estimated realizable)		
2021 – Mr. Rook	\$4,022,375	\$834,375	\$1,171,000	\$2,429,821	\$4,435,196	110%
2021 – Mr. Davis	\$1,260,000	\$225,000	\$258,750	\$0	\$483,750	38%
2020	\$4,176,667	\$891,667	\$1,552,000	\$3,402,858	\$5,846,525	140%
2019	\$4,600,000	\$850,000	\$503,000	\$1,251,712	\$2,604,712	57%
2018	\$9,589,167	\$839,167	\$335,000	\$3,501,184	\$4,675,351	49%
2017	\$4,095,950	\$785,000	\$1,100,000	\$1,771,370	\$3,656,370	94%

### Target compensation

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

The 2021 target compensation for Mr. Davis is prorated for the portion of 2021 he was CEO.

### 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 were granted in each year (grant value of the RSUs and target potential payout of the PMP)

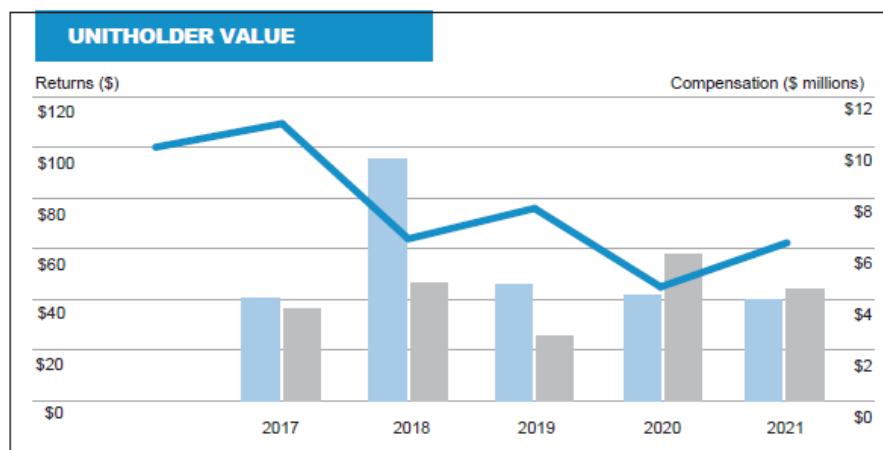
Realized and estimated realizable compensation = actual payout value of the RSUs and PMP if vested. If not vested, equal to the value of the RSUs granted in that year, including distributions, as of December 31, 2021 plus the target value of the PMP component granted in that year.

The 2018 long-term incentive includes the payout of the retention award granted in 2018, which paid out at 56% of grant value.

## Alignment between pay and performance

The image on the next page shows the relationship between the CEO's target compensation, total realized and estimated realizable compensation, and unitholder returns. The table shows the CEO's target compensation and total realized and estimated realizable compensation from the Table 17 above, 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, 2017 and that distributions were reinvested.



	Jan 1	December 31				
	2016	2017	2018	2019	2020	2021
Chemtrade Logistics Income Fund	\$100	\$109.2	\$64.1	\$76.0	\$45.3	\$62.6
Target compensation (\$ millions)		\$4.1	\$9.6	\$4.6	\$4.2	\$4.0
Total realized and estimated realizable compensation		\$3.7	\$4.7	\$2.6	\$5.8	\$4.4

Note: The 2021 comparison between target compensation and total realized and estimated realizable compensation includes only Mr. Rook's compensation as both COO and CEO in 2021. For a comparison of Mr. Davis' 2021 realized and realizable compensation to target compensation please refer to Table 17 above.

On average, Mr. Davis and Mr. Rook have realized approximately 75% of their target compensation for the last five years. The correlation between Fund performance and target compensation and total realized compensation highlight the link between the CEO's realized pay and our unit performance over time. For the 2020 and 2021 fiscal years estimated realizable compensation of our CEO is above target due to a stronger unit price resulting in a larger estimated realizable compensation related to the long-term incentive.

## 2021 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		
<b>Mark Davis</b>	2021	\$225,000	\$0	\$258,750	\$0	\$96,915	\$4,956,852	\$5,537,517
Former Chief Executive Officer	2020	\$891,667	\$1,250,000	\$1,552,000	\$0	\$384,976	\$40,500	\$4,119,143
(retired Feb. 28, 2021)	2019	\$850,000	\$1,250,000	\$503,000	\$850,000	\$384,130	\$39,885	\$3,877,015
<b>Scott Rook</b>	2021	\$834,375	\$818,000	\$1,171,000	\$0	\$57,690	\$35,000	\$2,916,065
Chief Executive Officer	2020	\$700,000	\$900,000	\$652,000	\$0	\$37,380	\$31,500	\$2,320,880
(joined Sept. 16, 2019, became CEO March 1, 2021)	2019	\$204,167	\$1,260,000	\$246,000	–	–	–	\$1,710,167
<b>Rohit Bhardwaj</b>	2021	\$465,250	\$280,000	\$360,000	\$0	\$33,519	\$21,105	\$1,159,874
Chief Financial Officer	2020	\$451,667	\$630,000	\$314,000	\$0	\$27,057	\$20,700	\$1,443,424
	2019	\$410,000	\$205,000	\$134,000	\$250,000	\$24,566	\$19,238	\$1,042,805
<b>Leon Aarts</b>	2021	\$513,550	\$206,000	\$300,859	\$0	–	\$44,908	\$1,065,318
Group Vice-President, Commercial	2020	\$535,275	\$556,000	\$339,268	\$0	–	\$46,964	\$1,477,507
	2019	\$490,979	\$205,000	\$100,850	\$250,000	–	\$51,899	\$1,098,728
<b>Tim Montgomery</b>	2021	\$438,753	\$210,000	\$298,352	\$0	\$0	\$43,000	\$990,105
Group Vice-President, Manufacturing and Engineering	2020	\$73,126	\$170,000	\$38,861	\$0	\$0	\$17,922	\$299,909
(joined Oct. 26, 2020)	2019	–	–	–	–	–	–	–
<b>Emily Powers</b>	2021	\$355,834	\$140,000	\$251,000	\$0	\$21,332	\$16,000	\$784,166
Group Vice-President, Human Resources and Responsible Care	2020	\$320,834	\$330,000	\$202,000	\$0	\$19,933	\$14,430	\$887,197
	2019	\$273,750	\$103,000	\$97,000	\$75,000	\$16,425	\$12,435	\$577,610

Mr. Aarts and Mr. Montgomery are based in the U.S. and paid in U.S. dollars. Their 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: \$1.25 (2021), \$1.34 (2020) and \$1.33 (2019). For 2021, Mr. Davis' compensation was pro-rated for the period of his employment in 2021 (i.e. 3 months). Mr. Davis remained employed by Chemtrade for one month after his retirement as CEO and a trustee.

#### Salary

Amounts are the actual salaries paid during the calendar year. Salary adjustments typically go into effect on March 1, except for 2021 when salary adjustments took effect on June 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: \$7.15 (2021), \$4.63 (2020) and \$10.15 (2019). Scott Rook's amount in 2019 includes the transitional award of RSUs to recognize incentive compensation he forfeited from his previous employer). We used \$10.15 to calculate Mr. Rook's transitional award.

#### Long-term incentive

- Long-term incentive payments have been the same over the past several years for each named executive because only the EBITDA growth metric paid in full during that period. However, for the 2018 and 2019 LTIP, none of the PMP metrics resulted in a payment. We replaced the EBITDA growth metric in 2020 (see details of this change in our 2019 management information circular).
- 2021 amounts are for the 2019 PMP award that vested on December 31, 2021 and did not pay out.
- 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. Only the EBITDA growth component paid out.

#### Pension value

Includes Chemtrade's contribution to the DC plan in 2019, 2020 and 2021, and to Mark Davis' supplemental executive retirement plan in 2019, 2020 and 2021.

#### All other compensation

Includes the following:

- For the former CEO Mark Davis, includes contractual obligations, see page 47
- Chemtrade's contribution to the unit purchase plan
- Leon Aarts and Tim Montgomery: 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.

## Contractual obligation arising from Mark Davis' accelerated retirement at the request of the board

As part of its succession planning process, the board required Mark Davis to remain with Chemtrade to assist in the effective transition of Scott Rook, the COO, into the role of CEO. The board was able to accelerate the transition period as Mr. Rook was able to step into the CEO role sooner than initially contemplated. This accelerated departure of Mr. Davis, at the board's request, provided for an effective transition of leadership in the best interests of the business and a contractual obligation to provide Mr. Davis, upon his departure as CEO on February 28, 2021, with two years' of salary, incentive compensation and ancillary benefits, including the accumulated value of the SERP along with \$700,000, representing two-years of credit to the SERP as further described on page 49.

Chemtrade does not pay severance for any retirement or voluntary resignation. The severance paid to Mr. Davis was a result of the acceleration of this departure timeframe, on the board's terms.

## INCENTIVE PLAN AWARDS

The table below shows the outstanding share-based awards (RSUs) for each named executive as at December 31, 2021. Market values are calculated using \$7.40, the price of units on the TSX on December 31, 2021 and include distributions. The 2019 RSU awards vested on December 31, 2021 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. In addition, a portion of the 2020 RSU awards vested on December 31, 2021 and amounts were calculated based on the volume weighted average unit price for the first 5 trading days after the end of the performance period. The 2019 and 2020 RSUs vesting December 31, 2021 will be paid out in March 2022 as shown below.

You can read more about the long-term incentive beginning on page 38.

### 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	2021	-	-	-
	2020	323,835	\$2,396,381	-
	2019	-	-	\$1,251,248
	<b>Total</b>	<b>323,835</b>	<b>\$2,396,381</b>	<b>\$1,251,248</b>
Scott Rook	2021	122,617	\$907,368	-
	2020	168,395	\$1,246,118	\$485,177
	2019 <sup>1</sup>	-	-	\$500,702
	<b>Total</b>	<b>291,012</b>	<b>\$2,153,487</b>	<b>\$985,879</b>
Rohit Bhardwaj	2021	42,016	\$310,916	-
	2020	117,900	\$872,460	\$339,624
	2019	-	-	\$205,156
	<b>Total</b>	<b>159,916</b>	<b>\$1,183,377</b>	<b>\$544,780</b>
Leon Aarts	2021	30,869	\$228,428	-
	2020	98,710	\$730,452	\$339,624
	2019	-	-	\$205,156
	<b>Total</b>	<b>129,579</b>	<b>\$958,881</b>	<b>\$544,780</b>
Tim Montgomery	2021	31,512	\$233,187	-
	2020	44,017	\$325,730	-
	2019	-	-	-
	<b>Total</b>	<b>75,529</b>	<b>\$558,918</b>	-
Emily Powers	2021	21,008	\$155,458	-
	2020	59,610	\$441,112	\$194,071
	2019	-	-	\$102,578
	<b>Total</b>	<b>80,618</b>	<b>\$596,570</b>	<b>\$296,649</b>

Note Scott Rook's amounts include the transitional award of RSUs to recognize incentive compensation he forfeited from his previous employer.



## Incentive plan awards – value vested or earned in 2021

The table below shows the value of share-based awards (RSUs) that vested in 2021 and cash incentive awards that were earned in 2021 (annual incentive award and PMP award under the long-term incentive plan).

<b>Table 20</b>	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	–	\$1,263,164	\$258,750
Scott Rook	–	\$989,942	\$1,171,000
Rohit Bhardwaj	–	\$546,635	\$360,000
Leon Aarts	–	\$546,635	\$300,859
Tim Montgomery	–	-	\$298,352
Emily Powers	–	\$297,609	\$251,000

### Option-based awards

We do not grant stock option awards.

### Share-based awards

Represents the number of RSUs that vested in 2021 under the 2019 long-term incentive plan (or, in the case of Scott Rook, includes the 2019 long-term incentive plan for his transitional award), multiplied by \$7.40 per unit, the closing unit price on the TSX on December 31, 2021.

### Non-equity incentive plan compensation

Includes only the 2021 annual incentive. The 2019 PMP award that vested on December 31, 2021 paid out at \$0 (see pages 37 and 41 and as disclosed in the summary compensation table on page 46). The annual incentive amounts for Leon Aarts and Tim Montgomery have been converted from U.S. dollars to Canadian dollars using \$1.25, the average exchange rate for the year.

### About burn rate

The burn rate of a securities-based compensation arrangement measures the pace at which awards are granted under the arrangement. The TSX Company Manual (manual) requires disclosure of the annual burn rate for an issuer's three most recently completed fiscal years for the relevant arrangement. The manual requires that the annual burn rate of the arrangement be calculated as follows and expressed as a percentage: *Number of securities granted under the arrangement during the applicable fiscal year divided by the weighted average number of securities outstanding for the applicable fiscal year.*

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. See page 75 for a description of our burn rate for DSUs issued to trustees.

## 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 previously participated in a supplementary executive retirement plan (see below).

### Defined contribution pension plan

In 2019, we introduced a DC plan for all eligible Chemtrade employees in Canada, replacing our group registered retirement savings plan (group RRSP). The DC plan was open to four of the named executives during 2021 (Mark Davis, Scott Rook, Rohit Bhardwaj, and Emily Powers).

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.

### 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 four of the named executives participating in the plan in 2021. *Compensatory (executive plan)* is the amount contributed to a non-registered account after the executive reaches the contribution limit allowed under the *Income Tax Act* (Canada). Until 2020, these contributions were made to a notional account. We wound up the plan in 2021 and transferred the notional value to the named executive's non-registered accounts.

<b>Table 21</b>	Accumulated value at start of the year	Compensatory	Compensatory (executive plan)	Accumulated value at year-end
Mark Davis	\$60,655	\$9,415	\$0	\$0
Scott Rook	\$47,361	\$22,370	\$35,320	\$109,040
Rohit Bhardwaj	\$74,502	\$21,907	\$11,612	\$113,507
Emily Powers	\$54,422	\$21,332	\$0	\$97,270

### 401(k) plan

We offer a 401(k) plan to employees in the U.S. The plan is open to two of the named executives (Leon Aarts and Tim Montgomery) 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 participated in the supplemental executive retirement plan (SERP) since January 1, 2013.

We notionally credited \$350,000 to the SERP for each year that Mr. Davis was employed by Chemtrade until the age of 65. After age 65, a notional credit of 10% of his annual cash compensation (annual base salary + annual incentive award) would have been applied for every year he continued 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 2021. In accordance with the contractual obligation arising from Mr. Davis' accelerated retirement at the request of the board, the accumulated value of the SERP the end of his employment was paid out upon Mr. Davis' retirement, along with \$700,000, representing two-years of credit to the SERP as further described on page 47 and included in the "*All other compensation*" column of Table 18.

Table 22	Accumulated value at start of the year	Compensatory	Accumulated value at year-end
Mark Davis	\$2,800,000	\$87,500	\$0

## TERMINATION AND CHANGE OF CONTROL

We have employment agreements with each of the 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"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>	Scott Rook: <ul style="list-style-type: none"> <li>18 months annual compensation (base salary plus the average of his last two actual incentive payouts)</li> </ul> Emily Powers: <ul style="list-style-type: none"> <li>12 months annual compensation (base salary plus target annual incentive). Target annual incentive is 50% of base salary</li> </ul> Rohit Bhardwaj: <ul style="list-style-type: none"> <li>18 months annual compensation (base salary plus target annual incentive as noted below). Target annual incentive is 55% of base salary</li> </ul> Tim Montgomery: <ul style="list-style-type: none"> <li>12 months annual compensation (base salary plus annual incentive based on the company's most recently completed financial year). Target annual incentive is 50% of base salary</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
Long-term incentive	<ul style="list-style-type: none"> <li>Outstanding awards are cancelled</li> </ul>	<ul style="list-style-type: none"> <li>Outstanding awards vest in full at the end of the performance period and are paid out</li> </ul>	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Outstanding awards vest and are paid out immediately</li> </ul>	<ul style="list-style-type: none"> <li>Outstanding awards vest in full and are paid out immediately<sup>(1)</sup></li> </ul>

	Voluntary resignation/ Termination with cause	Retirement	Death or incapacity	Termination without cause	Change of control
Retirement benefits	• Entitled to accrued retirement benefits	• Entitled to accrued retirement benefits	• Entitled to accrued retirement benefits	• Entitled to accrued retirement benefits	• Entitled to accrued retirement benefits
Perquisites and other benefits	• Cease immediately	• Cease immediately	• Cease immediately	• Cease immediately	• Cease immediately

(1) Beginning in 2022, all awards under the long-term incentive plan will now provide market-typical double trigger change of control equity vesting (i.e. vesting requires a termination without cause or resignation for good reason within 12 months of a change of control).

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, 2021

Table 23		Voluntary resignation/ Termination with cause	Retirement	Incapacity	Death	Termination without cause	Change of control
Scott Rook	Cash severance	–	–	–	–	\$2,642,250	–
	Long-term incentive	–	–	–	\$5,429,308	\$5,175,974	\$5,429,308
	Retirement benefits	–	–	–	–	–	–
	Other benefits	–	–	–	–	–	–
Rohit Bhardwaj	Cash severance	–	–	–	–	\$1,090,425	–
	Long-term incentive	–	–	–	\$3,086,574	\$2,986,574	\$3,086,574
	Retirement benefits	–	–	–	–	–	–
	Other benefits	–	–	–	–	–	–
Tim Montgomery	Cash severance	–	–	–	–	\$717,877	–
	Long-term Incentive	–	–	–	\$1,320,428	\$1,187,095	\$1,320,428
	Retirement benefits	–	–	–	–	–	–
	Retention award	–	–	–	–	–	–
	Other benefits	–	–	–	–	–	–
Emily Powers	Cash severance	–	–	–	–	\$547,500	–
	Long-term Incentive	–	–	–	\$1,448,182	\$1,187,095	\$1,448,182
	Retirement benefits	–	–	–	–	–	–
	Retention award	–	–	–	–	–	–
	Other benefits	–	–	–	–	–	–

#### Cash severance

Amounts Tim Montgomery have been converted from U.S. dollars to Canadian dollars using an exchange rate of US\$1.00 = \$1.25 on December 31, 2021.

#### Long-term incentive

Retirement is defined as:

- 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, 2021, and are based on \$7.40, the closing unit price on December 31, 2021. PMP amounts have been calculated using target.

## 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 2021, 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.

## NEW FOR NEXT YEAR – 2022 COMPENSATION

As further described in the message from the chair of the compensation and corporate governance committee, the committee has taken the feedback received from unitholders and has implemented changes to our 2022 executive compensation program to address that feedback. See page 24. The following additional key changes are being implemented to address our 2022 compensation:

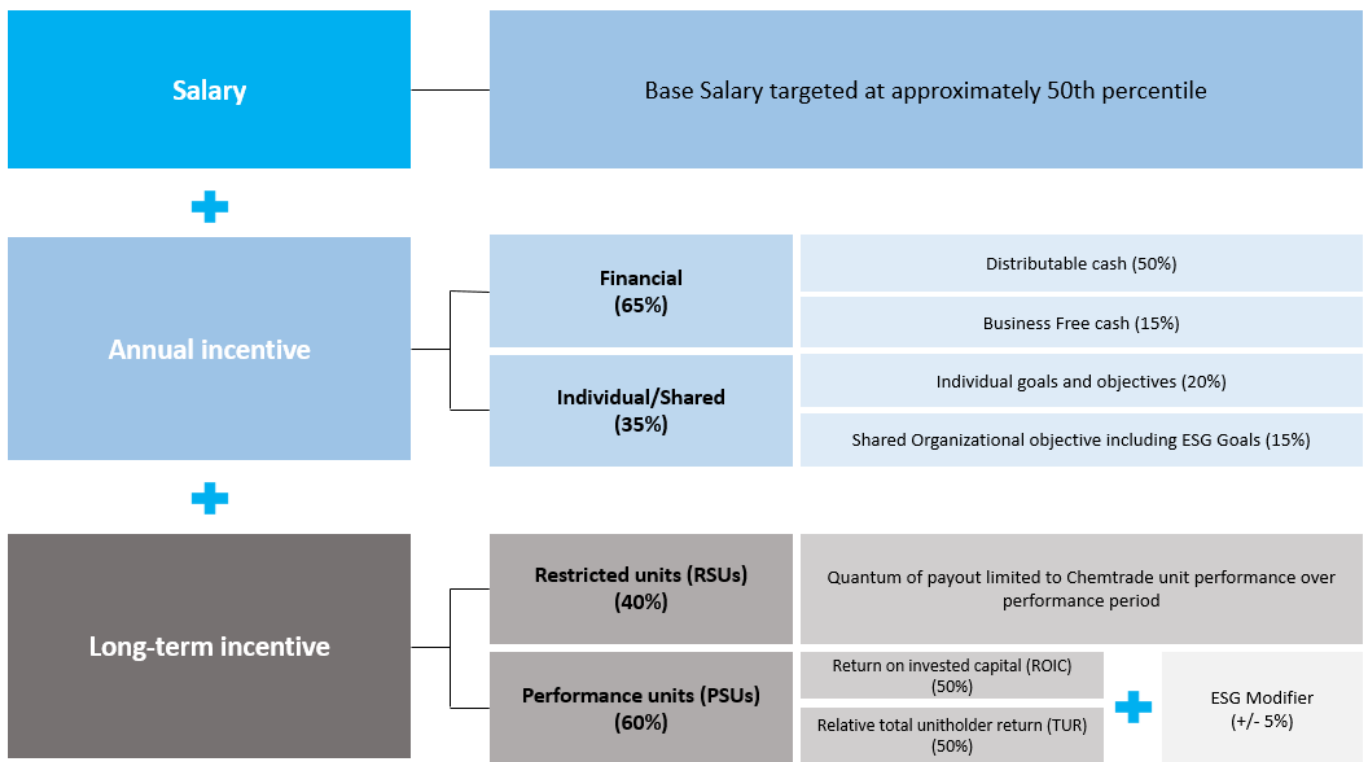
- The former PMP, denominated in cash, will be replaced by PSUs beginning in 2022. The PSUs will track the underlying unit price, increasing alignment with unitholders. In the 2022 long-term incentive grant, 60% of long-term incentives will be granted in the form of PSUs, based on unit price and directly linked to ROIC and relative TUR. The balance of long term incentives (40%) will be granted in the form of RSUs.
- PSUs will additionally be subject to a 3-year modifier of up to +/-5% based on the achievement on ESG targets.
- For the 2022 PSUs, a target payout on relative TUR will now require median performance (P50) rather than P42 performance.
- As a result of the transition to PSUs and the higher performance requirement to achieve a target payout we are removing the absolute TUR cap. PSUs track the underlying unit price and so are directly impacted by negative TUR.
- A new comparator group was approved for 2022 compensation to reflect the current scope and scale of our business. As a result of our review, we added 5 companies: AirBoss of America Corp., Balchem Corporation, Intertape Polymer Group, Methanex, and Richards Packaging Income Fund; and we removed 1 company: Ferro Corporation due to M&A activity. The resulting changes position Chemtrade closer to the middle of the peer group on the key size measures.
- Awards under the long-term incentive plan will now provide market-typical double trigger change of control equity vesting (i.e. vesting requires a termination without cause or resignation for good reason within 12 months of a change of control) for all awards beginning in 2022.
- The financial targets of the annual incentive compensation program are derived from the strategic plan and in 2022 will continue to focus on distributable cash (50%) and business free cash (15%). The balance will be split between individual objectives (20%) and organizational objectives including ESG strategy (15%).

The graphic below shows our overall 2022 executive compensation program at a high level. For comparison, our 2021 executive compensation program is summarized in the graphic found on page 30.

### **Important changes for 2022**

While our change in practice from cash-denominated PMP to PSUs is more unitholder aligned, it will have implications on our disclosure of compensation in future management information circulars. Canadian disclosure rules require Chemtrade to report long-term cash payouts (i.e., PMP payouts) in the Summary Compensation Table in the year they pay out, while PSUs are required to be disclosed in the year they are granted. As a result, beginning in next year's Summary Compensation Table, total reported compensation may appear higher than normal (i.e. 2020 PMP payout plus 2022 grant of PSUs will be disclosed in the 2023 management information circular). This double up reflects securities disclosure requirements, not an increase in compensation.

We will continue to engage with unitholders to fully explain this disclosure next year.



# 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 responsible governance practices.

## Where to find it

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# ABOUT THE BOARD

## Structure

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<b>Unitholders</b>	Elect the board See page 60 to read about our majority voting policy
<b>Board of trustees</b>	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 2021. You can find a copy in Appendix A and on our website ( <a href="http://www.chemtradelogistics.com">www.chemtradelogistics.com</a> ).
<b>Board committees</b>	Three standing committees help the board carry out its responsibilities: <ul style="list-style-type: none"><li>• audit committee</li><li>• compensation and corporate governance committee</li><li>• Responsible Care committee</li></ul> You can read about the committees on page 21. Copies of the committee charters are available on our website ( <a href="http://www.chemtradelogistics.com">www.chemtradelogistics.com</a> ).

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## Position descriptions

We have a formal written position description for the chair of the board that sets out his/her 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 2022 and are available on our website ([www.chemtradelogistics.com](http://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 and is not standing for re-election at the 2022 annual meeting of unitholders. On March 4, 2022, the board appointed Douglas Muzyka to serve as chair, with his role to commence following the May 10, 2022 meeting.

### 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 one member 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 between three to 10 trustees on our board.

We currently have seven trustees on our board and are seeking to add an eighth (see page 61). The board seeks to have a board size that encourages active discussion and engagement.

## 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 CEO of the Fund.

The table below sets out the board and committee memberships during 2021 and until this year’s annual meeting. 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 2021.

	Board of trustees	Audit committee	Compensation and corporate governance committee	Responsible Care committee	Independent
Douglas Muzyka	chair (starting May 10, 2022)	●	●	●	Yes
Lorie Waisberg	chair (until May 10, 2022)	●	●	●	Yes
Lucio Di Clemente	●	chair (until May 2021)	chair (from May 2021)	●	Yes
Daniella Dimitrov	●	chair (from May 2021)	●	●	Yes
Emily Moore	●	●	●	chair	Yes
Douglas Muzyka	●	●	●	●	Yes
Katherine Rethy	●	●	chair (until May 2021)	●	Yes
Scott Rook (joined the board on March 1, 2021)	●	○	○	○	no – CEO

● = member

○ = invited to meetings

Lorie Waisberg intends to retire from the board following the annual meeting on May 10, 2022, at which point Douglas Muzyka will serve as chair. Luc Doyon has agreed to join the board and is standing for election at the 2022 annual meeting (see pages 18 for Mr. Doyon’s biography and 61 – *Board renewal*). Lucio Di Clemente replaced Katherine Rethy as chair of the compensation and corporate governance committee on May 26, 2021. Daniella Dimitrov replaced Lucio Di Clemente as chair of the audit committee on May 26, 2021.

The board sets aside time at each board meeting to meet *in camera* without management present. In 2021 the independent trustees met separately at all 10 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 2021 the committees met without management present at all 15 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 21.

## Diversity

We adopted a new written diversity policy starting January 1, 2022 that recognizes the importance of diversity on the board and in executive management, including diversity of age, gender, visible minorities, Indigenous peoples, persons with disabilities, sexual orientation and other personal characteristics. A copy of our diversity policy is available on our website

(www.chemtradelogistics.com). Our policy requires the identification and consideration of gender diverse candidates, as well as candidates who are visible minorities, Indigenous peoples or persons with disabilities as detailed in the Board and Management sections directly below. Our 2022 diversity statistics and targets for both board and management levels are set out below.

*Diversity: women*

	2022			
	Number	Percentage		
<b>Women on board</b>	3 of 7	43%		
<b>Women in executive officer positions</b>	2 of 6	33%		

	Target - Women		Specific date for achievement of target	Progress in achieving target
	Number	Percentage		
<b>Board</b>	2	30%	Achieved	The target is to maintain a minimum of 30% women on the board and our board has 43% women.
<b>Executive Officer Positions</b>	2	30%	Achieved	The target is to maintain a minimum of 30% women in executive officer positions and we have 33% women in executive officer positions.

*Diversity: designated groups*

In 2022, we added diversity targets for both board and management levels for categories for which the *Canada Business Corporations Act* (CBCA) require certain disclosure. While Chemtrade is not a CBCA corporation, we wish our unitholders to have a similar experience to a shareholder. The designated groups set out in the CBCA are: women, members of visible minorities, Indigenous peoples and persons with disabilities (designated groups). These targets are set out below:

	Target – Designated Groups		Specific date for achievement of target	Progress in achieving target
	Number	Percentage		
<b>Board</b>	4	50%	2024 AGM	43% 3 women
<b>Executive Officer Positions</b>	3	50%	Achieved	50% 2 women 1 member of a visible minority.

*Board*

Three of our current trustees are female, representing 43% of the board. We have set a target of maintaining at least 30% women board members. In addition to gender, the compensation and corporate governance committee considers several aspects of diversity when assessing the overall make-up of the board. We have set a target to attain by our annual meeting in 2024, and thereafter maintain, a board composition in which at least 50% of the board are members of the designated groups (women, members of visible minorities, Indigenous peoples and persons with disabilities). 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 a reasonable proportion of candidates who are women and candidates who are members of one or more of the designated groups.

The board recently undertook a search for two trustees, one as a replacement for Mr. Waisberg's retirement and an additional member to enhance the board's expertise in certain areas, including knowledge and experience in ESG, finance, legal, governance and change management. The search committee, consisting of Mr. Muzyka who will assume the role of chair following the annual meeting, and Mr. Di Clemente, the chair of the compensation and corporate governance committee, has directed the executive search firm to include candidates who are members of one of the designated groups. Luc Doyon has agreed to join the board and is standing for election and the search continues for a second candidate.

## Management

As of December 31, 2021, there were six individuals on our senior leadership team. Two executives were female, representing 33% of the senior leadership team, and one male executive was a member of a visible minority, representing 17% of the senior leadership team. As of March 7, 2022, our senior leadership team consists of five individuals, with one vacancy. In our diversity policy, we set a target to maintain at least 30% women in our executive management team, and to maintain at least 50% of our team consisting of individuals from one or more of the following designated groups: women, members of visible minorities, Indigenous peoples, or people with disabilities. When recruiting for executive officer roles, including the search currently underway, our search protocols include that a reasonable proportion of candidates must be women and members of one or more of the designated groups.

## 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 so that the person will be able to fulfill their obligations as a member of the board.

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

### Equity ownership.

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.

Starting in 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 below shows the equity ownership of each trustee or proposed trustee as at March 7 2022, based on the higher of the original cost and the market value of \$7.42, the closing price of a unit on the TSX on that date. Scott Rook is not included in the table because he is required to meet our executive equity ownership requirements (see page 33).

Table 24 (as at March 7, 2022)	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	109,047 / \$1,059,933	112,547	\$1,094,233	7.29
Daniella Dimitrov	–	31,904 / \$236,725	31,904	\$236,725	1.58
Emily Moore	–	68,578 / \$508,850	68,578	\$508,850	3.39
Douglas Muzyka	25,400 / \$261,143	81,668 / \$630,104	107,068	\$891,247	5.94
Katherine Rethy	2,000 / \$36,330	102,244 / \$915,668	104,244	\$951,998	6.35
Lorie Waisberg	15,000 / \$161,885	183,418 / \$1,786,722	198,418	\$1,948,607	8.29

#### Notes:

- Daniella Dimitrov was appointed to the board on May 15, 2020 and has until May 2025 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.

### 2021 meeting attendance

The table below sets out the 2021 attendance record for each member of the board.

Table 25	Board of trustees		Board committees					
			Audit		Compensation and corporate governance		Responsible Care	
Mark Davis	2 of 2	100%	1 of 1	100%	1 of 1	100%	1 of 1	100%
Scott Rook	10 of 10	100%	5 of 5	100%	5 of 5	100%	5 of 5	100%
Lucio Di Clemente	10 of 10	100%	5 of 5	100%	5 of 5	100%	5 of 5	100%
Daniella Dimitrov	10 of 10	100%	3 of 3	100%	5 of 5	100%	5 of 5	100%
Emily Moore	10 of 10	100%	5 of 5	100%	5 of 5	100%	5 of 5	100%
Douglas Muzyka	10 of 10	100%	5 of 5	100%	5 of 5	100%	5 of 5	100%
Katherine Rethy	10 of 10	100%	5 of 5	100%	5 of 5	100%	5 of 5	100%
Lorie Waisberg	10 of 10	100%	5 of 5	100%	5 of 5	100%	5 of 5	100%

Notes:

- The board and each committee held *in camera* sessions of the independent trustees at each meeting in 2021.
- Mr. Rook was invited to all meetings of the audit, compensation and corporate governance and the Responsible Care committees as a guest. Mr. Rook was also invited to all board meetings prior to his appointment as a trustee as of March 1, 2021. The same is true for Mr. Davis until his retirement from the board on February 28, 2021.

## Tenure and renewal

We do not have term limits or a mandatory retirement age for trustees serving on our board, as the board considers it important to have longer serving trustees because of the complexities of the business. The performance of individual trustees is overseen and managed through a rigorous board assessment process (see page 64) and strong leadership from the chair of the board.

Trustee Term Limits		Other Mechanisms for Board Renewal
Age Limit	Tenure Limit	
No	No	Rigorous board assessment process

In the past five years, four long-serving trustees have retired from the board and Mr. Waisberg, who has served since 2001, will be retiring in May 2022. During this time, 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 below). The board's recent efforts to recruit two trustees has thus far succeeded in attracting Luc Doyon, who is standing for election at this year's annual meeting.

## 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 61) 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 compensation and corporate governance 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 industry experience, ESG experience and leadership and specialized knowledge, as well as independent thinking skills, integrity, accountability, process orientation in decision making and open-mindedness. In considering potential new trustee candidates, the board requires a reasonable proportion of candidates who are members of one or more of the designated groups to enhance 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 and other board members. The search firm is instructed to take into account our diversity policy and goals (see page 67 – *Diversity*). In the most recent searches, the search firm developed a list of potential candidates to review with the chair of the board (Mr. Muzyka, as chair-elect), 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, and the CEO interviewed each candidate, with the other board members also invited to meet the short list candidates, and a final candidate was selected based on the value they could bring to the board.

In the most recent search process, the board is seeking two candidates and ideally would like there to be a time lag between each candidate being brought on to the board in order to better assimilate each candidate. The search process has so far resulted in the selection of one highly qualified candidate, Luc Doyon, who is standing for election at this year's annual meeting (see page 17). He has extensive leadership experience in the industrial chemical and manufacturing industries. The search for a second candidate is on-going.

## 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 following table sets out the skills and competencies of the nominees for the board.

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		Douglas Muzyka	Lucio Di Clemente	Daniella Dimitrov	Luc Doyon	Emily Moore	Katherine Rethy	Scott Rook
<b>Years on board</b>	0 to 5	X		X	X	X		X
	6 to 10						X	
	11 to 15		X					
	15 +							
<b>Age</b>	59 or younger			X		X		X
	60 to 69	X	X		X		X	
	70 +							
<b>Gender</b>	Male	X	X		X			X
	Female			X		X	X	
<b>Skills</b>	<b>Industry Experience</b>							
	Chemical industry experience	●	⊙	⊙	●	●	●	●
	Manufacturing experience	●	●	○	●	●	●	●
	<b>ESG Experience</b>							
	Environmental, health and safety experience/knowledge	●	⊙	●	●	●	●	●
	HR/Compensation experience/knowledge	⊙	●	●	⊙	⊙	●	●
	Corporate governance knowledge	●	●	●	●	●	●	●
	Risk management experience/knowledge	⊙	●	●	●	●	●	●

Skills matrix		Douglas Muzyka	Lucio Di Clemente	Daniella Dimitrov	Luc Doyon	Emily Moore	Katherine Rethy	Scott Rook
<b>Leadership and Specialized Knowledge</b>								
	Executive leadership experience	●	●	●	●	●	●	●
	Financial/Accounting experience/knowledge	⊙	●	●	⊙	⊙	⊙	⊙
	Legal/Government/Regulatory affairs knowledge	⊙	⊙	●	⊙	○	●	⊙
<b>Competencies</b>	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 and Mr. Doyon have yet been unable to visit our head office or any of the manufacturing facilities.

New trustees also receive reference materials that include:

- 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 our current board members over the last several years.

<b>Chemtrade facilities</b>	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	✓					✓	

Notes:

- SPPC: Sulphur & Performance Chemicals
- EC: Electrochemicals
- Shaded areas indicate that the individual was not yet a member of the board.
- Mr. Rook has visited North Vancouver, BC, Brandon, MB, and numerous other Chemtrade sites in his management role.

*2021 continuing education program*

We also hold sessions on a range of topics. The table below shows our 2021 continuing education program as well as external sessions that board members attended on their own.

<b>2021 board and committee sessions</b>	Presenter	Board	Audit committee	Compensation and corporate governance committee	Responsible Care committee
<b>Strategy</b> Product market analysis, growth initiatives and outlook (January) Long Range Plan (May; August)	Management	✓			
<b>Financial</b> Recent developments update – KPMG (February, May, August, November) Overview of Tax Structure	KPMG		✓		
<b>Risk</b> Cyber-security overview (November) Defined Benefit Pension Plan Review Internal Financial Controls – overview of program (May)	Management Gallagher Management	✓	✓ ✓		
<b>ESG</b> Update regarding metrics (August) Review of Mandate and Charters (August)	Management Management	✓		✓	
<b>Investor Engagement</b> Shareholder Activism Perspectives (June) Unitholder Outreach	BMO Capital Markets Carson Proxy Advisors	✓ ✓			

<b>2021 individual sessions</b>	Presenter	Participant
Just for Chairs Circle	Ozone Advisory	Lucio Di Clemente
CFO Leadership Program Conversation on Board Diversity Pandemic Related Challenges and Risks What if Mining Was Cool? Mining Panel Mineral Exploration and ESG: Integrated Disclosure Solutions for Juniors	Harvard Business School Executive Education 50/50 Women on Boards Fasken Mining Roundtable Canadian Mining Journal and Northern Miner Conference Bloomberg Fixed Income Conference PDAC	Daniella Dimitrov



2021 individual sessions	Presenter	Participant
Keynote Presentation - Paul Brink (Franco-Nevada) and Daniella Dimitrov (Sprott)	The Northern Miner, Global Mining Symposium	Daniella Dimitrov
Capital Financing Continued to Flow Despite COVID-19	CIM Magazine	
EMBA Program Guest Speaker - "Doing Business in Emerging Markets"	Kellogg School of Management,	
Human Resources and Compensation Committees – Executive Compensation: Key Learnings from 2021 Proxy Season	ICD	Emily Moore
ICD Directors Education Program (Modules 1, 2 and 3)	ICD	
Intro to Blockchain, Cryptocurrency and Decentralized Finance	University of Toronto	Katherine Rethy
Energy Equation: Approaches for a Low Carbon Future	The Globe & Mail	
Legal Primer on Climate Change: Directors' Duties & Disclosure Obligations	ICD	
Corporate Culture	ICD	Lorie Waisberg
M&A During Covid-19	Davies Ward Phillips & Vineberg LLP Webinar	
Director Evaluation	ICD Webinar	
Executive Compensation	ICD/Hugesson Webinar	
Engineering – How to get to Net Zero	University of Toronto	
Board Composition	Webinar	
Climate Change	Webinar	Scott Rook
Global Economic Outlook	Webinar	

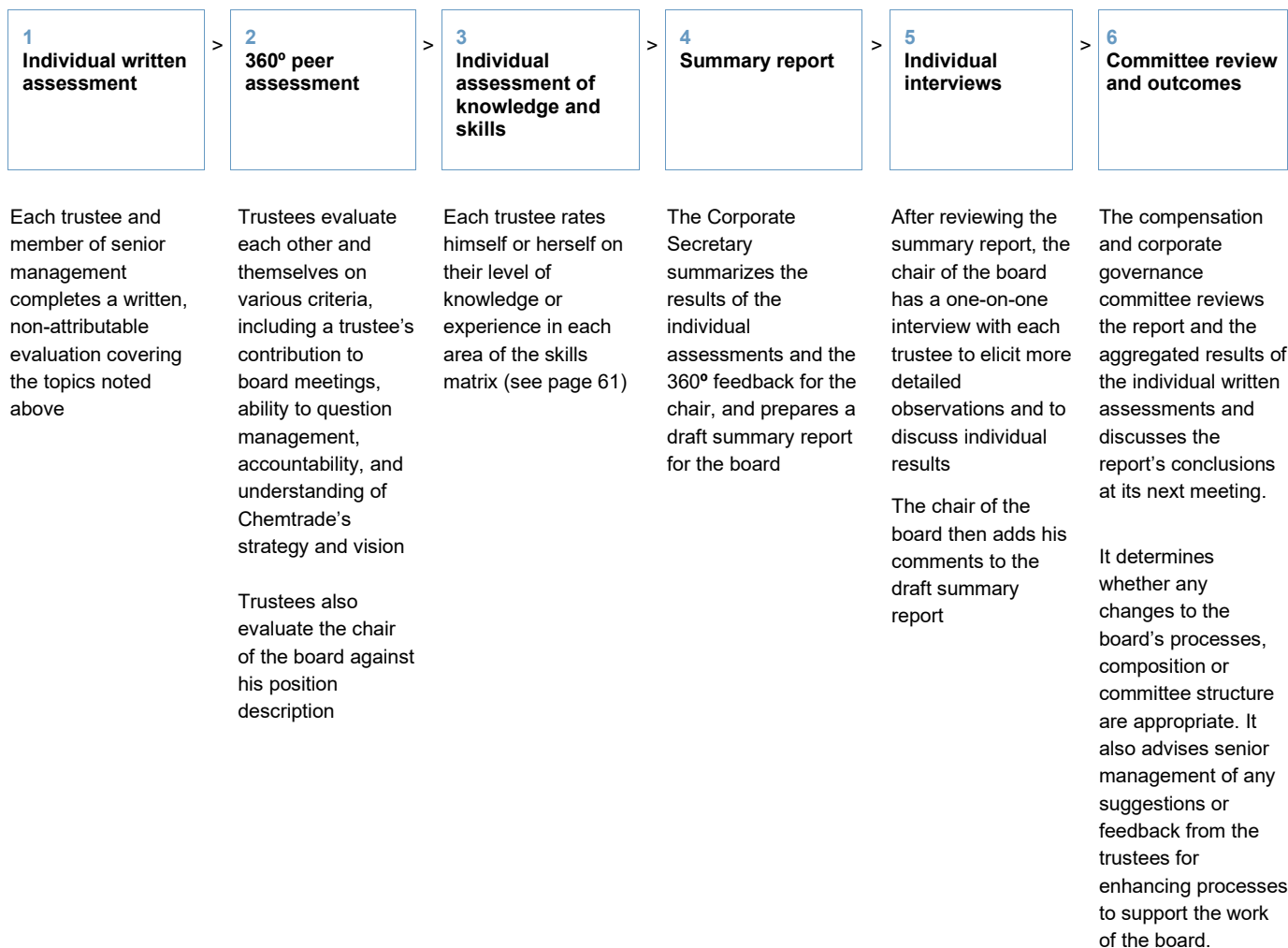
All board members are members of the Institute of Corporate Directors (ICD) and some members of the board hold the ICD.D designation or other corporate director certification. We pay for their membership, and up to half of their tuition for the Directors' Education Program, at the chair's discretion. In addition, we 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.



The board engages an independent third party to run the board assessment process from time to time, as an opportunity to elicit fresh insights. During 2021, the board engaged Jon Martin & Associates Inc. to perform the board assessment, which was conducted by one-on-one interviews with each board member and members of management. In part resulting from this review, the board determined to expand its membership by one member. Currently the board is seeking an additional member to enhance the board's expertise in certain areas, including change management, and ESG, legal, governance and financial knowledge.

## 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 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 we “do the right thing and are seen to do the right thing” while performing our daily tasks. Everyone must read and follow the code of conduct, including the guidelines, policies and procedures for ethical conduct, avoid conflicts of interest and comply with the law. The code of conduct 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 of conduct 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 of conduct, they must immediately report it to the appropriate supervisor, environmental, health, and safety 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 audit chair of any reports or concerns for appropriate follow-up.

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

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

The audit committee reviews the Compliance Line procedures annually and completed its last review in November 2021. The compensation and corporate governance committee, in consultation with the board, periodically reviews the code of conduct and the process for administering it. The code of conduct was substantially revised in May 2020 and last reviewed by the compensation and corporate governance committee in November 2021. A copy of the code of conduct is available on our website ([www.chemtradelogistics.com](http://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 and organic growth opportunities. 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.

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.

**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. In August 2021, in spite of considerable on-going uncertainty, we issued guidance for 2021 and in January 2022, for the upcoming year.

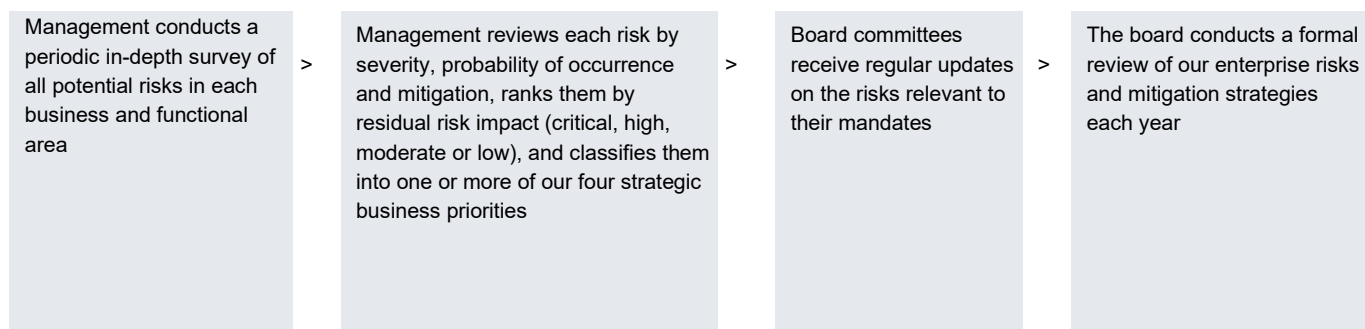
### Risk oversight

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 21 for more about the committees.

<p><b>Audit committee</b>                  Oversees major operational and financial risks, the systems implemented to monitor them and the strategies and controls in place to manage them</p>	<p><b>Compensation and corporate governance committee</b>                  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><b>Responsible Care committee</b>                  Oversees environmental, 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. We participate in U.S. Department of Homeland Security audits on a periodic basis which assess security risks at key US plants,

along with other third party audits of IT controls annually covering all operations. 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 strategy, results, and all other related topics.

We use a third party to monitor end point security including a 24x7 security operations center. Our data center provider monitors and provides additional network security and corporate internet security controls. 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. We use a third party security awareness training program to aid employees in recognizing potential cyber security threats and reduce the risks associated if these threats elude other security control measures. This program leverages phishing campaigns, test scores, and security ratings to help identify areas of weakness in cyber security awareness. Our plants use a combination of security strategies, such as network segregation, firewalls, DMZ zones, and jump boxes to limit potential risks to plant operations from a network breach. 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 such events by our CFO and CEO.

## Environmental, Social, and Governance (ESG)

### Sustainability and Responsible Care®

The board is responsible for overseeing our approach to ESG.

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 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 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><b>Board</b> The board is responsible for overseeing strategy, governance and risk. The audit committee oversees risk. The Responsible Care committee oversees environmental, health, safety and security. The compensation and corporate governance committee oversees governance practices, business ethics and compensation.</p> <p><b>Management</b> 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>The board has committed to doing business in a responsible way, guided by 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.</p> <p>We integrated our material environmental and social risks and opportunities, including those associated with climate change, into our strategic planning process.</p> <p>Key safety and environmental metrics are included in the executive compensation program.</p>	<p>We consider environmental, and social impacts, including safety and security issues across the lifecycle of our operations, and include them in our overall enterprise risk management process.</p> <p>We use the RC14001 management system to manage these risks, underpinned by environmental, health and safety policies, systems, training, and tools that are applied across the organization.</p> <p>We are implementing RC14001 at facilities we have acquired, prioritized by risk, and we are building out our procedures, systems, training, and tools at newer facilities that are still in the implementation process.</p>	<p>We track, monitor and report publicly on our material Sustainability Accounting Standards Board (SASB) environmental and social metrics, and have established targets for many of them.</p> <p>We also track and monitor health, safety and environmental metrics that align with the Responsible Care ethic and our RC14001 corporate objectives.</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 environmental, health, and safety management system functions and how we measure performance. Employees receive training on our environmental, health, and safety 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.

### ESG approach

We have identified the sustainability topics that are most likely to affect the financial or operating performance of Chemtrade. Environmental and social metrics are tracked and long term targets for some factors have been established and disclosed. In addition, ESG targets have been incorporated into the short term and long term incentive plans of executive officers. For some of our targets, we compare ourselves to the chemical industry average, by which we mean that we compare ourselves against certain data provided by the Chemistry Industry Association of Canada (CIAC).

2021 ESG TARGETS		
Environmental	GHG and other air emissions	<ul style="list-style-type: none"> <li>• Reduce or offset 2021 baseline direct greenhouse gas (GHG) emissions emitted from sources we own or control (Scope 1 emissions) by 50% by 2025</li> <li>• Including all future acquisitions, maintain GHG intensity (kg GHG/kg product) below the chemical industry average</li> </ul>
	Industrial and Hazardous Waste	<ul style="list-style-type: none"> <li>• Reduce high clay alumina (HCA) landfill disposal by an additional 20% of 2021 baseline by 2025</li> </ul>
	Energy Management	<ul style="list-style-type: none"> <li>• Ensure a minimum of 85% of our electricity usage is from hydroelectric or other renewable sources and maintain this target when making acquisitions</li> </ul>
Social	Workforce Health and Safety	<ul style="list-style-type: none"> <li>• Achieve employee occupational injury/illness incident rates (OIR) of 0.7 by 2025</li> <li>• Avoid all serious injuries or fatalities (SIFs) for employees and contractors in 2022 and beyond</li> </ul>
	Operational Safety, Emergency Preparedness and Response	<ul style="list-style-type: none"> <li>• Reduce Level 1 spills or releases by 50% of 2021 baseline by 2025</li> <li>• Reduce the number of transportation incidents by 40% of 2021 baseline by 2025</li> </ul>
	Employee Engagement and Diversity	<ul style="list-style-type: none"> <li>• Achieve industry benchmark employee engagement survey results by 2023</li> <li>• Across the organization, fill 40% of vacancies with black, Indigenous and people of colour (BIPOC) and/or women by 2024</li> <li>• Achieve 50% BIPOC and/or women in all management positions by end of 2025</li> </ul>
Governance	Corporate Governance and Business Ethics	<ul style="list-style-type: none"> <li>• Demonstrate leadership on ESG by reporting material Sustainability Accounting Standards Board (SASB) factors in alignment with Task Force on Climate-Related Financial Disclosure model (Governance, Strategy, Risk Management, Metrics and Targets)</li> <li>• Incorporate ESG into short term and long-term incentive plans of executives starting in 2022</li> </ul>

See the Fund's AIF for more detailed information about ESG targets, 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

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

Scott Rook assumed 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, and members of the board have provided feedback to Scott regularly since he has assumed the role. We are also currently recruiting a Group Vice President, Commercial following the departure of Leon Aarts who formerly held that role.

### 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 and other employees are assessed on performance and potential
- *cross-training and advancement* – management execute individual development plans for employees and seek opportunities to promote and re-assign employees from within the organization for development purposes.

Talent reviews and succession planning is undertaken for employees in commercial, manufacturing, engineering and corporate functions every two years. A rigorous review of individual development plans is done in the year following the talent review.

## 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.

The compensation and corporate governance committee is responsible for establishing the compensation of Fund trustees. It reviews the compensation programs and competitive data every few years with the assistance of its external compensation consultant, Meridian Compensation Partners. The last review was completed in February 2020 with the previous consultant, Willis Towers Watson. Trustee compensation is benchmarked to the same comparator group used for executive compensation. The next review will take place in 2022 and any changes to the program following this review will be disclosed in the 2023 management information circular.

### Fee schedule

The table below shows the 2021 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



Board members must attain an ownership level of three times their retainer within five years of becoming a board member. Starting in 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 trustee equity ownership on page 59.

### 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 manual, would be 0.13% in 2021, 0.30% in 2020 and 0.11% in 2019. See page 48 for a further description of the burn rate of our securities.

## 2021 trustee compensation

Table 27	Cash fees earned	Share-based awards (deferred units)	All other compensation	Total
Lucio Di Clemente	\$82,500	\$82,500	–	\$165,000
Daniella Dimitrov	\$79,479	\$79,479	–	\$158,958
Emily Moore	–	\$160,000	–	\$160,000
Douglas Muzyka	\$75,000	\$75,000	–	\$150,000
Katherine Rethy	\$78,021	\$78,021	–	\$156,042
Lorie Waisberg	\$117,500	\$117,500	–	\$235,000

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.
- Scott Rook does not receive any fees for his role as trustee.

### Outstanding share-based awards

The table below shows the outstanding share-based awards for each trustee as at December 31, 2021. Amounts include additional deferred units received during the year as distribution equivalents. Market values are based on \$7.40, the price of units on the TSX on December 31, 2021.

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	–	–	\$795,974
Daniella Dimitrov	–	–	\$232,878
Emily Moore	–	–	\$500,579
Douglas Muzyka	–	–	\$596,128
Katherine Rethy	–	–	\$746,321
Lorie Waisberg	–	–	\$1,338,844

## 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 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.

### Investor Outreach during 2021

In light of our disappointing 'say on pay' performance at our 2021 annual meeting, our board chair and chair of our compensation and corporate governance committee met with several of our largest unitholders. We listened to their concerns on executive compensation and invited their views on other top-of-mind issues. Changes to our executive compensation were implemented (see page 24).

### 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](http://www.chemtradelogistics.com)).

### 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](mailto:srook@chemtradelogistics.com)  
CFO: [rbhardwaj@chemtradelogistics.com](mailto:rbhardwaj@chemtradelogistics.com)

#### Phone

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

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](mailto: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

Non-IFRS financial measures are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers.

Certain additional disclosures for these financial measures have been incorporated by reference and can be found starting on pg. 6 of our MD&A for the year ended December 31, 2021, available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Fund's website ([www.chemtradelogistics.com](http://www.chemtradelogistics.com)).

*Distributable 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, 2021. 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 for IC purposes*, 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.

	December 31, 2021
Cash flows from operating activities	\$ 219,039
Add (less):	
Lease payments net of sub-lease receipts	(51,563)
Decrease in working capital	(10,078)
Changes in other items <sup>1</sup>	1,972
Adjusted cash flows from operating activities	159,370
Less:	
Maintenance capital expenditures	75,265
Distributable cash after maintenance capital expenditures	84,105
Add:	
LTIP expense	25,693
Distributable cash for IC purposes <sup>2</sup>	\$ 109,798

1 Changes in other items relate to cash interest and current taxes.

2. Distributable cash for IC purposes was further reduced by \$4.5 million as a result of actual maintenance capital expenditures being below target. For the purposes of incentive compensation, the higher of actual and target maintenance capital expenditures is deducted from computing business cash flow.

*Net Earnings, 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 and lease payments. *Business free cash* is *free cash* earned by the aggregate of Chemtrade's reportable segments: SPPC, WSSC and EC. 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, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Net (loss) earnings	\$ (235,209)	\$ (167,478)	\$ (99,654)	\$ (131,517)	\$ 78,822
Add:					
Depreciation and amortization	239,622	253,912	262,458	214,507	204,447
Net finance costs	116,182	140,296	88,487	74,126	86,073
Income tax expense (recovery)	14,969	(47,464)	(24,291)	(48,680)	(92,692)
EBITDA	135,564	179,266	227,000	108,436	276,650
Impairment of intangible assets	81,657	56,000	65,600	90,000	-
Impairment of PPE	48,343	-	-	-	-
Change in environmental liability	561	8,170	-	-	-
Net (gain) loss on disposal and write-down of PPE	(373)	20,999	13,790	(4,039)	4,498
Loss on disposal of assets held for sale	7,135	-	-	-	-
Unrealized foreign exchange loss (gain)	7,493	833	(10,787)	1,826	2,027
Adjusted EBITDA	\$ 280,380	\$ 265,268	\$ 295,603	\$ 196,223	\$ 283,175
Less:					
Lease payments	(51,563)				
Maintenance capital expenditures	(75,265)				
Free cash	\$ 153,552				
Add:					
Corporate costs	62,613				
Corporate maintenance capital expenditures	1,174				
Corporate lease payments	1,719				
Business free cash <sup>1</sup>	\$ 219,058				

1. Business free cash was further reduced by \$1.9 million as a result of actual maintenance capital expenditures being below target. For the purposes of incentive compensation, the higher of actual and target maintenance capital expenditures is deducted from computing business cash flow.

### Interests of insiders

Except as disclosed in this circular, the board is not aware of any material interest, direct or indirect, of any 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, 2021, 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, 2021.

# APPENDIX A

## 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

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