FORM 51-102F3

Material Change Report

Item 1 Name and Address of Company

Superior Plus Corp. ("**Superior**" or the "**Corporation**")
401, 200 Wellington Street West
Toronto, Ontario
Canada M5V 3C7

Item 2 Date of Material Change

July 13, 2020

Item 3 News Release

A news release announcing closing of the Transaction (as defined below) was issued by Superior on July 13, 2020 through the facilities of Global Newswire and filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**").

Item 4 Summary of Material Change

On July 13, 2020 (the "**Closing Date**"), Superior and its wholly-owned subsidiary Superior Plus US Holdings Inc. (the "**Subsidiary**") closed the previously announced purchase by an affiliate of Brookfield Asset Management Inc. (such affiliate, the "**Investor**") of shares of Series 1 Preferred stock of the Subsidiary (the "**Series 1 Preferred Stock**") for aggregate gross proceeds to the Subsidiary of US$260,000,000 (the "**Transaction**").

Proceeds from the Transaction are expected to be used for general corporate purposes, including the financing of acquisitions by the Corporation and its subsidiaries.

The Series 1 Preferred Stock are exchangeable for common shares of the Corporation (the "**Common Shares**") and the Investor is entitled to vote the Series 1 Preferred Stock with the Common Shares on an as-exchanged basis.

Upon closing of the Transaction (the "**Closing**"), the Investor beneficially owned or controlled nil Common Shares and 260,000 shares of Series 1 Preferred Stock. Assuming the exchange of the outstanding shares of Series 1 Preferred Stock owned or controlled by the Investor for Common Shares, the Investor would own approximately 14.6% of the outstanding Common Shares.

On the Closing Date, a designee of the Investor was appointed to serve on the board of directors of the Corporation (the "**Board**").

In connection with the Transaction, Superior, the Subsidiary and the Investor entered into various agreements, including an investor rights agreement, providing for, among other things, registration rights, participation rights, certain standstill and transfer restrictions and director nomination rights.

Item 5 Full Description of Material Change

5.1 - Full Description of Material Change

On the Closing Date, Superior, the Subsidiary and the Investor closed the Transaction and in connection with the Transaction, entered into the Investor Rights Agreement, the Exchange Agreement, the Voting Trust Agreement and the Subordinated Guarantee (each as defined below and collectively, the "**Transaction Agreements**").

Series 1 Preferred Stock

In connection with the Closing, the Subsidiary executed and filed with the Secretary of State of the State of Delaware, a Certificate of Amendment to its Certificate of Incorporation to, among other things, authorize and establish the rights and preferences of the Series 1 Preferred Stock. The Series 1 Preferred Stock are a new series of securities that rank senior to the common stock of the Subsidiary and any other shares of stock junior to the Series 1 Preferred Stock in the capital of the Subsidiary with respect to distribution rights and rights upon liquidation. The Subsidiary does not currently have outstanding any shares of stock ranking on par with or senior to the Series 1 Preferred Stock.

<u>Dividends</u>

Holders of Series 1 Preferred Stock are entitled to receive, if, as and when declared by the board of directors of the Subsidiary, dividends ("**Dividends**") on each share of Series 1 Preferred Stock on the same schedule as dividends are paid on the Common Shares, but no less frequently than quarterly. The Series 1 Preferred Stock will pay a cash Dividend of 7.25% per annum (the "**Dividend Rate**") for the first seven years, and thereafter increasing by 75 basis points each year up to a maximum cash Dividend Rate of 10.25% per annum, in each case on the liquidation preference of US$1,000 per share of Series 1 Preferred Stock (the "**Liquidation Preference**"), subject to certain adjustments.

In limited circumstances, the Subsidiary may elect, in lieu of paying cash Dividends, to accrue Dividends ("**Non-cash Dividends**"). If the Subsidiary pays a Non-cash Dividend for any dividend payment period commencing on or after the 7th anniversary of Closing, for (x) such dividend payment period (the "**initial Non-cash Dividend payment period**") and (y) any subsequent dividend payment period in which the Subsidiary pays Non-cash Dividends, the Non-cash Dividend rate will be equal to the then-applicable cash Dividend Rate plus 100 basis points. The premium on the cash Dividend Rate for any subsequent dividend payment period in which the Subsidiary pays Non-cash Dividends will increase by 100 basis points on each anniversary of the first day of the initial Non-cash Dividend payment period.

In addition, holders of Series 1 Preferred Stock will be entitled to participate, on an as-exchanged basis, in any dividends paid by Superior on Common Shares (whether in cash or other assets, other than additional Common Shares) to the extent such dividends exceed $0.06 per Common Share per month.

<u>Exchange and Redemption</u>

At any time, subject to the Exchange Cap (as defined below) unless necessary approvals of Superior's shareholders have been obtained, a holder of shares of Series 1 Preferred Stock may exchange such shares of Series 1 Preferred Stock, in whole or in part, for a number of whole Common Shares equal to, per share of Series 1 Preferred

Stock, the quotient of (i) the sum of (A) the Liquidation Preference then in effect plus (B) any accrued and unpaid Dividends divided by (ii) US$8.66584702507 (such price, the "**Exchange Price**" and such quotient, the "**Exchange Rate**"), as such Exchange Price may be adjusted from time to time in accordance with the terms of the Series 1 Preferred Stock (the "**Series 1 Preferred Stock Terms**"). The Exchange Price is subject to customary anti-dilution adjustments.

On or after the third anniversary of the Closing Date, the Subsidiary may cause the holders of the Series 1 Preferred Stock to exchange all, but not less than all, of their shares of Series 1 Preferred Stock into that number of whole Common Shares for each share of Series 1 Preferred Stock equal to the Exchange Rate then in effect, subject to the Exchange Cap; provided, however that in order for the Subsidiary to exercise such right: (i) the volume-weighted average price of the Common Shares during the then-preceding 30 consecutive trading day period, converted to United States dollars at the applicable exchange rate, must be greater than 145% of the Exchange Price then in effect; and (ii) the Common Shares must be listed and posted for trading on a major stock exchange or securities market and no order ceasing or suspending trading in the Common Shares has been issued.

At any time on or after the seventh anniversary of the Closing Date, the Subsidiary may redeem all, but not less than all, of the Series 1 Preferred Stock for an amount per share equal to the Liquidation Preference plus accrued and unpaid Dividends.

<u>Change of Control</u>

Upon certain events involving a change of control of the Corporation, the Subsidiary (or a third party with the prior written consent of the Corporation) will offer to redeem all outstanding shares of Series 1 Preferred Stock at a cash amount per share equal to the greater of: (a) the sum of the Liquidation Preference then in effect plus a change of control premium calculated in accordance with the Series 1 Preferred Stock Terms (the premium being a maximum of 0.4 times the Liquidation Preference on the Closing Date) plus an amount equal to any accrued Dividends thereon, and (b) either (i) in the case of a change of control that constitutes a capital reorganization in which the Common Shares are not converted or exchanged solely for cash, the cash amount equal to the product of the Exchange Rate then in effect multiplied by the closing price of the Common Shares on the trading day immediately prior to the effective date of such capital reorganization (such amount to be converted to United States dollars at the applicable exchange rate); or (ii) the amount payable per Common Share in such change of control multiplied by the Exchange Rate.

<u>Beneficial Ownership Cap and Exchange Cap</u>

Other than in connection with a change of control of the Corporation or with the prior written consent of the Board, holders of Series 1 Preferred Stock are prohibited from any disposition that results in the acquirer, together with its affiliates or other persons acting together with such acquirer, beneficially owning more than 19.9% of the Corporation's then-outstanding Common Shares on an as-exchanged basis.

In addition, unless necessary approvals of the Corporation's shareholders have been obtained (which the Corporation shall only be obligated to obtain in certain circumstances set forth in the Investor Rights Agreement) no share of Series 1 Preferred Stock may be exchanged if and to the extent that such exchange would result in a holder of shares of Series 1 Preferred Stock, together with its affiliates or other persons acting together, beneficially owning or exercising control or direction over more than 19.9% of the number of Common Shares outstanding immediately after giving effect to such exchange (the "**Exchange Cap**").

Voting Rights

So long as any shares of Series 1 Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by the Delaware General Corporation Law, the affirmative vote or consent of the holders of at least a majority of the outstanding Series 1 Preferred Stock, voting together as a separate class, will be necessary for effecting or validating: (i) any issuance, authorization or creation of, or any increase in the issued or authorized amount of, stock on parity or senior to the Series 1 Preferred Stock; (ii) any increase in the issued or authorized amount of preferred stock of the Subsidiary, including issuing additional Series 1 Preferred Stock or any reissuance thereof; (iii) any exchange, reclassification or cancellation of the Series 1 Preferred Stock, except as provided in the certificate of incorporation of the Subsidiary; and (iv) any amendment, modification or alteration of, or supplement to, the certificate of incorporation of the Subsidiary that would materially and adversely affect the rights, preferences, privileges or voting powers of the Series 1 Preferred Stock or any holder thereof.

Parent Guarantee

The obligations of the Subsidiary to holders of Series 1 Preferred Stock in accordance with the Series 1 Preferred Stock Terms have been guaranteed by the Corporation pursuant to a subordinated guarantee agreement entered into with the Investor on the Closing Date (the "**Subordinated Guarantee**").

Exchange Agreement

On the Closing Date, the Corporation, the Subsidiary and the Investor entered into an exchange and support agreement (the "**Exchange Agreement**"), providing for, among other things: (i) the right of a holder of shares of Series 1 Preferred Stock to acquire Common Shares directly from the Corporation in exchange for shares of Series 1 Preferred Stock held by such holder at the Exchange Rate; (ii) a reciprocal right of the Corporation to acquire shares of Series 1 Preferred Stock directly from a holder in exchange for Common Shares at the Exchange Rate, under certain circumstances; (iii) the obligation of the Corporation to issue and deliver Parent Preferred Shares (as defined below) in exchange for shares of Series 1 Preferred Stock in the event of the bankruptcy of the Subsidiary (unless there is a substantially concurrent liquidation, winding-up or dissolution of the Corporation) or the liquidation, winding-up or dissolution of the Subsidiary (unless there is a substantially concurrent liquidation, winding-up or dissolution of the Corporation) (a "**Mandatory Preferred Share Exchange**"); and (iv) the obligation of the Corporation to issue and deliver to holders such Common Shares as are necessary to satisfy the Subsidiary's obligations under the Series 1 Preferred Share Terms.

On the Closing Date, the Corporation filed Articles of Amendment to designate a series of preferred shares as Series 2 Preferred shares (the "**Parent Preferred Shares**"). The Parent Preferred Shares will only be issued if there is a Mandatory Preferred Share Exchange. The terms of the Parent Preferred Shares (the "**Parent Preferred Share Terms**") are substantially the same as the Series 1 Preferred Share Terms in terms of dividends, treatment upon a change of control of the Corporation and voting rights and, subject to the Conversion Cap (as defined below), unless necessary approvals of Superior's shareholders have been obtained, a holder of Parent Preferred Shares will be entitled to convert such Parent Preferred Shares, in whole or in part, into a number of whole Common Shares equal to, per Parent Preferred Share, the quotient of (i) the sum of (A) the liquidation preference then in effect plus (B) any accrued and unpaid dividends divided by (ii) US$8.66584702507 (such price, the "**Conversion Price**" and such quotient, the "**Conversion Rate**"), as such Conversion Price may be adjusted from time to time in accordance with the Parent Preferred Share Terms. The Conversion Price will be subject to customary anti-dilution adjustments.

Unless necessary approvals of the Corporation's shareholders have been obtained (which the Corporation shall only be obligated to obtain in certain circumstances set forth in the Investor Rights Agreement) no Parent Preferred Share will be entitled to be converted if and to the extent that such conversion would result in a holder of Parent Preferred Shares, together with its affiliates or other persons acting together, beneficially owning or exercising control or direction over more than 19.9% of the number of Common Shares outstanding immediately after giving effect to such conversion (the "**Conversion Cap**").

Special Voting Shares and Voting Trust Agreement

In connection with the Closing, the Corporation filed Articles of Amendment to designate a series of preferred shares as Series 1 Special Voting Preferred shares (the "**Special Voting Shares**"). The Special Voting Shares have a nominal liquidation preference of CAD$0.00001 per share. The Special Voting Shares entitle the holder thereof to one vote per Special Voting Share on all matters submitted to a vote of the holders of Common Shares, voting together as a single class, subject to certain exceptions.

On the Closing Date, 30,002,837 Special Voting Shares were issued to and deposited with Computershare Trust Company of Canada, as trustee (the "**Trustee**"), as trustee for and on behalf of the holders of Series 1 Preferred Stock or Parent Preferred Shares, as the case may be, pursuant to a voting trust agreement (the "**Voting Trust Agreement**") entered into among the Corporation, the Subsidiary, the Investor and the Trustee dated as of the Closing Date. Pursuant to the Voting Trust Agreement, additional Special Voting Shares will be issued, or existing Special Voting Shares shall be redeemed, as necessary to ensure that the aggregate number of Special Voting Shares held by the Trustee is equal to, as applicable, the number of outstanding: (a) shares of Series 1 Preferred Stock from time to time multiplied by the Exchange Rate in effect at such time; or (b) Parent Preferred Shares from time to time multiplied by the Conversion Rate in effect at such time.

Each holder of Series 1 Preferred Stock or Parent Preferred Shares, as the case may be, is entitled to instruct the Trustee to cast and exercise, in the manner instructed, that number of votes (the "**Beneficiary Votes**") equal to, as applicable: (a) the Exchange Rate in effect on the applicable record date multiplied by the number of shares of Series 1 Preferred Stock held by such holder on such record date; or (b) the Conversion Rate in effect on the applicable record date multiplied by the number of Parent Preferred Shares held by such holder on such record date, in respect of each matter, question, proposal or proposition to be voted on at such meeting of the shareholders of the Corporation, other than those excluded matters enumerated in the Voting Trust Agreement.

Unless necessary approvals of the Corporation's shareholders have been obtained (which the Corporation shall only be obligated to obtain in certain circumstances set forth in the Investor Rights Agreement), the maximum number of Beneficiary Votes that a holder of Series 1 Preferred Stock or Parent Preferred Shares, as the case may be, together with its affiliates or other persons acting together with such holder

("**Relevant Persons**"), shall be entitled to instruct the Trustee to cast at a meeting of shareholders of the Corporation shall be limited to: (a) 19.9% of the total number of outstanding voting shares in the capital of the Corporation (the "**Voting Shares**") on the applicable record date, less (b) the aggregate number of votes attributable to any Voting Shares other than the Beneficiary Votes which are held by such Investor and its Relevant Persons on the applicable record date**.**

Investor Rights Agreement

On the Closing Date, the Corporation, the Subsidiary and the Investor entered into an investor rights agreement (the "**Investor Rights Agreement**") providing for certain rights and obligations of the Investor.

Pursuant to the Investor Rights Agreement, the Investor is entitled to participation rights with respect to future equity offerings of the Corporation in order to maintain its relative as-exchanged ownership interests for so long as the Investor beneficially owns at least 2.5% of the outstanding Common Shares on an as-exchanged or as-converted basis. Such "as-exchanged ownership" will be determined based on the aggregate interest of the Investor and its affiliates calculated as a fraction expressed as a percentage, (a) the numerator of which shall be the sum of (i) the number of Common Shares for which the shares of Series 1 Preferred Stock or Parent Preferred Shares beneficially owned or controlled by the Investor and its affiliates at the relevant date are exchangeable or convertible (without giving effect to the Exchange Cap or Conversion Cap, respectively), plus (ii) the number of Common Shares beneficially owned or controlled by the Investor and its affiliates as a result of the exchange of the shares of Series 1 Preferred Stock, conversion of Parent Preferred Shares or exercise of their participation rights, at the relevant date; and (b) the denominator of which shall be the number of Common Shares outstanding as at such relevant date, plus the number of Common Shares issuable or deliverable upon exchange of the shares of Series 1 Preferred Stock (without giving effect to the Exchange Cap) or conversion of the Parent Preferred Shares (without giving effect to the Conversion Cap) plus any Common Shares underlying convertible securities of the Parent issued in a subsequent offering (the "**As-Exchanged Ownership of the Investor**").

The Investor is entitled to designate one nominee (a "**Nominee**") for election to the Board for so long as the As-Exchanged Ownership of the Investor is greater than 7.5%. In the event the Investor, together with any of its affiliates beneficially owns or exercises control or direction over 19.9% or more of the issued and outstanding Common Shares or Voting Shares, the Investor will be entitled to designate an additional Nominee. Each Nominee must be an individual acceptable to the Corporation, acting reasonably, eligible to serve as a director of the Corporation pursuant to applicable law, including Toronto Stock Exchange ("**TSX**") rules and "independent" (as such term is used in section 1.4 of National Instrument 52-110 – *Audit Committees*). In the event that the Nominee ceases to serve as a director for any reason, the Investor will have the right to designate a replacement nominee, provided the Investor remains eligible to designate a nominee and the individual meets the foregoing criteria.

The initial Nominee is Angelo Rufino, who was appointed to the Board on the Closing Date.

The Investor was also granted certain registration rights relating to the resale of Common Shares issuable or deliverable upon exchange of the Series 1 Preferred Stock or conversion of the Parent Preferred Shares (the "**Registrable Shares**"). The Corporation will be required to file a prospectus covering Registrable Shares that the

Investor requests to be registered from time to time, but not more than once in any 6-month period and subject to certain additional conditions set out in the Investor Rights Agreement. In certain circumstances, the Investor will have piggyback registration rights on offerings initiated by the Corporation. The demand registration and piggyback rights granted to the Investor pursuant to the Investor Rights Agreement will terminate on the earlier of: (a) the Corporation having effected five demand registrations; and (b) the first day following the date on which the As-Exchanged Ownership of the Investor is less than 5%.

In addition, the Investor was granted the right to approve certain actions proposed to be taken by the Corporation and the Subsidiary, as more particularly set out in the Investor Rights Agreement.

Pursuant to the Investor Rights Agreement, the Investor has agreed to a standstill (the **"Standstill"**), which, among other things and subject to certain exceptions, will restrict the Investor from taking certain actions with respect to the Corporation, including: (i) the acquisition of additional securities of the Corporation that would cause the aggregate beneficial ownership, direction or control of the Investor, together with any affiliates of the Investor or other persons acting jointly or in concert with the Investor, over 19.9% of the issued and outstanding Common Shares or Voting Shares; (ii) commencing a take-over bid for any securities of the Corporation or its subsidiaries; (iii) offering or proposing an extraordinary transaction by or with respect to the Corporation or any of its subsidiaries; (iv) the solicitation of proxies; (v) requesting, requisitioning or calling a special meeting of shareholders of the Corporation; (vi) proposing a shareholder proposal with respect to the Corporation; (vii) seeking to obtain representation on the Board, other than as provided in the Investor Rights Agreement; (viii) engaging in short sales of any of the Corporation's or its subsidiaries' securities; (ix) acting jointly or in concert or as part of a "group", in relation to a proposed change of control transaction; (x) entering into or offering to enter into a lockup, voting support or similar agreement in connection with any change of control transaction that is not supported by a majority of the independent members of the Board; and (xi) advising, assisting or knowingly encouraging any other person to engage in any of the activities restricted under the Investor Rights Agreement. The Standstill will begin on the date of the Investor Rights Agreement and terminate on the latest to occur of: (a) the date that is 24 months after the date of the Investor Rights Agreement; and (b) the date that is 12 months following the date on which no Nominee serves on the Board (the "**Standstill Period**").

During the Standstill Period, the Investor will also agree in respect of any meeting of the shareholders of the Corporation held during that period to: (i) not vote against any management nominee nominated by the Board; (ii) not vote in favour of any shareholder nomination for directors that is not approved by the Board; (iii) not vote in favour of any proposal or resolution to remove any member of the Board; and (iv) not vote against the recommendations of the Board on certain matters at each annual meeting of shareholders as more particularly set out in the Investor Rights Agreement. In this context, "vote against" includes submission by the Investor of a proxy or other voting instruction form pursuant to which the Investor specifically directs that its vote be withheld on a matter or otherwise casts a "withhold" vote on a matter but does not include the Investor abstaining from casting a vote on a matter altogether.

The Investor has also agreed to a lock-up that prohibits it from selling shares of Series 1 Preferred Stock, Parent Preferred Shares or Common Shares prior to the date that is 12 months from the date of the Investor Rights Agreement, subject to certain exceptions. Following such 12-month period, the Investor will be prohibited from transferring any shares of Series 1 Preferred Stock, Parent Preferred Shares or

Common Shares if such transfer: (i) would cause the acquirer to own in excess of 18% of the Common Shares on an as-exchanged or as-converted basis, as the case may be; or (ii) is to a competitor of the Corporation.

The foregoing summary of the Transaction Agreements, the Series 1 Preferred Stock Terms and the Transaction does not purport to be a complete description of all the parties' rights and obligations thereunder and is qualified in its entirety by reference to the complete text of the Transaction Agreements. A copy of each of the Transaction Agreements and the Series 1 Preferred Stock Terms has been filed on the Corporation's SEDAR profile.

5.2 - Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

No information has been omitted from this report on the basis that it is confidential information.

Item 8 Executive Officer

For further information, please contact Beth Summers, Chief Financial Officer, at (416) 340-6015.

Item 9 Date of Report

July 13, 2020.

Forward-Looking Statements

Certain information included herein is forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information is typically identified by words such as "anticipate", "believe", "continue", "estimate", "expect", "plan", "forecast", "future", "outlook, "guidance", "may", "project", "should", "target", "will" or similar expressions suggesting future outcomes.

Forward-looking information in this document includes: anticipated use of proceeds from the Transaction and expected timing of dividend payments.

Forward-looking information is provided for the purpose of providing information about management's expectations and plans about the future and may not be appropriate for other purposes. Forward-looking information herein is based on various assumptions and expectations that Superior believes are reasonable in the circumstances. No assurance can be given that these assumptions and expectations will prove to be correct. The forward-looking information is also subject to the risks and uncertainties set forth below.

By its very nature, forward-looking information involves numerous assumptions, risks and uncertainties, both general and specific. Should one or more of these risks and uncertainties materialize or should underlying assumptions prove incorrect, as many important factors are beyond Superior's control, Superior's or the Subsidiary's actual future results may vary *materially from those intentions contemplated, expressed or implied in the forward-looking information. These risks and uncertainties include, among others the risks identified in Superior's MD&A under the heading "Risk Factors" and Superior's most recent Annual Information Form. The preceding list of assumptions, risks and uncertainties is not exhaustive.*

When relying on forward-looking information to make decisions with respect to Superior, investors and others should carefully consider the preceding factors, other uncertainties and potential events. Any forward-looking information is provided as of the date of this document and, except as required by law, neither the Corporation nor the Subsidiary undertakes to update or revise such information to reflect new information, subsequent or otherwise. For the reasons set forth above, investors should not place undue reliance on forward-looking information.