Engine Capital Announces It Intends to Vote "FOR" All Nine of Simpson Oil's Nominees for Election to Parkland Corporation's Board of Directors

Believes the Incumbent Board Has Repeatedly Failed Shareholders and Cannot Be Trusted to Represent Investors' Interests

NEW YORK--(BUSINESS WIRE)--Engine Capital LP (together with its affiliates, "Engine" or "we"), which owns approximately 2.5% of Parkland Corporation's (TSX: PKI) ("Parkland" or the "Company") outstanding shares, today announced that it will vote "FOR" the election of Simpson Oil Limited's ("Simpson Oil") nine candidates to the Company's Board of Directors (the "Board") at the upcoming Annual General Meeting of Shareholders (the "AGM").

We believe shareholders have a clear choice at this year's AGM: elect new directors who are aligned with shareholders or keep in place a Board that is dominated by directors with almost no stock ownership and who have presided over financial underperformance, abysmal governance, and very poor risk management and succession planning. We have reviewed Simpson Oil's slate and believe its nominees have strong backgrounds, including experience in public company governance, M&A, capital allocation and capital markets. These skillsets are particularly relevant for Parkland's Board at this juncture. In our view, a refreshed Board composed of the individuals put forth by Simpson Oil is better suited to lead the search for a new CEO and conduct a comprehensive strategic review.

Engine has been a shareholder of Parkland since 2022. In our previous public communications, we have outlined our concerns regarding the Company's sustained share price underperformance, inefficient operations, suboptimal capital allocation strategy and broken governance. In our view, the following points underscore the urgent need for change and why the current Board has lost the right to be a steward of Parkland:

- **We believe the Board has been disingenuous with shareholders.** After Simpson Oil's representatives (Michael Christiansen and Marc Halley) resigned from the Board on December 31, 2023, the Board and management said Mr. Christiansen and Mr. Halley had left because the Board would not acquiesce to Simpson Oil's request to appoint one of them as Chair of the Board. However, according to Simpson Oil's recently filed proxy circular, Simpson Oil requested that the new Chair be *"either one of their nominated directors or **alternatively another candidate who has the support of Simpson Oil**."* The emphasized language was conveniently omitted by the Board to create a false and misleading narrative that Simpson Oil was unreasonable when this was not the case.

  The spin and the disingenuousness continue today. The Board states that Simpson Oil is trying to take control of Parkland without paying a premium despite the fact that seven of Simpson Oil's nine nominees are completely unaffiliated and independent of Simpson Oil. Even if shareholders elect all nine of Simpson Oil's director candidates, Simpson Oil will only have two representatives on a 13-member Board – well short of control. Mr. Jennings and the Board are obviously aware of these facts but continue to peddle this false and misleading narrative around control.

The Board now claims to be committed to a strategic review when in reality, it fought one tooth and nail for nearly two years, including after receiving a credible offer from a strategic buyer. We hope shareholders recognize that Parkland's directors only initiated the current strategic review after Simpson Oil prevailed in its litigation, presumably realizing that acquiescing to a strategic review was their best chance to survive the upcoming AGM. The Board is now inviting Simpson Oil's representatives to join the Special Committee – despite having previously excluded them from that very same committee when they were on the Board. The Board's misleading spin and highly reactionary actions demonstrate that it is not aligned with shareholders.

- **We believe the Board is entrenched.** After failing in its attempt to block its largest shareholder from voting its shares freely – wasting millions of shareholders' money in litigation – the Board has come up with a new shenanigan to dilute Simpson Oil's potential influence: growing the size of the Board. How is an expanded Board of 13 directors good for shareholders when such a large Board will only reduce effectiveness and accountability? The expansion of the Board to 13 directors is plainly designed to protect incumbents (by increasing their odds of reelection) at the expense of shareholders. Similarly, the Board's decision to not use a universal proxy card makes it harder for shareholders to mix and match potential nominees and contravenes best governance practices.

- **The Board has enabled insufficient risk management and failed to oversee the business.** In 2022, Parkland suffered over $60 million in trading losses in its U.S. business due to speculative activity. The Company at the time told shareholders that it would no longer engage in non-core speculative trading activities. Despite these assurances, Parkland just reported another $55 million loss from carbon credit trading in California in Q1 2025. These repeated failures highlight deficient risk management and ineffective Board oversight.

- **The Board failed in its crucial responsibility of succession planning.** After announcing another disappointing quarter as well as this large trading loss, why is Bob Espey still the Company's CEO potentially until the end of 2025? We also question why Mr. Espey is being renominated to serve as a director for another year, making it potentially more difficult to find a successor. We believe the decision to keep Mr. Espey around is a result of the Board's lack of succession planning – today, there is simply no credible candidate internally available after most of Parkland's senior leadership departed during the last few years while the Board was asleep at the wheel.

In closing, the fact that this Board – which has overseen massive value destruction, failed to hold its CEO accountable for years and just announced a large trading loss and disappointing Q1 results – still has the arrogance to attack its largest shareholder demonstrates the need for wholesale governance and leadership changes.

***

<u>Information in Support of Public Broadcast Exemption under Canadian Law</u>

The information contained in this press release does not and is not meant to constitute a solicitation of a proxy within the meaning of applicable law. Engine is not requesting that Company shareholders give, withhold or revoke a proxy. Notwithstanding the foregoing, Engine has voluntarily filed a disclosure document (the "Document") as a precautionary measure and solely to the extent necessary to rely on the public broadcast solicitation exemption under National Instrument 51-102 – *Continuous Disclosure Obligations* and Blanket Order 51-520 issued by the Alberta Securities Commission. The Document is hereby incorporated by reference into this press release and is available under the Company's profile on SEDAR+ at www.sedarplus.ca. The registered office of the Company is 240 4th Avenue SW, Suite 1800, Calgary, Alberta T2P 4H4.

Proxies for the AGM may be revoked in accordance with subsection 148(4) of the *Business Corporations Act* (Alberta) by a registered holder of Company shares: (a) by depositing an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing: (i) at the registered office of the Company at any time up to and including the last business day preceding the day of the AGM, or an adjournment of the AGM; or (ii) with the chair of the AGM on the day of the AGM or an adjournment of the AGM; or (b) in any other manner permitted by law. The procedure for revoking proxies for the AGM, including revocation by a non-registered holder of Company shares, is more particularly described in the management information circular dated April 7, 2025 and the amended and restated dissident proxy circular dated April 11, 2025 issued by Simpson Oil, each of which can be found under the Company's profile on SEDAR+ at www.sedarplus.ca.

The costs incurred in connection with any proxy solicitation by Engine will be borne directly and indirectly by Engine.

Any solicitation made by Engine is, or will be, as applicable, made by Engine, and not by or on behalf of the management of the Company. Should Engine solicit proxies, proxies may be solicited by proxy circular, mail, telephone, email or other electronic means, as well as by newspaper or other media advertising and in person by partners, managers, directors, officers and employees of Engine who will not be specifically remunerated therefor. In addition, Engine may solicit proxies by way of public broadcast, including press release, speech or publication and any other manner permitted under applicable Canadian laws, and may engage the services of one or more agents and authorize other persons to assist it in soliciting proxies on their behalf.

Neither Engine nor any of its associates or affiliates has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

About Engine Capital

Engine Capital LP is a value-oriented special situations fund that invests both actively and passively in companies undergoing change.

Contacts

Engine Capital LP
212-321-0048
info@enginecap.com