Retirement Benefits

As an employee of Parkland, you may plan and save for the future through different retirement benefit plans based upon your employment classification.

<table>
<thead>
<tr>
<th>RETIREMENT BENEFITS PLAN</th>
<th>FULL-TIME EMPLOYEES</th>
<th>PART-TIME EMPLOYEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement Income Plan</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Part-Time Mandatory Contributions</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Supplemental Retirement Plan</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Retirement Income Plan (For Full-Time Employees)

This Pension Plan, which is intended as a replacement for Social Security, offers a monthly vested benefit at retirement. You are automatically enrolled on your hire date. You and Parkland share in the cost. Instead of paying into Social Security, you contribute 6.2% of regular pay to the plan. Parkland contributes the additional amounts required to provide your vested benefit. The benefit formula is typically based on your years of service and average monthly earnings during the highest five out of the last 10 calendar years you work at Parkland as a full-time employee.

AN EXAMPLE: 40-YEAR-OLD EMPLOYEE WHO WORKS 25 YEARS AT PARKLAND

To see how the Parkland Retirement Income Plan compares to Social Security, we estimated monthly benefits for a full-time employee who begins a career with Parkland at age 40 in the year 2018 and works full-time for 25 years at Parkland, retiring at age 65. The chart shows the value of benefits in today’s dollars.

Part-Time Mandatory Contributions (For Part-Time Employees)

On the first day of employment, part-time employees automatically start contributing 7.5% of total pay on a before-tax basis as part-time mandatory contributions. You make these mandatory contributions instead of contributing to Social Security. This amount is automatically contributed to your part-time mandatory contributions account within the Supplemental Retirement Plan (explained on page 25).

Parkland does not match your part-time mandatory contributions. For part-time-with-benefits employees, Parkland will match up to 6% of contributions to the Supplemental Retirement Plan saved above the mandatory 7.5% contribution (based on 40 hours a pay period).

For mandatory contributions and other contributions to the Supplemental Retirement Plan, pay is based on 40 hours a pay period and includes your before-tax contributions to the Supplemental Retirement Plan. You may choose to contribute additional amounts to the Supplemental Retirement Plan, subject to IRS limits described in the next section.
Supplemental Retirement Plan
(For Full-Time and Part-Time Employees)

By participating in the Supplemental Retirement Plan, you can:

- Save on a before-tax basis and lower your current taxable income. Pay no taxes on this money or the earnings until you withdraw your account.
- Contribute on a Roth after-tax or after-tax basis for additional retirement savings.
- Receive Parkland matching contributions after one year of service (not available to part-time employees without benefits).
- Take advantage of a variety of investment choices.

YOUR BEFORE-TAX, ROTH AFTER-TAX AND AFTER-TAX CONTRIBUTIONS

Save from 1% to 75% of your pay on a combined before-tax, Roth after-tax or after-tax basis through payroll deductions. Before-tax and Roth after-tax contributions are subject to applicable IRS limits. These limits are double those in most traditional savings plans because the Supplemental Retirement Plan includes before-tax 403(b) and 457 contributions, which are available only to governmental entities. Pay does not include bonuses, overtime pay, severance pay and differential.

- Before-Tax Contributions are deducted from your paycheck before federal income taxes are withheld. The 403(b) and 457 contributions make up your before-tax contributions to the Supplemental Retirement Plan. These accounts are tracked separately because there are some differences between them.
- Roth After-Tax Contributions are deducted from your pay after federal income taxes are withheld. Investment earnings on the Roth after-tax contributions are never taxed, not even upon distribution, as long as you withdraw this money as a qualified distribution after:
  - You reach age 59½ and
  - Your first Roth after-tax contribution has been in the plan for at least five years.
- After-Tax contributions are deducted from your paycheck after taxes are withheld.
- Catch-Up Contributions are additional before-tax and Roth after-tax savings opportunities if you are age 50 or older by the end of a calendar year.

The chart below shows the maximum amount you can save on a before-tax and Roth after-tax basis in Parkland’s Supplemental Retirement Plan and compares these amounts with the savings limits of most other savings plans. These limits are not plan-specific. If you contributed to another employer’s plan on a before-tax or Roth after-tax basis during the year, consider those contributions when deciding how much to contribute to the Parkland plan.

<table>
<thead>
<tr>
<th>Year</th>
<th>MOST OTHER SAVINGS PLANS</th>
<th>SUPPLEMENTAL RETIREMENT PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Under Age 50</td>
<td>Age 50 and Over</td>
</tr>
<tr>
<td>2018</td>
<td>$18,500</td>
<td>$24,500</td>
</tr>
</tbody>
</table>

* Your contributions may be before-tax, Roth after-tax or a combination of the two. These limits include contributions made to another employer’s plan during the year.

To determine how much you want to save, review the Retirement Benefits Program newsletter on the Parkland Intranet. Then, log on to the plan’s website and follow the prompts or call the telephone hotline to make your contribution and investment elections, and to name your beneficiary for the Supplemental Retirement Plan. Contact information is on the Benefits Resources list in the new hire welcome brochure and on the Parkland Intranet.
HOW TO MAXIMIZE YOUR ANNUAL CONTRIBUTIONS

Once you decide how much you want to contribute, your before-tax and Roth after-tax contributions are allocated first to your 403(b) account. If you reach the IRS maximum for the 403(b) account, additional before-tax and Roth after-tax contributions will automatically convert to 457 contributions. When you reach the combined before-tax and/or Roth after-tax limit for 403(b) and 457 contributions, your contributions will automatically convert to 403(b) after-tax contributions in order to continue contributing to the plan and to receive the applicable match. If you want your contributions to stop rather than converting to 403(b) after-tax contributions, call the telephone hotline and let a representative know that you do not want to start making 403(b) after-tax contributions. Unless you make a new election before the first pay period of the new year, your before-tax and/or Roth after-tax 403(b) elections will continue for the following calendar year.

PARKLAND MATCHING CONTRIBUTIONS
(For Full-Time and Part-Time-With-Benefits Employees)

After one year of service, Parkland matches your contributions $1 for $1, up to 6% of your pay. Parkland matches a combination of your before-tax, Roth after-tax or after-tax contributions, up to 6% of pay.

ROLOVER CONTRIBUTIONS

If you have a balance in a qualified plan such as a 401(k) or another 403(b) with a previous employer, you can roll over that money immediately and take advantage of the loan and withdrawal options offered by the plan. You can also roll over deductible Individual Retirement Accounts (IRAs).

VESTING OF PARKLAND MATCHING CONTRIBUTIONS

You own (meaning you are 100% vested in) your contributions (before-tax, Roth after-tax, after-tax, rollover and part-time mandatory contributions) immediately. You gradually become vested in the Parkland matching contributions each year as shown in the vesting chart below.

<table>
<thead>
<tr>
<th>YEARS OF VESTING SERVICE YOU COMPLETE</th>
<th>VESTED PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 2</td>
<td>0%</td>
</tr>
<tr>
<td>2</td>
<td>20%</td>
</tr>
<tr>
<td>3</td>
<td>40%</td>
</tr>
<tr>
<td>4</td>
<td>60%</td>
</tr>
<tr>
<td>5</td>
<td>80%</td>
</tr>
<tr>
<td>6 or more</td>
<td>100%</td>
</tr>
</tbody>
</table>

Regardless of your service, you become 100% vested in the matching contributions and associated earnings upon total or permanent disability, death while employed or retirement on or after your normal retirement date (age 65).
LOANS
Using the plan’s website or the telephone hotline, you may request a loan. You may have only one outstanding loan at a time. The interest rate is prime plus 1%. Your loan will be taken from your before-tax 403(b), Roth after-tax and rollover accounts with your Roth after-tax account being accessed last. You may not take a loan from your before-tax 457, after-tax and part-time mandatory contributions. You may borrow:

- A minimum of $1,000 and
- Up to the lesser of one-half of your account balance or $50,000, reduced by your highest outstanding loan balance during the last 12 months.

If you leave Parkland and do not repay the loan within the required time period, you will have to pay taxes on the outstanding loan balance.

IN-SERVICE WITHDRAWALS
From the plan’s website or the telephone hotline, you may request a withdrawal from your Supplemental Retirement Plan accounts while you are still employed at Parkland. Part-time mandatory contributions are not eligible for in-service withdrawal. You may:

- Withdraw from your after-tax or rollover accounts at any time.
- Request a full or partial withdrawal of your account balance after age 59½ if you are 100% vested in the Parkland match.
- Apply for a financial hardship withdrawal from all or part of your before-tax 403(b) and Roth after-tax 403(b) contributions made to the plan and the vested portion of Parkland’s matching contributions.
- Apply for an unforeseeable emergency withdrawal from your before-tax 457 and Roth after-tax 457 contributions if you or your dependents incur a severe financial hardship. An unforeseeable emergency must cause a hardship that cannot be relieved through reimbursement or compensation by insurance, liquidation of your assets (unless such liquidation would cause you severe financial hardship), or discontinuation of all before-tax 457 contributions to the Supplemental Retirement Plan. Payment of college expenses and purchase of a home do not qualify as an unforeseeable emergency.

If you do not roll over a withdrawal to an IRA or to another eligible retirement plan, the taxable portion of the withdrawal becomes ordinary income to you for the year in which you receive the distribution. In-service withdrawals that are not financial hardship withdrawals are subject to 20% mandatory withholding. If you have not reached age 59½, the withdrawal may also be subject to an additional 10% nondeductible early distribution penalty tax. Withdrawals from your before-tax 457 contributions account are generally not subject to the additional 10% early distribution penalty tax. However, special rules apply to Roth after-tax monies. Consult your professional tax adviser for details.

QUARTERLY STATEMENTS ARE ONLINE
You will receive your Supplemental Retirement Plan statements online about 3 weeks after the end of each quarter. To receive an email reminder when your electronic statement is available, enter your email address in the Personal Profile section of the vendor’s website. You may print your online statement at any time. You may also change from electronic to paper statements via the U.S. mail at any time. To do so, go to eCommunications in the bottom right corner of the website’s At-A-Glance page. You can make this change in the Personal Profile section, too.

WHEN YOU LEAVE PARKLAND
When you stop working at Parkland, you may leave your money in the Supplemental Retirement Plan or you may request a lump-sum payment of your account. To request your lump-sum payment, please contact the plan administrator at the phone number or website shown on the Benefit Resources list in the new hire welcome brochure and on the Parkland Intranet. Starting at age 70½, you must start taking minimum distributions from your account.

You may log on to the retirement administrator’s website or contact the Benefits Service Center up to 180 days prior to your retirement to set up distribution of your monthly benefit from the Retirement Income Plan.