Good morning, ladies and gentlemen. I’m pleased that you can join us today.
Certain statements contained in this presentation constitute forward-looking statements within the meaning of certain securities laws, including the Securities Act (Ontario). Forward-looking statements can be generally identified by the use of words such as “anticipate”, “continue”, “estimate”, “expect”, “expected”, “intend”, “may”, “will”, “project”, “plan”, “should”, “believe” and similar expressions. Forward-looking statements in this presentation describe the expectations of Chemtrade Logistics Income Fund (“Chemtrade”) and its subsidiaries as of the date hereof. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements for a variety of reasons, including without limitation the risks and uncertainties detailed under the “RISK FACTORS” section of Chemtrade’s latest Annual Information Form and the “RISKS AND UNCERTAINTIES” section of Chemtrade’s most recent Management’s Discussion & Analysis. Although Chemtrade believes the expectations reflected in these forward-looking statements and the assumptions upon which they are based are reasonable, no assurance can be given that actual results will be consistent with such forward-looking statements, and they should not be unduly relied upon. Except as required by law, Chemtrade does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or for any other reason. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. Further information can be found in the disclosure documents filed by Chemtrade with the securities regulatory authorities, available on www.sedar.com.

One of the non-IFRS measures referred to in this presentation is Adjusted EBITDA, which is EBITDA modified to exclude only non-cash items such as unrealized foreign exchange gains and losses. For simplicity, the presentation will just refer to it as EBITDA as opposed to Adjusted EBITDA. Both these terms are fully defined in our MD&A.
At today’s AGM we will cover three general topics with our unitholders.

• First, we will describe Chemtrade’s continuing strategy and portfolio of businesses;
• Secondly, since it’s our Annual Meeting we will briefly review our 2017 financial results;
• Finally, we will comment on some key issues and activities that should result in Chemtrade generating even better results going forward.
Chemtrade continues to execute on the four-pronged strategy it has followed since its inception -- Growth, Operational Excellence, Financial Prudence and Business Model. I want to say a few words on these as they continue to set the direction for what we do.
Pursuing **Growth**, or additional size, scale and diversity of earnings benefits all our stakeholders. Size and scale makes our business stronger and provides more opportunities for our employees. It enables us to spread fixed costs, pursue best practices, improve processes, and attract the best human resources. Growth also permits us to diversify our earnings, reducing aggregate risk by spreading it over a broader portfolio of earnings streams, customers and markets.
As we grow, *Operational Excellence* becomes even more important. To properly manage growing size and scale our processes and systems must provide the best tools to our employees. This is even more important when we diversify our sources of earnings. We require robust and scalable processes and systems so our employees have the tools necessary to optimize the return from our existing assets and position ourselves for future growth.
Balance sheet strength, which we achieve through **Financial Prudence**, provides us the flexibility to pursue both growth and operational excellence. Having adequate liquidity to execute and implement our plans is essential.
Finally, our *Business Model* of mitigating earnings risk has been a linchpin of our core strategies. Diversity of earnings sources, products, and customers spreads and thus reduces risk. This diversity, together with the risk sharing contracts that underlie a large portion of our business, provide a foundation of stable earnings.
I want to outline for you our portfolio of businesses and relate some of that discussion to our strategies of Growth and Operational Excellence.

We are now organized into three major operating segments:
SPPC, which stands for Sulphur Products and Performance Chemicals and consists mainly of our sulphuric acid business, Chemtrade’s original business, although it is now much larger and more diverse.

WSSC – being water solutions business and specialty chemical businesses, and which brings in a diversity of customers and end markets.

EC – or the Electrochemicals segment which contains our sodium chlorate and chlor-alkali products.
As I said, SPPC consists mainly of our sulphuric acid business, of which one product, merchant sulphuric acid, is our original legacy business. Our key sulphuric acid products are regenerated acid (which we refer to as “regen”), ultra pure acid and merchant acid. We produce regen acid at 6 plants, ultra pure acid at 4 plants and merchant acid at all of these plants.

We also market by-product merchant acid which we obtain from supply sources such as Vale. Growth has resulted in a substantial increase in our regen and ultra pure earnings resulting in a relative decrease in the importance of merchant acid.
Regen acid is produced by taking sulphuric acid that has been contaminated during the production of alkylate by petroleum refineries and processing it to produce fresh sulphuric acid which is returned to the refineries. We have 6 regen acid plants, all located in the US. Four of these plants are connected directly by pipeline to our refinery customers.
Produced at 4 sulphuric acid manufacturing plants
- We are the largest producer in the US
- Used primarily in the production of semi-conductors
- Continued investment ensures facilities benefit from strong demand

KEY PRODUCTS

ULTRA PURE ACID

Four of our sulphuric acid manufacturing plants produce ultra pure acid. Chemtrade is the largest producer of ultra pure acid in the US. Ultra pure acid is used primarily in the production of semi-conductors and must be very low in contaminants, measured in parts per trillion. Demand for this specialized product is very strong, and we continue to invest to ensure our facilities can benefit from this increasing demand.
Chemtrade manufactures about half of what we sell. The balance is from producers where it is a by-product of the smelting process. Our largest volume product, it is marketed to a wide variety of customers and end markets.

Finally, with respect to merchant acid we manufacture about half of what we sell. The balance is obtained from by-producers, such as Vale. Merchant acid, which is one of the most widely used industrial chemicals in the world, is our largest product by volume. Chemtrade’s sulphuric acid sales are to a wide variety of customers and end markets. Chemtrade’s water treatment chemicals plants are also large consumers of sulphuric acid.
WSSC’s products fall into two general groupings, water treatment chemicals and specialty chemicals.
Our water treatment chemicals are produced in over 40 manufacturing facilities. Chemtrade is North America’s largest manufacturer of inorganic coagulants for water treatment. Our broad geographic footprint and diverse product range enables us to offer our customers, who are primarily municipalities and industrial companies, solutions that can be tailored to their needs.
Our highest volume water treatment chemical is aluminum sulphate, or alum. Sulphuric acid is a key raw material in the manufacturing process, and is sourced from our own facilities where transport costs and other factors make sense.
Other water treatment chemicals we manufacture are polyaluminum chloride, or PACl, and aluminum chlorohydrate, or ACH. As you may know, we have expanded our PACl and ACH capacity in recent years and are confident this expansion will deliver long-term benefits to Chemtrade and to our customers.
The WSSC segment also produces a number of specialty chemicals including, for example, potassium chloride, phosphorus pentasulphide, and sodium nitrite. We recently expanded our potassium chloride facility. A key portion of our production finds its way into the pharmaceutical industry, as a registered active pharmaceutical ingredient. Our phosphorus pentasulphide is used as an additive for automotive lubricants. Sodium nitrite is used in a wide range of industrial processes, from food preservation and metal finishing, to applications in the upstream oil and gas industry.
Finally, our newest segment, Electrochemicals, or EC. As I noted, EC contains all our sodium chlorate products and chlor-alkali products. Essentially, this segment represents the Canexus businesses, plus our legacy sodium chlorate business.
Chemtrade’s sodium chlorate facility in Brandon, Manitoba is considered to be one of the largest and lowest cost producers in the world. Combined with our production in Prince George and Beauharnois, Quebec, Chemtrade is now a leading North American supplier of sodium chlorate. Last year we commenced a five-year $50 million capital spending program at the Brandon plant to ensure it remains a long-term, reliable, low cost supplier of sodium chlorate.
Our North American chlor-alkali business is located in North Vancouver, where we produce caustic soda, chlorine, and hydrochloric acid. Our caustic soda is sold primarily in western Canada into the pulp and paper industry, while our hydrochloric acid is used in fracking in western Canada and the northwestern US. As I will detail later, demand for caustic and hydrochloric acid has been very strong since we acquired the business, and it seems the market should remain that way for at least several years.
In South America, our facility in Espirito Santo, Brazil, produces both sodium chlorate and chlor-alkali products. The plant is located adjacent to one of the largest eucalyptus pulp mills in the world, which is our plant’s biggest customer. This mill takes 80% of our sodium chlorate production and all of our caustic soda.
Adding size, scale and diversity of earnings

Starting from our initial base of, essentially, by-product merchant acid, our strategic growth initiative is relatively easy to see. We’ve been able to add desired size, scale and diversity of earnings over the years.
This chart shows the diversity of our revenue. Before the Canexus acquisition, for example, our Acid and Water Solutions products represented over 60% of our revenue. Now, they account for just over 40%, and chlorate itself now represents about 20%.

Size, scale and especially diversity of earnings has served us well through economic cycles, and specific industry or customer issues.
But Growth does not come without its challenges, especially to Operational Excellence. This is why we have always included both as key strategies for us to succeed.
Operational Excellence has been one of the key reasons for our success since the IPO. As we grow and become a more diverse business, the importance of Operational Excellence increases. To ensure that continued growth can be properly integrated and results optimized it’s essential that the proper processes and people are in place, robust and scalable.
Over the years we believe we executed quite well. However, simply put, we were not happy with our execution in 2017. We have a clear view of the issues and more importantly, action plans to improve.

We encountered a number of operating challenges in 2017, which we discussed during our earnings release. We have specific action plans to address each of these issues. Certain matters in 2017 were due to external issues including hurricanes and poor rail service. We are also actively engaging with both the rail carriers and government to facilitate improved service levels.
Regarding the internal issues they really fall into four categories, namely,

- plant operating issues or production shortfalls at a small but important number of water plants;
- material change in by-product sulphuric acid supply;
- an unplanned outage at our Vancouver chlor-alkali plant; and
- excess logistics and replacement product costs due to all of these issues.

As a general statement, we have made substantial progress on each of these issues.
First, we had operational issues that affected one of our alum plants and our ability to produce ACH. These issues caused us to incur additional freight to supply from sources that were much further from our customers, and to purchase product instead of producing it ourselves.
Addressing issues through targeted initiatives

Benefits expected to be realized in latter half of 2018

On track to ensure Hopewell will be ready to fulfill seasonal peak demand

We have targeted initiatives to address these issues and the benefit of the fixes should be seen in the latter half of this year. The initiatives covered a number of issues including staffing, training, and capital improvements. The staffing issues are largely resolved and we are on track to have the Hopewell facility ready to capitalize on the third quarter seasonal peak demand. Our ACH production rates have improved and will continue to improve for the balance of the year. In short, the fixes for last year’s issues are being implemented.
Significant extra costs incurred due to by-product shortages, hurricanes and logistics costs

Addressing by-product shortage through right-sizing customer base, cost structure

Secondly, regarding our SPPC segment, last year we experienced by-product supply shortages, hurricanes and logistics costs resulting in significant extra costs to keep our customers supplied. The significant reduction in by-product supply from our main supplier is permanent and thus requires us to right-size our customer base and cost structure. This initiative is underway but it takes time due to contractual commitments and is exacerbated by the shortage of supply from our own plants due to our heavy Q2 turnaround schedule. These initiatives, too, should bear more obvious benefit as the year progresses.
Thirdly, our North Vancouver chlor-alkali plant incurred an unplanned two-week shutdown in November. During that time, we implemented a temporary fix that was intended to take us through to our planned turnaround in April. The fix did indeed last as intended. The plant took its planned shutdown in April and successfully implemented the permanent fix as well as normal turn around activities. The plant restarted in early May and continues to increase production rates. We are operating at over 90% of capacity today and anticipate full rates before the end of May. We are pleased that this significant turnaround was accomplished safely and as planned. We are now able to run at full capacity, subject to logistics issues, which are part of my final point.
Finally, you may recall that logistics, production and supply chain issues last year across many of our businesses caused excess costs and lost sales. This was caused by a combination of factors including less supply from certain key producers, plant downtime due to hurricanes, and significant rail service issues, particularly in Western Canada.
We have made substantial progress on the issues within our control. There continues to be issues with rail service, availability of certain rail cars and access to reliable trucking in certain geographies. In addition to the fixes to our assets I mentioned, we have also improved communications and working relationships with our customers, and are actively adjusting our customer base to more appropriately reflect the reduced sulphuric acid supply now anticipated from Vale. These initiatives should all help, but we need the rail carriers to continue improving their service levels.
I will comment on the outlook for our key products after Rohit reviews our 2017 financial performance.

Finally, for those interested, we released our Q1 results yesterday and that information is on our website.
I’ll now ask Rohit to provide some more colour on 2017 results.

Rohit Bhardwaj

Thank you, Mark and good morning everyone.
In order to give a clearer insight into the results of our ongoing business, the discussion of EBITDA and Distributable cash, two important metrics, excludes a few items.

First, we have excluded the costs related to the Canexus Acquisition of $8.5 million incurred in 2016 and $18.6 million in 2017;

Secondly, we have excluded the related $18.3 million foreign exchange loss resulting from the repayment of US dollar bank debt associated with the financing for the Canexus acquisition. We have also excluded the $20.3 million foreign exchange loss resulting from the repayment of US dollar bank debt in 2016.

And finally, as a reminder, our former Aglobis, or International segment was sold in May 2017, and has therefore been treated as a discontinued operation in our 2016 and 2017 financial statements.

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<th>.RELATED CANEXUS ACQUISITION COSTS</th>
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<td>2016: $8.5 million</td>
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<td>2017: $18.6 million</td>
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<th>FOREIGN EXCHANGE LOSSES</th>
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<td>$18.3 million associated with financing of the Canexus acquisition</td>
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<td>$20.3 million related to repayment of US $ bank debt in 2016</td>
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<th>INTERNATIONAL SEGMENT</th>
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<td>Treated as discontinued operations due to sale to Mitsui in May</td>
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For 2017, distributable cash from continuing operations after maintenance capital expenditures and before the items I noted earlier, i.e., the foreign exchange loss and the acquisition-related costs was $157.7 million compared with $128.3 million in 2016, which also excluded the foreign exchange loss and acquisition costs.

2017 distributable cash per unit was $1.79, which was comfortably ahead of our annual distributions of $1.20 per unit. The per unit amounts are based on a weighted average number of units outstanding of 88.2 million units in 2017.
Consolidated revenue from continuing operations for 2017 was $1.5 billion, which was $401.9 million higher than 2016. The increase was due primarily to contributions from the acquired businesses of approximately $500.7 million, partially offset by lower revenues in SPPC.
Aggregate EBITDA from continuing operations for 2017 before the acquisition-related costs was $301.7 million compared with $209.0 million in the previous year, again, before 2016 acquisition costs.
Results reflect lower sales volume for sulphuric acid and liquid sulphur dioxide. Results also affected by supply disruptions in Q3, lower than expected supply of product from two major by-product suppliers.

Turning to the segmented results for the year, SPPC generated revenue of $500.4 million and EBITDA of $109.1 million compared with $592.5 million and $145.3 million, respectively, in 2016. The main reason for the lower revenue was lower sales volumes of sulphuric acid and liquid sulphur dioxide, or SO₂. Sulphuric acid volumes were affected by the closure of our Augusta, Georgia plant in 2016, and SO₂ volumes reflected our decision to cease manufacturing and selling SO₂ in Eastern Canada.

Additionally, results were affected by supply disruptions in the third quarter due to Hurricane Harvey and lower than expected supply of product from two major by-product suppliers. When we have unexpected supply disruptions, we are forced to incur additional costs to source alternative product so that we can maintain supply to our customers.
Our WSSC segment reported revenue of $420.9 million compared with $425.8 million in 2016. EBITDA was $53.6 million compared to $57.9 million generated in 2016.

Lower revenue in 2017 was due primarily to lower sales of water treatment chemicals. This was mainly due to some operating issues at two plants.

The decrease in EBITDA was primarily a result of higher costs to supply our customers from alternative purchased supply, as we were unable to produce at expected rates.
Revenue mostly attributable to newly acquired business. EBITDA negatively impacted by approx. $8M due to two-week production interruption at North Vancouver chlor-alkali plant.

Our EC segment reported revenue of $547.8 million, most of which is attributable to the newly acquired businesses. EBITDA was $156.7 million. This would have been higher but a two-week unexpected production interruption at our North Vancouver chlor-alkali plant had a negative impact on EBITDA of approximately $8 million.
Maintenance capital expenditures in 2017 amounted $66.7 million, which was in the range of our estimate. We expect maintenance capex in 2018 to be between $80 million and $100 million.
Strengthened our balance sheet in 2017 through new issuances of equity and debt, redemptions of outstanding Chemtrade and Electrochem debentures.

**2017 CAPITAL RAISED**

**$400M** equity

21.8M units issued in Q1, proceeds partially used to pay for Canexus acquisition

**$201.3M**

4.75% convertible unsecured subordinated debentures

Used to repay indebtedness, fund acceptances of change of control offers for Canexus debentures, redeem Chemtrade 5.75% debentures

During 2017, consistent with our strategy of financial prudence, we strengthened our balance sheet with new issuances of equity and debt, and redemptions of outstanding Chemtrade debentures and Electrochem debentures, that is, debentures that had been issued by Canexus and that we assumed on closing of the acquisition.

In the first quarter of 2017 we issued 21.8 million units for gross proceeds of approximately $400 million that was partially used to pay for the Canexus acquisition.

In the second quarter we raised $201.25 million, including the over-allotment, with an issuance of 4.75% convertible unsecured subordinated debentures. The net proceeds of the debentures were used to repay indebtedness and to fund acceptances of change of control offers to purchase Electrochem or Canexus debentures and Notes, and to redeem Chemtrade 5.75% debentures that were maturing at the end of 2018.
### BALANCE SHEET
(As at March 31, 2018)

- **EQUITY (92.6M units)**: C $1.4B
- **SENIOR SECURED CREDIT**
  - (March 2023 maturity)
  - 5 year term loan *(fully drawn)*: US $325M
- **REVOLVING CREDIT FACILITY**
  - Total: US $525M
  - Available: ~ US $362M
  - Accordion *(undrawn)*: ~ US $400M
- **CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES**
- **CANEXUS DEBT:**
  - Two series of convertible debentures *(Dec. 2020, Dec. 2021)*: C $159M
  - High yield notes *(Sept. 2023)*: C $71M

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Our balance sheet remains sound, with our bank covenants well below required levels and we maintain ample liquidity. During the first quarter this year, we amended the senior credit agreement to add one more year of term. The credit facility now matures in March 2023.

At March 31, 2018 our senior credit facilities were comprised of the US$325.0 million five-year term loan and a US$525.0 million revolving credit facility. We have approximately US$362 million undrawn on this facility, leaving us plenty of liquidity.
In keeping with our strategy of financial prudence, as you can see from our debt maturity profile, our debt maturities are staggered and mature between 2020 and 2024. Clearly, the most significant piece is our bank debt, which matures in 2023. As a reminder, this can be repaid at any time with no penalties and as I mentioned, in the first quarter this year we pushed out the maturity of this debt by one more year to 2023.
I’ll now hand it back to Mark.

Mark Davis

Thank you, Rohit.

We are very pleased with our 2017 acquisition and integration of the Canexus businesses. These businesses have strengthened Chemtrade and provide an even stronger base for future growth. Overall, we feel confident about the outlook for 2018 but before I get to that, I do have one more general comment relating to the rail service concerns I mentioned.
Q1 Results Significantly Affected by Poor Rail Service

Our first quarter was significantly affected by poor rail service, which affects our rail car availability, which ultimately affects our production rates.

I’m sure many of you have seen the numerous articles detailing the poor rail service supplied by the carriers. While we believe that the railways are working to address these issues, it will be a lengthy process. As expected, we’ve seen better service as we leave the Canadian winter, but poor or delayed service significantly affected our Q1 results. In particular, our Vancouver facility lost significant production due to inadequate access to rail cars. We continue to closely monitor and work this issue but it remains a concern.
Turning to the markets for our key products, we feel confident about 2018. We expect the steady to robust markets we saw at the end of 2017 and first quarter this year to continue throughout 2018. We believe that the markets for our key products for the balance of at least 2018 looks like this:
The chlor-alkali markets continue to be strong and show no sign of weakening. Note that we are particularly interested in the caustic soda and hydrochloric acid markets in the north-western part of the continent.

The markets for our hydrochloric acid, which is sold into the fracking industry, are quite strong. Although rig count has increased since we acquired this business, it is still significantly below the peak seen several years ago.

Regarding caustic soda, demand remains firm and pricing continues to have upward momentum, albeit not to the same magnitude as seen in 2017. A recent industry publication forecasts strong caustic soda pricing at least through 2022, which is as far in the future as they forecast.
The entire sodium chlorate industry, including our plants, are operating at high utilization rates as pulp production remains strong. The sodium chlorate market dynamics improved even further as one of our competitors recently shut down a plant in Quebec. We continue to believe that the whole sodium chlorate industry is operating, and will continue to operate, at high utilization rates.
Demand for all of our sulphuric acid products, regen, ultra-pure and merchant remains strong. Regarding merchant acid, we simply have less to sell than we traditionally sold as Vale changed its process. For perspective, the reduced production from Vale represents about 3% of the merchant acid demand. Demand is good, so this reduced supply has led to price increases.
As we noted in our first quarter release, even without price increases for our key products we expect the second half of this year will generate stronger results than the first half. Many of our turnarounds occur in the first half of the year and the initiatives we’ve discussed will be substantially advanced by the beginning of the third quarter.
In conclusion, we know what we need to do to be successful in 2018. We need to focus and deliver on Operational Excellence. I am confident we will achieve that with the continuing outstanding contribution of our employees. I’d like to acknowledge and thank our people for their skill and hard work over the years. We will be looking to them for their sustained efforts into 2018 and beyond, to enable us to deliver excellent results to our unitholders.

Thank you for your attention. We would now be pleased to answer questions.