

CANWEL BUILDING MATERIALS GROUP LTD.

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT INFORMATION CIRCULAR

ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 8, 2018

These materials require your immediate attention. Should you not understand the contents of this document, please consult your professional advisors.

CANWEL BUILDING MATERIALS GROUP LTD.

NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special general meeting (the "**Meeting**") of holders (the "**Shareholders**") of common shares ("**Common Shares**") of CanWel Building Materials Group Ltd. (the "**Corporation**") will be held at The Vancouver Club, 915 West Hastings Street, Vancouver, British Columbia, on Tuesday, the 8th day of May, 2018 at 1:00 p.m. (Vancouver time) for the following purposes:

1. **TO RECEIVE** the financial statements of the Corporation for the year ended December 31, 2017, together with the report of the auditors thereon;

2. **TO ELECT** directors for the ensuing year;

3. **TO APPOINT** auditors of the Corporation and authorize the directors to fix their remuneration;

4. **TO CONSIDER** and, if deemed advisable, to pass, with or without alteration or modification, an ordinary resolution (the "**RSU Plan Resolution**"), the full text of which is set forth in Appendix "A" to the Information Circular, approving the amended and restated restricted equity share plan (the "**RSU Plan**") of the Corporation, as more particularly described in the Information Circular and a copy of which is set forth in Appendix "B" to the Information Circular;

5. **TO CONSIDER** and, if deemed advisable, to pass, with or without alteration or modification, an ordinary resolution (the "**Amended and Restated Advance Notice By-Law Resolution**"), the full text of which is set forth in Appendix "C" to the Information Circular, approving the revised Advance Notice By-Law No. 2 (the "**Amended and Restated Advance Notice By-Law**") of the Corporation, as more particularly described in the Information Circular and a copy of which is set forth in Appendix "D" to the Information Circular; and

6. **TO TRANSACT** such other business as may properly come before the Meeting or any postponement or adjournment thereof.

As a holder of Common Shares, you are entitled to attend the Meeting and to cast one vote for each Common Share that you own. If you are a registered Shareholder ("**Registered Shareholder**") and are unable to attend the Meeting, you will still be able to vote on the items of business set out above by completing a form of proxy, included with this Information Circular. **To be valid, registered Shareholders must submit the form of proxy not later than 1:00 p.m. (Vancouver time) on May 4, 2018 or, if the Meeting is adjourned or postponed, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) preceding the time for any reconvened meeting, at the offices of AST Trust Company (Canada), P.O. Box 721, Agincourt, ON M1S 0A1, or fax it to AST Trust Company (Canada), Attention: Proxy Department at 416.368.2502, or 1.866.781.3111 (toll free within North America).**

If you are a non-registered beneficial Shareholder, you must follow the instructions provided by your broker, securities dealer, bank, trust company or similar entity in order to vote your Common Shares.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

DATED at Vancouver, British Columbia this 29th day of March, 2018.

BY ORDER OF THE BOARD OF DIRECTORS
OF CANWEL BUILDING MATERIALS GROUP LTD.

"*Amar S. Doman*"
Chair of the Board of Directors
CanWel Building Materials Group Ltd.

TABLE OF CONTENTS

Page

INTRODUCTION **1**
The Corporation 1
Cautionary Statement on Forward-Looking Statements 1
References to Currency 2

PROXY SOLICITATION AND VOTING **2**
Common Shares 2
Registered Shareholders 3
Non-Registered Shareholders 3
Solicitation of Proxies 4
Appointment and Revocation of Proxies 4
Voting of Proxies 4
Quorum 5

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF **5**

BUSINESS OF THE MEETING **5**
Receipt of Financial Statements 5
Election of Directors 5
Appointment of Auditors 11
Approval of RSU Plan 11
Amended and Restated Advance Notice By-Law 13

EXECUTIVE COMPENSATION **14**
Compensation Committee 14
Compensation Discussion and Analysis 15
Perquisites and Other Personal Benefits 18
Risk Management 18
Financial Instruments 19
Performance Graph 19
Compensation of Executive Officers of the Corporation 20
Compensation of Directors 22

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS **23**
Restricted Equity Common Share Plan 24
Employee Common Share Purchase Plan 26

DIRECTORS' AND OFFICERS' INSURANCE **27**

INDEBTEDNESS OF DIRECTORS AND OFFICERS **27**

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON **27**

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS **27**

STATEMENT OF GOVERNANCE PRACTICES **28**
Composition of the Board of Directors 28
Board Chair 29
Board Mandate 30
Position Descriptions 30

Orientation and Continuing Education 30
Code of Business Conduct and Ethics 31
Determination of Compensation 32
Nomination of Directors 32
Governance – Disclosure and Trading Policies 33
Audit Committee 33
Assessments 33
Diversity 34
Term Limits and Over-boarding 35

OTHER BUSINESS 35

ADDITIONAL INFORMATION 35

APPROVAL OF DIRECTORS 35

APPENDIX A - RSU Plan Resolution

APPENDIX B - Third Amended and Restated RSU Plan

APPENDIX C - Amended and Restated Advance Notice Resolution

APPENDIX D - Amended and Restated Advance Notice By-Law No. 2

CANWEL BUILDING MATERIALS GROUP LTD.

MANAGEMENT INFORMATION CIRCULAR

Dated as of March 29, 2018

INTRODUCTION

This management information circular (the "**Information Circular**") is furnished in connection with the solicitation by or on behalf of management of CanWel Building Materials Group Ltd. (the "**Corporation**") of proxies to be used at the annual and special general meeting (the "**Meeting**") of holders (the "**Shareholders**") of common shares ("**Common Shares**") of the Corporation to be held on May 8, 2018 at The Vancouver Club, 915 West Hastings Street, Vancouver, BC, commencing at 1:00 p.m. (Vancouver time) and at any postponement or adjournment thereof, for the purposes set forth in the accompanying notice of meeting (the "**Notice of Meeting**").

Enclosed with this Information Circular and the attached Notice of Meeting is a form of proxy (a "**Form of Proxy**") for use in connection with the Meeting.

Unless the context indicates otherwise, all references to the "**Corporation**" or "**CanWel**" refer to CanWel Building Materials Group Ltd., successor to CanWel Holdings Corporation and, as applicable, its predecessor, CanWel Building Materials Income Fund (the "**Fund**"). All references to the "**CanWel Group**" refer to the Corporation, together with the operations controlled and consolidated by it, unless otherwise indicated.

The Corporation

The Corporation is the successor to the Fund. The Corporation was created from the continuation of CanWel Holdings Corporation, which was the immediate successor to the Fund following the completion of the conversion of the Fund from an income trust to a corporation by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") on February 1, 2010 (the "**2010 Conversion**"). The Fund had been created effective May 18, 2005 when CanWel Building Materials Ltd., the predecessor to the Fund, converted into an income trust (the "**2005 Conversion**"). The 2010 Conversion effectively reversed the 2005 Conversion and, on February 1, 2010, the holders of units of the Fund ("**Trust Units**") and the holders of Class B exchangeable limited partnership interests ("**Exchangeable LP Units**") of CanWel Holding Partnership exchanged their Trust Units and Exchangeable LP Units (and associated special voting units of the Fund) for Common Shares on a one-for-one basis. Following completion of the 2010 Conversion, the Fund and certain of its subsidiary entities were dissolved as these entities were no longer required in a corporate structure. The Corporation was incorporated under the BCBCA on December 11, 2009 and was continued to the Federal jurisdiction on May 11, 2010 under its current name following CanWel's 2010 annual and special meeting.

Cautionary Statement on Forward-Looking Statements

This Information Circular contains forward-looking information and other forward-looking statements within the meaning of applicable Canadian securities laws that involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the CanWel Group or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Information Circular, such statements may contain words as "may," "will," "intend," "should," "expect," "believe," "outlook," "predict," "remain," "anticipate," "estimate," "potential," "continue", "plan," "could," "might," "project," "targeting" or the negative of these terms or other similar terminology. Forward-looking information in this Information Circular includes, without limitation, statements regarding

management's beliefs, intentions, results, performance, goals, achievements, future events, plans and objectives, business strategy, access to capital, dividends, taxes, capital expenditures, projected costs, and similar statements concerning anticipated future events, results, achievements, circumstances, performance or expectations that are not historical facts. These statements reflect management's current expectations regarding future events and operating performance, are based on information currently available to management and speak only as of the date of this Information Circular.

All forward-looking statements in this Information Circular are qualified by these cautionary statements. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, should not be unduly relied upon and will not necessarily be accurate indications of whether or not such results will be achieved. Factors that could cause actual results to differ materially from the results discussed in the forward-looking statements, include, but are not limited to: changes in Canadian or US tax law, actual future market conditions being different than anticipated by management, actual future operating financial results of the Corporation being different than anticipated by management, and risks described in the Corporation's annual information form dated March 29, 2018 under the heading "Risk Factors". Forward-looking information is based on various material factors or assumptions, which are based on information currently available to the Corporation. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: the financial and operating attributes of the CanWel Group as of the date hereof, assumptions regarding the performance of the Canadian and US economy, the relative stability of interest rates, volatility of commodity prices and more limited availability of access to equity and debt capital markets to fund, at acceptable costs, the Corporation's future plans or future growth plans, the implementation and success of the integration of completed acquisitions, the ability of the Corporation to refinance its debts as they mature, the Canadian and US housing and building materials markets, the amount of the Corporation's cash flow from operations; tax laws; and the extent of the Corporation's future acquisitions and capital spending requirements or planning as well as the general level of economic activity (and the impact of macroeconomic events in other sectors such as oil and gas pricing and foreign exchange and interest rates), in Canada, the U.S. and abroad, discretionary spending and unemployment levels. Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive. Although the forward-looking statements contained in this Information Circular are based upon what management believes are reasonable assumptions, the Corporation cannot assure readers that actual results will be consistent with these forward-looking statements.

The forward-looking statements contained in this Information Circular are made as of the date of this Information Circular and should not be relied upon as representing the Corporation's views as of any date subsequent to the date of this Information Circular. The Corporation assumes no obligation to update or revise these forward-looking statements to reflect new information, events, circumstances or otherwise, except as required by applicable law.

References to Currency

Unless otherwise stated, all references in this Information Circular to monetary amounts are expressed in Canadian dollars. All references to "$" are to Canadian dollars and all references to "US$" are to United States dollars.

PROXY SOLICITATION AND VOTING

Common Shares

The Corporation has outstanding one class of shares that entitles holders to vote at meetings of Shareholders, being the Common Shares. Each Common Share outstanding on the Record Date (as defined below) is entitled to one vote on all matters to be voted on at the Meeting.

Registered Shareholders

A registered Shareholder (a "**Registered Shareholder**") is a Shareholder who holds Common Shares in his, her or its own name (that is, not in the name of, or through, an intermediary such as a broker, securities dealer, bank, trust company or similar entity (an "**Intermediary**")). A Registered Shareholder may attend the Meeting and cast one vote for each Common Share registered in the name of such Registered Shareholder on any and all resolutions put before the Meeting. If such Registered Shareholder does not wish to vote for any matter proposed at the Meeting, he, she or it may withhold their vote from, or vote their Common Shares against, as applicable, any resolution at the Meeting.

A Registered Shareholder who is unable to attend the Meeting, or does not wish to personally cast his, her or its votes, may authorize another person at the Meeting to vote on his, her or its behalf. This is called voting by proxy. See "Appointment and Revocation of Proxies" below for information concerning the process for voting by proxy.

Non-Registered Shareholders

Information set forth in this section is very important to persons who hold Common Shares otherwise than in their own name. A non-registered Shareholder (a "**Beneficial Holder**") is a Shareholder who holds his, her or its Common Shares through an Intermediary. Such Intermediary is the registered holder of the Beneficial Holder's Common Shares and is the entity legally entitled to vote those Common Shares at the Meeting. Common Shares that are listed in an account statement provided to a Shareholder by a broker are probably not registered in the Shareholder's own name on the records of the Corporation; such Common Shares are more likely registered in the name of the Shareholder's broker or an agent of the broker. Only proxies deposited by Registered Shareholders can be recognized and acted upon at the Meeting.

These shareholder materials are being sent to both Registered Shareholders and Beneficial Holders of the Common Shares. If you are a Beneficial Holder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

In order for a Beneficial Holder to vote his, her or its Common Shares at the Meeting, they must carefully follow the procedures and instructions received from the Intermediary. Applicable regulatory policy in Canada requires Intermediaries to seek voting instructions from Beneficial Holders in advance of Shareholders' meetings. Instead of completing the Form of Proxy provided to Registered Shareholders, Beneficial Holders will be asked to complete and deliver a different form to their respective Intermediaries. This form will instruct the Intermediary how to vote on behalf of the Beneficial Holder.

Most brokers now delegate responsibility for obtaining instructions from Beneficial Holders to Broadridge Financial Solutions (Canada) Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Holders and asks Beneficial Holders to return the forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions representing the voting of Common Shares to be represented at the Meeting. A Beneficial Holder receiving a Broadridge voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although Beneficial Holders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary, a Beneficial Holder may attend at the Meeting as proxyholder for the registered holder (i.e., the Intermediary) and vote their Common Shares in that capacity. Beneficial Holders who wish to attend the Meeting and indirectly vote their own Common Shares as proxyholder for the registered holder should enter their own names in the blank space on the voting instruction form provided to them and return the same to their Intermediary, in accordance with the instructions provided by such Intermediary, well in advance of the Meeting.

Solicitation of Proxies

The solicitation of proxies for the Meeting will be made primarily by mail, but proxies may also be solicited personally or by telephone on behalf of management of the Corporation. The cost of the solicitation will be borne by the Corporation. The information contained herein is given as at March 29, 2018, except where otherwise noted.

Appointment and Revocation of Proxies

The Form of Proxy enclosed with this Information Circular is a Form of Proxy that Registered Shareholders may use to authorize another person to vote on their behalf at the Meeting. The persons named in the Form of Proxy are directors and/or officers of the Corporation. **A Shareholder who wishes to appoint some other person to represent him, her or it at the Meeting may do so by inserting such other person's name in the blank space provided in the Form of Proxy. Such other person need not be a Shareholder of the Corporation.**

To be valid, proxies must be deposited at the offices of AST Trust Company (Canada), P.O. Box 721, Agincourt, ON M1S 0A1, Attention: Proxy Department, or fax to AST Trust Company (Canada), Attention: Proxy Department at 416.368.2502, or 1.866.781.3111 (toll free within North America), at any time up to and including 1:00 p.m. (Vancouver time) on May 4, 2018. If the Meeting is postponed or adjourned, proxies must be deposited not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) preceding the time of any reconvened meeting at which the proxy is to be used. Late proxies may be accepted or rejected by the chair of the Meeting in his or her discretion, and the chair is under no obligation to accept or reject any particular late proxy. The deadline for the deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion, without notice.

A Shareholder who has given a proxy may revoke the proxy: (a) by completing and signing another Form of Proxy bearing a later date and depositing it as aforesaid; (b) by depositing an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, at the Proxy Department, AST Trust Company (Canada), P.O. Box 721, Agincourt, ON M1S 0A1 or fax to AST Trust Company (Canada), Attention: Proxy Department at 416.368.2502, or 1.866.781.3111 (toll free within North America) at any time up to and including the last business day preceding the day of the Meeting, or any postponement or adjournment thereof, at which the proxy is to be used; or (c) in any other manner permitted by law.

Voting of Proxies

The persons named in the accompanying Form of Proxy will vote the Common Shares in respect of which they are appointed, on any ballot that may be called for, in accordance with the instructions of the Shareholder as indicated on the proxy. In the absence of such specification, such Common Shares will be voted: (a) FOR the election of the nine nominees to the board of directors of the Corporation listed under the heading "Business of the Meeting – Election of Directors"; (b) FOR the appointment of Ernst & Young LLP as auditors of the Corporation and authorizing the directors to fix their remuneration; (c) FOR the RSU Plan Resolution; and (d) FOR the Amended and Restated Advance Notice By-Law Resolution.

The persons appointed under the Form of Proxy are conferred with discretionary authority with respect to amendments to, or variations of matters identified in the Form of Proxy and Notice of Meeting, and with respect to any other matters that may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting, it is the intention of the persons designated in the enclosed Form of Proxy to vote in accordance with their best judgment on such matter of business. At the time of printing this Information Circular, the board of directors of the Corporation (the "**Directors**" or "**Board of Directors**") knew of no such amendments, variations or other matter.

Quorum

For the Meeting, two persons present in person or represented by proxy and representing in the aggregate at least 25% of the votes attached to the outstanding Common Shares will constitute a quorum.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares. As of the date of this Information Circular, there were 77,693,735 Common Shares issued and outstanding.

At the Meeting, each Shareholder of record at the close of business on March 19, 2018, the record date established for the notice of the Meeting (the "**Record Date**"), will be entitled to one vote for each Common Share held on all matters proposed to come before the Meeting, even though they may have since that date disposed of their Common Shares, and, except as otherwise determined from time to time by the Directors, no Shareholder becoming such after the Record Date will be entitled to receive notice of and vote at such Meeting or any postponement or adjournment thereof, or to receive Shareholder materials in connection therewith, or to be treated as a Shareholder of record for purposes of such other action.

To the knowledge of the Directors, no person or company beneficially owns, directly, or indirectly, or exercises control or direction over voting securities carrying more than 10% of the voting rights attached to the issued and outstanding Common Shares other than as disclosed below under "Business of the Meeting – Election of Directors".

BUSINESS OF THE MEETING

Receipt of Financial Statements

The audited financial statements of the Corporation for the years ended December 31, 2017 and 2016 and the report of the auditors thereon will be placed before the Shareholders at the Meeting. No formal action will be taken at the Meeting to approve the financial statements. If any Shareholder has questions regarding such financial statements, such questions may be brought forward at the Meeting.

Election of Directors

The Corporation is required to have a minimum of three and a maximum of 20 Directors. The names of the current Directors are set forth below. The number of Directors is determined from time to time by resolution of the Directors. The current number of Directors and the number of Directors to be elected at the Meeting has been fixed at nine. The present term of office of each Director will expire at the close of the Meeting.

The persons named in the enclosed Form of Proxy, if not expressly directed to the contrary in such Form of Proxy, intend to vote for the election, as Directors, of each of the proposed nominees whose names are set forth below. It is not contemplated that any of the proposed nominees will be unable to serve as a Director but, should that occur for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for another nominee at their discretion. Each Director elected will hold office until the next annual meeting or until his successor is elected or appointed.

Advance Notice By-Law

The Corporation's By-Law No.2 (the "**Advance Notice By-Law**"), which set out advance notice requirements for nominations of persons for election to the Board are made by Shareholders other than pursuant to: (a) a requisition of a meeting made pursuant to the provisions of the *Canada Business Corporations Act* (Canada) (the "**CBCA**"); or (b) a Shareholder proposal made pursuant to the provisions of the CBCA, was approved by shareholders at the 2014 Annual and Special Meeting of Shareholders of the Corporation. An amended and restated version of the Advance Notice By-Law (the "**Amended and Restated Advance Notice By-Law**") was approved by the Board on March 29, 2018 and is subject to ratification by Shareholders at the Meeting (see "Business of the Meeting – Amended and Restated Advance Notice By-Law" below). Among other things, the Amended and Restated Advance Notice By-Law fixes a deadline by which Shareholders must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders and sets forth the information that a Shareholder must include in the notice to the Corporation. In the case of an annual meeting of Shareholders, notice to the Corporation must be provided not less than 30 days prior to the date of the annual meeting. In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to the Corporation must be provided no later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The Board believes that the Amended and Restated Advance Notice By-Law is consistent with Shareholder rights and democracy, and benefits the Shareholders for the following reasons:

- the Amended and Restated Advance Notice By-Law does not prevent Shareholders from making director nominations;

- the Amended and Restated Advance Notice By-Law ensures an orderly, fair and open nomination process and that Shareholders are properly informed, in a timely way, in advance of a proxy contest and have the relevant information to knowledgeably vote on contested director elections; and

- the Amended and Restated Advance Notice By-Law prevents the possibility of a small group of Shareholders taking advantage of a poorly attended meeting to nominate their slate of directors from the floor, thereby imposing their slate on what could be a majority of Shareholders who are unaware that this could happen.

These requirements are intended to provide all shareholders with the opportunity to evaluate and review all proposed nominees and vote in an informed and timely manner regarding said nominees. A copy of the Amended and Restated Advance Notice By-Law is available on SEDAR at www.sedar.com. As of the date hereof, the Corporation has not received any notice of a shareholder's intention to nominate directors at the Meeting pursuant to the Amended and Restated Advance Notice By-Law.

Majority Voting

The Board has a majority voting policy for the election of Directors that apply at any meeting of shareholders where an uncontested election of Directors is held. This includes continuing the practice of ensuring that the proxy forms used for the election of Directors by Shareholders enable Shareholders to vote in favour of, or withhold their vote for, each Director nominee separately. In an uncontested election, any Director nominee who receives a greater number of votes "withheld" than votes "for" shall immediately submit to the Board his or her resignation, which shall take effect only upon the acceptance by the Board.

The Board, upon recommendation of the Governance and Nominating Committee, shall determine either to accept or not accept the Director's resignation not later than 90 days after the date of the Shareholder meeting that triggered the offer of resignation, and the Board shall disclose publicly its determination on a timely basis. The Board shall accept the resignation absent exceptional circumstances. The Board considers the following as potentially exceptional circumstances:

- the Corporation would not be compliant with legal or contractual requirements as a result of accepting the director's resignation;

- the director is a key member of an active committee and accepting the resignation of the director could jeopardize the achievement of the committee's mandate; or

- majority voting was used for a purpose inconsistent with the policy objectives of the majority voting requirement (which could include using an CanWel's majority voting policy as an indirect means to obtain control of the Board).

The Director nominee will not participate in any committee or Board deliberations on the resignation offer.

If a resignation is accepted, the Board may leave the vacancy unfilled until the next annual general meeting of the Corporation, fill the vacancy through the Board appointment of a new Director or call a special meeting of Shareholders at which a Director nominee will be proposed for election by Shareholders.

Following the Board's decision on the resignation, the Board shall promptly disclose its decision whether or not to accept the applicable director's resignation in a news release, including a full statement of the reasons for rejecting the resignation, if applicable. The news release will be disseminated and a copy will be provided to the TSX.

In the event of a contested election, where the number of nominees for Director exceeds the number of Directors to be elected, subject to applicable law, the voting method to be applied for purposes of electing Directors at the meeting will be determined by the chair of the meeting in his or her sole discretion. For greater certainty, the chair of the meeting may, in the context of a contested election, use slate voting for Director elections.

TFC Securityholders Agreement

On February 1, 2010, the Corporation and The Futura Corporation ("**TFC**") entered into a securityholders agreement (the "**TFC Securityholders Agreement**"). The TFC Securityholders Agreement provides TFC with the following rights to nominate members of the Board of Directors:

(i) so long as TFC and any of its associates or affiliates, and any family members of its controlling shareholder or any company, trust or other entity owned by or maintained for the benefit of any such person (collectively, the "**TFC Group**")

holds or controls at least 25% of the outstanding Common Shares, TFC will be entitled to nominate three directors of the Corporation;

(ii) so long as the TFC Group holds or controls at least 10% but less than 25% of the outstanding Common Shares, TFC will be entitled to nominate two directors of the Corporation; and

(iii) so long as the TFC Group holds or controls at least 5% but less than 10% of the outstanding Common Shares, TFC will be entitled to appoint one director of the Corporation.

Any individual appointed by TFC pursuant to paragraphs (i), (ii) or (iii) above, shall have the right, subject to certain limitations, to be appointed, at the request of such nominee, to committees and special committees of the Board of Directors.

The following table sets forth the names of, and certain information relating to, the persons proposed to be nominated for election as Directors.

Name & Municipality of Residence	Principal Occupation	Date Appointed as a Director[6]	Ownership or Control Over Common Shares[1]
Amar S. Doman British Columbia, Canada	Chairman and CEO, CanWel, President and CEO, TFC	December 31, 1999	12,808,605[2]
Stephen W. Marshall British Columbia, Canada	Vice-President, Treated Wood, CanWel Treating Division	March 29, 2004	145,750
Marc Séguin British Columbia, Canada	President, CanWel Building Materials Division and CBML	May 8, 2012	89,668
Ian M. Baskerville[3][4][5] Ontario, Canada	Senior Vice President & General Counsel, Compass Group Canada	March 29, 2004	107,638
Sam Fleiser[4] Ontario, Canada	President of Tradecap Inc.	May 7, 2013	93,175[7]
Tom Donaldson[3][4][5] New Brunswick, Canada	Corporate Director, Former President and Chief Executive Officer, CBML	January 24, 2004	95,022
Kelvin Dushnisky[3][4][5] Ontario, Canada	President, Barrick Gold Corporation, Chair Acacia Mining plc	March 29, 2004	48,383
Harry Rosenfeld[8] British Columbia, Canada	Executive Vice President, TFC	May 16, 2016	185,196[9]
Siegfried J. Thoma[3][4][5] Oregon, U.S.A.	President and Chief Executive Officer, Progressive Services Corporation	March 29, 2004	12,695[10]

Notes:

(1) The information as to Common Shares beneficially owned, directly or indirectly, controlled or directed by each proposed Director, has been furnished by the respective nominees individually.

(2) Mr. Doman owns 108,235 Common Shares directly, and the balance of these Common Shares indirectly through his control of TFC.
(3) Member of the Compensation Committee.
(4) Member of the Audit Committee.
(5) Member of the Nominating and Corporate Governance Committee.
(6) Except for Messrs. Fleiser, Séguin and Rosenfeld, indicates date on which each applicable person became a trustee or director of a predecessor to the Corporation.
(7) Mr.Fleiser owns 84,675 Common Shares directly, and the balance of these Common Shares indirectly through his control of Tradecap IPP.
(8) Mr. Rosenfeld is nominated for election pursuant to the TFC Securityholder Rights Agreement.
(9) Mr. Rosenfeld controls 152,650 of the Common Shares directly, and the remaining Common Shares are held by his spouse.
(10) Mr. Thoma controls 5,770 of the Common Shares directly, and the remaining Common Shares are held by certain members of his immediate family.

To the knowledge of the Directors, and based solely on a review of public filings as of the date hereof, no proposed Director (including his associates or affiliates), beneficially owns, directly or indirectly, or controls or directs, securities carrying 10% or more of the voting rights attached to all voting securities of the Corporation or any of its subsidiaries, except Amar Doman who owns, directly or indirectly, 12,808,370 Common Shares representing approximately 16.4% of the Common Shares.

Set forth below is a description of the background of each of the Director nominees. Each of the nominees has been engaged for more than five years in his present principal occupation or in other capacities with CBML or an Affiliate, except as set forth below.

Amar S. Doman, *Chairman, Chief Executive Officer and Director*. Mr. Doman was the founder of TFC and was responsible for the initial acquisition of CBML from its previous owners. Mr. Doman was also responsible for acquisitions of CanWel Hardware, CanWel Treating, Broadleaf Logistics Company, NorthWest Wood Treaters, North American Wood Preservers, Pastway Planing Limited, California Cascade Industries, Jemi Fibre Corp., TFI, and Honsador Acquisition Corp. and has steadily built CanWel to its current level. Mr. Doman has over 25 years' experience in the building materials manufacturing and distribution industries. He is the Chairman of the Board of Directors and CEO for CBML and is the Chairman and President of TFC. Mr. Doman is also a member and chair of the board of directors of Tree Island Steel Ltd. (TSX: TSL). Mr. Doman is a former member of the board of the Heart and Stroke Foundation of Canada and is a former director of the Canadian Institute of Treated Wood and the Building Supply Dealers Association of British Columbia. Mr. Doman was also named Ernst & Young Pacific Region Business to Business Entrepreneur of the Year in 2005.

Stephen W. Marshall, *H.B.A., B.A. Vice President, Treated Wood, CanWel Treating Division and Director*. Mr. Marshall is the Vice-President, Treated Wood, CanWel Treating Division and a director of CanWel. Mr. Marshall initially joined Futura Forest Products Ltd. in 1993, prior to the acquisition by CanWel of its business that formed the Surewood Forest Products Division in 2001. Mr. Marshall was the President of the Surewood Forest Products division until December, 2014. Prior to joining Futura Forest Products Ltd., Mr. Marshall was the General Manager for Hilan Wood Preservers, a competitor of CBML in the Ontario market, a retail investment advisor for Pemberton Securities Inc. in Toronto, Ontario and also worked the Institutional Sales desk for Nikko Securities Co. International Inc. in London, U.K.

Marc Séguin, *B.A.A. President, CanWel Building Materials Division and Director*. Mr. Séguin joined CanWel as General Manager, Quebec Region based in Blainville, QC, in November, 2006. In 2008, he also assumed responsibility for CanWel's Chalifour division, the building materials distribution division of CanWel Hardware Inc., until this division was divested in November, 2010. Mr. Séguin was appointed to his current position in June, 2011. Prior to joining CanWel, from 1999 to 2006 he was General Manager at Montreal-based Laminage M.E.S. Inc., a leading provider of specialized lamination products for interior decoration. Twice from 1989 to 1991 and from 1992 to 1998, he was the Sales and Marketing Manager at Daubois Inc., the largest manufacturer of bagged cement based products in Quebec. He participated in the company's board meetings in this role. He began his career with Lipton in the food industry in the early 1980's until 1988 and again from 1991 to 1992, where performed a variety of roles,

including Sales Representative, Key Account Manager, Regional Sales Manager and Product Manager, in the provinces of both Quebec and Ontario. Mr. Séguin received his BAA from the University of Quebec (Montreal).

Ian M. Baskerville, *B.A., LL.B. Director*. Mr. Baskerville is General Counsel and Senior Vice President, Compass Group Canada Ltd., which is Canada's leading foodservices and support services provider. Mr. Baskerville was formerly General Counsel, Vice-President Human Resources and Corporate Secretary for The Second Cup Ltd. Prior to which, he was formerly Legal Counsel at Cara Operations Limited. Mr. Baskerville obtained a Bachelor of Arts degree from the University of Victoria in 1993 and his Bachelor of Laws degree from the University of Western Ontario in 1997. He was called to the Ontario Bar in 1999 and is a member of the Law Society of Upper Canada.

Tom Donaldson, *M.B.A. Director*. Mr. Donaldson joined CBML as General Manager, Atlantic Division based in Dartmouth, Nova Scotia in June 1995. In July 2002, he became Vice President and General Manager, Western Canada and in January 2004, he became President and CEO of CBML, where he served until his retirement in January 2010. Mr. Donaldson was also the President of Sodisco-Howden Group Inc. and CanWel Hardware Inc. from January 2005 to January 2010. During his career at CBML, Mr. Donaldson has served on a number of national project teams and committees on special projects, and witnessed the initial public offering of CBML on the TSX in 2004, and then its conversion to and from a trust in 2005 and 2010, respectively. Prior to joining CBML, Mr. Donaldson was Regional Sales Marketing Manager with Emco Supply Ltd. for Atlantic Canada. Mr. Donaldson also served on the Board of Directors for the Make A Wish Foundation in Atlantic Canada. Mr. Donaldson holds a Masters of Business Administration from Saint Mary's University in Halifax, Nova Scotia.

Kelvin Dushnisky, *B.Sc. (Hon.), M.Sc., J.D., Director.* Mr. Dushnisky is a lawyer with senior executive experience associated with a number of private and public companies. He joined Barrick Gold Corporation (TSX, NYSE) in 2002 and most recently was promoted to President in 2015, and is Chairman of Acacia Mining plc (formerly African Barrick Gold plc) (LSE) since 2013. Before joining Barrick, Mr. Dushnisky was a Managing Director of Altara Securities Inc. (acquired by an affiliate of Manulife Securities Inc. in 2003). He is the former Vice-Chair, General Counsel and a founding Director of EuroZinc Mining Corporation. He is a former Vice- President of Sutton Resources Ltd. (acquired by Barrick in 1999), and has held directorships with a number of public companies in the mining, oil and gas and hospitality sectors. Mr. Dushnisky is also a member of the board of the World Gold Council, the International Council for Mining and Metals, the Institute of the Americas, the Canadian Institute for the Americas, the IAB (International Advisory Board) of the Shanghai Gold Exchange, and Board of Trustees of the University Health Network (Toronto).

Sam Fleiser, *CPA, CA. Director*. Mr. Fleiser is the President of Tradecap Inc., a privately held company providing trade and inventory finance to Canadian mid-market companies. From January 2013 until December 2015, Mr. Fleiser was President of Alignvest Private Debt Ltd., a privately held finance company providing financing to distressed or under-performing companies. Prior to his role at Alignvest, he was founder and President of Callidus Capital Corporation, a privately held finance company, prior to its public listing in 2014 (TSX:CBL). Mr. Fleiser has more than 30 years of experience in managing, building and restructuring numerous businesses in a wide variety of industries. Prior to forming Callidus in 2003, Mr. Fleiser specialized in assisting distressed businesses facing serious financial or management crisis. Mr. Fleiser is a director of Tree Island Steel Ltd. (TSX:TSL), numerous private companies and is an active member of the Turnaround Management Association (TMA) and the Commercial Finance Association (CFA). Mr. Fleiser has a B.Comm equivalent from The University of the Witwatersrand, Johannesburg, South Africa and is a member of the Chartered Professional Accountants of Ontario.

Harry Rosenfeld, *B.A. Director*. Mr. Rosenfeld is the Executive Vice President of TFC. He joined TFC in 2004. From 1997 to 2004, Mr. Rosenfeld was employed by Congress Financial Corporation of Canada, where as Senior Vice President and Portfolio Manager he directed the Credit and Administration functions for one of the largest asset based lenders in Canada. A former Vice President with Bank of New York Financial Corporation, Mr. Rosenfeld has over 30 years of financing, mergers and acquisition and banking experience. Mr. Rosenfeld is a director of Tree Island Steel Ltd. (TSX:TSL), and is a former Treasurer and Director of the CFA (Commercial Finance Association) and has been a guest speaker at various financing and industry seminars. Mr. Rosenfeld holds a B.A. from the University of Waterloo.

Siegfried J. Thoma, *Director*. Mr. Thoma is currently the President and CEO of Progressive Services Corporation, a company that Mr. Thoma formed in September, 2003. Progressive is involved in United States sales, marketing and distribution of building materials from foreign producers into the United States. Mr. Thoma was formerly international trading manager of Rayonier Inc. which he joined in August 2001. Mr. Thoma has over 30 years' experience in the forestry industry and, prior to joining Rayonier Inc., he was the General Manager, International Division, of Cascade Empire Corporation from October 1998 to August 2001 and was the Director of Business at Louisiana Pacific Corporation from May 1991 to October 1998. His previous experience also includes work as a commodity fund manager at Tricon U.S.A., Inc.

Share Ownership Guidelines

Effective March 6, 2014, the Board adopted, on a voluntary basis, share ownership guidelines for its independent directors. The guidelines require equity ownership holdings by each independent Director of three times his or her annual retainer. Such Directors were provided three years from the implementation of these guidelines, or from his or her appointment, to reach the minimum required level of share ownership.

Appointment of Auditors

Ernst & Young LLP, Chartered Accountants, of 700 West Georgia Street, Vancouver, British Columbia, V7Y 1A1 will be nominated at the Meeting for appointment as auditor of the Corporation at a remuneration to be fixed by the Board. Ernst & Young were appointed as the Corporation's auditors on November 3, 2011.

The persons named in the enclosed Form of Proxy, if not expressly directed to the contrary in such Form of Proxy, will vote such proxies in favour of a resolution to appoint Ernst & Young LLP as auditors of the Corporation and authorize the Directors to fix their remuneration.

Approval of RSU Plan

General

The RSU Plan was originally approved by Shareholders at the annual and special meeting of Shareholders held on May 8, 2014 (the "**Prior RSU Plan**") and was amended by the Board of Directors on March 24, 2017 to fix the number of RSUs reserved for issuance thereunder at 1,500,000. In accordance with the rules of the TSX, all unallocated securities, rights or other entitlements pursuant to the RSU Plan must be approved by the Corporation's directors and shareholders every three years. The Compensation Committee and the Board of Directors of CanWel last approved all unallocated securities, rights or other entitlements under the RSU Plan on March 24, 2017. Shareholder approval for unallocated securities, rights or other entitlements under the RSU Plan was last obtained on May 8, 2014 in connection with the plan's amendment and restatement, and is therefore being sought at the Meeting.

Accordingly, at the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without alteration or modification, an ordinary resolution (the "**RSU Plan Resolution**"), the full text of which is set forth in Appendix "A" to this Information Circular, approving the RSU Plan.

For a description of the RSU Plan, see "Securities Authorized for issuance under Equity Compensation Plans – Restricted Equity Common Share Plan" below. This summary is qualified in its entirety by reference to the full text of the RSU Plan, which is set forth in Appendix "B" to this Information Circular.

As of the date hereof, no RSUs are outstanding.

Nature of Amendments

The RSU Plan proposed for approval is identical to the Prior RSU Plan except as follows:

- Under the Prior RSU Plan, the maximum number of RSUs available for issuance was 1,500,000 but any RSUs that vested would become available again for a future grant. As a result, the Prior RSU Plan was an "evergreen" plan for the purposes of TSX rules. Under RSU Plan, the number of RSUs reserved for issuance is be fixed at 1,500,000 or (1.9% of the current issued and outstanding Common Shares) but RSUs that vest are not available for future grant.

- The RSU Plan imposes new limits on the number of Common Shares issuable to Directors under the plan as follows:

    - the aggregate number of Common Shares issuable to Directors, at the time of any grant, under all of the Corporation's security based compensation arrangements may not exceed 1% of the issued and outstanding Common Shares; and

    - within any one financial year of the Corporation the aggregate fair value on the date of grant of Common Shares issuable to any one Director pursuant to RSUs granted to such Director may not exceed $150,000,

      provided that such limits shall not apply to:

        - grants of RSUs to Directors made in lieu of any cash retainer or meeting fees and such RSUs shall not be included in determining the limits where the aggregate accounting fair value on the date of Grant of such RSUs is equal to the amount of the cash retainer or meeting fees in respect of which such RSUs were granted, or

        - an one-time initial grant to a Director upon such Director joining the Board.

- The RSU Plan includes new restrictions on the the Board's ability to amend the RSU Plan without Shareholder approval. In particular, the RSU Plan may not be amended by the Board to change the eligible participants under the Plan without Shareholder approval.

Shareholder Approval

To be effective, the RSU Plan Resolution must be approved by a simple majority of the votes cast by Shareholders, present in person or represented by proxy, at the Meeting. The Board of Directors unanimously recommends that the Shareholders vote in favour of the RSU Plan Resolution. **The persons named in the enclosed Form of Proxy, if not expressly directed to the contrary in such Form of Proxy, will cast the votes represented by such proxy in favour of the RSU Plan Resolution.**

Notwithstanding the approval of the RSU Plan Resolution by the Shareholders, the Board is authorized under the RSU Plan Resolution, without further notice to, or approval by, the Shareholders, not to proceed with the matters contemplated by the RSU Plan Resolution.

TSX Approval

The RSU Plan is subject to the approval of the TSX. The TSX has conditionally approved the RSU Plan and the listing of the Common Shares reserved for issuance under the RSU Plan, subject to the receipt of Shareholder approval.

Amended and Restated Advance Notice By-Law

General

Shareholders originally approved the Advance Notice By-Law on May 8, 2014.

In order to comply with certain TSX requirements applicable to the terms of advance notice by-laws and to update the Advance Notice By-Law to be consistent with the current recommendations of third party proxy advisory firms, on March 29, 2018, the Board approved the Amended and Restated Advance Notice By-Law, subject to ratification by Shareholders at the Meeting. The Amended and Restated Advance Notice By-Law is identical to the Advance Notice By-Law except that the Amended and Restated Advance Notice By-Law:

- removes the 65 day maximum notice period applicable to annual meetings contained in the Advance Notice By-Law;

- ensures that, in the case of a Shareholder meeting that is adjourned or postponed, the notice period is not restricted to the notice period established in connection with the original meeting date;

- removes the requirement for delivery of a personal information form in respect of proposed nominees as part of a nominating Shareholder's advance notice;

- makes it clear that all information included in a nominating shareholders's advance notice will be made publicly available to all Shareholders and that any additional information that the Corporation requires in respect of Shareholder nominees in order to evaluate their independence does not go beyond that required of management nominees;

- no longer requires the nominating securityholder to attend the meeting at which its nominee is standing for election; and

- allows the Board of Directors to waive, in their sole discretion, any requirement in the Amended and Restated By-Law.

For a further description of the Advance Notice By-Law, see "Business of the Meeting – Election of Directors – Advance Notice By-Law" above. That description is qualified in its entirety by reference to the full text of the Amended and Restated Advance Notice By-Law, which is set forth in Appendix "D" to this Information Circular and is also available on SEDAR at www.sedar.com.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without alteration or modification, an ordinary resolution (the "**Amended and Restated Advance Notice By-Law Resolution**"), the full text of which is set forth in Appendix "C" to this Information Circular, ratifying the Amended and Restated Advance Notice By-Law.

If the Amended and Restated Advance Notice By-Law Resolution is not approved, the Advance Notice By-Law will remain in effect in its current form.

Shareholder Approval

To be effective, the Amended and Restated Advance Notice By-Law Resolution must be approved by a simple majority of the votes cast by Shareholders, present in person or represented by proxy, at the Meeting. The Board of Directors unanimously recommends that the Shareholders vote in favour of the Amended and Restated Advance Notice By-Law Resolution. **The persons named in the enclosed Form of Proxy, if not expressly directed to the contrary in such Form of Proxy, will cast the votes represented by such proxy in favour of the Amended and Restated Advance Notice By-Law Resolution.**

Notwithstanding the approval of the Amended and Restated Advance Notice By-Law Resolution by the Shareholders, the Board of Directors of the Corporation is authorized under the Amended and Restated Advance Notice By-Law Resolution, without further notice to, or approval by, the Shareholders, not to proceed with the matters contemplated by the Amended and Restated Advance Notice By-Law Resolution.

EXECUTIVE COMPENSATION

Compensation Committee

The Compensation Committee has the responsibility to, among other things, review and make recommendations to the Directors concerning the compensation of the Chief Executive Officer, Chief Financial Officer and the three most highly compensated executive officers of the Corporation (other than the Chief Executive Officer and the Chief Financial Officer) (collectively, the "**Named Executive Officers**" or "**NEOs**") within, where applicable, the constraints of the agreements described under "Executive Compensation – Compensation of Executive Officers of the Corporation – Severance and Other Termination Benefits".

The Compensation Committee was comprised of four members as of December 31, 2017: Messrs. Thoma (Chairman), Baskerville, Donaldson and Dushnisky. All members of the Compensation Committee are considered "independent" in accordance with the definition set out in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. Having served as advisors, board members and as executives, including holding such positions as Chairman, Vice Chairman, Chief Executive Officer, President, Executive Vice-President, Senior Vice-President, Vice-President and General Counsel to wide variety of companies, and often in multiple international jurisdictions, Mr. Thoma, Mr. Baskerville, Mr. Donaldson and Mr. Dushnisky have adequate skills and experience related to making decisions on the suitability of the Corporation's compensation policies and practices. Several of the members of the Compensation Committee, including the Chair, have served in this capacity for a number of years, including with the predecessor of the Corporation and as part of this role, have had access to relevant information regarding compensation governance and applicable market practices, including access to compensation consultants and other experts from time to time, to give them the tools required to make decisions relating to the suitability of the Corporation's compensation policies and practices.

Compensation Discussion and Analysis

Executive Compensation Philosophy

CanWel's executive compensation programs have been established on the following principles:

- to attract, motivate and retain qualified individuals with the necessary education, skill sets and experience to achieve CanWel's goals;
- to serve the long term interests of CanWel's Shareholders by aligning the interests of management and Shareholders; and
- to relate total compensation to CanWel's financial performance by having a pay-for-performance philosophy.

Within this overall philosophy, CanWel strives to provide total compensation that is market competitive with the approximate median of its peer group, adjusted as appropriate from the benchmarks for factors relative to CanWel and the industry in which CanWel operates.

Peer Group

The peer group that the Corporation uses for executive compensation benchmarking purposes for the NEOs is set forth in the table below. This group includes entities that, where possible, have similar characteristics in common with CanWel, including, but not limited to, industry, size (revenue, location and number of employees) and/or corporate structure. Benchmark compensation is considered and then adjusted for factors including, but not limited to, matters such as industry, corporate structure, revenues, location and number of employees, and the role and specific responsibilities with which the NEO is charged.

- Canfor Pulp Products Inc.
- Goodfellow Inc.
- Hardwoods Distribution Inc.
- Norbord Inc.
- Richelieu Hardware Ltd.
- Stella-Jones Inc.
- Strongco Corporation
- Taiga Building Products Ltd.
- Tree Island Steel Ltd.
- Wajax Corporation
- Western Forest Products Inc.

Stress-testing

In addition to analyzing compensation in the construct of the peer group, when reviewing certain NEO compensation programs, CanWel reviewed proprietary third party reports in the ordinary context of its business, and did not incur any material expenses in connection with obtaining information in connection with the Meeting. CanWel also reviewed third party public reports regarding compensation. (Information from these reports was also considered in connection with the compensation program for the Directors.) NEO compensation and the program constructs were evaluated under various scenarios to estimate potential outcomes and the relation of such outcomes to the peer group benchmarks as well as to ensure the program design provides incentives which reinforce CanWel's strategic and financial objectives.

Executive Compensation Components

Compensation for the Named Executive Officers of CanWel consists of three general components:

- base salary;
- short term incentive plan ("**STIP**") or annual bonus; and
- other perquisites and benefit programs.

Base Salary

Base salaries represent a fixed portion of NEO compensation and vary by job responsibility. CanWel provides a base salary because it is customary in the marketplace for comparable entities, and because the provision of a base salary encourages retention of key employees by providing a stable and predictable component of compensation. NEO salaries are reviewed annually by the Compensation Committee, and revised or approved for the forthcoming year, as contractual obligations permit. Additionally, periodic salary adjustments are considered upon a promotion, change in job responsibility or when otherwise necessary for equitable reasons. The Chief Executive Officer's base salary was established in connection with the evolution in the job responsibilities and his employment agreement, and the Committee consults with the Chief Executive Officer regarding the salaries of the other Named Executive Officers. The Committee then considers such matters and recommends to the Board of Directors a level of base salary appropriate to each Named Executive Officers. The Committee primarily considers the recommendations of the Chief Executive Officer, market data, peer group review, a general review of the executive's compensation (individually and relative to the other executives), and the individual performance of the executive.

Short Term Incentive Plan

CanWel implements annual bonuses as an incentive to promote achievement of individual and corporate performance goals. This component of compensation places more emphasis on the annual profitability and the potential rewards associated with future performance of the CanWel Group and the individual executive. Annual bonuses are determined based on agreements with the individual executive as well as pursuant to the STIP. Cash incentives are designed to encourage and facilitate the attainment of the CanWel Group's overall goals, by focussing the executive on several criteria, including but not limited to:

- promoting the attainment of specific financial goals;
- supporting the strategic business objectives; and
- rewarding achievement of individual performance objectives.

In March 2017, the Compensation Committee approved the STIP goals for the NEOs for fiscal 2017, which provides for cash incentives upon the achievement of pre-established corporate goals and individual performance. At such time, the Committee also approved the financial goals and performance categories used in establishing bonus targets for fiscal 2017 under the STIP. There is no established policy or formula for allocating any individual's total compensation as between cash and non-cash incentives. Non-cash incentives have been provided through CanWel's RSU Plan on an ad hoc basis, based on discussion between the CEO, the Compensation Committee and the recipient. (See "Securities Authorized for issuance under Equity Compensation Plans – Restricted Equity Common Share Plan" below). All references to cash incentives, therefore also include references to non-cash incentives, as applicable. This approach is designed to provide CanWel with flexibility to respond to marketplace and individual performance factors in attracting and retaining executive talent and encouraging performance which advances the attainment of CanWel's goals and objectives.

Under the STIP, the CEO is eligible for a bonus upon the achievement of certain specific minimum financial metrics which relate to the attainment of CanWel's budgeted EBITDA[1] (the "**quantitative metrics**"). The CEO is entitled to a STIP bonus on a sliding-scale basis, with no bonus being payable unless certain specified minimum metrics are achieved (the "**hurdle rate**"). In 2017, the quantitative metrics were attained for all relevant divisions, and accordingly this was a factor and was reflected in the quantum of qualitative bonuses awarded to the other NEOs in fiscal 2017.

Under the STIP, NEOs are also eligible for a cash bonus upon the achievement of quantitative metrics as well as for the attainment of individual objectives. These hurdle rates and target metrics are not necessarily identical to those applicable to the CEO, and may include divisional, regional and individual objectives (the "**qualitative metrics**"). The analysis of the qualitative metrics, as it applies to each NEO, includes, among other things, an assessment of customer, vendor and employee relationships. These participants may earn up to a fixed maximum percentage of their base salary as a STIP bonus for the attainment of their specific quantitative metrics, and, are also eligible to be awarded up to an equal maximum percentage of their base salary as a STIP bonus for the attainment of qualitative metrics on a discretionary basis.

As discussed above, after considering competitive pressures, among other things, which include heightened competition in CanWel's industry for top managerial talent, the Corporation has determined that it would be prejudicial to CanWel's interests to publicly disclose the precise metrics employed. While there can be no certainty that the NEOs will achieve their annual incentive plan targets for 2018 or in any given year, particularly given current economic circumstances, these targets are difficult but historically achievable to some degree.

The following table presents the maximum bonus payable under the STIP in respect of the quantitative metrics and qualitative metrics that apply to each eligible NEO for the fiscal year ended December 31, 2017.

Name	(	Quantitative Metrics	+	Qualitative Metrics	) =	Maximum STIP Opportunity
	(% of base salary)					
Amar Doman, *Chairman and CEO*	(	0%-100%	+	0-100%	) =	200%
James Code, *Chief Financial Officer*	(	0%-100%	+	0%-100%	) =	200%
Marc Séguin, *President CanWel Building Materials Division*	(	0%-100%	+	0%-100%	) =	200%
Steve Marshall, *Vice-President, Treated Wood, CanWel*	(	0%-100%	+	0%-100%	) =	200%

[1] Reference is made to EBITDA, which represents earnings before interest, provision for income taxes, gain or loss on sale of fixed assets, depreciation and amortization, goodwill impairment loss and share-based compensation. This is a non-IFRS measure and, as there is no generally accepted method of calculating EBITDA, the measure as calculated by the Corporation may not be comparable to similarly-titled measures reported by other companies. EBITDA is presented as CanWel believes it is a useful indicator of a Corporation's ability to meet debt service and capital expenditure requirements and because CanWel interprets trends in EBITDA as an indicator of relative operating performance. EBITDA should not be considered by an investor as an alternative to net income or cash flows as determined in accordance with Canadian IFRS.

Perquisites and Other Personal Benefits

CanWel also provides the NEOs with perquisites and other personal benefits that CanWel believes are reasonable, competitive in the market and consistent with its overall compensation program to better enable CanWel to attract and retain superior employees for key positions. The NEOs are generally provided a company car or car allowance, payment of fitness club fees, health care and life insurance and reimbursement for relocation expenses, if applicable. The Committee periodically reviews the levels of perquisites and other personal benefits provided to NEOs.

Costs of the perquisites and personal benefits described above for the NEOs for fiscal 2017 that meet the threshold established by Canadian securities regulations are included in the "All Other Compensation" column of the Summary Compensation Table set forth below.

Risk Management

The Compensation Committee is responsible, among other things, for ensuring that the Corporation's compensation policies and practices encourage behaviours that align with the long-term interests of the Corporation and its Shareholders. While the programs and practices are not structured to reward excessive risk taking, the Compensation Committee recognizes that some level of risk taking is necessary to achieve outcomes that are in Shareholders' best interests and has structured the compensation programs to effectively manage risk.

Elements of the Corporation's compensation program that discourage excessive risk-taking include, but not limited to:

(a) a mix of short- and long-term compensation;

(b) multiple performance goals for short-term incentives to determine incentive payouts, which balances the risks associated with relying on any one performance factor;

(c) a mix of corporate and individual performance objectives for short-term incentives, again, to balance the risks associated with relying on any one performance factor;

(d) equity compensation that has a vesting component to sustain long-term value in line with Shareholder interests;

(e) "at risk" compensation – i.e., future vesting awards – typically is weighted in favour of long-term incentives to discourage the attainment of short-term goals at the expense of long-term corporate objectives; and

(f) limits (set as a percentage of base salary) on the maximum amount of bonuses payable to an executive officer.

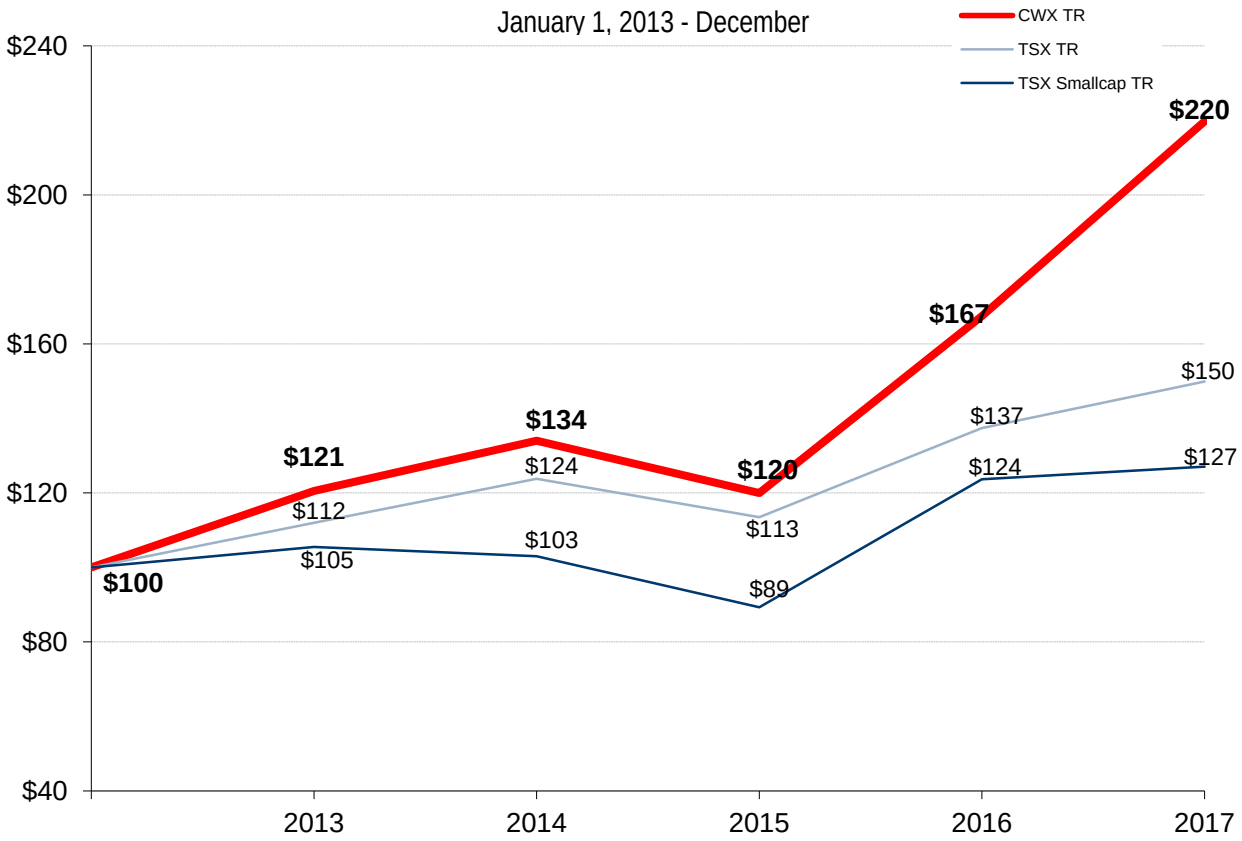
The Compensation Committee has not identified any risks arising from the Corporation's current compensation practices and policies. The Compensation Committee has determined that the Corporation's compensation practices and policies are unlikely to have a material adverse impact on the Corporation and is satisfied that the current compensation practices provide the necessary framework and governance to align the interests of executive officers, the Corporation and its Shareholders.

Financial Instruments

The Corporation's compensation program does not provide for the purchase by a NEO or Director of financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by a NEO or Director. The Compensation Committee has advised the NEOs that such hedging is not permitted by the Corporation.

Performance Graph

The following graph compares the total cumulative return for Shareholders of the Corporation assuming $100 invested in Common Shares (and assuming reinvestment of distributions and/or dividends) with the cumulative total return of the S&P/TSX Small Cap Index, of which the Corporation was added in 2010, for the period January 1, 2013 to December 31, 2017. The cumulative return of the Common Shares is based on the closing prices of the Common Shares on the TSX on December 31, 2013, 2014, 2015, 2016, and 2017, or, if there was no trading on such date, the closing price on the last trading day prior to such date.



As evidenced by the performance graph, total shareholder return since inception has generally paralleled the total return of the S&P/TSX Small Cap Index during the same period but has outperformed the S&P/TSX Small Cap Index since 2015. Compensation levels for the Named Executive Officers over the same period are generally consistent with the Corporation's financial performance over this period. Except to the extent, if any, that total shareholder return as measured by the chart above has tracked the Corporation's financial performance, NEO compensation may not have directly paralleled the chart; this is due, in part, to the fact that while the Common Shares have moved generally in tandem with other companies or trusts forming part of the S&P/TSX Small Cap Index (or formerly the S&P/TSX Trust Index), NEO compensation during the same period has been more closely aligned with the Corporation's

performance on earnings-based measures which may differ from the market price of the Common Shares. Assessing the appropriateness of executive compensation in light of multiple factors, which include, but are not limited to, indices of shareholder return, competitiveness vis-a-vis CanWel's peer group and other qualitative and quantitative factors, is an ongoing process and CanWel's approach to executive compensation remains peer-based and performance-based and continues to provide incentives to management to achieve CanWel's strategic and financial objectives.

Compensation of Executive Officers of the Corporation

Summary Compensation Table

The following table provides a summary of the compensation for each of CanWel's NEOs for the financial years ended December 31, 2015, 2016 and 2017.

Name and Principal Position	Year	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive compensation ($)		Pension value ($)	All other compensation[2] ($)	Total compensation ($)
					Annual incentive plans[1]	Long-term incentive plans			
Amar S. Doman, *Chairman and CEO*	2017	600,000	–	–	450,000	–	1,500	–	1,051,500
	2016	600,000	–	–	600,000	–	1,423	–	1,201,423
	2015	600,000	–	–	450,000	–	1,375	–	1,051,375
James Code, *Chief Financial Officer*	2017	300,000	–	–	225,000	–	11,691	–	536,691
	2016	266,000	–	–	266,000	–	10,600	–	542,600
	2015	260,000	–	–	195,000	–	10,673	–	465,673
Marc Séguin, *President CanWel Building Materials Division*	2017	400,000	–	–	400,000	–	13,115	–	813,115
	2016	400,000	–	–	300,000	–	13,005	–	713,005
	2015	375,000	–	–	281,250	–	12,154	–	668,404
Stephen W. Marshall, *Vice-President, Treated Wood, CanWel*	2017	256,000	–	–	230,400	–	10,148	–	496,548
	2016	246,000	–	–	200,000	–	9,785	–	455,785
	2015	240,000	–	–	180,000	–	9,842	–	429,842
John Russell[3] *President, CanWel US Division*	2017[5]	350,000	–	–	262,500	–	–	–	612,500
Stuart Heath[4] *President, California Cascade Division*	2017[5]	185,500	–	–	–	–	–	–	185,500
	2016[5]	371,000	–	–	–	–	–	–	371,000
	2015[5]	185,500	–	–	–	–	–	–	185,500

Notes:

(1) This element of NEO compensation in 2017 was payable in accordance with its terms after year-end, and represented 45% of total 2017 compensation paid to Messrs. Doman, Code, Séguin and Marshall. While there can be no certainty that the NEOs will achieve their annual incentive plan targets for 2018 or in any given year, particularly given current economic circumstances, these targets are difficult but historically achievable to some degree. In the past, NEOs have met these targets to some degree as indicated by the comparative prior year information provided. See "Executive Compensation Components – Short Term Incentive Plan" for further information.

(2) All other annual compensation (includes car allowance/company car, fitness memberships and parking) is less than $50,000 and 10% of total annual salary and bonus for each of the Named Executive Officers.

(3) Mr. Russell was appointed President of CanWel US Division on July 2, 2017 and, accordingly, his 2017 information is pro-rated. His assumed the roles and responsibilities of both Stu Heath and Kyle Keaton from the California Cascade Division, and he oversees the Honsador group of companies.

(4) Mr. Heath retired as President of the California Cascade Division on July 2, 2017.

(5) Amounts in US Dollars.

Defined Benefit Pension Plan

CBML maintains a non-contributory defined benefit pension plan, as well as a post-retirement benefits plan for eligible employees and executives who joined CBML prior to December 31, 1999. This plan was closed to new participants on August 1, 2000. The CanWel Building Materials Division provided additional post-retirement benefits to eligible employees, including dental coverage and extended provincial health care. Eligible employees are employees who joined CBML prior to August 1, 2000, who attained 55 years of age prior to December 31, 2005, and who retire from active employment with CBML after completing ten years of service.

There are no current NEO participants participating in the CanWel Building Materials Ltd. Salaried Employees' Pension Plan.

Defined Contribution Pension Plan

The pension plan for the applicable NEOs is made up of basic defined contribution registered plans pursuant to which CBML either contributes or matches contributions, to a NEO's plan.

The following table presents the entitlement under defined contribution plans for each of the NEOs who have elected to participate in such plan (other than the former President and CEO of the Fund, who participates in the defined benefit plan) as of the beginning and end of the Corporation's financial year ended December 31, 2017:

Name[(1)]	**Accumulated value at start of year ($)**	**Compensatory ($)**	**Non-compensatory ($)**	**Accumulated value at year end ($)**
Amar Doman, *Chairman and CEO*	49,803	1,500	128	51,431
Marc Séguin, *President, CanWel Building Materials Division*	234,547	13,115	31,169	278,830
James Code, *Chief Financial Officer*	136,064	11,691	27,316	175,071
Stephen Marshall, *Vice-President, Treated Wood*	225,125	10,148	25,335	260,607

Notes:

(1) Messrs. Doman, Séguin, Code and Marshall as of 2017 participate in a plan in which they may contribute up to 4% of their pay, with a matching contribution by CBML, subject to the Income Tax Act limits.

Severance and Other Termination Benefits

Messrs. A. Doman, Séguin and Marshall have entered into agreements with CBML governing certain terms relating to their employment. These agreements remain in effect until terminated by either party pursuant to its terms. Upon termination of employment by CBML, without cause, the agreements provide that the employees are entitled to a severance payment equal to 24 months for the Chair and CEO and 12 months otherwise, of annual base salary, and bonus as may be applicable, on the date of termination. In the event of a change of control of CBML (other than a change of control arising solely as a result of certain specified events, including a treasury issuance of securities pursuant to a public offering), and termination either: (i) by CBML, without cause, or (ii) in the case of Chair and CEO or President of CBML, by such employee for any reason within 12 months, and or the Vice-President, CanWel Treated Wood within 90 days, respectively, following such change of control, the employees are entitled to the applicable severance payment described above and the full vesting of all options held at the date of termination. Additionally, these employees are bound by certain restrictive covenants in favour of CBML, including covenants not to disclose confidential information and, in the case of Messrs. Séguin and Marshall, not to compete with CBML, or solicit its employees for employment, during a period equivalent to the duration of the severance period. CBML selected the events which would trigger payment upon certain termination scenarios and upon a change of control using a peer and market-based approach, with adjustments as appropriate to industry norms and the job responsibilities performed by each of Messrs. Doman, Séguin and Marshall.

The following table provides the total value of all severance, incremental payments, payables and other termination benefits that would have been paid to each NEO, had their employment terminated as at December 31, 2017 under various termination scenarios. For greater certainty, the terms of employment for the other NEOs not listed below do not include any change of control provisions. For further details see "Summary Compensation Table".

Name	Retirement ($)	Change of Control ($)	Voluntary Termination after change of control ($)	Termination - Not for Cause ($)	Termination - For Cause ($)
Amar Doman, *Chairman and CEO*	-	2,103,000	2,103,000	2,103,000	-
Marc Séguin, *President CanWel Building Materials Division*	-	813,115	813,115	813,115	-
Stephen Marshall, *Vice-President, Treated Wood*	-	496,548	496,548	496,548	-

Note:

(1) All amounts are stipulated by a formula pursuant to a contract.

Compensation of Directors

Each independent director (as described below) is paid an annual fee of $45,000 (up to 100% in RSUs at their individual election) plus $1,500 per meeting of the Board of Directors or Committee meeting. The chairman of each Committee receives additional compensation of $12,500 per year, except the chairman of the Audit Committee who receives $20,000. In addition, all Directors are reimbursed for out-of-pocket expenses for attending meetings of the Board of Directors and Committees thereof. For the period ended December 31, 2017, Directors were paid an aggregate amount of $377,500 in respect of meeting

committee and chair fees. For greater certainty, no management Directors receive any compensation for acting in their capacity as Directors or as directors of any of the Corporation's subsidiaries.

The following table shows the fee amounts earned by individual Directors in respect of their membership on the Board of Directors and its Committees for fiscal 2017:

Name	Fees Earned ($)	Share-based Award ($)	Non-equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation[(1)] ($)	Total ($)
Ian Baskerville	66,000	–	–	–	–	66,000
Tom Donaldson	71,000	–	–	–	–	71,000
Kelvin Dushnisky	75,500	–	–	–	–	75,500
Sam Fleiser	81,500	–	–	–	–	81,500
Siegfried Thoma	83,500	–	–	–	–	83,500
TOTAL	377,500	–	**–**	**–**	**–**	377,500

Note:

(1) No other compensation was earned, however appropriate travel expenses for board business would have been reimbursed.

Incentive Plan Awards

There are no outstanding options to purchase or acquire securities of CanWel at the end of December 31, 2017.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of CanWel's equity compensation plans as at the end of CanWel's fiscal year ended December 31, 2017:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by Shareholders – ESP Plan	-	-	698,037
Equity compensation plans approved by Shareholders – RSU Plan	-	-	1,500,000
Equity compensation plans not approved by Shareholders	-	-	0
Total	**-**	**-**	**2,198,037**

The following two tables set forth details of CanWel's annual burn rate for each equity compensation plan as at the end of CanWel's fiscal years ended December 31, 2015, 2016, and 2017:

Year	ESP Plan	Weighted Average Number of Outstanding Securities for the Fiscal Year	Burn Rate[(1)]
2017	70,955	68,271,808	0.1%
2016	57,148	51,409,974	0.1%
2015	22,447	35,551,386	0.1%

Year	RSU Plan	Weighted Average Number of Outstanding Securities for the Fiscal Year	Burn Rate
2017	4,832	68,271,808	0.1%
2016	3,802	51,409,974	0.1%
2015	14,766	35,551,386	0.1%

Note:

(1) Rounded to the nearest 0.1%.

Restricted Equity Common Share Plan

The RSU Plan was approved by Shareholders at the annual and special meeting of Shareholders held on May 8, 2014, and amended by the Board of Directors on March 24, 2017 to fix the number of RSUs reserved for issuance thereunder at 1,500,000. Previously, the RSU Plan was an "evergreen" plan; after the amendment it is now a fixed number plan. The RSU Plan replaced the predecessor version of the plan established May 12, 2011, which replaced the plan which existed prior to the 2010 Conversion. The purpose of the RSU Plan is to enhance the Corporation's ability to attract and retain talented individuals to serve as members of the Board of Directors and as employees of the Corporation and its subsidiaries, including CBML, and to promote a greater alignment of interests between such individuals and Shareholders. The following description of the RSU Plan gives effect to the amendments contained in the version of the RSU Plan being presented for Shareholder approval at the meeting (see "Business of the Meeting – Approval of RSU Plan").

The RSU Plan provides for the allotment of restricted equity common shares ("**RSUs**") to participants in the plan at the discretion of the Compensation Committee. Participants under the plan may include directors of the Corporation or a director, officer, employee or consultant of CBML or any of its affiliates designated by the Compensation Committee to be a participant.

Generally, RSUs granted under the plan will vest at the sole discretion of the Compensation Committee, either (a) one-third on the date of grant, one-half of the remaining unvested portion on the first anniversary of the date of grant, and the balance on the second anniversary of the date of grant, (b) one-third on each of the first three anniversaries of the date of grant or (c) pursuant to such vesting terms and conditions as may otherwise be determined by the Compensation Committee. However, vesting may be accelerated at the discretion of the Compensation Committee. Within 30 days of vesting, the Corporation will issue to a participant that number of Common Shares equal to the number of vested RSUs then credited to such participant, less applicable withholdings. Dividends are accrued on unvested RSUs and

are used to award additional RSUs to the holder of the underlying RSUs by valuing an RSU based on the 5 day volume weighted average trading price of the Common Shares on TSX.

Common Shares reserved for issuance to insiders of the Corporation and its subsidiaries pursuant to outstanding RSUs, together with the number of Common Shares reserved for issuance to such persons pursuant to any other compensation arrangements, shall not exceed 10% of the then outstanding Common Shares, as calculated immediately prior to the issuance in question; and the number of Common Shares issued to insiders of the Corporation and its subsidiaries pursuant to outstanding RSUs together with the number of Common Shares issued to such persons pursuant to other compensation arrangements, within any one year period, shall not exceed 10% of the then outstanding Common Shares.

In addition, (i) the aggregate number of Common Shares issuable to Directors, at the time of any grant, under all of the Corporation's security based compensation arrangements may not exceed 1% of the issued and outstanding Common Shares and (ii) within any one financial year of the Corporation the aggregate fair value on the date of grant of Common Shares issuable to any one Director pursuant to RSUs granted to such Director may not exceed $150,000, provided that such limits shall not apply to (A) grants of RSUs to Directors made in lieu of any cash retainer or meeting fees and such RSUs shall not be included in determining the limits where the aggregate accounting fair value on the date of Grant of such RSUs is equal to the amount of the cash retainer or meeting fees in respect of which such RSUs were granted or (B) a one-time initial grant to a Director upon such Director joining the Board.

Subject to the Compensation Committee's discretion, described below, if a participant's directorship and/or employment terminates for any cause other than death, the individual shall forfeit all rights, title and interest with respect to the unvested RSUs. If a participant's directorship or employment terminates for any cause other than death, the Compensation Committee may, in its sole discretion, accelerate the vesting of such individual's unvested RSUs, with the effect that the date of termination, may be deemed to be the vesting date in respect of such RSUs.

The RSU Plan provides that the Board of Directors may at any time and from time to time, without shareholder approval, amend any provision of the RSU Plan, including, without limitation: (a) for the purpose of making formal, minor or technical modifications to any of the provisions of the plan, including amendments of a "housekeeping" nature; (b) to correct any ambiguity, defective provision, error or omission in the provisions of the plan; (c) to amend the vesting, redemption or payment provisions of the plan or any RSUs; (d) to change the termination provisions of RSUs or the plan that does not entail an extension beyond any original expiry date; (e) to facilitate a cash payment option; or (f) any other amendment that does not require shareholder approval under applicable laws or the rules of the TSX; provided, however, that: (g) no such amendment may be made without the consent of each affected participant in the plan if such amendment would adversely affect the rights of such affected participants under the plan for RSUs previously granted unless the Corporation, at its option, acquires such existing rights at an amount equal to the fair market value of such rights at such time as verified by an independent valuator and (h) shareholder approval shall be obtained in accordance with the requirements of the TSX for any amendment: (i) to extend the term of any RSUs granted under the plan benefitting an insider of the Corporation that is a participant; (ii) subject to limited exceptions, to increase the maximum number of Common Shares which may be issued under the plan; (iii) to remove or to exceed the insider participation limitations; (iv) to the amendment provisions of the plan or (v) to change the eligibile participants under the RSU Plan.

The interest of any participant under the RSU Plan or in any RSU will not transferable during the participants lifetime, but following death such interest will enure to the benefit of the participant's beneficiary as designated in accordance with the plan.

The RSU Plan provides that a maximum of 1,500,000 Common Shares will be authorized for issuance upon the redemption of all RSUs granted under the RSU Plan (such number representing approximately 1.93% of Common Shares issued and outstanding as at the date hereof). As at the date hereof there are no RSUs outstanding. The Corporation issued and had vested 4,832 RSUs in the year ended December 31, 2017.

Employee Common Share Purchase Plan

The current amended and restated employee common share purchase plan of CanWel (the "**ESP Plan**") was approved by Shareholders at the annual and special meeting of Shareholders held on May 16, 2016, May 12, 2011 and February 1, 2010, which in turn replaced that which existed prior to the 2010 Conversion. Pursuant to the ESP Plan, employees of CanWel, excluding insiders, are eligible to invest in Common Shares through employee contributions.

The ESP Plan allows the Corporation to provide Common Shares as an incentive to employees through purchases of Common Shares at the treasury purchase price, which is defined in the plan as the average closing price for trades of board lots of Common Shares on the TSX for the five trading days immediately prior to the purchase date, less a discount of 15%. CanWel will not provide financial assistance to participants under the ESP Plan.

Participation in the plan will terminate automatically if the participant becomes totally ill and permanently disabled; the participant dies; the participant retires from employment with the Corporation or an Affiliate (within the meaning of National Instrument 45-106 – Prospectus and Registration Exemptions); the participant does not perform any services for the Corporation or an Affiliate during a particular calendar year; the participant's employment with the Corporation or an Affiliate voluntarily terminates or is terminated (for cause or otherwise); or the participant becomes bankrupt.

All rights of participation in the ESP Plan will be personal and no assignment or transfer of any interest in the Common Shares held by the administrator under the plan will be permitted or recognized.

The ESP Plan provides that the Board of Directors may at any time and from time to time, without shareholder approval, amend any provision of the plan, including, without limitation: (a) for the purpose of making formal, minor or technical modifications to any of the provisions of the plan, including amendments of a "housekeeping" nature; (b) to correct any ambiguity, defective provision, error or omission in the provisions of the plan; (c) to amend the vesting, maturation, payment or withdrawal provisions of the plan or any Common Shares purchased thereunder, as applicable; (d) to change any of the termination provisions of the plan that does not entail an extension beyond any original expiry date; (e) to facilitate a cash payment option; or (f) any other amendment that does not require shareholder approval under applicable laws or the rules of the TSX, provided, however, that: (g) no such amendment of the plan may be made in a manner which would deprive a participant of any benefits that have accrued to the date of amendment or which would cause or permit any Common Shares or cash held pursuant to the plan or any contributions made under the plan to revert to or become the property of the Corporation (other than pursuant to the existing vesting and termination provisions); and (h) shareholder approval shall be obtained in accordance with the requirements of the TSX for any amendment: (i) to increase the maximum number of Common Shares which may be issued under the plan, except in connection with (i) a subdivision, consolidation, conversion or reclassification by the Corporation, or any action of a similar nature affecting such Common Shares; or (ii) an amendment permitted by the above.

The ESP Plan provides that a maximum of 1,000,000 Common Shares will be authorized for issuance under the ESP Plan (representing approximately 1.29% of Common Shares issued and outstanding as at the date hereof). For fiscal 2017, CanWel has issued an aggregate of approximately 70,955 Common Shares under the ESP Plan to certain employees of the CanWel Group. Common Shares issued under the ESP Plan are subject to the vesting restrictions set out therein, which generally provide for vesting one

year from the original date of grant. Distributions on unvested Common Shares during the vesting period will be held under the ESP Plan.

DIRECTORS' AND OFFICERS' INSURANCE

The Directors and officers of the Corporation, former trustees of the Fund and the directors and officers of CBML were, during the Corporation's financial year ended December 31, 2017, covered under an insurance policy that provides an aggregate limit of liability to the insured Directors or officers, former trustees of the Fund and the directors and officers of CBML of $150 million. The by-laws of CBML and the amended and restated declaration of trust of the Fund dated May 18, 2005 also provide for the indemnification of Trustees, directors and officers from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office, subject to certain customary limitations.

Upon completion of the 2010 Conversion, the Corporation entered into indemnity agreements with each of the Directors and officers of the Corporation, which provide for the indemnification of such individuals from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties as a Director or officer, either for the Corporation or any subsidiary entity (as applicable), subject to certain customary limits.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

As of the date hereof, no individual who is a Director or senior officer of the Corporation, or at any time during the most recently completed financial year of the Corporation was, a Director or senior officer of the Fund or any of its subsidiaries, no individual proposed as a nominee for election as a Director of the Corporation and no associates or any such trustee, officer or proposed nominee, is indebted to the Corporation, except for routine indebtedness by one director regarding expense advances (which have repayment arrangements in accordance with usual commercial practice).

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

To the knowledge of the Directors, except as otherwise set out in this Information Circular, no Director, officer or insider of the CanWel Group, or any associate or affiliate of any of the foregoing persons, 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.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Directors, no informed person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Corporation, no proposed director of the Corporation and no known associate or affiliate of any such informed person or proposed director, during the year ended December 31, 2017, has or has had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction which has or would materially affect CanWel or any of its subsidiaries, except as set forth below or in in the Corporation's annual information form dated March 29, 2018 (the "**AIF**"), which is incorporated by reference in this Information Circular and can be accessed on SEDAR at www.sedar.com. All defined terms not defined herein have the meanings ascribed to them in the AIF.

Certain distribution facilities used by the Corporation to store and process inventory are leased from a company in which a Director and an officer of the Corporation, have a minority interest and the land and buildings of certain of the treatment plants are leased from entities solely controlled by a Director. All lease rates were market tested in advance of the signing of the lease agreements and were determined to be at market rates.

Lease payments to such related parties were $3.2 million in the year ended December 31, 2017, compared to approximately $3.2 million in 2016. The minimum payments under the terms of these leases are as follows: $3.5 million in 2018, $3.5 million in 2019, $2.4 million in 2020, $2.1 million in 2021, $1.6 million in 2022, and $14.9 million in total thereafter.

During the year ended December 31, 2017, the Corporation paid fees of $1.2 million for management fees and other services to a company owned by a Director, and was charged professional fees of $559,000 by a company owned by an officer of the Corporation.

During the year the Corporation purchased $2.6 million of product from a public company in which a Director of the Corporation has an ownership interest. These purchases are in the normal course of operations and are recorded at exchange amounts.

For additional information, please see note 29 of the Corporation's consolidated financial statements for the year ended December 31, 2017, which are available at www.sedar.com.

STATEMENT OF GOVERNANCE PRACTICES

The following describes the Corporation's governance practices with reference to National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (collectively, the "**Governance Guidelines**"), which are initiatives of the Canadian Securities Administrators.

The Board of Directors and management recognize that effective corporate governance practices are fundamental to the long term success of the Corporation. Sound corporate governance contributes to Shareholder value through increased confidence. In light of the Governance Guidelines and best practice standards in Canada, the Board of Directors and management have implemented a sophisticated set of governance policies and procedures and is committed to maintaining a high standard of corporate governance.

Composition of the Board of Directors

As of December 31, 2017, the Board of Directors was composed of nine Directors. Assuming that the Shareholders of the Corporation vote in favour of the Director nominees, the number of members of the Board of Directors will be set at nine. The Board of Directors has determined that the majority of the board is independent as five of the nine Directors for the year ended December 31, 2017 were independent as such term is defined in the Governance Guidelines. The independent Directors were Messrs. Baskerville, Donaldson, Dushnisky, Fleiser and Thoma. Mr. Doman, Mr. Séguin, Mr. Marshall and Mr. Rosenfeld are not independent as they are the Chairman and Chief Executive Officer of CanWel, the President of CanWel, the Vice-President, Treated Wood, CanWel and Executive Vice-President of TFC, respectively. Mr. Donaldson is considered independent pursuant to TSX Guidelines as of January 31, 2013.

The independent directors do not have regularly scheduled meetings. However, all committees of the Corporation are populated exclusively by independent directors, and they have the opportunity to hold ad hoc meetings that are not attended by the non-independent directors and members of management and they avail themselves of this opportunity, at their entire discretion, whenever they deem necessary. While the Board of Directors anticipated holding regularly scheduled meetings in fiscal 2017 at which only independent Directors were in attendance, in practice, the independent Directors functioned independently of the non-independent Directors by holding *in camera* meetings as part of all board meetings, and informally conferring on board matters as such members determined necessary or desirable. In 2017, the independent Directors regularly met without management and non-independent Directors following meetings of the Board of Directors. The opinions of independent Directors are also actively solicited by the Board Chair at each meeting of the Board of Directors. In addition, it is important

to note that all of the Committees of the Board of Directors are composed entirely of independent Directors, thus providing an opportunity for open and candid discussion of issues without the presence of management.

In addition to acting as Directors of the Corporation, Mr. A. Doman is a member and chairman of the board of Directors of Tree Island Steel Ltd. (TSX). Mr. Dushnisky is a member of the board of Barrick Gold Corporation (TSX, NYSE) and a member and chairman of the board of Acacia Mining plc (formerly African Barrick Gold plc) (LSE). Mr. S. Fleiser and Mr. H. Rosenfeld are members of the board of directors of Tree Island Steel Ltd. (TSX).

The following table sets forth the number of Board of Directors and Committee meetings held and attendance by Directors for the year ended December 31, 2017:

Director	Board Meetings Attended	Committee Meetings Attended
Amar S. Doman	7/7	N/A
Tom Donaldson	7/7	7/7
Stephen Marshall	7/7	N/A
Ian Baskerville	7/7	7/7
Kelvin Dushnisky	6/7	6/7
Sam Fleiser	7/7	4/4
Marc Séguin	7/7	N/A
Siegfried Thoma	7/7	7/7
Harry Rosenfeld	7/7	N/A

Certain of the Directors also serve as directors and/or trustees on boards of other reporting issuers. Please see "Business of the Meeting – Election of Directors".

Board Chair

The Board Chair is a duly elected member of the Board of Directors and is appointed by the Board of Directors each year for a one year term, with such appointment being (except when a vacancy is being filled) at the first meeting of the Board of Directors following the annual general meeting of Shareholders. The current Board of Directors' Chairman (the "**Board Chair**") is Mr. A. Doman. The Board Chair is not independent as such term is defined in the Governance Guidelines. As indicated above, a majority of the members of the Board of Directors are independent. The Board believes that the five independent Directors have a strong voice at all meetings of the Board and no single individual assumes a specific leadership position with respect to the independent Directors. Additionally, all committees of the Board of Directors are comprised exclusively of independent directors. The Board of Directors is provided with unfettered access to information regarding the Corporation's activities, upon request, and the Board of Directors, and any committee, is empowered to engage outside advisors when deemed appropriate.

The responsibilities of the Board Chair include providing leadership to the Directors in discharging their mandate, setting the long-term strategic vision of the Corporation, and liaising with senior management on operational matters. Among other things, the Board Chair generally oversees meetings of the Board of Directors and presides over meetings of the Shareholders. The Board Chair is the liaison between the Directors and management, and is responsible for promoting the proper flow of information to the Directors to keep them fully apprised of all material matters and developments.

The Board Chair is the founder of the CBML business, a member of management of CBML, and has a significant indirect ownership interest in the Corporation. The Board of Directors has adopted a specific position description for the Board Chair (see "Position Descriptions" below). The Board Chair leads the Board based on his experience with the CanWel business.

Board Mandate

On March 28, 2016, the Corporation ratified a written mandate of the Board of Directors (the "**Mandate**"). The Board of Directors is responsible for supervising the activities and managing the investments and affairs of the Corporation. The Board of Directors generally discharges its responsibilities either directly or through the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Currently, specific responsibilities of the Board of Directors include:

- Appointing Management – including final approval of all senior management appointments and the oversight of succession planning programs;

- Strategic Planning – including the review and approval of strategic plans that take into account, among other things, the opportunities and risks inherent to the Corporation;

- Monitoring of Financial Information – including the review of reports of management concerning the Corporation's ongoing financial reports and approval of the Corporation's audited and interim financial statements and management's discussion and analysis;

- Risk Management – including the identification of the Corporation's principal business risks and the implementation of appropriate systems to effectively monitor and manage such risks;

- Internal Control and Management Information Systems – including the review of reports of management and the Audit Committee concerning the adequacy of the Corporation's internal control and management information systems;

- Establishing Policies and Procedures – including the approval and monitoring of all policies and procedures such as those related to governance and ethics;

- Communication and Reporting – including the oversight of the timely and accurate disclosure of financial reports and other developments; and

- Other Responsibilities – including those related to orientation and continuing education of the Board of Directors, its Committees and individual Director evaluations.

Position Descriptions

The Board of Directors has adopted a specific position description for the Chair of the Board of Directors and each of the Committees of the Board of Directors and for the Chief Executive Officer of CanWel. Copies of these position descriptions can be obtained by request to the Corporate Secretary of CanWel. The Board of Directors engages in regular dialogue with the Chair of each Committee concerning the roles and responsibilities appropriate for such individuals. The Charters of the Compensation Committee and the Nominating and Corporate Governance Committee also inform the roles and responsibilities of the respective Chairs of each Committee.

Orientation and Continuing Education

All new Directors receive an orientation about CanWel. They are briefed on the role of the Board of Directors, its Committees, the contribution individual Directors are expected to make, and on the nature and operation of the Corporation and CanWel. New Directors are provided with briefings and copies of the Corporation's key documents, including the Corporation's Code, as defined below, insider trading and continuous disclosure policies, and Board and Committee mandates and charters. New Directors are also encouraged to visit operational facilities in order to familiarize themselves with the operations of CanWel.

Directors participate in a continuing education program that, among other things, assists Directors in maintaining and enhancing their skills and abilities as Directors and ensures that their knowledge and understanding of the Corporation and CanWel, and the industry in which CanWel operates, remain current. Management makes periodic presentations to Directors concerning developments in the operations of the Corporation and CanWel and developments in industry trends and practices. Generally, these update presentations by Management take place at the quarterly meetings of the Board of Directors. Directors are also encouraged to contact management of CanWel regarding specific questions about the business and operations of the Corporation or CanWel or the role of Directors.

Code of Business Conduct and Ethics

The Corporation adheres to a Code of Business Conduct and Ethics (the "**Code**") that sets out the principles that should guide the behaviour of Directors and directors, officers and employees of CanWel. The Code addresses, among others, the following issues:

(a) conflicts of interest, including transactions and agreements in respect of which a Director, director, officer or employee has a material interest;
(b) protection and proper use of corporate assets and opportunities;
(c) confidentiality of corporate information;
(d) fair dealing with the issuer's security holders, customers, suppliers, competitors and employees;
(e) compliance with laws, rules and regulations; and
(f) reporting of any illegal or unethical behaviour.

Complaints in connection with the Code may be reported to a supervisor or to the Chair of the Audit Committee.

The Board has delegated oversight of compliance with the Code to the Nominating and Corporate Governance Committee and, as noted above, the Audit Committee will act on any issues arising from non-compliance with the Code. The Corporation requires its Directors and senior officers to complete an acknowledgement, which is included in the Corporation's annual effectiveness or other questionnaires, whereby they confirm they have read the Code and agree to follow its terms and fully comply. Furthermore, the Corporation's standard employee new hire kit provides another opportunity for management and employees to confirm they have read and understand the Code.

The Board of Directors (or any Committee to whom that authority has been delegated) can grant waivers of compliance with the Code for the benefit of Directors or directors or senior officers of CanWel in appropriate circumstances. No such waiver has been granted since the adoption of the Code and consequently, the Corporation filed no material change report during the last fiscal year pertaining to any conduct of a Director, director or executive officer that constitutes a departure from the Code.

In addition, as set out in the charter of the Board of Directors, a Director or director or senior officer of CanWel must disclose, in writing to the Corporation or CanWel, as applicable, the nature and extent of any material interest they have in an actual or proposed contract or transaction. A Director or director or senior officer of CanWel required to make such disclosure shall not vote on any resolution to approve the

contract or transaction unless it relates primarily to their remuneration as a Director or director, officer, employee or agent of the Corporation or CanWel, as applicable, or is for indemnity or insurance. Also, any actual or proposed contract or transaction that is not in the ordinary course of business in which a Director or director or senior officer of CanWel has any material interest is required to be first approved by the Nominating and Corporate Governance Committee, who then makes a recommendation to the Board of Directors.

A copy of the Code is provided (as part of the Corporation's comprehensive policy manual) to each new Director or director, officer or employee of CanWel. A copy of the Code can also be obtained by request to the Corporate Secretary of CanWel.

Determination of Compensation

The Compensation Committee is comprised of five independent directors, as such term is defined in the Governance Guidelines. All members attended all meetings of the Committee held during the last fiscal year.

The responsibilities and duties of the Committee include, among other things, to:

- review and make recommendations to the Board of Directors concerning the appointment of officers of the Corporation and its subsidiaries;

- annually review the Chief Executive Officer's goals and objectives for the upcoming year, provide an appraisal of the Chief Executive Officer's performance and review his compensation;
- make recommendations concerning the remuneration of NEOs, Directors, directors and officers of the Corporation's subsidiaries where applicable; and

- administer and make recommendations regarding the operation of the short-term incentive plan and any other employee incentive plans.

The Compensation Committee assists the Board of Directors in determining the compensation of the NEOs, Directors and of the Directors and officers of CanWel. The Committee makes recommendations to the Board of Directors with respect to the compensation of Directors and directors and officers of CanWel by, among other things, considering industry norms, by reference to the complexity of each position and, where applicable, by reference to the past performance of a Director or director or officer of CanWel. Management of CanWel also provides input to the Committee that is evaluated by the Committee in the context of these considerations.

Nomination of Directors

The Nominating and Corporate Governance Committee is comprised of five independent directors, as such term is defined in the Governance Guidelines. All members attended all meetings of the Committee held during the last fiscal year.

The Nominating and Corporate Governance Committee is responsible for developing the Corporation's approach to governance issues, filling vacancies among the Directors and directors of its subsidiaries, and periodically reviewing the effectiveness of the Directors and directors of its subsidiaries and the contribution of individual Directors and directors of its subsidiaries.

The Nominating and Corporate Governance Committee identifies new candidates for board nomination by canvassing management, counsel and financial and other advisors, as well as members of other boards. The Committee looks for candidates that will improve and complement the skill set of the existing Board. Once the Committee has identified a potential candidate, the Committee reviews, among other things, the track record of such candidate as a board member of other public and private companies, as applicable,

and the candidate's relevant industry experience, and then conducts an interview with the candidate and the candidate's references. The Committee then makes a determination as to whether the candidate should be recommended to the Board of Directors. Management of CanWel also has input into the identification process for nominees.

Governance – Disclosure and Trading Policies

As described below, the Audit Committee is responsible for oversight of financial disclosure. In addition, the Nominating and Corporate Governance Committee is responsible for adopting and periodically reviewing and updating the Corporation's written disclosure and trading policies. These policies, among other things:

- articulate the legal obligations of the Corporation, its affiliates and their respective directors, officers and employees with respect to confidential information;

- identify spokespersons of the Corporation and CanWel, who are the only persons authorized to communicate with third parties such as analysts, media and investors;

- provide guidelines on the disclosure of forward-looking information;

- require advance review by senior executives of CanWel of any disclosure of information to ensure the information is not material, to prevent the selective disclosure of material information and to ensure that, if selective disclosure does occur, a news release is issued immediately; and

- establish "black-out" periods immediately prior to and following the disclosure of quarterly and annual financial results and immediately prior to the disclosure of certain material changes, during which periods the Corporation, its affiliates and their respective directors, officers and employees may not purchase or sell Common Shares, and mandate compliance with applicable securities laws in respect of trading in the Corporation's securities.

Audit Committee

The Audit Committee is comprised of five independent directors, and assists the Directors in fulfilling their responsibilities of oversight and supervision of the accounting and financial reporting practices and procedures of the Corporation, the adequacy of internal accounting controls and procedures, and the quality and integrity of financial statements of the Corporation. In addition, the Audit Committee is responsible for directing the auditors' examination of specific areas and for the selection of independent auditors of the Corporation. All members attended the four meetings of the Committee held during the last fiscal year. All members of the Audit Committee are financially literate within the meaning of applicable securities laws. Information concerning the Audit Committee can be found at Appendix 1 of the Corporation's AIF, available at www.sedar.com.

Assessments

The Nominating and Corporate Governance Committee is responsible for developing and recommending to the Board of Directors a process for reviewing the competencies, skills and effectiveness of the Board of Directors as a whole and the Committees and the contributions of individual Directors. The Committee is also responsible for overseeing the execution of the review process approved by the Board of Directors and management and meets annually in this regard, and additionally, as required, on an ad hoc basis. During the review process, the Committee considers: (i) input from Directors, where appropriate, including through an annual effectiveness questionnaire; (ii) attendance of Directors at meetings of the Board of Directors and any Committee; (iii) the charter of each Committee; and (iv) the competencies and skills each individual Director is expected to bring to the Board of Directors and each Committee. In

addition, in assessing the effectiveness of the Board of Directors and the Committees as a whole, the Nominating and Corporate Governance Committee considers regulatory developments with respect to corporate governance, as well as the corporate governance practices of other similarly situated corporations. The Nominating and Corporate Governance Committee analyzes its findings and, if deemed necessary, presents such finding to the Board of Directors for further consideration. Upon review of such findings, the Nominating and Corporate Governance Committee and the Board considers whether any changes to the composition, structure or charter of the Board or committee are appropriate.

Diversity

The Nominating and Corporate Governance Committee believes that having a diverse Board and senior management offers a depth of perspective and enhances Board and management operations. The Nominating and Corporate Governance Committee identifies candidates to the Board and management of the Corporation that possess skills with the greatest ability to strengthen the Board and management and the Corporation is focused on continually increasing diversity within the Corporation. The Nominating and Corporate Governance Committee does not specifically define diversity, but values diversity of experience, perspective, education, race, gender and national origin as part of its overall annual evaluation of director nominees for election or re-election as well as candidates for management positions. Gender, experience and geography are of particular importance to the Corporation in ensuring diversity within the Board and management. Recommendations concerning director nominees are, foremost, based on merit and performance, but diversity is taken into consideration, as it is beneficial that a diversity of backgrounds, views and experiences be present at the Board and management levels.

The Corporation attempts to recruit and select board and management candidates that represent both gender diversity and business understanding and experience. However, the Board does not support fixed percentages for any selection criteria, as the composition of the Board and management is based on the numerous factors established by the selection criteria and it is ultimately the skills, experience, character and behavioral qualities that are most important to determining the value which an individual could bring to the Board or management of the Corporation.

At the senior management level of the Corporation, approximately 33% members of CanWel's leadership team, are female. There are currently no female directors. The Corporation does not have a formal policy on the representation of women on the Board or senior management of the Corporation. The Nominating and Corporate Governance Committee already takes gender into consideration as part of its overall recruitment and selection process in respect of its Board and senior management and will continue to do so. However, the Board does not believe that quotas or strict rules set forth in a formal policy necessarily result in the identification or selection of the best candidates. As such, the Corporation does not see any meaningful value in adopting a formal policy in this respect at this time as it does not believe that it would further enhance gender diversity beyond the current recruitment and selection process carried out by the Nominating and Corporate Governance Committee.

The Board is mindful of the benefit of diversity on the Board and management of the Corporation and the need to maximize the effectiveness of the Board and management and their respective decision-making abilities. Accordingly, in searches for new Directors, the Nominating and Corporate Governance Committee will consider the level of female representation and diversity on the Board and management and this will be one of several factors used in its search process. This will be achieved through continuously monitoring the level of female representation on the Board and in senior management positions and, where appropriate, recruiting qualified female candidates as part of the Corporation's overall recruitment and selection process to fill Board or senior management positions, as the need arises, through vacancies, growth or otherwise. Where a qualified female candidate can offer the Corporation a unique skill set or perspective (whether by virtue of such candidate's gender or otherwise), the Nominating and Corporate Governance Committee anticipates that it may typically recommend such a female candidate over a male candidate. Where the Nominating and Corporate Governance Committee believes that a male candidate and a female candidate each offer the Corporation substantially the same

skill set and perspective, such Committee anticipates that it will consider numerous other factors beyond gender and the overall level of female representation in deciding the candidate who will be recommended.

Term Limits and Over-boarding

The Committee has considered whether to propose that the Board adopt term limits for directors, and has determined not to do so for a variety of reasons. The Corporation and the Board believes that the institutional memory and the perspective of longer service directors with industry experience gleaned through multiple price and economic cycles in the economy and the housing or building materials industry is of benefit to the Board. The ongoing involvement of directors who have participated in completed acquisitions through the integration phases has important benefits. In addition, the Committee believes that other policies of the Board such as the annual performance assessment of Directors provide effective mechanisms to promote periodic board renewal to the extent this would be beneficial to the Corporation and its Shareholders. Of the nine directors nominated at the meeting, approximately 33% have been elected or appointed to the Board within the last six calendar years. The Board believes that the diversity of views afforded by a combination of longer-term and newly-appointed Directors can contribute to effective decision making. Additionally, the Committee is studying recent commentary on director "over-boarding", and informally reviews outside directorships of the Board at least annually. None of the Directors sit on more than two other public boards as of the date hereof.

OTHER BUSINESS

The Directors are not aware of any matter intended to come before the Meeting other than those items of business set forth in the attached Notice of Meeting. If any other matters properly come before the Meeting, it is the intention of the persons named in the Form of Proxy to vote in respect of those matters in accordance with their judgment.

ADDITIONAL INFORMATION

Financial information for the Corporation is provided in the Corporation's financial statements for the fiscal period ended December 31, 2017, together with the management's discussion and analysis. This information and additional information relating to the Corporation is available at www.sedar.com.

Copies of the Corporation's AIF, annual report (including management's discussion and analysis), financial statements and this Information Circular may be obtained by request to the Corporate Secretary of CanWel.

APPROVAL OF DIRECTORS

The contents and the sending of this Information Circular to the Shareholders have been approved by the Board of Directors of the Corporation.

By Order of the Board of Directors

"*Amar S. Doman*"
Chair of the Board of Directors
CanWel Building Materials Group Ltd.

Dated: March 29, 2018

APPENDIX A

RSU PLAN RESOLUTION

WHEREAS:

A. The Board of Directors of CanWel Building Materials Group Ltd. (the "**Corporation**") adopted an amended and restated restricted share unit plan (the "**RSU Plan**"), approved by the shareholders of the Corporation by a majority of votes cast at the Annual and Special Meeting of Shareholders held on May 12, 2011, as amended and approved by the shareholders of the Corporation (the "**Shareholders**") on May 8, 2014 and as amended by the Directors on March 24, 2017 and March 29, 2018.

BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:

1. All unallocated restricted equity units, securities, rights or other entitlements under the RSU Plan be and are hereby approved;

2. The amended and restated RSU Plan, in the form substantially as set forth in Appendix B to the management information circular of the Corporation dated March 29, 2018 is hereby approved, ratified and confirmed with such amendments as may be approved by any one or more of the directors of the Corporation;

3. Notwithstanding that this resolution has been duly passed, the Board of Directors of the Corporation may, without further notice to or approval of the holders of common shares of the Corporation, revoke this resolution at any time prior to the RSU Plan becoming effective; and

4. Any officer or director of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all documents and instruments, and to take all such other actions as such officer or director may deem necessary or desirable to implement the foregoing resolution and the matters authorized hereby, such determinations to be conclusively evidenced by the execution and delivery of such documents and other instruments and the taking of any such action.

APPENDIX B

CANWEL BUILDING MATERIALS GROUP LTD.

THIRD AMENDED AND RESTATED
RESTRICTED EQUITY COMMON SHARE PLAN

March 8, 2018

CANWEL BUILDING MATERIALS GROUP LTD.

THIRD AMENDED AND RESTATED
RESTRICTED EQUITY COMMON SHARE PLAN

1. PREAMBLE AND DEFINITIONS

1.1 The Plan herein described shall be called the "Third Amended and Restated Restricted Equity Common Share Plan" and is referred to herein as "the Plan". The Plan replaces (i) the Corporation's Second Amended and Restated Restricted Equity Common Share Plan effective as of March 2017 (the "**Second Amended Plan**"), (ii) the Corporation's First Amended and Restated Restricted Equity Common Share Plan instituted effective as of June 2011 (the "**First Amended Plan**"), (iii) the Corporation's Restricted Equity Common Share Plan instituted effective as of February 1, 2010 (the "**Original Plan**") and (iv) the CanWel Restricted Equity Unit Plan of CanWel Building Materials Income Fund (the predecessor to the Corporation) adopted on May 11, 2006, and shall, for greater certainty, govern and be applicable to the restricted equity units issued thereunder which were exchanged for rights to acquire Common Shares in accordance with the Amended Plan and the Original Plan.

1.2 The purpose of the Plan is to enhance the Corporation's ability to attract and retain talented individuals to serve as members of the Board of Directors of the Corporation and as employees or consultants of the Corporation and its affiliates and to promote a greater alignment of interests between members of the Board of Directors, such employees, consultants and the shareholders of the Corporation.

1.3 In the Plan, the following terms shall have the meanings indicated:

(a) "**Beneficiary**" means any dependent or relation of the Member designated by the Member by written instrument filed with the Corporation to receive any amount payable under the Plan in the event of a Member's death or, failing any such effective designation, the Member's estate.

(b) "**Board**" means the Board of Directors of the Corporation.

(c) "**Chair**" means the Chair of the Board.

(d) A "**Change of Control**" occurs if an offer is made to purchase outstanding voting securities of the Corporation that is accepted by a sufficient number of holders of such securities to constitute the offeror a securityholder of the Corporation being entitled to exercise more than 50% of the voting rights attached to the outstanding voting securities (provided that prior to the offer, the offeror was not entitled to exercise more than 50% of the voting rights attached to the outstanding voting securities) or if there is a consolidation, merger or business combination of the Corporation with or into any other corporation whereby the voting securityholders of the Corporation immediately prior to the consolidation, merger or business combination receive less than 50% of the voting rights attaching to the voting securities of the consolidated, merged or combined entity, including a sale whereby all or substantially all of the Corporation's undertaking and assets become the property of any other entity.

(e) "**Committee**" means the Compensation Committee of the Board.

(f) "**Common Shares**" means the Common Shares in the capital of the Corporation, and includes any securities of the Corporation into which the Common Shares may be converted, reclassified, redesignated, subdivided, consolidated, exchanged or otherwise changed.

(g) "**Consultant**" means a consultant to the Corporation or any affiliate thereof who:

(1) is engaged to provide services on a bona fide basis to the Corporation or any affiliate thereof, other than services provided in relation to a distribution of securities of the Corporation or an affiliate thereof;

(2) provides the services under a written contract with the Corporation or an affiliate thereof; and

(3) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an affiliate thereof.

(h) "**Corporation**" means CanWel Building Materials Group Ltd. and any successor entity whether by business combination or otherwise, and a reference in the Plan to action by the Corporation means an action taken with authority of the Board or such committee or person, if any, to whom the Board delegates its powers hereunder.

(i) "**Director**" means a member of the Board who is not an Employee.

(j) "**Employee**" means an employee of the Corporation or any affiliate thereof.

(k) "**Grant**" shall mean the grant of RSUs allocated to a Member at any time in accordance with Section 4 hereof.

(l) "**Insider**" means an "insider" as defined by the TSX from time to time in its rules and regulations governing Security Based Compensation Arrangements and other related matter.

(m) "**Member**" means an individual who becomes a participant in the Plan in accordance with Section 3.

(n) "**RSU**" means a right to receive previously unissued Common Shares subject to and in accordance with the terms of this Plan, credited under this Plan to a Member and reflected as an entry in an account in accordance with Section 4.2.

(o) "**RSU Account**" has the meaning ascribed thereto in Section 4.2.

(p) "**Security Based Compensation Arrangement**" means an option to purchase Common Shares, or a plan in respect thereof, or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to Directors, Consultant or Employees including any Common Shares purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise.

(q) "**TSX**" means the Toronto Stock Exchage.

(r) "**Trading Day**" means any date on which the TSX is open for the trading of Common Shares.

(s) "**Value of a Common Share**" means, for the relevant day, the five-day weighted average closing price of a Common Share on the Toronto Stock Exchange on the immediately preceding five Trading Days.

(t) "**Vesting Date**" shall have the meaning ascribed thereto in Section 7.1.

2. CONSTRUCTION AND INTERPRETATION

2.1 In the Plan, references to the singular shall include the plural and vice versa, as the context shall require.

2.2 The Plan shall be governed and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

2.3 If any provision of the Plan or part hereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part hereof.

2.4 Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained.

2.5 All references in the Plan to currency refer to lawful Canadian currency.

3. ELIGIBILITY AND MEMBERSHIP

3.1 A Member is a Director, Employee or Consultant of the Corporation or CanWel Building Materials Ltd. or any of its affiliates designated by the Committee to be a participant in the Plan.

3.2 Other than in respect of the right of a Member to receive Common Shares pursuant to and in accordance with the terms of the Plan, a person ceases to be a Member at such time as such person ceases to be a Director, Employee and/or Consultant of the Corporation (or of CanWel Building Materials Ltd. or any of its affiliates), as applicable, for any reason.

3.3 Nothing herein contained shall be deemed to give any person the right to be retained, appointed or elected as a Director, Employee and/or Consultant of the Corporation (or of CanWel Building Materials Ltd. or any of its affiliates).

4. RSU GRANTS AND ACCOUNTS

4.1 Grants of RSUs (each, a "**Grant**") under this Plan will be made at such times and in such amounts as the Committee shall determine, in its sole discretion, provided that the total number of Common Shares upon the redemption of all RSUs granted under this Plan shall not exceed 1,500,000 and provided that:

(a) at no time shall the number of Common Shares reserved for issuance to Insiders pursuant to outstanding RSUs, together with the number of Common Shares reserved for issuance to such persons pursuant to any other Security Based Compensation Arrangements, exceed 10% of the then outstanding Common Shares, as calculated immediately prior to the issuance in question; and

(b) the number of Common Shares issued to Insiders, together with the number of Common Shares issued to such persons pursuant to any other Security Based Compensation Arrangements, within any one year period, shall not exceed 10% of the then outstanding Common Shares.

The 1,500,000 maximum set out in this Section 4.1 is a fixed maximum aggregate provision whereby a number of Common Shares equivalent to the number of RSUs that have been redeemed, exercised or repurchased, at any time, are not re-reserved for issuance under this Plan and not available for future issuances

To the extent any RSUs terminate or are cancelled for any reason prior to exercise in full, or are surrendered to the Corporation by the Member, except surrenders relating to the satisfaction of the tax withholding obligations related to any such RSUs, the Common Shares subject to such RSUs shall be added back to the number of Common Shares reserved for issuance under this Plan and will again become available for issuance pursuant to the exercise of RSUs granted under this Plan.

Fractional RSUs, to four decimal places, may be credited under the Plan.

4.2 In addition to the limits set out in Section 4.1, the Committee shall not make Grants to Directors to the extent that, after giving effect to such Grants, (a) the aggregate number of Common Shares issuable to Directors, at the time of such grant, under all of the Corporation's Security Based Compensation Arrangements exceeds 1% of the issued and outstanding Common Shares or (b) within any one financial year of the Corporation the aggregate fair value on the date of Grant of Common Shares issuable to any one Director pursuant to RSUs granted to such Director would exceed $150,000; provided that such limits shall not apply to (i) grants of RSUs to Directors made in lieu of any cash retainer or meeting fees and such RSUs shall not be included in determining the limits where the aggregate accounting fair value on the date of Grant of such RSUs is equal to the amount of the cash retainer or meeting fees in respect of which such RSUs were granted, or (ii) a one-time initial grant to a Director upon such Director joining the Board.

4.3 An account, to be known as the "**RSU Account**", shall be maintained by the Corporation for each Member and will show the RSUs credited to a Member from time to time.

4.4 Certificates shall not be issued with respect to RSUs covered by a Grant. The Corporation shall maintain records showing the number of RSUs allocated to each Member under the Plan.

4.5 Additional RSUs will be credited as follows:

(a) On each fiscal year end of the Corporation, additional RSUs will be credited to each Member's RSU Account to reflect dividends declared by the Corporation. The aggregate number of such additional RSUs will be calculated by dividing the amount of each dividend that would have been paid to such Member if the RSUs in the Member's RSU Account had been Common Shares by the Value of a Common Share on the date on which such dividend was declared on the Common Shares.

(b) Notwithstanding the foregoing, when a Member dies, additional RSUs will be credited to such Member's RSU Account to reflect dividends declared by the Corporation during the fiscal year in which death occurs in accordance with this Section 4.5(b). The aggregate number of such additional RSUs will be calculated

by dividing the amount of each dividend that would have been paid to such Member if the RSUs in the Member's RSU Account had been Common Shares by the Value of a Common Share on the date on which such dividend was declared on the Common Shares, in respect of each full calendar month for which a dividend has been declared during such fiscal year prior to the date of death.

For greater certainty, additional RSUs credited to a Member's RSU Account pursuant to this Section 4.5 are subject to the aggregate limit specified in Section 4.1.

5. FORFEITURE OF RSUs

5.1 Subject to Section 5.2, if a Member's directorship and/or employment or consultancy terminates for any cause other than death, the Member shall forfeit all rights, title and interest with respect to the unvested RSUs credited to his or her RSU Account. For greater certainty, in the event the Member ceases to be a member of the Board, an Employee or a Consultant for any reason other than death, any RSUs that were not vested as at the date he or she ceased to be a member of the Board, an Employee or a Consultant shall forthwith cease and terminate automatically, shall be of no further force and effect, and the Member shall have no claim for loss of such RSUs.

5.2 Notwithstanding Section 5.1, if a Member's directorship or employment terminates for any cause other than death, the Committee may, in its sole discretion, accelerate the vesting of all or a portion of such Member's unvested RSUs or permit the RSUs to vest per the original vesting schedule, with the effect that the date of termination shall be deemed to be the Vesting Date in respect of such RSUs.

6. CHANGE OF CONTROL

6.1 In the event of or in anticipation of a Change of Control, the Corporation shall accelerate the vesting of all RSUs.

7. VESTING AND SATISFACTION OF RSUs

7.1 Subject to Section 7.5, each Grant shall vest: (i) at the sole discretion of the Committee, either (a) one-third (1/3) on the date of grant, one-half of the remaining unvested portion of the Grant on the first anniversary of the date of Grant, and the balance on the second anniversary of the date of grant, (b) one third (1/3) on each of the first three anniversaries of the date of Grant or (c) pursuant to such vesting terms and conditions as may otherwise be determined by the Committee; or (ii) at such earlier time as provided under the Plan (each date set out in Section 7.1(i) and Section 7.1(ii), a "**Vesting Date**"); provided however, that in the event of a Member's death, the number of the Member's unvested RSUs as at the date of his or her death which shall immediately and automatically be deemed to vest on such date shall be equal to either (I) the number of unvested RSUs on such date multiplied by the quotient of (A) the number of full and partial months during which the Member was a Director, Employee or Consultant following the date of Grant for such unvested RSUs, divided by (B) in the case of the Vesting Date set out in Section 7.1(i)(a), 24 and, in the case of any other Vesting Date, the total number of full months following the date of Grant for such unvested RSUs up to and including the last Vesting Date of such Grant, or (II) such other number of such Member's unvested RSUs at the date of his or her death as may be determined by the Committee in the sole discretion.

7.2 Subject to Section 7.5 and Section 7.6, the Corporation shall issue to the Member by the earlier of: (i) 30 days following a Vesting Date and (ii) December 31 in the calendar year of the Vesting Date that number of Common Shares of the Corporation as is equal to the number of RSUs credited to that Member's RSU account which vest on the particular Vesting Date.

7.3 Subject to Section 7.6, when a Member dies, the Corporation shall issue that number of Common Shares of the Corporation as is equal to the number of all vested RSUs credited to that Member's RSU Account determined in accordance with Section 7.1 to his or her Beneficiary by the earlier of: (i) 30 days following the Member's death and (ii) December 31 in the calendar year in which the Member dies.

7.4 Without limiting the generality of Section 5.2 or Section 7.1 a Grant shall, at the sole discretion of the Committee, vest as to 100% of the RSUs pursuant to such Grant or such other percentage of such RSUs as may be determined by the Committee in its sole discretion with the effect that the date of such Grant shall be deemed to be the Vesting Date in respect of all such RSUs. The Corporation shall issue to the Member the number of Common Shares of the Corporation as is equal to the number of RSUs pursuant to such Grant on such date.

7.5 The Corporation shall have the right to deduct from all amounts paid, including Common Shares issued (with such deduction to be effected by reducing the number of Common Shares issued based on the Value of a Common Share), to a Member any federal or provincial taxes or other amounts required by law to be withheld with respect to such payments and shall remit same to the appropriate governmental authority.

8. ANTI-DILUTION

8.1 If the number of outstanding Common Shares shall be increased or decreased as a result of a share split, consolidation or recapitalization and not as a result of the issuance of Common Shares for additional consideration or by way of a *per specie* distribution, the Board may make appropriate adjustments to the number of RSUs credited to a Member. Any determinations by the Board as to the required adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under the Plan.

9. ADMINISTRATION

9.1 The Plan shall be administered by the Corporation in accordance with its provisions. All costs and expenses of administering the Plan will be paid by the Corporation. The Corporation may from time to time establish administrative rules and regulations relating to the operation of the Plan as it may deem necessary to further the purpose of the Plan and amend or repeal such rules and regulations. The Corporation may also delegate to any director(s) or committee of directors, officer(s) or employee(s) of the Corporation such duties and powers as it may see fit.

9.2 The Board may at any time and from time to time, without shareholder approval, amend any provision of the Plan, including, without limitation:

(a) for the purpose of making formal, minor or technical modifications to any of the provisions of the Plan, including amendments of a "housekeeping" nature;

(b) to correct any ambiguity, defective provision, error or omission in the provisions of the Plan;

(c) to amend the vesting, redemption or payment provisions of the Plan or any RSUs;

(d) to change the termination provisions of RSUs or the Plan that does not entail an extension beyond any original expiry date;

(e) to facilitate a cash payment option; or

(f) any other amendment that does not require shareholder approval under applicable laws or the rules of the TSX;

provided, however, that:

(g) no such amendment of the Plan may be made without the consent of each affected Member in the Plan if such amendment would adversely affect the rights of such affected Member(s) under the Plan for RSUs previously granted unless the Corporation, at its option, acquires such existing rights at an amount equal to the fair market value of such rights at such time as verified by an independent valuator; and

(h) notwithstanding anything to the contrary in this Plan, shareholder approval shall be obtained in accordance with the requirements of the TSX for any amendment:

(ii) to increase the maximum number of Common Shares which may be issued under the Plan, except in accordance with Section 8.1;

(iii) to remove or to exceed the participation limitations specified in Section 4.1 or Section 4.2; or

(iv) to this Section 9.2.

9.3 The determination by the Corporation of any question that may arise as to the interpretation or implementation of the Plan or any of the RSUs granted hereunder shall be final and binding on all Members and other persons claiming or deriving rights through any of them. Each Member releases the Committee and the Corporation from any and all liability resulting from the implementation and operation of the Plan and waives any and all rights other than those specifically contemplated by the terms of the Plan.

9.4 The Corporation shall keep or cause to be kept such records and accounts as may be necessary or appropriate in connection with the administration of the Plan. At such times as the Corporation shall determine the Corporation shall furnish the Member with a statement setting forth the details of the RSUs credited to such Member in his or her RSU Account.

9.5 The Board may at any time and from time to time terminate the Plan. However, if so terminated, prior awards shall remain outstanding and in effect in accordance with their applicable terms and condition unless the Corporation, at its option, acquires such existing prior awards at an amount equal to the fair market value of such awards at such time as verified by an independent valuator.

10. GENERAL

10.1 The Plan shall enure to the benefit of and be binding upon the Corporation, its successors and assigns. The interest of any Member under the Plan or in any RSU shall not be transferable or alienable by him or her either by pledge, assignment or in any other manner whatsoever and, during his or her lifetime, shall be vested only in him or her, but shall thereafter enure to the benefit of and be binding upon the Member's Beneficiary.

10.2 A Member shall not have any rights as a shareholder in respect of any RSUs.

11. RIGHT TO FUNDS

Neither the establishment of the Plan or the crediting of RSUs (if, in its sole discretion, it chooses to do so) shall be deemed to create a trust. Amounts payable to any Member under the Plan shall be a general, unsecured obligation of the Corporation. The right of the Member or Beneficiary to receive Common Shares pursuant to the Plan shall be no greater than the right of other unsecured creditors of the Corporation.

12. DATE OF PLAN

12.1 This Plan is instituted effective as of the 8th day of March, 2018.

CANWEL BUILDING MATERIALS GROUP LTD.

Per: *"Amar Doman"*
Name: Amar S. Doman
Title: Chief Executive Officer

APPENDIX C

AMENDED AND RESTATED ADVANCE NOTICE BY-LAW RESOLUTION

WHEREAS:

A. The Board of Directors (the "**Board**") of CanWel Building Materials Group Ltd. (the "**Corporation**") adopted an advance notice by-law for the nomination of Directors (the "**By-Law**"), ratified by shareholders at the Corporation's annual and special meeting held on May 8, 2014; and

B. The Board and the Nominating and Corporate Governance Committee of the Corporation (the "**Committee**") have amended and restated the By-Law in the form as attached as Appendix "D" to the Information Circular of the Company dated March 29, 2018, subject to ratifaction by the shareholders of the Corporation.

BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:

1. By-Law No. 2 of CanWel Building Materials Group Ltd. (the "**Corporation**"), as approved by the Board on March 29, 2018 in the form attached as Appendix "D" to the Information Circular of the Corporation dated March 29, 2018, amending the By-Law No. 2 adopted by the Corporation on May 8, 2014, be and is hereby ratified and confirmed; and

2. Any officer or director of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all documents and instruments, and to take all such other actions as such officer or director may deem necessary or desirable to implement the foregoing resolution and the matters authorized hereby, such determinations to be conclusively evidenced by the execution and delivery of such documents and other instruments and the taking of any such action.

APPENDIX D

AMENDED AND RESTATED

BY-LAW NO. 2 ADVANCE NOTICE OF NOMINATIONS OF DIRECTORS

1. Nomination of Directors.

Only persons who are nominated in accordance with the provisions of this By-Law No. 2 shall be eligible for election as directors of the CanWel Building Materials Group Ltd. (the "**Corporation**"). Nominations of persons for election as directors of the Corporation at any annual meeting of shareholders, or at any special meeting of shareholders called for the purpose of electing directors as set forth in the Corporation's notice of such special meeting, may only be made:

(a) by or at the direction of the board of directors of the Corporation, including pursuant to a notice of meeting,

(b) by or at the direction or request of one or more shareholders pursuant to a proposal submitted to the Corporation in accordance with the Canada Business Corporations Act (the "**Act**") or a requisition of meeting submitted to the directors in accordance with the Act, or

(c) by any person (a "**nominating shareholder**") who, at the close of business on the date of the giving of the notice provided for below and on the record date for determining shareholders entitled to vote at such meeting, is a registered holder or beneficial owner of shares that are entitled to be voted at such meeting and complies with the notice and other procedures set forth in this By-Law No. 2.

2. Timely Notice.

In addition to any other requirements in this By-Law No. 2 and under applicable laws, for a nomination to be made by a nominating shareholder, the nominating shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation. To be timely, a nominating shareholder's notice must be received by the Secretary at the principal executive offices of the Corporation:

(a) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that if the annual meeting of shareholders is called for a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice by the nominating shareholder may be made not later than the close of business on the 10th day following the date on which the public announcement of the date of the annual meeting is first made by the Corporation; and

(b) in the case of a special meeting of shareholders (which is not also an annual meeting of shareholder), not later than the close of business on the 15th day following the day on which the public announcement of the date of the special meeting of shareholders is first made by the Corporation.

The adjournment or postponement of a meeting of shareholders or the announcement thereof shall commence a new time period for the giving of a nominating shareholder's notice as described above.

3. Proper Written Form.

To be in proper written form, a nominating shareholder's notice to the Secretary must set forth:

(a) as to each person whom the nominating shareholder proposes to nominate for election as a director:

(i) the name, age, business address and residential address of the nominee,

(ii) the principal occupation or employment of the nominee,

(iii) whether the nominee is a resident Canadian within the meaning of the Act,

(iv) the class or series and number of shares of the Corporation which are controlled or which are owned beneficially or of record by the nominee as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice,

(v) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the nominee or any of its affiliates and the nominating shareholder, any person acting jointly or in concert with the nominating shareholder or any of their respective affiliates, and

(vi) any other information relating to the nominee that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws.

(b) as to the nominating shareholder giving the notice,

(i) the name and record address of the nominating shareholder,

(ii) the class or series and number of shares of the Corporation which are controlled or which are owned beneficially or of record by the nominating shareholder as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice,

(iii) any derivatives or other economic or voting interests in the Corporation and any hedges implemented with respect to the nominating shareholders' interests in the Corporation,

(iv) any proxy, contract, arrangement, understanding or relationship pursuant to which the nominating shareholder has a right to vote any shares of the Corporation,

(v) whether the nominating shareholder intends to deliver a proxy circular and form of proxy to any shareholders of the Corporation in connection with the election of directors,

(vi) any other information relating to the nominating shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities laws, and

(vii) any and all particulars and full disclosure regarding (a) any other arrangement of such person or any of its representatives relating to the voting of any shares of the Corporation or the nomination of any persons to the Board, (b) any arrangement of such person or any of its representatives, the purpose or effect of which is to alter, directly or indirectly, the economic interest of such person or any of its representatives in a security of the Corporation or the economic exposure of any such person or any of its representatives to the Corporation, (c) any direct or indirect interest of such person or any of its representatives in any contract with the Corporation or (d) any arrangement, including without limitation, financial, compensation and indemnity related arrangements, between the proposed nominee or any associate or affiliate of the proposed nominee and such person or any of its representatives; and (e) a representation that the nominating shareholder is a holder of record of securities of the Corporation, or a beneficial owner, entitled to vote at such meeting and intends to appear in person or by proxy at the applicable shareholders meeting to propose such nomination.

Such notice must be accompanied by the written consent of each nominee to being named as a nominee and to serve as a director, if elected. Reference to "nominating shareholder" in this By-Law No. 2 shall be deemed to refer to each shareholder that nominates a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making such nomination proposal. All information provided in a nominating shareholder's notice will be made publicly available to shareholders of the Corporation.

4. Further Information.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee provided that such disclosure does not go beyond that required of management nominees for election as directors of the Corporation.

5. Determination of Eligibility.

The chair of the meeting of shareholders at which an election for directors is held shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

6. Discussion Permitted.

Nothing in this By-Law No. 2 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter it is entitled to discuss pursuant to the Act.

7. Meaning of Public Announcement.

For purposes of this By-Law No. 2, "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

8. Notice.

Notwithstanding any other provision of the by-laws of the Corporation, notice given to the Secretary pursuant to this By-Law No. 2 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Secretary for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary at the address of the principal executive offices of the Corporation, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

9. Waiver.

The Board of Directors may, in its sole discretion, waive any requirement in this By-Law No.2.