

**CANWEL BUILDING MATERIALS GROUP LTD.**

**THIRD AMENDED AND RESTATED  
RESTRICTED EQUITY COMMON SHARE PLAN**

March 8, 2018

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**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 Exchange.
- (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 S. Doman"

Name: Amar S. Doman

Title: Chief Executive Officer