



ACADIAN TIMBER

ACADIAN TIMBER CORP.

Notice of Meeting

and

Management Information Circular

**Relating to the Annual and Special Meeting
of Shareholders**

March 27, 2020

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of **ACADIAN TIMBER CORP.** (the “**Corporation**”) will be held at the Edmundston Convention Centre, 74 Canada Road, Edmundston, New Brunswick, on May 7, 2020 at 11:00 a.m. (Atlantic time) for the following purposes:

1. to receive the annual report of the Corporation and the consolidated financial statements of the Corporation for the year ended December 31, 2019 together with the auditors’ report thereon;
2. to appoint auditors of the Corporation and to authorize the directors of the Corporation to fix the remuneration of the auditors;
3. to elect directors of the Corporation;
4. to consider, and if deemed advisable, to pass, with or without variation, a special resolution to amend the articles of arrangement of the Corporation to change the province in which the Corporation’s registered office is situated from the Province of British Columbia to the Province of New Brunswick; and
5. to transact such further and other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Copies of the management information circular (the “**Circular**”) and form of proxy accompany this notice. The specific details of the matters proposed to be put before the Shareholders are set forth in the Circular accompanying and forming part of this notice. Shareholders are directed to read the Circular carefully in evaluating the matters for consideration at the Meeting.

Only Shareholders of record as at March 30, 2020, are entitled to receive notice of and vote their Common Shares at the Meeting or at any adjournment(s) or postponement(s) thereof, either in person or by proxy.

Registered holders of Common Shares who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it, in the envelope provided, to the Corporation’s transfer agent, AST Trust Company (the “**Transfer Agent**”), by delivering the proxy to Proxy Department, AST Trust Company: (i) by mail to P.O. Box 721, Agincourt, ON M1S 0A1; or (ii) by facsimile at (416) 368-2502 or 1 (866) 781-3111; or (iii) by email to proxyvote@astfinancial.com so that it is received by 11:00 a.m. (Atlantic time) on May 5, 2020 (or at least 48 hours prior to the commencement of any reconvened meeting in the event of any adjournment(s) or postponement(s) thereof).

In light of the ongoing public health concerns related to COVID-19 and in order to comply with the measures imposed by the federal and provincial governments, the Corporation is encouraging shareholders and others not to attend the meeting in person. Shareholders are urged to vote on the matters before the meeting by proxy and to listen to the meeting online by way of a live webcast at www.acadiantimber.com or via teleconference at Toll-Free 1-866-795-3013 or International 1-409-937-8907, Conference ID: 8113289.

If you are a non-registered holder of Common Shares and received these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form, as the case may be, provided to you in accordance with the instructions provided by your broker or intermediary.

DATED this 27th day of March 2020.

By Order of the Board of Directors

(signed)
Malcolm Cockwell
Chair of the Board

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by or on behalf of management of the Corporation for use at the Meeting to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting. References in this Circular to the Meeting include any adjournment(s) or postponement(s) thereof. It is expected that the solicitation will be primarily by mail, however proxies may also be solicited personally by telephone or by facsimile by the directors and/or officers of the Corporation at nominal cost. The cost of solicitation by management will be borne by the Corporation. Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of the Common Shares. The cost of any such solicitation will be borne by the Corporation.

Appointment and Revocation of Proxies

Enclosed with this Circular is a form of proxy for registered Shareholders. The persons named in the enclosed form of proxy are directors of the Corporation (each a “**Director**” and together, the “**Directors**”) and will represent management of the Corporation at the Meeting. **A Shareholder has the right to appoint a person or company to represent the Shareholder at the meeting other than the person or company, if any, designated in the form of proxy.** A Shareholder desiring to appoint a person or company other than the persons designated in the accompanying form of proxy, who need not be a Shareholder, to represent such Shareholder at the Meeting, may do so by striking out the names printed on the proxy and inserting the name of such other person in the blank space provided in the enclosed form of proxy and returning the completed proxy to the Transfer Agent by delivering the proxy to Proxy Department, AST Trust Company: (i) by mail to P.O. Box 721, Agincourt, ON M1S 0A1; or (ii) by facsimile at (416) 368-2502 or (iii) 1 (866) 781-3111 or by email at proxyvote@astfinancial.com. The form of proxy must be received by the Transfer Agent by 11:00 a.m. (Atlantic time) on May 5, 2020 (or at least 48 hours prior to any reconvened meeting in the event of any adjournment(s) or postponement(s) of the Meeting), or by presenting it at the Meeting to the chairperson of the Meeting prior to commencement of the Meeting (or at the reconvened meeting in the event of any adjournment(s) or postponement(s) of the Meeting). Failure to so deposit a form of proxy will result in its invalidation.

A proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the registered Shareholder or by his, her or its attorney duly authorized in writing, and deposited either at the registered office of the Corporation or by mail or facsimile to the Transfer Agent (as set out in the paragraph immediately above) by 11:00 a.m. (Atlantic time) on May 5, 2020 (or at least 48 hours prior to the commencement of any reconvened meeting in the event of any adjournment(s) or postponement(s) of the Meeting), or with the chairperson of the Meeting prior to the commencement of the Meeting (or at the reconvened meeting in the event of any adjournment(s) or postponement(s) of the Meeting), or in any other manner permitted by law.

Voting of Proxies

A registered Shareholder forwarding the enclosed proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. The persons named on the form of proxy must vote for or against or withhold from voting, as applicable, the registered Shareholder’s Common Shares in accordance with the registered Shareholder’s directions and on any ballot that may be called for. If the registered Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The persons named in the enclosed form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them. **In the absence of such direction, such Common Shares will be voted in favour of the matters outlined in the Notice of Meeting and this Circular.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. At the time of printing of this Circular, management and the Directors know of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to all Shareholders, as all Common Shares are registered in the name of CDS & Co. (“CDS”) (the registration name of CDS Clearing and Depository Services Inc., which acts as depository for many Canadian brokerage firms) and Shareholders hold their Common Shares through their brokers, intermediaries, trustees or other persons. Common Shares registered in the name of CDS can only be voted (for or against resolutions) upon the instructions of the Shareholders, as the beneficial holders of the Common Shares. Without specific instructions, a broker and its agents and nominees are prohibited from voting Common Shares for the broker’s clients. Therefore, Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate party.

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Shareholders in advance of security holders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Shareholder by his or her broker (or the agent of the broker) is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions (“**Broadridge**”). Broadridge normally prepares a “Voting Instruction Form” (the “**VIF**”) based upon the Corporation’s form of proxy, which it then distributes to Shareholders. The VIF must then be completed and returned to Broadridge by the Shareholder by mail or facsimile in accordance with the instructions provided therein. Alternatively, the Shareholder can call a toll-free number or access the internet to provide instructions regarding the voting of Common Shares held by the Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Shareholder receiving a Broadridge VIF cannot use that proxy to vote Common Shares directly at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted at the Meeting. Some brokers who do not use Broadridge’s services send out the Corporation’s form of proxy to Shareholders, executed by the broker but otherwise incomplete. The Shareholder must mark the proxy how he or she wishes to vote and return the proxy either directly to the Transfer Agent or to the broker, who will then forward the proxy to the Transfer Agent. **A SHAREHOLDER CANNOT VOTE THEIR COMMON SHARES IN PERSON AT THE MEETING UNLESS THE SHAREHOLDER APPOINTS HIMSELF OR HERSELF AS THEIR OWN PROXY.**

Although a Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of CDS, a Shareholder may attend at the Meeting as proxy holder for the registered Shareholder and vote the Common Shares in that capacity. Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxy holder for the registered Shareholder in this regard should enter their own names in the blank space on the form of proxy or VIF provided to them and return same to their broker or other intermediary (or the broker’s agent or other intermediary) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting. If a Shareholder has voted by mail and would like to change his or her vote, the Shareholder should contact his or her nominee to discuss whether this is possible and what procedures such non-registered holder should follow.

Proxy-related materials will be sent by the Corporation to intermediaries and not directly to Shareholders. The Corporation intends to pay for such intermediaries to deliver proxy-related materials and Form 54-101F7 (the request for voting instructions) to “objecting beneficial owners”, in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

Majority Voting Policy

The Corporation has adopted a majority voting policy stipulating that, if the total number of shares voted in favour of the election of a director nominee represents less than a majority of the total shares voted and withheld for that director, the nominee will tender his or her resignation to the board of directors of the Corporation (the “**Board**”) immediately after the meeting. Within 90 days of the meeting, the Board will determine, with a recommendation from the Compensation, Nominating, and Corporate Governance Committee (the “**CNCG Committee**”), whether or not to accept such director’s resignation and will issue a press release announcing the Board’s decision, a copy of which will be provided to the TSX. Absent exceptional circumstances, the Board will accept the resignation. The resignation will be effective when accepted by the Board. If the Board determines not to accept a resignation, the press release will fully state the reasons for that decision. A director who tenders his or her resignation will not participate in a Board meeting at which the resignation is considered. The majority voting policy does not apply in circumstances involving contested director elections.

Voting Securities and Principal Holders Thereof

The authorized capital of the Corporation consists of an unlimited number of Common Shares. All Common Shares are of the same class with equal rights and privileges. The Common Shares are not subject to future calls or assessments and entitle the holder thereof to one vote for each Common Share held at all meetings of Shareholders. As at the date hereof, there are 16,686,916 Common Shares issued and outstanding.

The record date for the purpose of determining the Shareholders entitled to receive notice of and to vote at the Meeting is March 30, 2020 (the “**Record Date**”). The Corporation will prepare a list of holders of Common Shares at the close of business on the Record Date. Each holder of Common Shares named in the list will be entitled to vote at the Meeting the Common Shares shown opposite his or her name on the list except to the extent that such holder has transferred any Common Shares after the date on which the list is prepared or after the Record Date and the transferee, upon establishing that such person owns such Common Shares, demands at any time prior to the Meeting that the name of that person be included to vote the transferred Common Shares at the Meeting.

A quorum for the transaction of business at the Meeting will consist of two or more individuals present in person either holding personally or representing as proxies not less in aggregate than 10% of the votes attached to all of the Common Shares then outstanding.

As at the date hereof the following table sets forth the only person who, to the knowledge of the Directors and senior officers of the Corporation, based on available public records, beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Corporation.

Name	Number of Common Shares	Percentage of Class	Percentage of Votes
Macer Forests Holdings Inc. (“ Macer ”) ⁽¹⁾	7,513,262	45.02%	45.02%

Notes:

(1) Malcolm Cockwell is principal at Macer and beneficially owns, or controls or directs, directly or indirectly, 70% its voting securities.

References to Currency

Unless otherwise stated, all references in this Circular to monetary amounts are expressed in Canadian dollars.

RECEIPT OF FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the period commencing January 1, 2019 and ended December 31, 2019 and the report of the auditors thereon will be presented at the Meeting, but the approval of the Shareholders with respect thereto is not required.

ELECTION OF DIRECTORS

The articles of arrangement of the Corporation (the “**Articles**”) provide for the Board to consist of a minimum of three and maximum of ten Directors. The following individuals are management’s nominees for appointment as Directors: Malcolm Cockwell, Reid Carter, Bruce Robertson, Karen Oldfield and Heather Fitzpatrick. Phil Brown and Peter Schleifenbaum will not be standing for re-election.

The persons named in the form of proxy accompanying this Circular intend to vote FOR the election of the five nominees noted below as the Directors, unless the Shareholder who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the election of such nominees as Directors. A majority of the votes cast by the Shareholders is required to elect the Directors.

Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a Director for the ensuing financial year, however, if that should occur for any reason prior to the Meeting or any adjournment(s) or postponement(s) thereof, the persons named in the form of proxy accompanying this Circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion. Each Director elected will hold office until the close of the first annual meeting of the Shareholders following his election unless his office is earlier vacated in accordance with the by-laws of the Corporation or applicable corporate law. The following sets forth the names and municipalities of residence of each of the proposed Directors, their respective principal occupations, business or employment within the five preceding years, their beneficial ownership of, or control or direction over, Common Shares (in each instance based upon information furnished by the nominee) and, if applicable, the year in which they started to serve as a director of the Corporation.

MALCOLM COCKWELL

- Director since May 8, 2018
- Chair of the Board since August 20, 2019
- Member of the Audit Committee and the CNEC Committee

Profile:

Mr. Cockwell is the Managing Director of Haliburton Forest & Wildlife Reserve, a private land stewardship company that operates two mid-sized hardwood sawmill as well as a diverse ecotourism business and owns approximately 100,000 acres of hardwood timberland in central Ontario. Having previously served as General Manager of Haliburton Forest since January 2014, he was appointed Managing Director in 2016. In addition to his work with Haliburton Forest, Malcolm is a PhD Candidate at the Faculty of Forestry at the University of Toronto with research interests focused on hardwood silviculture and processing. He is also principal of Macer, a private Ontario based company focused on acquiring, and holding for the long-term, shares of companies owning and operating forest and recreational properties. He holds a B.Sc. in Forestry from the University of Toronto and is a Registered Professional Forester in Ontario. Malcolm also serves on the board of directors of Forests Ontario and represents Haliburton Forest at the Ontario Forest Industries Association. Mr. Cockwell is “financially literate” for the purposes of National Instrument 52-110 – *Audit Committees* and the Board has determined that he is “independent” for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. Mr. Cockwell is a resident of Haliburton, Ontario, Canada.

Mr. Cockwell owns 100,000 Common Shares of the Corporation.⁽¹⁾

Macer owns 7,513,262 Common Shares of the Corporation.⁽¹⁾

REID CARTER

- Director since January 1, 2010

Profile:

Mr. Carter is a registered professional forester in British Columbia and has over 40 years of experience in the forest industry, including senior roles in TimberWest Forest Corp. and Fletcher Challenge Canada. As a former Managing Partner at Brookfield Asset Management (“**BAM**” and together with its affiliates “**Brookfield**”), Mr. Carter led BAM’s timberlands portfolio growing the business from a modest operation of 310,000 acres under management to one of the largest timberland estates globally, with approximately 3.7 million acres under management in the United States, Canada and Brazil. Mr. Carter has a detailed understanding of the management, assets and relative global competitive positioning of North American paper and forest products companies. He is a director of Enercare, SelectSeed Ltd., SemiosBio Technologies and West Fraser Timber Co. Ltd. He is a resident of West Vancouver, British Columbia, Canada.

Mr. Carter was a trustee of the Acadian Timber Income Fund from January 31, 2006 to January 1, 2010 and has been a Director since January 1, 2010.

Mr. Carter was the Corporation’s President and Chief Executive Officer from inception until he resigned on May 1, 2015.

Mr. Carter owns 28,300 Common Shares of the Corporation. ⁽¹⁾

BRUCE ROBERTSON

- Director since February 14, 2018
- Chair of the Audit Committee and Member of the CNCG Committee

Profile:

Mr. Robertson is the Vice President, Investments of The Woodbridge Company Limited and has held this position since September 2013. Prior to joining Woodbridge, Mr. Robertson held various executive positions at private equity firms focused largely on markets in Canada and the United States. Mr. Robertson received his Bachelor of Commerce (Honours) degree from Queen’s University in 1988 and has served on the board of directors of both private and publicly listed companies, including his current positions as director of Morguard Corporation and as trustee of Morguard North American Residential REIT. In January 2012, Mr. Robertson was appointed to the board of Yellow Media Inc. and as Chair of the Financing Committee. In December 2012, Yellow Media successfully completed a Plan of Arrangement pursuant to the *Companies’ Creditors Arrangement Act*, pursuant to which Yellow Media was recapitalized. Upon completion of the arrangement, Mr. Robertson resigned from the board of directors. Mr. Robertson is “financially literate” for the purposes of National Instrument 52-110 – *Audit Committees* and the Board has determined that he is “independent” for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. Mr. Robertson is a resident of Toronto, Ontario, Canada.

Mr. Robertson does not own any Common Shares of the Corporation. ⁽¹⁾

KAREN OLDFIELD, Q.C., ICD.D

- Director since May 9, 2019
- Member of the Audit Committee and the CNCG Committee

Profile:

Karen Oldfield QC, served for more than 17 years as President and Chief Executive Officer of the Halifax Port Authority. During her tenure, Port Authority revenues more than tripled, enabling the organization to invest more than \$208 million in port infrastructure since 2010. Ms. Oldfield has global experience in trade development, particularly in the establishment of new markets combined as well as deep expertise in supply chain management and logistics.

Additionally, Ms. Oldfield is immediate Past Chair of the Board of Governors of Saint Mary's University and is a Director of the Conference Board of Canada. Ms. Oldfield is "financially literate" for the purposes of National Instrument 52-110 – *Audit Committees* and the Board has determined that she is "independent" for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. Ms. Oldfield is a resident of Halifax, Nova Scotia, Canada.

Ms. Oldfield does not own any Common Shares of the Corporation. ⁽¹⁾

HEATHER FITZPATRICK

- Director since August 20, 2019
- Member of the Audit Committee and the CNCG Committee

Profile:

Ms. Fitzpatrick is the President and Chief Executive Officer of Halmont Properties Corporation (TSX Venture: HMT-X). Ms. Fitzpatrick holds a bachelor's degree in commerce from Memorial University of Newfoundland and has served in a variety of senior accounting roles with the Bank of Montreal and other firms over the last 10 years. Halmont invests directly and indirectly in commercial real estate, forest properties, and in securities of companies holding property, energy, and infrastructure assets. Ms. Fitzpatrick is a Chartered Professional Accountant. Ms. Fitzpatrick is "financially literate" for the purposes of National Instrument 52-110 – *Audit Committees* and the Board has determined that she is "independent" for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. Ms. Fitzpatrick is a resident of Toronto, Ontario, Canada.

Ms. Fitzpatrick does not own any Common Shares of the Corporation. ⁽¹⁾

Notes:

- (1) Common Shares beneficially owned or controlled. As of March 27, 2020, the above noted Directors owned beneficially, directly and indirectly, 7,641,562 Common Shares representing 45.8% of the issued and outstanding Common Shares.

RE-APPOINTMENT OF AUDITORS

The auditors of the Corporation are Ernst & Young LLP, Chartered Professional Accountants, Ernst & Young Tower, 222 Bay St., P.O. Box 251, Toronto-Dominion Centre, Toronto, Ontario, M5K 1J7. Ernst & Young LLP was appointed as auditors of the Corporation on January 1, 2010. It is proposed that Ernst & Young LLP, Chartered Professional Accountants, be re-appointed as auditors of the Corporation at the Meeting.

The persons named in the enclosed form of proxy intend to vote FOR the re-appointment of Ernst & Young LLP, Chartered Professional Accountants, as the auditors of the Corporation to hold office until the next annual meeting of Shareholders, at a remuneration to be fixed by the Directors, unless the Shareholder who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting. A majority of the votes cast by the Shareholders is required to approve the appointment of the auditors and to authorize the Directors to fix the remuneration of the auditors.

AMENDMENT TO ARTICLES – CHANGE OF REGISTERED OFFICE

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, pass, with or without variation, a special resolution in the form set out in Appendix “A” to this Circular to amend the Articles to change the province in which the Corporation’s registered office is situated from the Province of British Columbia to the Province of New Brunswick (the “**Registered Office Change**”). The Board has determined that it is in the interests of Shareholders and the Corporation to change the registered office to the city and province in which its executive office is located. If the Registered Office Change does not receive the requisite Shareholder approval, the registered office of the Corporation will continue to be located in the Province of British Columbia.

The Board recommends that Shareholders vote in favour of the resolution to approve the Registered Office Change.

The persons named in the form of proxy accompanying this Circular intend to vote FOR the Registered Office Change, unless the Shareholder who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the Registered Office Change. In order to be effective, the resolution to amend the Articles must be approved by not less than two-thirds of the votes cast by Shareholders who vote in respect of the resolution.

OTHER MATTERS

Unless otherwise stated, the information contained herein is given as of March 27, 2020. Management of the Corporation is not aware of any other matters that are to be presented at the Meeting other than matters referred to in the Notice of Meeting. If any matters other than those referred to in this Circular should be presented at the Meeting, however, the persons named in the enclosed proxies are authorized to vote the Common Shares represented by the proxies in accordance with their best judgment.

PREVIOUS ARRANGEMENT WITH BROOKFIELD LP

Prior to the termination of the amended and restated management agreement among Brookfield Timberlands Management LP (“**Brookfield LP**”), a subsidiary of BAM, AT Limited Partnership (the “**Operating LP**”) and Katahdin Forest Management LLC (“**KFM LLC**”) dated October 3, 2005, as amended and restated July 31, 2013 (the “**Amended and Restated Management Agreement**”), on September 9, 2019, Brookfield LP assisted in the preparation and implementation of the overall strategic plan in respect of the timberland assets of Operating LP and KFM LLC, the two operating subsidiaries of the Corporation, as well as monitoring and assisting with the day-to-day operations of the assets of the Operating LP and KFM LLC, pursuant to the terms of the Amended and Restated Management Agreement. The Amended and Restated Management Agreement provided that Brookfield LP, in addition to its management duties concerning the Operating LP and KFM LLC (as more fully described below), may also provide administrative services to the Corporation to the extent required by the Corporation.

In connection with its duties, Brookfield LP, under the oversight, direction and authority of the Operating LP and KFM LLC, and subject to adherence with the overall strategic plan in respect of the timberland assets from time to time, was responsible for, among other things: advising with respect to marketing and sales; advising on all significant fibre supply commitments; overseeing the preparation of operational plans and budgets and making recommendations in respect thereof to the Operating LP and KFM LLC; monitoring and overseeing internal management teams, operational plans, and operating activities; advising with respect to the best practices and new developments in silviculture and other forestry practices; advising and assisting with proposed financings; advising and assisting with acquisitions and dispositions; providing oversight of tax planning activities and oversight related to the preparation of income tax returns; providing assistance with the coordination and oversight of legal services; providing oversight of information technology support and services; and providing oversight of certain treasury services.

In addition to the management services that Brookfield LP provided to the Operating LP and KFM LLC, Brookfield LP also provided administrative services to the Corporation including advising and assisting with community and investor relations; overseeing the Corporation's reporting requirements under applicable law; providing assistance with and oversight of tax planning activities and preparation of income tax returns; providing assistance with the coordination and oversight of legal services; providing oversight of information technology support and services; providing oversight of certain treasury services; and overseeing and coordinating the issuance of press releases approved by the Board.

In consideration for the provision of its services, Brookfield LP was entitled to receive a base fee and a performance fee. For the year ended December 31, 2019, Brookfield LP earned from the Operating LP base fees of \$1.8 million and a performance fee of \$0.4 million.

Brookfield LP was responsible for all of its own expenses, including administrative costs, employment expenses of its personnel (who were employed by Brookfield Timberlands Management GP Inc. ("**Brookfield GP**"), the general partner of Brookfield LP, rent and other overhead expenses, and expenses of the Directors and officers of the Corporation and of Acadian Timber GP Inc. (the "**GP**") who were also officers or employees of Brookfield GP, or of an affiliate of Brookfield LP⁽¹⁾ (except expenses incurred by Directors in attending meetings of the Board).

On September 9, 2019, the Corporation entered into an agreement with Brookfield LP to terminate the Amended and Restated Management Agreement and internalize Acadian's asset management and administrative services functions (the "**Internalization**"). As a result of the Internalization, the annual base management fee, the annual performance fee and any other fees payable by Acadian to Brookfield LP were eliminated. In connection with the Internalization, Acadian entered into a transition services agreement with BAM (the "**Transition Services Agreement**"), pursuant to which BAM agreed to provide certain transition services to Acadian (the "**Transition Services**") for a period of up to 24 months ending on September 9, 2021 (the "**Transition Period**"). The Transition Services will be provided by BAM at no cost to Acadian, other than a certain reimbursement amount to be paid by Acadian to BAM. In addition, the Transition Services Agreement includes exclusivity provisions that are to Acadian's benefit and restrict BAM during the Transition Period from owning or managing timberlands in the jurisdictions in which Acadian operates, subject to certain limited exceptions.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overall Compensation Goals

The following is a description of the compensation program of the Corporation, which is monitored and evaluated by senior management, together with the Board and its CNCG Committee, and adjusted if and when necessary. The Corporation's compensation program aims to provide employees with base salaries consistent with regional industry norms while offering additional short-term incentives in relation to the Corporation's financial and safety performance and personal performance against employee-specific metrics. The compensation program is designed to encourage retention while rewarding strong financial, safety and personal performances.

Compensation Elements and Individual Performance Metrics

The Corporation's compensation program consists of base salary, a short-term incentive program that rewards performance within specific areas, and a long-term incentive program for key members of senior management of the Corporation's business and operations that ties rewards directly to the Corporation's financial performance. Base salary is set through the review of both formal and informal regional benchmarks with all employees subject to annual performance and compensation reviews. The Corporation's short-term incentive program takes into account the Corporation's financial performance (50%) and safety performance (20%), and employee-specific, annually defined performance targets (30%). Financial and safety performance measures are standardized across all employees, while individual, annually defined performance objectives are determined by senior management. Awards granted pursuant to the senior management long-term incentive program are based on the Corporation's financial performance, as discussed below.

Hedging of Economic Risks for Personal Equity Ownership

All Directors and executives of the Corporation are prohibited from entering into transactions that have the effect of hedging the economic value of any direct or indirect interests by the Director or executive in Common Shares, unless such transactions are executed and disclosed in full compliance with all applicable regulations and have been previously approved by the Chief Financial Officer and Chief Executive Officer of the Corporation and, if appropriate, the CNCG Committee. To date, no Director or executive has hedged the economic value of their direct or indirect interests.

Share-Based and Option-Based Awards

Other than as described below, none of the Corporation, Acadian Timber Limited Partnership (the "**Partnership**"), the Operating LP or KFM LLC have adopted share-based or option-based award plans.

However, the Corporation's long-term incentive program for its senior managers utilizes a deferred share plan (the "**DSP**") that provides for the granting of rights to participants to receive, on a deferred basis, cash payments equal to the fair market value of the shares of the Corporation on the terms set out in the DSP.

Deferred shares are offered under the DSP to select senior management in the Board's discretion, as discussed further below. The Board believes that the DSP provides a link between individual long-term bonus compensation with the Corporation's financial performance, as reflected by the fair market value of the Common Shares, while allowing for flexibility in recognizing individual achievement. The DSP provides that awards vest in equal one-third portions over a three-year vesting period, thereby also encouraging senior executive retention. The Board is of the view that the DSP is an effective mechanism to align senior management interests with those of the Shareholders while encouraging management retention.

The DSP is administered by the CNCG Committee, which is comprised of independent Directors. Grants under the DSP are based on individual employee performance, together with an assessment of the Corporation's performance against annual financial targets set by senior management with input from the Board. The Corporation's achievement of such financial targets is not a strict requirement for grants to be made, but is instead used as a guide to assist the CNCG

Committee in exercising its discretion under the DSP. Senior management also provides the CNCG Committee with periodic reports and recommendations, which help identify exceptional performance. Grants under the DSP generally do not take into account grants from previous years, as the CNCG Committee tends to focus on the year in question. However, the CNCG Committee has the discretion to take into account prior grants in considering new grants where the circumstances make it appropriate to do so.

Holders of deferred shares granted under the DSP are entitled to receive additional deferred shares when dividends are paid on the Common Shares calculated by dividing (i) the dividend paid on a Common Share multiplied by the number of deferred shares credited to the DSP participant’s account by (ii) the closing price of the Common Shares on the Toronto Stock Exchange (the “TSX”) as of the dividend payment date. The DSP is unfunded and deferred shares are non-transferrable. The Board has the authority to amend or terminate the DSP.

Performance Graph

The following graph compares the cumulative total shareholder return on \$100 invested in the Corporation with the total cumulative return of the S&P/TSX Composite Index for the period from December 2014 through December 2019.



Named Executive Officer Compensation

As described in more detail below, only a portion of the total compensation paid to the Corporation’s Named Executive Officers (as defined in Form 51-102F6 – *Statement of Executive Compensation*) during the period reported in the above performance graph, up until September 9, 2019, related to their services to the Corporation during such period.

Compensation of the Corporation’s Named Executive Officers is more closely aligned with the Corporation’s performance using earnings-based measures, which has differed at times from the market price of the Corporation’s Common Shares, respectively.

Compensation Governance

The Corporation’s CNCG Committee currently consists of six Directors, including Phil Brown, Bruce Robertson, Malcolm Cockwell, Karen Oldfield, Heather Fitzpatrick and Peter Schleifenbaum. At all times, the members of the CNCG Committee have been and are independent Directors of the Corporation. The Corporation believes that each of the CNCG Committee members has direct experience relevant to his responsibilities on the committee. Mr. Brown co-headed Torys LLP’s mergers and acquisitions practice in Canada and he was a director of Essar Steel Algoma. Mr. Robertson has held a number of private sector leadership and management roles, gaining experience and knowledge with internal risk management and reporting, governance, pensions and accounting. Mr.

Cockwell has held a number of leadership roles at private land forest management and wood processing operations in several regions, with responsibilities including the retention and development of senior management and the development of broader, long-term, forest-based business strategies. Ms. Oldfield was the President and Chief Executive Officer of the Halifax Port Authority. Ms. Heather Fitzpatrick is the President and Chief Executive Officer of Halmont Properties Corporation. Dr. Peter Schleifenbaum has held a number of leadership roles at private land forest management and wood processing operations in North America and Europe.

The Board has adopted a written mandate for the CNCG Committee setting out its responsibilities which include, among other things: (i) assessing the effectiveness of the Board, each of its committees and individual Directors; (ii) overseeing the recruitment and selection of candidates as Directors; (iii) organizing an orientation and education program for new Directors; (iv) reviewing and making recommendations to the Board concerning any change in the number of Directors composing the Board; (v) considering questions of senior management succession; (vi) administering and making recommendations regarding the operation of any long-term incentive plan and any other employee incentive plans; and (vii) appointing, administering the performance evaluation and assessing the compensation of senior management, including the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer (as applicable).

No compensation consultant or advisor has been retained to assist the Board or the CNCG Committee in determining compensation for any of the Corporation's Directors or executive officers. Additional information regarding the CNCG Committee can be found in the CNCG Committee's mandate attached to this information circular as Appendix "C".

Summary Compensation Table

The following table provides a summary of the compensation for each of the Corporation's Named Executive Officers for each of the Corporation's three most recently completed financial years:

			Annual Variable Incentive Plan Awards				
			Non-Equity Incentive Plan	Share-Based Award	Option-Based Awards ⁽¹⁾		
Name and Principal Position	Year	Annual Base Salary	Annual Cash Bonus			Options	All Other Compensation
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
ERIKA REILLY ⁽³⁾ <ul style="list-style-type: none"> • President and Chief Executive Officer of the Corporation • Senior Vice President of Brookfield 	2019	77,397	Nil	Nil	Nil	Nil	77,397
MARK BISHOP ⁽²⁾ <ul style="list-style-type: none"> • President and Chief Executive Officer of the Corporation • Managing Director of Brookfield • President, Brookfield GP 	2019	65,487	42,567	Nil	21,542	4,611	134,207
	2018	92,500	60,125	Nil	51,901	9,158	213,684
	2017	90,000	58,500	Nil	62,589	7,082	218,171
BRIAN BANFILL ⁽³⁾ <ul style="list-style-type: none"> • Chief Financial Officer of the Corporation 	2019	63,844	Nil	Nil	Nil	3,688	67,532
MATTHEW GROSS ⁽²⁾ <ul style="list-style-type: none"> • Chief Financial Officer of the Corporation • Vice President of Brookfield 	2019	19,200	8,640	Nil	3,840	3,232	34,912
MABEL WONG ⁽²⁾ <ul style="list-style-type: none"> • Chief Financial Officer of the Corporation • Managing Director, Brookfield 	2019	28,188	21,141	Nil	14,604	2,402	66,335
	2018	70,000	42,000	Nil	46,292	7,525	165,817
	2017	32,500	16,250	Nil	28,185	2,374	79,309

Notes:

- (1) The Corporation does not have a plan pursuant to which option-based awards are (or were) granted; rather, the figures reported in the table represent options granted pursuant to Brookfield's Management Share Option Plan, which options were granted in light of the respective contributions that Messrs. Bishop, Gross and Ms. Wong made to the Corporation during each year. Such options reflect the time and effort spent, and the respective achievements, of Messrs. Bishop, Gross and Ms. Wong in providing services to the Corporation.

For grants made in 2019, the fair value of the option-based awards was derived by application of the Black Scholes option pricing model, assuming a strike price of US\$58.70, a foreign exchange rate of 1.2989, an average term to exercise of 7.5 years, a volatility of 16.56%, a risk free rate of 1.85%, a dividend growth rate of 7.0% and a liquidity discount of 25%.

For grants made in 2018, the fair value of the option-based awards was derived by application of the Black Scholes option pricing model, assuming a strike price of US\$38.35, a foreign exchange rate of 1.3641, an average term to exercise of 7.5 years, a volatility of 15.01%, a risk free rate of 1.84%, a dividend growth rate of 7.0% and a liquidity discount of 25%.

For grants made in 2017, the fair value of the option-based awards was derived by application of the Black Scholes option pricing model, assuming a strike price of US\$43.54, a foreign exchange rate of 1.2574, an average term to exercise of 7.5 years, a volatility of 16.46%, a risk free rate of 2.80%, a dividend growth rate of 5.8% and a liquidity discount of 25%.

- (2) The figures reported in the table above represent the portion of Messrs. Bishop, Gross and Ms. Wong's total compensation paid during the year by Brookfield that is attributable to his or her services to the Corporation in 2017 - 2019. This proportionate compensation is reflective of the approximate time and effort spent providing services to the Corporation as a portion of his or her overall efforts managing Brookfield's other business initiatives. Messrs. Bishop, Gross and Ms. Wong's responsibilities in respect of Brookfield's other business initiatives overlapped with his or her responsibilities to the Corporation during the years reported and, as a result, they were able to apply significant knowledge and skill acquired in their capacity as a senior executives of Brookfield in providing services to the Corporation. Mr. Bishop was appointed President and Chief Executive Officer of the Corporation on April 29, 2015.
- (3) Ms. Reilly and Mr. Banfill were appointed as Chief Executive Officer and Chief Financial Officer on September 9, 2019. Acadian agreed to reimburse Brookfield for a fixed amount in return for Ms. Reilly's services pursuant to a transition services agreement. The amount presented in this table is the amount that Acadian owed Brookfield for the period from September 9, 2019 through December 31, 2019. Mr. Banfill's compensation reflects the period from September 9, 2019 through December 31, 2019.

Incentive Plan Awards

As described above under "Statement of Executive Compensation – Compensation, Discussion and Analysis – Share-Based and Option-Based Awards", the Corporation's DSP provides a mechanism for compensation under the Corporation's long-term incentive program. The DSP provides for the granting of rights to participants to receive, on a deferred basis, cash payments equal to the fair market value of the shares of the Corporation on the terms set out in the DSP. None of the Corporation's Named Executive Officers have participated under the Corporation's DSP.

Pension Plan Benefits

The Corporation does not have a pension plan, nor have any of the Partnership, the Operating LP or KFM LLC adopted a pension plan that provides for payments or benefits to Named Executive Officers or Directors.

Termination and Change of Control Benefits

The Corporation does not have agreements in place with its Named Executive Officers in respect of termination and change of control benefits, nor have any of the Partnership, the Operating LP or KFM LLC entered into any such agreements.

Director Compensation

The following table describes compensation for Directors for the financial year ended December 31, 2019.

Name	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Phil Brown ⁽²⁾⁽³⁾⁽⁴⁾	73,433	Nil	Nil	Nil	Nil	Nil	73,433
Reid Carter	50,000	Nil	Nil	Nil	Nil	Nil	50,000
Malcolm Cockwell ⁽⁶⁾	31,794	Nil	Nil	Nil	Nil	Nil	31,794
Heather Fitzpatrick	18,207	Nil	Nil	Nil	Nil	Nil	18,207
Karen Oldfield ⁽⁴⁾	47,143	Nil	Nil	Nil	Nil	Nil	47,143
Bruce Robertson ⁽¹⁾⁽⁴⁾	68,000	Nil	Nil	Nil	Nil	Nil	68,000
Saul Shulman ⁽²⁾	18,783	Nil	Nil	Nil	Nil	Nil	18,783
Peter Schleifenbaum	18,207	Nil	Nil	Nil	Nil	Nil	18,207
Benjamin Vaughan ⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Robertson was the Chair of the Audit Committee during the financial year ended December 31, 2019 and therefore received additional compensation of \$3,000.
- (2) Messrs. Shulman and Brown were Chair of the Compensation, Nominating and Corporate Governance Committee, with Mr. Shulman serving from January 1, 2019 through May 9, 2019 and Mr. Brown serving from May 9, 2019 through December 31, 2019. They received additional compensation of \$3,000 pro rated for their period of service.
- (3) Mr. Brown is the lead Director, therefore he receives additional compensation of \$3,000 per year.
- (4) Additional compensation was paid to each of Messrs. Brown and Robertson and Ms. Oldfield in the amounts of \$20,000, \$15,000 and \$15,000, respectively, in connection with their role as members of a special committee of independent directors formed on July 12, 2019 to, among other things, examine, review and evaluate the Internalization.
- (5) Mr. Vaughan did not receive any compensation in his capacity as Director.
- (6) Effective August 20, 2019, Mr. Cockwell has abstained from collecting fees.

The Directors were paid such reasonable remuneration for their services as the Board determined from time to time. In 2019, Director compensation was equal to \$50,000 per Director for the year (no such compensation was paid to Directors who are also officers or employees of Brookfield or any of its affiliates). The Chair of each standing committee of the Board and the lead Director received additional compensation of \$3,000 per year. The Directors were also entitled to reimbursement for reasonable traveling and other expenses properly incurred by them in attending meetings of the Board, or any committee thereof, or in connection with their services as Directors. Going forward, the Board shall determine the reasonable remuneration for Director services rendered to the Corporation.

Share-Based Awards, Option-Based Awards and Incentive Plans – Directors

The Corporation does not have share-based, option-based or incentive plans applicable to its Directors, nor have any of the Partnership, the Operating LP or KFM LLC adopted any such plans applicable to the Directors.

OTHER INFORMATION

Indebtedness of Directors and Officers

As of the date hereof, no individual who is a Director or executive officer of the Corporation, or at any time during the most recently completed financial year of the Corporation was a Director or executive officer of the Corporation or any of its subsidiaries, no individual proposed as a nominee for election as a Director and no associates of any such Director, executive officer or proposed nominee, has been indebted to the Corporation or any of its subsidiaries nor has any such individual's indebtedness to another entity at any time since the beginning of the most recently completed financial year of the Corporation been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

Insurance and Indemnification

The directors and officers of the general partner of the Partnership and the Operating LP, and KFM LLC, and the Directors were, during the Corporation's financial year ended December 31, 2019, covered under a directors and officers insurance policy. The insurance policy provides an aggregate limit of liability applicable to the insured individuals of \$40 million, inclusive of costs to defend claims. The Corporation also has 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 an officer, either for the Corporation or any subsidiary entity (as applicable), subject to certain customary limits.

Interests of Informed Persons in Material Transactions

On August 20, 2019, BAM, a holder of an aggregate of 7,513,262 Common Shares, sold all of its Common Shares to Macer pursuant to a private transaction at a price of \$17.00 per Common Share totaling aggregate consideration of approximately \$128 million in cash (the "**Macer Transaction**"). Mr. Cockwell, the Chair of the Board, is a principal of Macer.

To the knowledge of management and the Directors, none of the principal Shareholders or the Directors or officers of the Corporation, or any associate or affiliate of any of the foregoing persons, has had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the commencement of the Corporation's financial year ended December 31, 2019 or in any proposed transaction involving the Corporation which has materially affected or will materially affect the Corporation or any of its subsidiaries, other than the Macer Transaction.

Normal Course Issuer Bid

On March 5, 2019, the Corporation announced that it had received approval from the TSX to make a normal course issuer bid to acquire for cancellation up to 902,135 Common Shares during the period commencing March 7, 2019 and ending on March 6, 2020, representing approximately 10% of the 9,021,354 Common Shares held by the public as of February 26, 2019. No Common Shares were acquired during this period and the normal course issuer bid is no longer in place.

Shareholder Proposal for Next Year's Annual Meeting

The *Canada Business Corporations Act* permits certain eligible Shareholders, subject to certain conditions, to submit shareholder proposals to the Corporation for inclusion in a management proxy circular for an annual meeting of shareholders. The final date by which the Corporation must receive shareholder proposals for the annual meeting of shareholders of the Corporation to be held in fiscal year 2021 is December 29, 2020. Shareholders should consult their legal advisors for more information.

Audit Committee Information

The Corporation's Annual Information Form dated March 27, 2020 contains the information required by National Instrument 52-110 – *Audit Committees* on page 33 under the heading "Audit Committee Information", including attaching the Audit Committee Mandate as its Schedule "A". See below under the heading "Additional Information" for information on how to obtain a copy of the Corporation's Annual Information Form.

Additional Information

Additional information relating to the Corporation can be found on the System for Electronic Data Analysis and Retrieval ("**SEDAR**") under the profile of the Corporation at www.sedar.com. Shareholders may contact Adam Sheparski, Chief Financial Officer of the Corporation at 365 Canada Road, Edmundston, New Brunswick E3V 1W2 or by telephone at (506) 737-2345 x2356 to request copies of the financial statements and Management Discussion and Analysis ("**MD&A**"), **the Circular and the Annual Information Form for the Corporation. Further information can also be found on the Corporation's website: www.acadiantimber.com.**

Financial information for the most recently completed financial year of the Corporation is provided in its comparative annual financial statements and MD&A which are filed on SEDAR under the profile of the Corporation and can be found at www.sedar.com.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Governance Practices

A description of the Corporation's corporate governance practices is set out below in response to the requirements of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and in the form set forth in Form 58-101F1 Corporate Governance Disclosure. The Corporation and its Board is committed to working together to achieve strong and effective corporate governance, with the objective of promoting the long-term interests of the company and the enhancement of value for all Shareholders. Management and the Directors continue to review and improve the Corporation's corporate governance policies and practices in relation to evolving legislation, guidelines and best practices. The Board is of the view that the Corporation's corporate governance policies and practices and its disclosure in this regard are comprehensive and consistent with the guidelines established by Canadian securities regulators.

The Corporation's Board mandate is attached as Appendix "B". For the Audit Committee Mandate, and for further information on the Audit Committee, see the section entitled "Audit Committee Information" on page 33 of the Corporation's Annual Information Form dated March 27, 2020 available on SEDAR at www.sedar.com. The CNCG Committee mandate is set out in Appendix "C".

Form 58-101F1 Corporate Governance Matters	Acadian Timber Corp. Governance Practices
1. The Board (a) Disclose the identity of Directors who are independent. (b) Disclose the identity of Directors who are not independent and describe the basis for that determination.	The Board considers a Director to be independent where he or she has no direct or indirect “material relationship” with the Corporation or its subsidiaries which could reasonably be expected to interfere with the exercise of the Director’s independent judgment. On this basis, the Board has determined that all current Directors are independent.
(c) Disclose whether or not a majority of Directors are independent. If a majority of Directors are not independent, describe what the Board does to facilitate its exercise of independent judgment in carrying out its responsibilities.	The majority of the Directors are independent, as defined by National Instrument 52-110 – <i>Audit Committees</i> .
(d) If a Director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the Director and the other issuer.	Mr. Carter is a board member and member of the audit committee of West Fraser Timber.
(e) Disclose whether or not the independent Directors hold regularly scheduled meetings at which non-independent Directors and members of management are not in attendance. If the independent Directors hold such meetings, disclose the number of meetings held since the beginning of the Corporation’s most recently completed financial year. If the independent Directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent Directors.	The Board has at least four scheduled meetings each year. In 2019, the Board had eleven (11) meetings. At each Board meeting, a private session between the independent Directors was held, with the exception of the meetings held March 6, August 19, October 30 and December 4, where the independent Directors deemed a private session was not necessary. This practice is also adopted at Audit Committee meetings, where independent Directors held a private session with the Corporation’s independent auditor. It is the intention of the Board to continue with this process for future meetings to facilitate open and candid discussions among its independent Directors.
(f) Disclose whether or not the chair of the Board is an independent Director. If the Board has a chair or lead Director who is an independent Director, disclose the identity of the independent chair or lead Director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead Director that is independent, describe what the Board does to provide leadership for its independent Directors.	Malcolm Cockwell is the chair of the Board and is independent, as described above. Phil Brown was appointed lead Director on May 5, 2017 and is an independent Director, as described above, but will not be standing for re-election. Acadian will appoint a new lead Director following the May 7, 2020 Annual and Special Meeting of Shareholders. The lead Director assumes certain key functions of the Chair, including, without limitation, acting as a liaison between the Board and senior management of the Corporation, promoting open and constructive discussions between the Directors and senior management, monitoring the adequacy of materials provided to the Directors by senior management, ensuring that the independent Directors have adequate opportunities to discuss issues without senior management present and presiding over <i>in camera</i> meetings of the independent Directors.

Form 58-101F1 Corporate Governance Matters	Acadian Timber Corp. Governance Practices																														
<p>(g) Disclose the attendance record of each Director for all Board meetings held since the beginning of the Corporation's most recently completed financial year.</p>	<p>There were eleven Board meetings held in 2019. The following table provides the attendance of Directors at Board and committee meetings held in 2019:</p> <table border="1" data-bbox="816 384 1388 1056"> <thead> <tr> <th data-bbox="824 384 1019 468"> Director </th> <th data-bbox="1027 384 1190 468"> Board Meetings Attended </th> <th data-bbox="1198 384 1380 468"> Committee Meetings Attended </th> </tr> </thead> <tbody> <tr> <td data-bbox="824 478 1019 531">Phil Brown</td> <td data-bbox="1027 478 1190 531">Board: 11 of 11</td> <td data-bbox="1198 478 1380 531">Audit: 4 of 4 CNCG: 6 of 6</td> </tr> <tr> <td data-bbox="824 541 1019 594">Reid Carter</td> <td data-bbox="1027 541 1190 594">Board: 11 of 11</td> <td data-bbox="1198 541 1380 594">Audit: 4 of 4 CNCG: 6 of 6</td> </tr> <tr> <td data-bbox="824 604 1019 657">Malcolm Cockwell</td> <td data-bbox="1027 604 1190 657">Board: 11 of 11</td> <td data-bbox="1198 604 1380 657">Audit: 4 of 4 CNCG: 6 of 6</td> </tr> <tr> <td data-bbox="824 667 1019 720">Bruce Robertson</td> <td data-bbox="1027 667 1190 720">Board: 11 of 11</td> <td data-bbox="1198 667 1380 720">Audit: 4 of 4 CNCG: 6 of 6</td> </tr> <tr> <td data-bbox="824 730 1019 783">Saul Shulman¹</td> <td data-bbox="1027 730 1190 783">Board: 3 of 11</td> <td data-bbox="1198 730 1380 783">Audit: 2 of 4 CNCG: 3 of 6</td> </tr> <tr> <td data-bbox="824 793 1019 846">Heather Fitzpatrick²</td> <td data-bbox="1027 793 1190 846">Board: 4 of 11</td> <td data-bbox="1198 793 1380 846">Audit: 1 of 4 CNCG: 2 of 6</td> </tr> <tr> <td data-bbox="824 856 1019 909">Karen Oldfield³</td> <td data-bbox="1027 856 1190 909">Board: 8 of 11</td> <td data-bbox="1198 856 1380 909">Audit: 2 of 4 CNCG: 3 of 6</td> </tr> <tr> <td data-bbox="824 919 1019 972">Peter Schleifenbaum²</td> <td data-bbox="1027 919 1190 972">Board: 4 of 11</td> <td data-bbox="1198 919 1380 972">Audit: 1 of 4 CNCG: 2 of 6</td> </tr> <tr> <td data-bbox="824 982 1019 1035">Benjamin Vaughan⁴</td> <td data-bbox="1027 982 1190 1035">Board: 6 of 11</td> <td data-bbox="1198 982 1380 1035">Audit: 2 of 4 CNCG: 6 of 6</td> </tr> </tbody> </table> <p data-bbox="824 1077 1174 1098">¹ Saul Shulman, resigned on May 9, 2019</p> <p data-bbox="824 1108 1388 1150">² Heather Fitzpatrick and Peter Schleifenbaum were appointed on August 20, 2019</p> <p data-bbox="824 1161 1230 1182">³ Karen Oldfield was appointed on May 9, 2019</p> <p data-bbox="824 1192 1255 1213">⁴ Benjamin Vaughan, resigned on August 20, 2019</p>	Director	Board Meetings Attended	Committee Meetings Attended	Phil Brown	Board: 11 of 11	Audit: 4 of 4 CNCG: 6 of 6	Reid Carter	Board: 11 of 11	Audit: 4 of 4 CNCG: 6 of 6	Malcolm Cockwell	Board: 11 of 11	Audit: 4 of 4 CNCG: 6 of 6	Bruce Robertson	Board: 11 of 11	Audit: 4 of 4 CNCG: 6 of 6	Saul Shulman ¹	Board: 3 of 11	Audit: 2 of 4 CNCG: 3 of 6	Heather Fitzpatrick ²	Board: 4 of 11	Audit: 1 of 4 CNCG: 2 of 6	Karen Oldfield ³	Board: 8 of 11	Audit: 2 of 4 CNCG: 3 of 6	Peter Schleifenbaum ²	Board: 4 of 11	Audit: 1 of 4 CNCG: 2 of 6	Benjamin Vaughan ⁴	Board: 6 of 11	Audit: 2 of 4 CNCG: 6 of 6
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<p>2. Board Mandate</p> <p>Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.</p>	<p>The Board mandate can be found attached to this Circular as Appendix "B".</p>																														
<p>3. Position Descriptions</p> <p>(a) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.</p>	<p>The Board has developed written descriptions for the role of Chair of the Board and committee chairs. The Chair of the Board is responsible for, among other things, providing leadership to the other Directors in discharging their mandate, presiding over meetings of the Board, assisting Board committees and acting as a liaison between the Board and management. Chairs of the Board committees are responsible for, among other things, scheduling, setting agendas and presiding over meetings and acting as a liaison between the committee and management.</p>																														
<p>(b) Disclose whether or not the Board and the Chief Executive Officer have developed a written position description for the Chief Executive Officer. If the Board and the Chief</p>	<p>The Board and the Chief Executive Officer have developed a written position description for the Chief Executive Officer that sets out the duties and responsibilities of the Chief Executive Officer, which</p>																														

<p align="center">Form 58-101F1 Corporate Governance Matters</p>	<p align="center">Acadian Timber Corp. Governance Practices</p>
<p>Executive Officer have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the Chief Executive Officer.</p>	<p>include, without limitation, providing leadership to the Corporation, and subject to approved policies and direction by the Board, overseeing the management of the business and affairs of the Corporation and its subsidiaries.</p>
<p>4. Orientation and Continuing Education</p> <p>(a) Briefly describe what measures the Board takes to orient new Directors regarding</p> <p>(i) the role of the Board, its committees and the Directors, and</p> <p>(ii) the nature and operation of the Corporation’s business.</p>	<p>When new Directors join the Board, appropriate arrangements for their orientation are made by the Board and senior management. Specific briefing sessions from appropriate senior personnel are arranged to help the new Directors better understand the Corporation’s strategies and operations, which existing Board members are invited to attend as refreshers.</p> <p>In addition, the Directors are given annual reviews by senior management of the Corporation’s strategic business units and more detailed presentations on particular strategies. During these sessions, the Directors are provided with comprehensive information about the Corporation and its affiliates. The Directors also have the opportunity to request to meet and participate in work sessions with management, as they deem necessary, to obtain additional insight into or updates on the operations of the Corporation and its affiliates.</p>
<p>(b) Briefly describe what measures, if any, the Board takes to provide continuing education for its Directors. If the Board does not provide continuing education, describe how the Board ensures that Directors maintain the skill and knowledge necessary to meet their obligations as Directors.</p>	<p>Each Director has significant past experience. The Board receives industry updates from senior management on at least a quarterly basis and further arrangements are made upon Director request for specific briefing sessions from appropriate senior personnel to help existing Directors better understand industry related changes, when the need arises. Given the experience of the Board and each Director, the Board does not feel a formal continuing education program is necessary.</p>
<p>5. Ethical Business Conduct</p> <p>(a) Disclose whether or not the Board has adopted a written code for the Directors, officers and employees. If the Board has adopted a written code:</p>	<p>The Board has adopted a written code of business conduct (the “Code”).</p>
<p>(i) disclose how a person or company may obtain a copy of the code;</p>	<p>The Code can be obtained from the Corporation through the contact information provided in the “Additional Information” section of this Circular. The Code can also be found on the Corporation’s website at www.acadiantimber.com or on SEDAR at www.sedar.com.</p>
<p>(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code;</p>	<p>Employees of the Corporation are required to review and acknowledge the terms of the Code annually. Employees may also anonymously report breaches of the Code using the Corporation’s whistleblower hotline.</p>
<p>(iii) provide a cross-reference to any material change report filed since the beginning of</p>	<p>There have been no such departures.</p>

Form 58-101F1 Corporate Governance Matters	Acadian Timber Corp. Governance Practices
<p>the Corporation's most recently completed financial year that pertains to any conduct of a Director or executive officer that constitutes a departure from the Code.</p>	
<p>(b) Describe any steps the Board takes to ensure Directors exercise independent judgment in considering transactions and agreements in respect of which a Director or executive officer has a material interest.</p>	<p>In the event that any transactions or agreements occur in respect of which a Director or officer of the Corporation has a material interest, such material interest is disclosed to the Board, in the course of approving the transaction or agreement, and such Director or officer thereby provides full disclosure to the Chair of the Audit Committee of such material interest. In the event that a Director has a material interest in any transaction or agreement, such Director will abstain from voting in that regard.</p> <p>Personnel with potential conflicts of interests are encouraged to consult their supervisor or department head.</p>
<p>(c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.</p>	<p>Through the above-noted methods, the Board encourages and promotes a culture of ethical business conduct.</p>
<p>6. Nomination of Directors</p> <p>(a) Describe the process by which the Board identifies new candidates for Board nomination.</p>	<p>The CNCG Committee is responsible for identifying and proposing new nominees for the Board in a manner that is responsive to the Corporation's needs and the interests of its Shareholders. The CNCG Committee annually reviews the performance of the Board, including the individual contributions of Board members, along with their respective skill sets. If the CNCG Committee were to determine that either replacement or additional Board candidates were required, the CNCG Committee would undertake a more thorough review of the Board's needs to compile a skills matrix setting forth the skills and expertise that are required. The CNCG Committee would then use this matrix to identify suitable candidates for the Board's review.</p>
<p>(b) Disclose whether or not the Board has a nominating committee composed entirely of independent Directors. If the Board does not have a nominating committee composed entirely of independent Directors, describe what steps the Board takes to encourage an objective nomination process.</p>	<p>The CNCG Committee is composed entirely of independent directors.</p>
<p>(c) If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>The responsibilities powers and operation are described in its mandate, which can be found attached to this Circular as Appendix "C".</p>
<p>7. Compensation</p> <p>(a) Describe the process by which the Board determines the compensation for the Directors and officers of the Corporation.</p>	<p>The CNCG Committee is charged with making recommendations concerning the remuneration of Directors. The CNCG Committee formulates a</p>

<p align="center">Form 58-101F1 Corporate Governance Matters</p>	<p align="center">Acadian Timber Corp. Governance Practices</p>
	<p>recommendation to the Board and the final decision is made by the Board. These recommendations are only in regard to remuneration of the independent Directors.</p> <p>The Board also requires that the CNCG Committee undertake an annual review of remuneration for officers of the Corporation. As part of this review, the CNCG Committee makes recommendations regarding long-term incentives for senior management and reviews the adequacy and form of compensation and benefits provided.</p>
<p>(b) Disclose whether or not the Board has a compensation committee composed entirely of independent Directors. If the Board does not have a compensation committee composed entirely of independent Directors, describe what steps the Board takes to ensure an objective process for determining such compensation.</p>	<p>The CNCG Committee is composed of four Directors, each of whom is independent.</p>
<p>(c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>The responsibilities powers and operation are described in its mandate, which can be found attached to this Circular as Appendix “C”.</p>
<p>8. Other Board Committees If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Board has no other standing committees.</p>
<p>9. Assessments Disclose whether or not the Board, its committees and individual Directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and individual Directors are performing effectively.</p>	<p>The CNCG Committee reviews, on an annual basis, the effectiveness of the Board, all committees of the Board, and individual Directors, which includes reviewing the individual contributions of Board and committee members, along with their respective skill sets. During the review process, the CNCG Committee specifically considers: (i) input from the Directors, where appropriate (including through annual performance surveys and self-assessments); (ii) attendance of the Directors at Board and committee meetings; (iii) compliance with the Board and committee mandates; and (iv) the competencies and skill sets of the individual Board and committee members.</p>
<p>10. Director Term Limits and Mechanisms of Board Renewal Disclose whether or not the Corporation has adopted term limits for the Directors on its Board or other mechanisms of Board renewal and, if so, include a description of those Director term limits or other mechanisms of Board renewal. If the Corporation has not adopted director term limits or other mechanisms of Board renewal, disclose why it has not done so.</p>	<p>The Corporation does not have any term limits or other mechanisms of Board renewal, as the Board believes that the imposition of term limits for its directors may lead to the exclusion of potentially valuable members of the Board. While there is a benefit to adding new perspectives to the Board from time to time, there are also benefits to having continuity and Directors having in depth knowledge of each facet of the Corporation’s business, which necessarily takes time to develop.</p>

<p align="center">Form 58-101F1 Corporate Governance Matters</p>	<p align="center">Acadian Timber Corp. Governance Practices</p>
<p>11. Policies Regarding the Representation of Women on the Board</p> <p>(a) Disclose whether the Corporation has adopted a written policy relating to the identification and nomination of women Directors. If the Corporation has not adopted such a policy, disclose why it has not done so.</p> <p>(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:</p> <ul style="list-style-type: none"> (i) a short summary of its objectives and key provisions, (ii) the measures taken to ensure that the policy has been effectively implemented, (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy. 	<p>The Corporation recognizes the value of and supports the principle of diversity (including, among other things, diversity in business and other professional expertise and experience, gender, geography, age, race and ethnicity). The Corporation has adopted a written diversity policy (the “Diversity Policy”) to outline how the Corporation approaches diversity, particularly when identifying and nominating individuals to serve as members of the Board or senior management of the Corporation.</p> <p>The Board has adopted processes for the nomination and evaluation of individuals as members of the Board and its committees that are based on objective merit-based criteria which afford due regard to the potential benefits of diversity. Similar processes are to be used for the hiring and evaluation of senior management of the Corporation.</p> <p>For the time being, the Corporation has decided to fix targets regarding women representation and not other types of diversity within the designated groups. The Corporation has adopted the same principles regarding senior management. The Corporation’s progress made in achieving the targets set forth in the Diversity Policy are disclosed below.</p> <p>Annually, the Board (or a committee of the Board) will review the Diversity Policy and assess its effectiveness in connection with the composition of the Board and senior management.</p>
<p>12. Consideration of Women in the Director Identification and Selection Process</p> <p>Disclose whether and, if so, how the Board or nominating committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. If the Corporation does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, disclose the Corporation’s reasons for not doing so.</p>	<p>As stated above, under the Diversity Policy, the Board together with the CNCG Committee, shall consider diversity of the Board, including the level of representation of women.</p>
<p>13. Consideration Given to the Representation of Women in Executive Officer Appointments</p> <p>Disclose whether and, if so, how the Corporation considers the level of representation of women in executive officer positions when making executive officer appointments. If the Corporation does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the Corporation’s reasons for not doing so.</p>	<p>As stated above, under the Diversity Policy, the Board together with the CNCG Committee shall consider diversity of senior management of the Corporation, including the level of representation of women.</p>

Form 58-101F1 Corporate Governance Matters	Acadian Timber Corp. Governance Practices
<p>14. Issuer’s Targets Regarding the Representation of Women on the Board in Executive Officer Positions</p> <p>Disclose whether the Corporation has adopted targets regarding women on the Corporation’s Board or in executive officer positions of the Corporation. If the Corporation has not adopted targets, disclose why it has not done so.</p>	<p>Subject to the availability of candidates who meet the Corporation’s objective merit-based criteria the Corporation intends, on a basis that effects an orderly transition, to (i) seek to attain a Board composition in which women comprise at least 20% of Directors by 2021, and (ii) to maintain a senior management composition in which women comprise at least 20% of senior management positions.</p> <p>For the time being, the Corporation has decided to fix targets regarding women representation and not other types of diversity within the designated groups. The Corporation has adopted the same principles regarding senior management.</p>
<p>15. Number of Women on the Board and in Executive Officer Positions</p> <p>(a) Disclose the number and proportion (in percentage terms) of Directors on the Corporation’s Board who are women.</p> <p>(b) Disclose the number and proportion (in percentage terms) of executive officers of the Corporation, including all major subsidiaries of the Corporation, who are women.</p>	<p>Currently, the Board is comprised of two women Directors (29%) and five male Directors (71%). With respect to executive officer positions, there are currently one woman (50%) and one man (50%) who are executive officers of the Corporation.</p> <p>To the knowledge of the Corporation, the Corporation currently has no Directors or members of senior management who are Aboriginal peoples, persons with disabilities or members of visible minorities.</p>

DIRECTORS' APPROVAL

The contents of this Circular and the delivery thereof to the Shareholders of the Corporation have been approved by the Board. Information contained in this Circular is given as of March 27, 2020, unless otherwise stated.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Malcolm Cockwell
Chair of the Board

Edmundston, New Brunswick
March 27, 2020

APPENDICES



ACADIAN TIMBER CORP.

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APPENDIX "A"

SPECIAL RESOLUTION OF THE SHAREHOLDERS

OF

ACADIAN TIMBER CORP.

AMENDMENT TO ARTICLES OF ARRANGEMENT – CHANGE OF REGISTERED OFFICE

"BE IT RESOLVED BY SPECIAL RESOLUTION

THAT:

1. the articles of arrangement of Acadian Timber Corp. (the "**Corporation**") be amended to change the province where the registered office of the Corporation is located from the Province of British Columbia to the Province of New Brunswick (the "**Registered Office Change**");
2. notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, the directors of the Corporation be, and they are hereby authorized and empowered to revoke this resolution at any time prior to the issue of a certificate of amendment giving effect to the Registered Office Change and to determine not to proceed with the amendment of the articles of arrangement of the Corporation without further approval of the shareholders of the Corporation; and
3. any director or officer of the Corporation be and he or she is hereby authorized and directed, for and on behalf of the Corporation, to execute, and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, including, without limitation, the execution and delivery of the articles of amendment in the prescribed form to the Director appointed under the *Canada Business Corporations Act*, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

APPENDIX “B”



ACADIAN TIMBER

ACADIAN TIMBER CORP.

BOARD OF DIRECTORS MANDATE

The board of directors (the “**Board**”) of Acadian Timber Corp. (the “**Corporation**”) has passed a resolution as of February 9, 2010 approving this mandate (the “**Mandate**”) as the mandate of the Board, which was amended on March 16, 2018 and on December 4, 2019.

1. PURPOSE OF THE BOARD

The Board is committed to fulfilling its statutory mandate to supervise the management of the business and affairs of the Corporation with the highest standards of ethical conduct and in the best interests of the Corporation and its shareholders. The Board shall oversee, directly and through its committees, the business and affairs of the Corporation and its subsidiary entities, which are conducted by the officers and employees of the Corporation and its subsidiary entities, to ensure that the best interests of the Corporation and shareholders are advanced by enhancing shareholder value in a manner that recognizes the concerns of other stakeholders in the Corporation, including its employees, suppliers, customers and the communities in which they operate.

2. SPECIFIC AUTHORITY AND RESPONSIBILITIES

The Board is responsible for the stewardship of the Corporation and in that regard shall be specifically responsible for:

- a) **Strategic planning** – with the assistance of senior management of the Corporation, adopting a strategic planning process, and reviewing and approving, on at least an annual basis, as well as continuously monitoring, a strategic plan for the Corporation and its subsidiaries, which takes into account, among other things, the opportunities and risks of the Corporation’s business and activities and includes fundamental financial and business strategies and objectives;
- b) **Risk management** – with the assistance of senior management of the Corporation, identifying and assessing the major risks facing the Corporation and ensuring the implementation of appropriate systems to manage those risks;
- c) **Maintaining integrity** – to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and other executive officers of the Corporation and that such officers create a culture of integrity throughout the organization;
- d) **Acquisitions and dispositions** – with the assistance of senior management of the Corporation, reviewing and evaluating potential acquisitions or dispositions recommended by senior management;

- e) **Communication policy** – adopting and periodically reviewing, through the Compensation, Nominating and Corporate Governance Committee (the “**CNCG Committee**”) of the Board, or in any manner that the Board deems appropriate, a disclosure policy for the Corporation;
- f) **Succession planning** – monitoring succession planning, through the CNCG Committee or in any manner that the Board deems appropriate, including key matters pertaining to the appointment, training, and monitoring of the Corporation’s senior officers, which may include meeting with, and discussing such matters with, senior management of the Corporation;
- g) **Corporate governance** – reviewing the reports and recommendations of the CNCG Committee regarding proposed nominees for the Board, the composition of the Board (including size and membership) and the committees of the Board, and with respect to the Corporation’s approach to governance and its corporate governance policies;
- h) **Officers and senior management** – overseeing the selection of corporate officers and the evaluation and compensation of senior management;
- i) **Internal controls** – reviewing and monitoring the controls and procedures within the Corporation to maintain its integrity and promote a culture of integrity and compliance within the Corporation. These controls and procedures include its disclosure controls and procedures, its internal controls and procedures for financial reporting, management systems and compliance with its Code of Business Conduct and its anti-bribery and corruption program. Review and monitoring of such controls and procedures may be conducted through the Board’s Audit Committee, or in any manner that the Board deems appropriate;
- j) **Feedback** – establishing measures for communicating with and receiving feedback from shareholders and other stakeholders;
- k) **Environmental, social, governance** – reviewing the Corporation’s approach to environmental, social, and governance matters within its corporate and operational activities as reported to the Board by the CNCG Committee; and
- l) **Whistleblowers** – establish whistleblower policies for the Corporation providing employees, officers, directors and other stakeholders, including the public, with the opportunity to raise, anonymously or not, questions, complaints or concerns regarding the Corporation’s practices, including fraud, policy violations, any illegal or unethical conduct, and any accounting, auditing or internal control matters. The Board or a committee thereof will provide oversight over the Corporation’s whistleblower policies and practices to ensure that any questions, complaints or concerns are adequately received, reviewed, investigated, documented and resolved.

In addition, directors are expected to carry out their duties in accordance with policies adopted by the Board from time to time, the current policy being annexed hereto as Appendix A.

3. COMPOSITION AND PROCEDURES

- a) **Size of the Board and selection process** – The directors of the Corporation are elected each year by the shareholders at the annual meeting of shareholders. Any shareholder may propose a nominee for election to the Board at the annual meeting. The Board also recommends the number of directors on the Board to shareholders for approval, based on the recommendations of the CNCG Committee. Between annual meetings, the Board may appoint directors to fill vacancies until the next annual meeting.

Qualifications – Directors should have the highest personal and professional ethics and values and be committed to advancing the best interests of the shareholders of the Corporation. They should possess skills and competencies in areas that are relevant to the Corporation’s, and its subsidiaries’, activities. A majority of the directors should qualify as “independent” as defined in National Instrument 52-110 – *Audit Committees*.¹

- b) **Director education and orientation** – The Corporation’s management team is responsible for providing an orientation program for new directors in respect of the Corporation and the role and responsibilities of directors. In addition, directors will, as required, receive continuing education about the Corporation to maintain a current understanding of the Corporation’s business and operations.
- c) **Meetings** – The Board shall hold at least four scheduled meetings each year. Senior management of the Corporation shall be responsible for presenting an agenda to the directors for consideration prior to each Board meeting. Materials for each meeting will be distributed to the directors in advance of the meetings. Directors are expected to have read and considered the materials sent to them in advance of the meetings and be prepared to discuss the matters contained in such materials at the meeting.
- d) The independent directors will hold regular meetings at which the non-independent directors and members of the Corporation’s senior management are not in attendance.
- e) **Committees** – The Board has established the following standing committees to assist the Board in discharging its responsibilities: an Audit Committee and the CNCG Committee. Special committees may be established from time to time to assist the Board in connection with specific matters. The chair of each committee reports to the Board following meetings of the committee. The mandate of each standing committee will be reviewed annually by the Board (through the CNCG Committee or in any manner that the Board deems appropriate).
- f) **Access to independent advisors** – In discharging its mandate, the Board and any committee may, at any time, retain outside financial, legal or other advisors at the expense of the Corporation.
- g) **Compensation** – Compensation of directors shall be at a level that will attract and motivate professional and competent Board members, based on the recommendations, from time to time, of the CNCG Committee.
- h) **Chairperson of the Board** – The Board will elect, by majority vote, a chairperson (the “**Chair**”) from its membership each year at the first meeting of the Board after a meeting of the shareholders of the Corporation at which the directors are elected, provided that if such election is not made, the director who is then serving as Chair shall continue as Chair until his or her successor is elected. The Chair’s responsibilities have been determined and approved by the Board and have been set out in a written position description. The Chair shall be an independent director (determined in accordance with this Mandate) unless the Board determines otherwise.

¹ See Appendix B.

- i) **Lead Director** – If the Chair is not an independent director, the Board shall elect, by majority vote, a “lead director” to act as a liaison between the Board and senior management of the Corporation. The lead director’s responsibilities have been determined and approved by the Board and have been set out in a written position description, which include monitoring the adequacy of materials provided to the directors, ensuring directors have adequate opportunities to meet without senior management of the Corporation being present and presiding over *in camera* meetings of the independent directors.

4. ANNUAL EVALUATION

At least annually, the Board shall, through the CNCG Committee, or in any manner it determines to be appropriate:

- a) conduct a review and evaluation of the performance of the Board and its members and committees, including compliance by the Board with this Mandate. This evaluation shall focus on the contribution of the Board to the Corporation and its subsidiaries and specifically focus on areas in which the directors and senior management believe that the contribution of the Board could be improved; and
- b) review and assess the adequacy of this Mandate and the position descriptions for the Chair and lead director and make such changes as it considers necessary or appropriate.

5. MEASURES FOR RECEIVING FEEDBACK

Representatives from the Board will be present at all shareholders’ meetings to respond to shareholder questions relating to the Board’s activities, duties and obligations. Specific procedures for permitting shareholder and other stakeholder feedback and communication with the Board will be prescribed by the Corporation’s Corporate Disclosure Policy approved by the Board.

6. INCONSISTENCIES WITH APPLICABLE LAWS

In the event of any conflict or inconsistency between this Mandate and the provisions of the *Canada Business Corporations Act* (the “CBCA”) or other applicable laws, in each case as amended, restated or amended and restated from time to time, the provisions hereof shall be ineffective and shall be superseded by the provisions of the CBCA or such other applicable laws to the extent necessary to resolve such conflict or inconsistency.

APPENDIX A

POLICY FOR PRACTICES FOR DIRECTORS

1. Attendance at Meetings

Each director is expected to have a very high record of attendance at meetings of the Board, and at meetings of each Board committee on which the director sits. A director is expected to:

- a) advise the Chair as to planned attendance at Board and Board committee meetings shortly after meeting schedules have been distributed;
- b) advise the Chair as soon as possible after becoming aware that he or she will not be able to attend a meeting; and
- c) attend a meeting by telephone or video conference if unable to attend in person.

2. Preparation for Meetings

Directors are expected to carefully review and consider the materials distributed in advance of a Board or Board committee meeting. Directors are also encouraged to contact the Chair, the lead director, the Chief Executive Officer and any other appropriate senior officers to ask questions and discuss agenda items prior to meetings.

3. Conduct at Meetings

Directors are expected to ask questions and participate in discussions at meetings, and to contribute relevant insights and experience. In discussions at meetings, a director should:

- a) be candid and forthright;
- b) not be reluctant to express views contrary to those of the majority;
- c) be concise and, in most circumstances, respect the time constraints of a meeting; and
- d) be courteous to and respectful of other directors and guests in attendance.

4. Knowledge of the Corporation's Business

Directors are expected to be knowledgeable with respect to the various fields and divisions of business of the Corporation. Although the senior officers of the Corporation, individually and as a group, have a duty to keep the directors informed about developments in the Corporation's business, directors have a primary duty of care and diligence, which includes a duty of inquiry. Directors should:

- a) ask questions of the officers and other directors, at meetings and otherwise, to increase their knowledge of the business of the Corporation;
- b) familiarize themselves with the risks and challenges facing the business of the Corporation;
- c) read all internal memoranda and other documents circulated to the directors, and all reports and other documents issued by the Corporation for external purposes;

- d) insist on receiving adequate information from the officers of the Corporation with respect to a proposal before Board approval is requested;
- e) familiarize themselves with the Corporation's competitors by, among other things, reading relevant news, magazine and trade journal articles; and
- f) familiarize themselves with the legal and regulatory framework within which the Corporation carries on its business.

5. Personal Conduct

Directors are expected to:

- a) exhibit high standards of personal integrity, honesty and loyalty to the Corporation;
- b) project a positive image of the Corporation to news media, the financial community, governments and their agencies, shareholders and employees;
- c) be willing to contribute extra efforts, from time to time as may be necessary including, among other things, being willing to serve on committees of the Board; and
- d) disclose any potential conflict of interest that may arise with the business or affairs of the Corporation and, generally, avoid entering into situations where such conflicts could arise or could reasonably be perceived to arise.

APPENDIX B

DEFINITIONS

“**independent director**” means a director who has no direct or indirect material relationship with the Corporation.¹

“**material relationship**” means a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgement. Without limiting the generality of the foregoing, the following individuals are considered to have a material relationship with the Corporation:²

- (a) an individual who is, or has been within the last three years, an employee or executive officer³ of the Corporation;
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Corporation;
- (c) an individual who:
 - (i) is a partner⁴ of a firm that is the Corporation’s internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the Corporation’s internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit within that time;

¹ For the purpose of the definitions of “independent director” and “material relationship” in this Appendix, “Corporation” includes a subsidiary entity of the Corporation and a parent of the Corporation, as applicable.

² An individual will not be considered to have a material relationship with the Corporation solely because he or she had a relationship identified in this definition if that relationship ended before March 30, 2004 or, if such relationship was with a subsidiary entity of the Corporation or a parent of the Corporation, that relationship ended before June 30, 2005. An individual will not be considered to have a material relationship with the Corporation solely because the individual or his or her immediate family member has previously acted as an interim chief executive officer of the Corporation or acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the Corporation on a part-time basis.

³ An “executive officer” includes any individual who performs a policy-making function in respect of the entity.

⁴ A partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Corporation's current executive officers serves or served at that same time on the entity's compensation committee; and
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the Corporation received, more than \$75,000 in direct compensation⁵ from the Corporation during any 12-month period within the last three years.⁶

⁵ Direct compensation does not include: (a) remuneration for acting as a member of the board of directors or of any board committee of the Corporation; and (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation if the compensation is not contingent in any way on continued service.

⁶ An individual who: (a) has a relationship with the Corporation pursuant to which the individual may accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation or any subsidiary entity of the Corporation, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or (b) is an affiliated entity of the Corporation or any of its subsidiary entities, is considered to have a material relationship with the Corporation. The indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by: (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Corporation or any subsidiary entity of the Corporation. Compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation if the compensation is not contingent in any way on continued service.

APPENDIX “C”



ACADIAN TIMBER

ACADIAN TIMBER CORP.

COMPENSATION, NOMINATING AND CORPORATE GOVERNANCE COMMITTEE MANDATE

A committee of the board of directors (the “**Board**”) of Acadian Timber Corp. (the “**Corporation**”) to be known as the Compensation, Nominating and Corporate Governance Committee (the “**Committee**”) shall have the mandate set out below. The Board has passed a resolution as of February 9, 2010 approving this mandate (the “**Mandate**”) as the mandate of the Committee, which was amended on December 18, 2013, on March 16, 2018, and on December 4, 2019.

1. PURPOSE OF THE COMMITTEE

The Committee is established by the Board to assist in fulfilling its stewardship role and to discharge the Board’s responsibilities relating to:

Compensation

- a) recruitment, development and retention of senior management;
- b) appointment, performance evaluation and compensation of senior management, including the compensation of the Chief Executive Officer (the “**CEO**”), Chief Financial Officer (the “**CFO**”) and Chief Operating Officer (“**COO**”);
- c) succession planning systems and processes relating to senior management;
- d) remuneration of directors;
- e) administering and making recommendations regarding the operation of any long-term incentive plan and any other employee incentive plans, seeking to ensure that the compensation and benefits reflect the responsibilities and risks involved in being a director or senior officer of the Corporation and aligning the interests of the directors with the best interests of the shareholders;

Nominating and Corporate Governance

- a) development of the criteria for selecting new directors;
- b) identification of individuals qualified to become members of the Board;

- c) development of the Corporation's approach to governance issues and appropriate corporate governance principles;
- d) review of the effectiveness of the directors and the contribution of individual directors, including an annual evaluation of the effectiveness of the Board as a whole, the committees of the Board, the written mandates of the Board and its committees, and the contributions of individual directors;
- e) periodic review and updating of the Corporation's written disclosure policy; and
- f) such other initiatives as may be necessary or desirable to enable the Board to provide effective corporate governance.

2. SPECIFIC RESPONSIBILITIES

Although the Board may consider other duties from time to time, the Committee, to the extent it deems necessary or appropriate, will have the following specific responsibilities in light of the Committee's purpose as set out above:

Compensation Responsibilities

- a) at least annually, review with the CEO of the Corporation the long term goals and objectives of the Corporation that are relevant to the CEO's compensation to be paid by the Corporation and the CEO's performance in light of those goals and objectives, with a view to maintaining a compensation program for the CEO at a fair and competitive level, consistent with the best interests of the Corporation;
- b) at least annually, in consultation with the CEO, review and make recommendations to the Board with respect to the compensation of all members of senior management of the Corporation including the CEO, CFO and COO (including incentive compensation plans, equity-based plans, the terms of employment arrangements, severance arrangements, change in control arrangements and any special or supplemental benefits), with a view to maintaining a compensation program for senior management at a fair and competitive level, consistent with the best interests of the Corporation;
- c) at least annually, review and make recommendations to the Board with respect to the compensation of directors, the chair of the Board and those acting as committee chairs to, among other things, ensure their compensation appropriately reflects the responsibilities they are assuming;
- d) exercise the authority of the Board with respect to the administration of the Corporation's existing deferred unit plan, and any other incentive stock option plans or other equity-based and employee benefit plans in place from time to time, in accordance with the terms and provisions of such plans, with authority to grant or to approve or disapprove participation of individual employees in those plans;
- e) make recommendations to the Board with respect to senior officer development and corporate succession plans for the CEO and other members of senior management;

- f) review and discuss with management the Corporation's executive compensation disclosure to be included in the Corporation's management information circular and any other disclosure with respect to executive compensation to be included in any other public disclosure documents of the Corporation.

Nominating Responsibilities

- a) at least annually, and in any event prior to making a recommendation for the nomination of directors at the Corporation's annual meeting of shareholders:
 - 1. review the competencies, skills and personal qualities required of Board members in light of relevant factors, including: the objective of adding value to the Corporation in light of the opportunities and risks facing the Corporation and the Corporation's proposed strategies, the need to ensure, to the greatest extent possible, that a majority of the Board is comprised of individuals who meet the independence requirements of the applicable securities legislation or other guidelines, and the policies of the Board with respect to board member tenure, retirement and succession and director commitments;
 - 2. review the competencies and skills that each existing director possesses;
 - 3. consider how each director's personality and other qualities affect boardroom dynamics; and
 - 4. consider the appropriate size of the Board for facilitating effective decision making;
- b) in co-operation with the Corporation's senior management, oversee an appropriate orientation and education program for new directors in order to familiarize them with the Corporation, the role of the Board and its committees and the nature and operation of the Corporation's business (including the Corporation's reporting structure, strategic plans, significant financial, accounting and risk issues, compliance programs and policies, senior management and the independent auditor, as well as the time and resource contributions that individual directors are expected to make to the Board);
- c) actively seek individuals qualified (in context of the Corporation's needs and any formal criteria established by the Board) to become directors for recommendation to the Board. In making its recommendations for nominees, the Committee should consider:
 - 1. the competencies and skills that the Board as a whole should possess;
 - 2. the competencies and skills of each existing director;
 - 3. the competencies and skills of each new nominee;
 - 4. whether the new nominee can devote sufficient time and resources to his or her duties as a director; and
 - 5. the diversity of the board composition, including gender considerations;

- d) review and recommend to the Board the membership and allocation of directors to the various committees of the Board, and the chairs thereof;
- e) establish procedures for the receipt of comments from all directors to be included in an annual assessment of the Board's performance;
- f) review any director resignation letter tendered and evaluate and recommend to the Board whether such resignation should be accepted in accordance with the Corporation's majority voting policy;

Governance Responsibilities

- a) review from time to time the size of the Board and number of directors who are independent for the purpose of applicable securities law, stock exchange and other regulatory requirements;
- b) oversee the Corporation's approach to environmental, social, and governance matters within its corporate and operational activities;
- c) monitor legislation, regulatory policies and industry best practices dealing with corporate governance;
- d) consider policies relating to meetings of the Board and separate meetings of independent directors;
- e) from time to time, consider the adequacy of the Articles of the Corporation and recommend to the Board, as conditions dictate, amendments to the Articles;
- f) at least annually, review the mandates and performance of the Board and its committees and, if appropriate, make recommendations to the Board in respect thereof;
- g) at least annually, review the practices of the Board (including the holding of separate meetings of non-management and independent directors) to ensure compliance with the Board's mandate and the Corporation's internal governance guidelines and policies;
- h) at least annually, review the relationship between senior management and the Board and, if appropriate, make recommendations to the Board with a view to ensuring that the Board is able to function independently of senior management and conflicts of interest;
- i) at least annually, review the adequacy of the Corporation's Code of Business Conduct and recommend any proposed changes to the Board;
- j) be responsible for granting any waivers from the application of the Corporation's Code of Business Conduct and review senior management's monitoring of compliance with that Code;
- k) review, as requested by the Board, the Corporation's Anti-Bribery and Corruption program and recommend any proposed changes to the Board;

- l) review, as requested by the Board, the Corporation's Corporate Disclosure Policy and recommend any proposed changes to the Board;
- m) review, as requested by the Board, the adequacy of position descriptions for the Corporation's CEO, Chair of the Board and chairpersons of the committees of the Board; and
- n) assess the need, and to coordinate a program, for continuing education for members of the Board.

Other responsibilities

- a) consider and make recommendations to the Board with respect to proposals and recommendations from management concerning the selection of individuals to occupy senior executive positions; and
- b) report to the Board any concerns or issues that might indicate that organizational strengths are not sufficient for the requirements of long range goals of the Corporation.

Perform any other duties, responsibilities and activities consistent with this Mandate and the Corporation's Articles as this Committee, the Board, the Chair of the Board or the Lead Director of the Board deem necessary or appropriate.

3. MEMBERSHIP AND ORGANIZATION

- a) Following each annual meeting of the Corporation's shareholders, the Board shall appoint from its members at least three (3) directors to serve on the Committee (the "**Members**") until the close of the next annual meeting of shareholders of the Corporation (provided that if such appointment is not made, the Member shall continue as a member of the Committee until his or her successor is appointed) or until the Member ceases to be a director, resigns or is replaced, whichever first occurs. In addition to possessing the qualities required of a Director, each Member shall have, or commit to develop in a timely manner, an understanding of compensation and corporate governance principles and practices.
- b) Each of the Members of the Committee shall be "independent" as set out in the mandate of the Board and within the meaning of applicable securities laws, the applicable policies adopted by securities regulatory authorities and the applicable rules of any stock exchange upon which the Corporation's securities are listed.
- c) The Board shall appoint one of the Members as the chairperson of the Committee (the "**Chair**"). If the Chair is absent from a meeting, the Members shall select an acting chairperson from those in attendance to act as chairperson of the meeting. The Chair's responsibilities have been determined and approved by the Board and have been set out in a written position description.
- d) The compensation of Members shall be as determined by the Board.

4. PROCEDURES AND ADMINISTRATION

- a) **Meetings** – Meetings of the Committee may be called by the Chair or the chairperson of the Board. Meetings will be called not less than once annually and at such additional times as is necessary for the Committee to fulfill its responsibilities. Notice of each meeting shall be given to each Member and to the Chair verbally or by letter, e-mail, telephone facsimile transmission or telephone not less than 24 hours before the time fixed for the meeting. Members may waive notice of any meeting. The notice need not state the purpose or purposes for which the meeting is being held. The Committee shall appoint a secretary to be the secretary of each meeting of the Committee and to maintain minutes of the meeting and deliberations of the Committee.
- b) **Delegation** – The Committee may delegate authority to any individual member or subcommittee when, and in the manner and extent, deemed appropriate by it.
- c) **Quorum and voting** – The powers of the Committee shall be exercisable by a meeting at which a quorum is present. A quorum shall be not less than a majority of the Members from time to time. Subject to the foregoing, and the constating documents under which the Corporation was created, and unless otherwise determined by the Board, the Committee shall have the power to fix its quorum and to regulate its procedure. Matters decided by the Committee shall be decided by majority vote.
- d) **Investigations** – In discharging its duties, the Committee shall have full access to all corporate books, records, facilities, personnel and outside professionals. The Committee may invite from time to time such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee.
- e) **Independent Advisors** – The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent consultants and independent legal, accounting or other advisors, who may be regular advisors to the Corporation. The Corporation shall provide such funding as the Committee determines is appropriate in connection with the retention of such advisors.
- f) **Reports to the Board** – The Committee shall report to the board on its proceedings, reviews undertaken and any associated recommendations following each meeting of the Committee.

5. LIMITATIONS ON COMMITTEE'S DUTIES

In contributing to the Committee's discharge of its duties under this Mandate, each member of the Committee will be obliged to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Mandate is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which any member of the Board may be otherwise subject.

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (a) the integrity of the persons and organizations from whom they receive information, (b) the

accuracy and completeness of the information provided, (c) representations and reports made by management of the Corporation and (d) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

6. ANNUAL EVALUATION

At least annually, the Committee shall, in a manner it determines to be appropriate:

- a) perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Mandate; and
- b) review and assess the adequacy of this Mandate and the position description for the committee chair and recommend to the Board any improvements that the Committee believes to be appropriate.

7. DIRECTOR COMMITMENTS AND INTERLOCKS

The Committee, in its annual evaluation of each director's outside commitments and independence, shall evaluate all public company board and other commitments of each director and all Board Interlocks and Committee Interlocks. All Board Interlocks and Committee Interlocks between the Corporation and another company must be disclosed in the annual Management Information Circular. The Committee shall also disclose its judgment on: (i) whether any director has excessive outside commitments that would be expected to preclude the director from discharging his or her duties as a board member; and (ii) whether any Board Interlocks or Committee Interlocks exist which could impact the ability of those directors to act independently from each other and to act in the best interests of the Corporation.