



**ACADIAN TIMBER CORP.**

**Notice of Meeting**

**and**

**Management Information Circular**

**Relating to the Annual Meeting  
of Shareholders**

**March 28, 2024**

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of **ACADIAN TIMBER CORP.** (the “**Corporation**”) will be held as a virtual meeting on May 9, 2024 at 11:00 a.m. (Eastern 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, 2023 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; and
4. 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 28, 2024, are entitled to receive notice of and vote their Common Shares at the Meeting or at any adjournment(s) or postponement(s) thereof, either by attending the Meeting or by proxy.

Registered holders of Common Shares who are unable to attend the Meeting 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, TSX Trust Company (the “**Transfer Agent**”), by delivering the proxy to Proxy Department, TSX 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@tmx.com](mailto:proxyvote@tmx.com) so that it is received by 2:00 p.m. (Eastern time) on May 7, 2024 (or at least 48 hours prior to the commencement of any reconvened meeting in the event of any adjournment(s) or postponement(s) thereof).

Shareholders can participate, vote, or submit questions during the Meeting’s live webcast, however, shareholders are encouraged to vote on the matters before the Meeting by proxy. Shareholders and duly appointed proxyholders can attend the Meeting online at <https://virtual-meetings.tsxtrust.com/1586>. Please see the included Virtual Meeting Guide for further instructions.

**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 28<sup>th</sup> day of March 2024.

By Order of the Board of Directors

(signed)  
Malcolm Cockwell  
Chair of the Board

# Virtual Meeting Guide 1/2

Issuer Name	
Meeting Date	Time

This year we will be conducting a virtual meeting, giving you the opportunity to attend the meeting online, using your smartphone, tablet or computer.

You will be able to view a live webcast of the Meeting, ask questions and submit your votes in real time (where applicable).

## APPOINTING SOMEONE TO BE YOUR PROXYHOLDER

An additional step is required, if you appoint someone to be your proxy, other than the individual(s) named on the form of proxy or voting instruction form, you or your proxy will be required to register with TSX Trust to obtain a valid **Control Number**, in order to participate at the Meeting. To Register, please go the URL below.

**NON-REGISTERED HOLDERS**, holding securities through a broker or financial institution, should carefully follow the instructions set out on the voting instruction form and in the information circular. Please note that only registered securityholders and proxyholders are permitted to vote at the meeting. A non-registered securityholder wishing to vote at the meeting, should appoint themselves as a proxyholder, and will be required to register with TSX Trust to obtain a Control Number in order to participate at the Meeting.

**NOTE: If you do not register with TSX Trust and obtain a valid Control Number you will NOT be able to participate at the Meeting.**

## ATTENDING THE MEETING VIRTUALLY

Simply go to the following website in your web browser (not a Google search) on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible by logging in early.

URL

### I HAVE A CONTROL NUMBER / MEETING ACCESS NUMBER

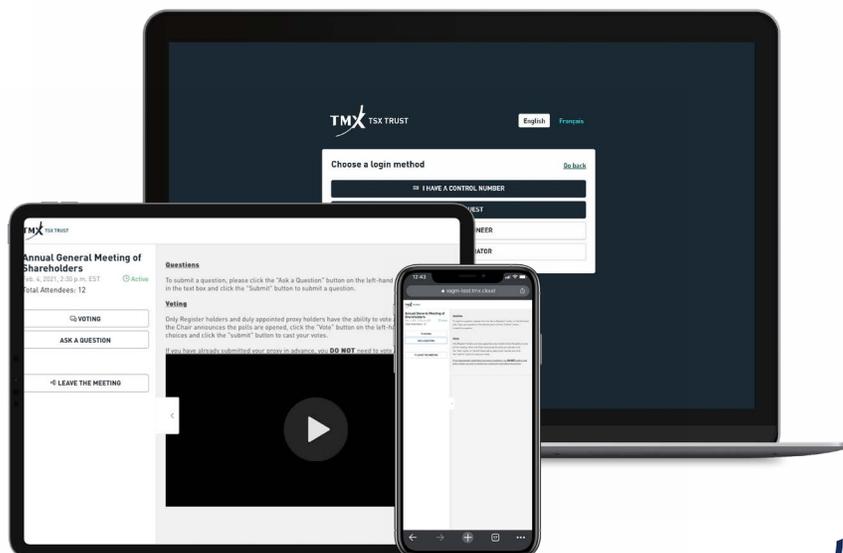
If you have received a form of proxy from our transfer agent, TSX Trust Company, with a control number, or you are a proxyholder who has obtained a valid Control Number, select "I have a Control Number / Meeting Access Number" and enter the numbers and the password below (case sensitive):

Meeting Password (case sensitive)

### I AM A GUEST

If you do not have a control number select "I am a Guest" and fill in the required information.

**Please login at least 15 minutes before the start of the meeting and ensure your web browser and internet connection are working properly.**



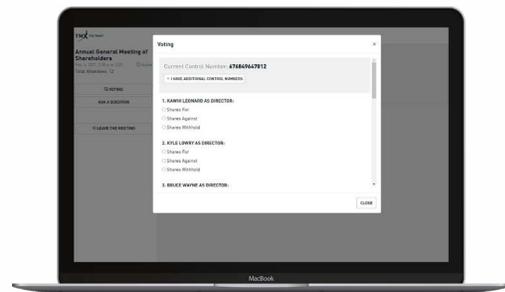
**To Register with TSX Trust and obtain a Control Number go to:**  
[tsxtrust.com/control-number-request](https://tsxtrust.com/control-number-request)

# Virtual Meeting Guide 2/2

## NAVIGATION

When successfully authenticated, the info screen will be displayed. You can view the company information, ask questions and watch the webcast.

If you would like to watch the webcast press the play icon. If viewing on a computer, the webcast will appear automatically once the meeting has started.



## VOTING

Once the voting is announced, click the voting icon on the left hand side.



To vote, simply select your voting direction from the options shown on screen and click **SUBMIT**. A confirmation message will appear to show your vote has been received.



If you have additional control numbers to vote, click **+ I HAVE ADDITIONAL CONTROL NUMBERS** at the top to enter the additional credential.



To change your vote, simply click **REFRESH VOTING RESOLUTIONS**



Voting will remain open until the voting on the ballot is closed.

## QUESTIONS

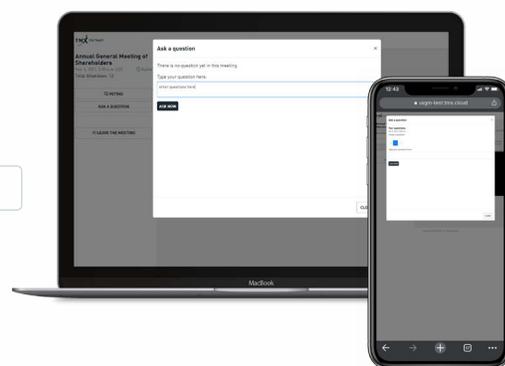
Eligible securityholders (registered securityholder and proxyholders) attending the meeting with their valid Control Number, may ask questions during the meeting.

Messages can be submitted at any time during the Q&A session up until the Chair closes the session.

If you would like to ask a question, select the icon on the left.



Type your message within the chat box in the messaging screen. Once you are happy with your message click the "Ask Now" button



Questions sent via TSX Trust Virtual Meeting platform will be moderated before being sent to the Chair

## ADDITIONAL NOTES

This document should be read in conjunction with the Information Circular. Registered and Non-registered securityholders should carefully follow the instructions on the Form of Proxy / Voting Instruction Form, and ensure that Votes / Proxy Appointments are submitted by the Proxy Filing Deadline.

It is important that you are connected to the internet at all times during the Meeting. It is your responsibility to ensure connectivity for the duration of the Meeting. We encourage you to log-in to the Meeting at least 15 minutes before the start of the Meeting to check your connectivity and audio settings.

## 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, TSX 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@tmx.com](mailto:proxyvote@tmx.com). The form of proxy must be received by the Transfer Agent by 2:00 p.m. (Eastern time) on May 7, 2024 (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 2:00 p.m. (Eastern time) on May 7, 2024 (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.

Appointing someone to be your proxyholder - If you appoint someone to be your proxy, other than the individuals named on the form of proxy, the completed form of proxy with the appointment must be sent to the Transfer Agent and you or the proxyholder must contact the Transfer Agent to request the control number at <https://www.tsxtrust.com/control-number-request>, 1-866-751-6315 (in North America) or 1-647-252-9650 (outside North America) by 2:00 p.m. (Eastern time) on May 7, 2024 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time and date of the adjourned or postponed meeting. Without a control number, proxyholders will not be able to vote or ask questions at the Meeting. They will only be able to attend online as a guest.

## 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 box. 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 LIVE 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 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*.

Non-registered holders should carefully follow the instructions on the voting instruction form and the Management Information Circular. Non-registered shareholders wishing to vote at the Meeting must appoint themselves as a proxyholder and contact the Transfer Agent to request the control number at <https://www.tsxtrust.com/control-number-request>, 1-866-751-6315 (in North America) or 1-647-252-9650 (outside North America) by 2:00 p.m. (Eastern time) on May 7, 2024 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time and date of the adjourned or postponed meeting. Without a control number, proxyholders will not be able to vote or ask questions at the Meeting. They will only be able to attend online as a guest.

### **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 17,254,798 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 28, 2024.

A quorum for the transaction of business at the Meeting will consist of two or more individuals present 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 Forest Holdings Inc. (“Macer”) <sup>(1)</sup>	8,049,182	46.65%	46.65%

Notes:

(1) Malcolm Cockwell is principal at Macer and beneficially owns, or controls or directs, directly or indirectly, 70% of 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, 2023, and ended December 31, 2023 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, Heather Fitzpatrick, Karen Oldfield, Erika Reilly, Bruce Robertson, and Adam Sheparski.

**The persons named in the form of proxy accompanying this Circular intend to vote FOR the election of the six 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 or her election unless his or her 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 CNCG Committee

#### Profile:

Mr. Cockwell is the Managing Director of Haliburton Forest & Wildlife Reserve, a private land stewardship company

that owns 250,000 acres of timberland in central Ontario and operates four hardwood sawmills, value-added manufacturing facilities including a biochar production facility, as well as a diverse ecotourism business. 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 is a Registered Professional Forester, and earned a B.Sc. and PhD in forestry from the University of Toronto. Mr. Cockwell serves as Chair of Forests Ontario, Director of the Ontario Forest Industries Association, and on Council of the Ontario Professional Foresters Association. He is also a director of GreenGold Group AB, a Swedish timberland company with holdings across Europe. 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.<sup>(1)</sup>

Macer owns 8,049,182 Common Shares of the Corporation.<sup>(1)</sup>

#### **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 and owns 7,961 Deferred Stock Units.<sup>(1)</sup>

#### **KAREN OLDFIELD, K.C., ICD.D**

---

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

##### **Profile:**

Ms. Oldfield was named the Interim President and CEO of Nova Scotia Health on September 1, 2021. While seconded to Nova Scotia Health, Ms. Oldfield has also been appointed Deputy Minister of Priorities and Planning for the Government of Nova Scotia, a role fundamental to the strategic priorities of the Province of Nova Scotia. Ms. Oldfield served for more than 18 years as President and CEO of the Halifax Port Authority and has global experience, particularly in trade development and the establishment of new markets together with deep expertise in supply chain management and logistics. Ms. Oldfield is Past Chair of the Board of Governors of Saint Mary’s University. Ms. Oldfield has served as President of the Canadian Chapter of the International Women’s Forum, a global organization comprised of female leaders with a stated mission to further develop female executive and board talent. 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 and owns 9,338 Deferred Stock Units.<sup>(1)</sup>

#### **ERIKA REILLY**

---

- Director since May 6, 2021

#### **Profile:**

Ms. Reilly is a trusted senior executive and corporate director with 20 years of capital markets and asset management experience. Ms. Reilly spent most of her career as an investment professional with Brookfield Asset Management, a leading global alternative asset manager, where she led growth and divestiture initiatives, public and private financings, and the restructuring and managing of timberland and infrastructure businesses. Concurrently, Ms. Reilly served as President and Chief Executive Officer of Acadian Timber Corp. from 2019 to 2021 and served as its Chief Financial Officer from 2013 to 2016. Ms. Reilly holds a Bachelor of Commerce in finance from the University of British Columbia and is a resident of Vancouver, British Columbia, Canada.

Ms. Reilly owns 2,290 Common Shares of the Corporation and owns 7,953 Deferred Stock Units.<sup>(1)</sup>

#### **BRUCE ROBERTSON**

---

- Director since February 14, 2018
- Chair of the Audit Committee and Member of the CNGC 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. 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 and owns 10,085 Deferred Stock Units.<sup>(1)</sup>

#### **ADAM SHEPARSKI**

---

- Director since July 30, 2021

#### **Profile:**

Mr. Sheparski was appointed President and Chief Executive Officer of the Corporation on July 30, 2021, having held the office of Chief Financial Officer since February 2020. Prior to joining the Corporation, Mr. Sheparski held multiple senior executive roles within Empire Company Limited and Sobeys Inc. During this time, he managed multiple M&A transactions, streamlined operations to achieve millions in annual savings, and created structural changes to support long term sustainability for the organization. Mr. Sheparski began his career in 1999 with PricewaterhouseCoopers where he earned the Chartered Accountant designation and led the audits for private and public clients in the forestry, aviation, aerospace, and manufacturing industries. Mr. Sheparski holds a Bachelor of Business Administration from St. Francis Xavier University and is a member of CPA Nova Scotia and CPA New Brunswick. Mr. Sheparski is a resident of Edmundston, New Brunswick, Canada.

Mr. Sheparski owns 15,646 Common Shares of the Corporation and owns 14,111 Deferred Stock Units.<sup>(1)</sup>

---

#### **Notes:**

- (1) Common Shares beneficially owned or controlled. As of March 28, 2024, the above noted Directors owned beneficially or controlled, directly and indirectly, 8,167,118 Common Shares representing 47.3% of the issued and outstanding Common Shares.

## **Orders, Penalties and Bankruptcies**

To the knowledge of the Corporation, none of the directors or officers of the Corporation are, as at the date of this Circular, or have been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “Order”) that was issued while the person was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Corporation, none of the Directors or officers of the Corporation, nor any shareholders holding a sufficient number of Common Shares to affect materially the control of the Corporation: (a) are, as at the date of this Circular, or have been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) have, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the person.

To the knowledge of the Corporation, no nominee for director of the Corporation has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

## **RE-APPOINTMENT OF AUDITORS**

The auditors of the Corporation are PricewaterhouseCoopers LLP, Chartered Professional Accountants, Cogswell Tower, 2000 Barrington Street, Suite 1101, Halifax, Nova Scotia, B3J 3K1. PricewaterhouseCoopers LLP was appointed as auditors of the Corporation on May 6, 2021. It is proposed that PricewaterhouseCoopers 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 PricewaterhouseCoopers 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.

## **OTHER MATTERS**

Unless otherwise stated, the information contained herein is given as of March 28, 2024. 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.

## 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 the 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 and safety performance, and employee-specific, annually defined performance targets. 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, or Acadian Timber Limited Partnership (the "**Partnership**"), AT Limited Partnership (the "**Operating LP**") or Katahdin Forest Management LLC ("**KFM LLC**") have adopted share-based or option-based award plans.

The Corporation utilizes a long-term incentive program for executive officers and senior managers which includes a Restricted Stock Unit Plan ("**RSUP**") and an Executive Deferred Stock Unit Plan ("**Executive DSUP**"), which provide 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 each plan. The Board believes that the plans provide a link between individual long-term bonus compensation and the Corporation's financial performance, as reflected by the fair market value of the Common Shares, while allowing for flexibility in recognizing individual achievement.

Long-term incentive awards granted as Restricted Stock Units ("**RSUs**") vest after a three-year period. RSUs are paid out in cash following the vesting period at an amount calculated with reference to the market value of the Common Shares.

Executive officers or certain other employees as designated by the CNCG Committee are eligible to receive long-term incentive awards as Deferred Stock Units ("**DSUs**"). DSUs are subject to a three-year vesting period and are paid out in cash only when the participant ceases to be an employee of the Corporation, at an amount calculated with

reference to the market value of the Common Shares. The Chief Executive Officer and Chief Financial Officer have been designated as eligible to receive DSUs, in order to facilitate meeting the requirements of the executive officers' share ownership requirement as described below.

The RSUP and Executive DSUP are administered by the CNCG Committee, which is comprised of independent Directors. Grants 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 plans. Senior management also provides the CNCG Committee with periodic reports and recommendations, which help identify exceptional performance. Grants 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. The Board is of the view that the plans are an effective mechanism to align senior management interests with those of the Shareholders while encouraging management retention.

Holders of RSUs and DSUs are entitled to receive additional RSUs or DSUs when dividends are paid on the Common Shares based on the number of additional Common Shares a participant would have received had the units been treated as Common Shares under a dividend reinvestment plan. The plans are unfunded and RSUs and DSUs are non-transferrable. The Board has the authority to amend or terminate the RSUP and Executive DSUP.

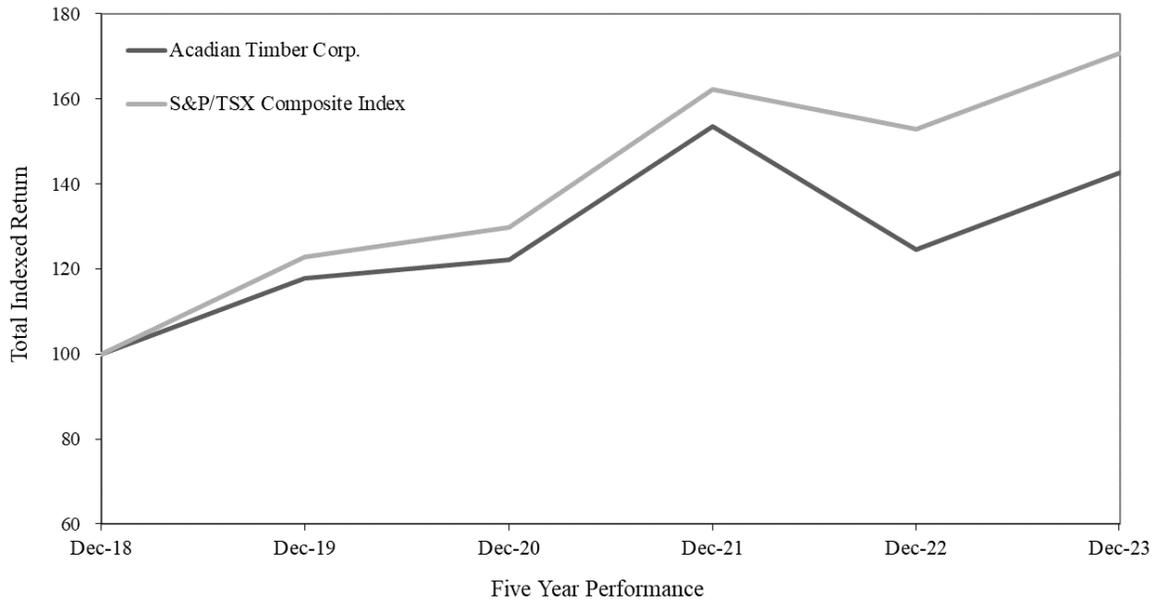
During the financial year ended December 31, 2021, the Corporation's long-term incentive program utilized a deferred share plan (the "DSP") that provided for similar granting of rights to participants to receive, on a deferred basis, cash payments equal to the fair market value of the shares of the Corporation on the terms set out in the DSP. During the financial year ended December 31, 2023, the final cash payments were made related to the DSP and the DSP was terminated.

#### **Executive Officers' Share Ownership Requirement**

In order to align the interest of executive officers with those of the Corporation's Shareholders, the Board has determined that a minimum share ownership (any combination of Common Shares and DSUs) is appropriate for the executive officers of the Corporation. The Chief Executive Officer is required to own shares of the Corporation's common stock which have a fair market value equal to two times the base salary paid to the Chief Executive Officer by the Corporation. The Chief Financial Officer is required to own shares of the Corporation's common stock which have a fair market value equal to one time the base salary paid to the Chief Financial Officer by the Corporation. The Board does not believe it is necessary to require executive officers to purchase shares on the open market. All executive officers are expected to achieve their thresholds within five years of the implementation of, or being subject to, the program.

#### **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 2018 through December 2023.



### Named Executive Officer Compensation

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 four Directors, including Malcolm Cockwell, Heather Fitzpatrick, Karen Oldfield, and Bruce Robertson. 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 their responsibilities on the committee. 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. Heather Fitzpatrick is the President and Chief Executive Officer of Halmont Properties Corporation. Ms. Oldfield is the Interim President and CEO of Nova Scotia Health and was the President and Chief Executive Officer of the Halifax Port Authority. 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.

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 and Chief Financial Officer.

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.

## 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:

Name and principal position	Year	Salary	Share-based awards	Option-based awards	Non-equity incentive plan compensation		Pension value	All other compensation	Total compensation
					Annual incentive plans	Long-term incentive plans			
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>ADAM SHEPARSKI<sup>(1)</sup></b>	2023	335,578	99,333	Nil	105,000	Nil	Nil	29,102	569,013
President and Chief Executive Officer	2022	313,000	116,655	Nil	62,083	Nil	Nil	24,338	516,076
Former Chief Financial Officer	2021	276,898	50,000	Nil	91,500	Nil	Nil	6,702	425,100
<b>SUSAN WOOD<sup>(2)</sup></b>	2023	199,099	35,190	Nil	35,895	Nil	Nil	17,866	288,050
Chief Financial Officer	2022	188,264	32,510	Nil	33,786	Nil	Nil	16,123	270,683
	2021	69,232	Nil	Nil	25,500	Nil	Nil	5,638	100,370

Notes:

- (1) Mr. Sheparski joined Acadian Timber Corp. on February 12, 2020 as Chief Financial Officer and was appointed President and Chief Executive Officer July 30, 2021. Mr. Sheparski's compensation for the 2021 year reflects the compensation for both positions during the financial year ended December 31, 2021.
- (2) Ms. Wood was appointed Chief Financial Officer July 30, 2021. Ms. Wood's compensation for the 2021 year reflects the period from July 30, 2021 to December 31, 2021.

## Incentive Plan Awards

As described above under "Statement of Executive Compensation – Compensation, Discussion and Analysis – Share-Based and Option-Based Awards", share-based awards provide a mechanism for compensation under the Corporation's long-term incentive program. The share-based award plans provide 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 plans. Mr. Sheparski and Ms. Wood participated in the Corporation's share-based awards plans during the financial year ended December 31, 2023.

Name and principal position	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out
	(#)	(\$)		(\$)	(#)	(\$)	
<b>ADAM SHEPARSKI</b> President and Chief Executive Officer Former Chief Financial Officer	Nil	Nil	Nil	Nil	13,880	238,046	Nil
<b>SUSAN WOOD</b> Chief Financial Officer	Nil	Nil	Nil	Nil	4,403	75,504	Nil

	Option-based awards – Value vested during the year	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
<b>ADAM SHEPARSKI</b> President and Chief Executive Officer Former Chief Financial Officer	Nil	20,690	105,000
<b>SUSAN WOOD</b> Chief Financial Officer	Nil	Nil	35,895

### 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. The Corporation sponsors a group Registered Retirement Savings Plan (“RRSP”). The Corporation contributes a percentage of an employee’s salary to an RRSP and matches employee contributions up to an additional 3.5%. Mr. Sheparsi and Ms. Wood are eligible for the plan.

### 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, 2023.

Name	Fees received in cash	Fees received as DSUs	Option-based awards	Non-equity incentive plan compensation	Pension value	All other compensation	Total compensation
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Malcolm Cockwell <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Heather Fitzpatrick	Nil	50,000	Nil	Nil	Nil	Nil	50,000
Karen Oldfield <sup>(2)</sup>	Nil	56,000	Nil	Nil	Nil	Nil	56,000
Erika Reilly	Nil	50,000	Nil	Nil	Nil	Nil	50,000
Bruce Robertson <sup>(3)</sup>	Nil	53,000	Nil	Nil	Nil	Nil	53,000
Adam Sheparski <sup>(4)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Effective August 20, 2019, Mr. Cockwell has abstained from collecting fees.
- (2) Ms. Oldfield was the Chair of the CNGC Committee and lead Director during the financial year ended December 31, 2023 and therefore received additional compensation of \$6,000.
- (3) Mr. Robertson was the Chair of the Audit Committee during the financial year ended December 31, 2023 and therefore received additional compensation of \$3,000.
- (4) As President and Chief Executive Officer, Mr. Sheparski does not receive additional compensation as a Director.

The Directors were paid such reasonable remuneration for their services as the Board determined from time to time. In 2023, Director compensation was equal to \$50,000 per Director for the year. 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.

### Directors' Deferred Stock Unit Plan

The Corporation has in place a Directors' Deferred Stock Unit Plan ("DSUP") for its Directors. Under the DSUP, Directors may elect to receive all or any portion of their fees in Deferred Stock Units ("DSUs") in lieu of cash. A DSU is a bookkeeping entry equivalent in value to a Common Share. The number of DSUs received is determined by the market value of a share on the quarterly Directors' fee payment date. Additional DSUs are received as dividend equivalents. DSUs cannot be redeemed for cash until the holder is no longer a Director of the Corporation. The redemption value of a DSU equals the market value of a Common Share at the time of redemption, in accordance with the DSUP.

### Directors' Share Ownership Requirement

In order to align the interest of Directors with those of the Corporation's Shareholders, the Board has determined that share ownership (any combination of Common Shares and DSUs) of at least three times their annual retainer is appropriate for the Directors of the Corporation. The Board does not believe it is necessary to require Directors to purchase shares on the open market. All Directors are expected to achieve their thresholds within five years of the implementation of the program or starting their Board service.

## 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, 2023, 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 Certain Persons in Matters to be Acted Upon

To the knowledge of management and the Directors, none of 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 in any transaction matter to be acted upon at the Meeting, other than the appointment of directors.

### Normal Course Issuer Bid

On February 8, 2023, the Company filed a notice of intention with the TSX to purchase for cancellation up to 847,944 common shares during the period commencing February 14, 2023 and ending February 13, 2024 representing 5% of the 16,958,881 common shares outstanding as of January 31, 2023. During the financial year ended December 31, 2023, the Company did not purchase any of its common shares.

On February 7, 2024, the Company renewed its Normal Course Issuer Bid by filing a notice of intention with the TSX to purchase for cancellation up to 862,739 common shares during the period commencing February 14, 2024 and ending February 13, 2025, representing 5% of the 17,254,798 common shares outstanding as of January 31, 2024.

### 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 2025 is December 31, 2024. Shareholders should consult their legal advisors for more information.

### Audit Committee Information

The Corporation's Annual Information Form dated March 28, 2024 contains the information required by National Instrument 52-110 – *Audit Committees* on page 31 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.sedarplus.ca](http://www.sedarplus.ca). Shareholders may contact Susan Wood, Chief Financial Officer of the Corporation at 365 Canada Road, Edmundston, New Brunswick E3V 1W2 or by telephone at (506) 737-2345 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](http://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.sedarplus.ca](http://www.sedarplus.ca).

## **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 Corporation 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 of Directors mandate is attached as Schedule “A”. For the Audit Committee Mandate, and for further information on the Audit Committee, see the section entitled “Audit Committee Information” on page 31 of the Corporation’s Annual Information Form dated March 28, 2024 available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Form 58-101F1 Corporate Governance Matters	Acadian Timber Corp. Governance Practices
<p><b>1. The Board</b></p> <p>(a) Disclose the identity of Directors who are independent.</p> <p>(b) Disclose the identity of Directors who are not independent and describe the basis for that determination.</p>	<p>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 Malcolm Cockwell, Heather Fitzgerald, Karen Oldfield and Bruce Robertson are independent. Erika Reilly, former President and Chief Executive Officer of the Corporation within the last three years, and Adam Shepanski, current President and Chief Executive Officer, are not independent.</p>
<p>(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.</p>	<p>The majority of the Directors are independent, as defined by National Instrument 52-110 – <i>Audit Committees</i>.</p>
<p>(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.</p>	<p>Bruce Robertson is a board member of Morguard Corporation and Morguard North American Residential REIT. Heather Fitzpatrick is a board member of Halmont Properties Corporation. Malcolm Cockwell is a board member of GreenGold Group AB.</p>
<p>(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.</p>	<p>The Board has at least four scheduled meetings each year. In 2023, the Board had five (5) meetings. At each meeting the Board discussed the need for a private session. There were no private sessions between the independent Directors of the Board, however, there were three sessions amongst the non-management Directors of the Board.</p> <p>The Audit Committee also determines if a private session with the Corporation’s independent auditor is required and queries the auditor if they would prefer to have a private session. There were no private sessions of the Audit Committee during the year with the external auditors, however, there was one session amongst the non-management Directors of the Board.</p> <p>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.</p>
<p>(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</p>	<p>Malcolm Cockwell is the chair of the Board and is independent, as described above.</p> <p>Karen Oldfield was appointed lead Director on May 7, 2020 and is an independent Director, as described above. The lead Director assumes certain key functions of the Chair, including, without limitation, acting as a liaison between the Board and senior management of</p>

Form 58-101F1 Corporate Governance Matters	Acadian Timber Corp. Governance Practices																					
<p>independent nor a lead Director that is independent, describe what the Board does to provide leadership for its independent Directors.</p>	<p>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.</p>																					
<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 five Board meetings held in 2023. The following table provides the attendance of Directors at Board and committee meetings held in 2023:</p> <table border="1" data-bbox="816 659 1388 1066"> <thead> <tr> <th>Director</th> <th>Board Meetings Attended</th> <th>Committee Meetings Attended</th> </tr> </thead> <tbody> <tr> <td>Malcolm Cockwell</td> <td>Board: 5 of 5</td> <td>Audit: 4 of 4 CNCG: 5 of 5</td> </tr> <tr> <td>Heather Fitzpatrick</td> <td>Board: 5 of 5</td> <td>Audit: 4 of 4 CNCG: 5 of 5</td> </tr> <tr> <td>Karen Oldfield</td> <td>Board: 5 of 5</td> <td>Audit: 4 of 4 CNCG: 5 of 5</td> </tr> <tr> <td>Erika Reilly</td> <td>Board: 5 of 5</td> <td></td> </tr> <tr> <td>Bruce Robertson</td> <td>Board: 4 of 5</td> <td>Audit: 3 of 4 CNCG: 4 of 5</td> </tr> <tr> <td>Adam Sheparski</td> <td>Board: 5 of 5</td> <td></td> </tr> </tbody> </table>	Director	Board Meetings Attended	Committee Meetings Attended	Malcolm Cockwell	Board: 5 of 5	Audit: 4 of 4 CNCG: 5 of 5	Heather Fitzpatrick	Board: 5 of 5	Audit: 4 of 4 CNCG: 5 of 5	Karen Oldfield	Board: 5 of 5	Audit: 4 of 4 CNCG: 5 of 5	Erika Reilly	Board: 5 of 5		Bruce Robertson	Board: 4 of 5	Audit: 3 of 4 CNCG: 4 of 5	Adam Sheparski	Board: 5 of 5	
Director	Board Meetings Attended	Committee Meetings Attended																				
Malcolm Cockwell	Board: 5 of 5	Audit: 4 of 4 CNCG: 5 of 5																				
Heather Fitzpatrick	Board: 5 of 5	Audit: 4 of 4 CNCG: 5 of 5																				
Karen Oldfield	Board: 5 of 5	Audit: 4 of 4 CNCG: 5 of 5																				
Erika Reilly	Board: 5 of 5																					
Bruce Robertson	Board: 4 of 5	Audit: 3 of 4 CNCG: 4 of 5																				
Adam Sheparski	Board: 5 of 5																					
<p><b>2. Board Mandate</b> 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 Schedule "A".</p>																					
<p><b>3. Position Descriptions</b> (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 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>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 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><b>4. Orientation and Continuing Education</b></p> <p>(a) Briefly describe what measures the Board takes to orient new Directors regarding</p> <ul style="list-style-type: none"> <li>(i) the role of the Board, its committees and the Directors, and</li> <li>(ii) the nature and operation of the Corporation's business.</li> </ul>	<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 at least 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><b>5. Ethical Business Conduct</b></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 ethical business conduct (the "<b>Code</b>").</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 <a href="http://www.acadiantimber.com">www.acadiantimber.com</a> and under the Corporation's profile at <a href="http://www.sedarplus.ca">www.sedarplus.ca</a>.</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 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>There have been no such departures.</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><b>6. Nomination of Directors</b></p> <p>(a) Describe the process by which the Board identifies new candidates for Board nomination.</p>	<p>The CNGC 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 CNGC Committee annually reviews the performance of the Board, including the individual contributions of Board members, along with their respective skill sets. If the CNGC Committee were to determine that either replacement or additional Board candidates were required, the CNGC 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 CNGC 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 CNCG Committee is responsible for the development of the criteria for selecting new directors as well as the identification of individuals qualified to become members of the Board.</p>
<p><b>7. Compensation</b></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 recommendation to the Board and the final decision is made by the Board.</p> <p>The Board also requires that the CNCG Committee undertake an annual review of remuneration of 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 CNCG Committee has the responsibility for the compensation of the senior management of the company including the Chief Executive Officer and Chief Financial Officer along with the remuneration of the Directors. This includes administering and making recommendations to the long-term incentive plans for management and the DSU plan for the Directors.</p>
<p><b>8. Other Board Committees</b></p> <p>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><b>9. Assessments</b></p> <p>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</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</p>

<p>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>members, along with their respective skill sets. During the review process, the CNGC 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><b>10. Director Term Limits and Mechanisms of Board Renewal</b></p> <p>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><b>11. Policies Regarding the Representation of Women on the Board</b></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"> <li>(i) a short summary of its objectives and key provisions,</li> <li>(ii) the measures taken to ensure that the policy has been effectively implemented,</li> <li>(iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and</li> <li>(iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.</li> </ul>	<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 “<b>Diversity Policy</b>”) 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. 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><b>12. Consideration of Women in the Director Identification and Selection Process</b></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><b>13. Consideration Given to the Representation of Women in Executive Officer Appointments</b></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>
<p><b>14. Issuer’s Targets Regarding the Representation of Women on the Board and in Executive Officer Positions</b></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) maintain a Board composition in which women comprise at least 20% of Directors, and (ii) 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><b>15. Number of Women on the Board and in Executive Officer Positions</b></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>As of March 28, 2024, the Board is comprised of three women Directors (50%) and three men Directors (50%). 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 28, 2024, unless otherwise stated.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed)

Malcolm  
Chair of the Board

Cockwell

Edmundston, New Brunswick  
March 28, 2024

SCHEDULES



ACADIAN **TIMBER**

ACADIAN TIMBER CORP.

Table of Contents

BOARD OF DIRECTORS MANDATE.....A

## SCHEDULE "A"



### ACADIAN TIMBER CORP.

#### *BOARD OF DIRECTORS MANDATE*

#### 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 Schedule “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.

- b) **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*.<sup>1</sup>
- c) **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.
- d) **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.
- e) 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.
- f) **Committees** – The Board has established the following standing committees to assist the Board in discharging its responsibilities: an Audit Committee and the CNEC 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 CNEC Committee or in any manner that the Board deems appropriate).
- g) **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.
- h) **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 CNEC Committee.
- i) **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.

---

<sup>1</sup> See Appendix B.

- j) **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.<sup>1</sup>

“**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:<sup>2</sup>

- (a) an individual who is, or has been within the last three years, an employee or executive officer<sup>3</sup> 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 partner<sup>4</sup> 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,

---

<sup>1</sup> 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.

<sup>2</sup> 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.

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

<sup>4</sup> 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.

- (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;
- (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 compensation<sup>5</sup> from the Corporation during any 12-month period within the last three years.<sup>6</sup>

---

<sup>5</sup> 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.

<sup>6</sup> 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.