GOODFELLOW INC.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED NOVEMBER 30, 2017

February 15, 2018

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ITEM 1 - CORPORATE STRUCTURE OF GOODFELLOW INC.

1.1 - Organization of Goodfellow Inc.

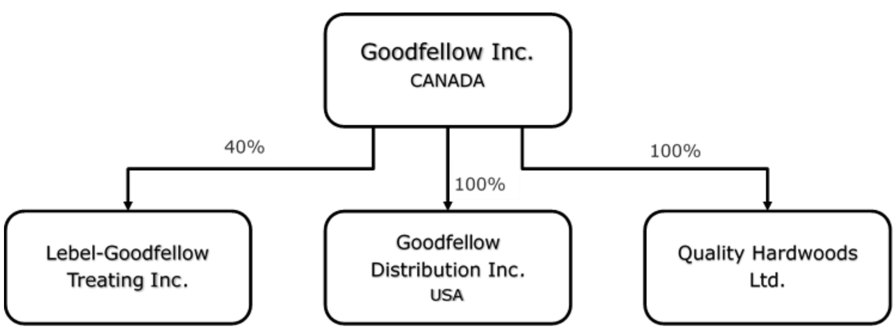
Goodfellow Inc., was incorporated under the Canada Corporation Act on January 18, 1972 under the name Goodfellow Lumber Sales Ltd. and during 1972, acquired the assets of Goodfellow Lumber Ltd. Its name was changed to Goodfellow Lumber Ltd. by Supplementary Letters Patent dated March 25, 1977. It was continued under the Canada Business Corporation Act on November 30, 1978 and its name was changed to the current name by Articles of Amendment dated October 5, 1984. It is referred to in this Annual Information Form as "Goodfellow", the "Corporation" or the "Company". Goodfellow has its principal and registered offices at 225 Goodfellow Street, Delson, Quebec, J5B 1V5.

Goodfellow carries on the business of re-manufacturing, distribution and brokerage of lumber and wood products at the wholesale level. Goodfellow, as it currently exists, was incorporated for the purpose of purchasing the assets of its predecessor corporation, Goodfellow Lumber Ltd. That Corporation and its predecessors had been engaged in the lumber business since 1898. In 1984, the share capital was split on a 5 for 1 basis, and 1 million common shares were sold to the public. The common shares of Goodfellow were then listed on the Montreal Exchange. Pursuant to the reorganization of the Canadian stock exchanges, trading in the common shares of Goodfellow has been transferred to the Toronto Stock Exchange and the common shares of Goodfellow continue to trade under the symbol “GDL”. Finally, on January 19, 2007, the Corporation split its common shares on a two-for-one basis.

The Corporation’s head office is located in Delson, Quebec, where its main distribution and remanufacturing plants are located. The Delson yard is a 3.5 million square foot facility and is comprised of warehouses, wood-drying kilns and pre-dryer, re-manufacturing mills, wood staining facilities, gluelam and wood treating plants. The Corporation has sales and distribution offices and warehouses in Canada in Richmond BC, Calgary and Edmonton AB, Saskatoon SK, Winnipeg MB, Campbellville, Ottawa, Powassan ON, Quebec City QC, Moncton NB, Dartmouth NS, and Deer Lake NFLD. It also operates wood treating plants in Elmsdale NS and Deer Lake Nfld and wood drying kilns and grading chains in Drummondville, Trois-Rivieres, Mont Tremblant QC and Powassan ON. The Corporation’s U.S. sales offices is located in Manchester NH.

1.2 - Intercorporate Relationships

Goodfellow Inc. owns all of the outstanding shares of Goodfellow Distribution Inc. (a Delaware Corporation). Goodfellow Distribution Inc. operates as a distributor of lumber and wood products in the United States. Goodfellow Inc completed the acquisition of 100% of the shares of Quality Hardwoods Ltd in December 2015. Finally, Goodfellow Inc. owns 40% of a joint-venture since December 1, 2015.



INVESTMENT IN A JOINT VENTURE

On December 1, 2015, the Company and Groupe Lebel Inc. completed the closing of a joint venture and the creation of Traitement Lebel Goodfellow Inc. with seven wood treatment plants to serve markets across Ontario, Quebec and the Maritimes. Traitement Lebel Goodfellow Inc. became one of the largest treated wood producer in Eastern Canada with unsurpassed geographical coverage. Groupe Lebel's four plants located in Bancroft and Caledon, Ontario, Dégelis and St-Joseph, Quebec, were combined with the Company’s three plants located in Delson, Quebec, Elmsdale, Nova Scotia, and Deer Lake, Newfoundland, and were leased to the joint venture forming a new business unit focused on operational excellence. With the creation of the joint venture, this transaction was supposed to enhance the strengths of the two partners to better serve the treated wood clients across Eastern Canada. In fiscal, 2016, the Company invested $3.0 million in the joint venture in the form of inventory of raw material pursuant to a shareholder agreement in return of 40% of the shares of the joint venture.

In Q2-2017, both parties agreed to dissolve the joint venture. The joint venture ceased operations on May 31st, 2017. The better part of the liquidation was done in Q3-2017. Goodfellow received back its initial investment of $3.0 million and $320 thousand of dividends as part of the dissolution. The closing of the joint venture will occur in summer 2018 and a final dividend of approximately $285 thousand is expected.

BUSINESS COMBINATIONS

On December 31, 2015, the Company completed the acquisition of 100% of the shares of Quality Hardwoods Ltd. located in Powassan, Ontario. Quality Hardwoods Ltd. manufactures, sells and distributes hardwood lumber products in Ontario and in the US which is core to our business development strategy. Sales of the acquired company recognized since the acquisition date amounted to approximately $13.9 million for 11 months. The purchase price was $6.3 million, subject to post-closing adjustments. The Company has financed the acquisition through its existing revolving credit facility.

The following fair value determination of the assets acquired and liabilities assumed is final. The following is a summary of the assets acquired, the liabilities assumed and the consideration transferred at fair value as at the acquisition date. The transaction was made in Canadian dollars.

	December 31 2015
	$
Assets acquired	
Cash	892
Trade and others receivables	1,157
Inventories	2,601
Prepaid expenses	2
Property plant and equipment	3,097
Intangibles	538
Liabilities assumed	
Bank debt	560
Trade and other payables	815
Deferred income tax	576
Total net assets acquired and liabilities assumed	**6,336**
Consideration transferred	
Cash	5,100
Holdback provision (short term)	1,236
Consideration transferred	**6,336**

The intangible assets relate mainly to customer relationships. The assigned useful lives of customers' relationship are between 5 to 10 years. Significant assumptions used in the determination of intangible assets, as defined by Management, include year-over-year sales growth, attrition rate, discount rate and operating income before depreciation. From the holdback provision an amount of $0.6 million has been paid during the year 2016. The remaining balance was settle for $150 thousand during the year 2017.

ITEM 2 - GENERAL DEVELOPMENT OF GOODFELLOW INC.

2.1 Three-Year History

Over the last three financial years, the Company shareholders equity declined approximately 2.5% per annum on average. Many factors have impacted our performance over the past 3 years but fiscal 2016 was the most difficult year in past history. The Fundamental and structural changes to our ERP systems and business intelligence reporting system were implemented in order to bring operational and financial eficiencies for the future. These changes compromised the Company's historically profitable formula for the fiscal 2016. All measures have been taken to ensure the Company returns to its historic profitable operating situation by year-end 2017. Fiscal 2015 reflected our ability to respond to the consolidation of retailers business across Canada with improved customer service; the US and Canadian new housing market remained relatively slow compared to historical levels; and finally, our commitment to offer value-added niche products to our diversified customer base remained our priority. The Company geographic development came principally from expanding into new markets, developing a strong presence in Western Canada and abroad. Our business model continues to be aligned with organic growth through geographic market penetration, distribution of new value-added products focused on outstanding customer service and continued search for low cost business opportunities.

During Fiscal 2015, Management focused on modernizing its operations, growing the top line profitably and review its service offering in order to improve its position as market leader. Management committed to maintain its focus on distribution networks, weed out the non-profitable activities while growing its market share by introducing and researching new products. On the modernizing front, the implementation plan for our new ERP system (Hyperion project) went LIVE on December 1, 2015 and represent a major investment both in resources and time consumed during the fiscal 2015. This platform will enable us to actively pursue our growth plan. Growth reflected an increase of 7.7% in sales and 23.9% in net income on a 12 month comparative period ending November 30, 2015. Service offering was increased with the opening of our Saskatoon distribution center early in February 2015. Many acquisition opportunities were reviewed in our core business during the fiscal year. As such, the Company invested in the creation of a wood treating manufacturing Company co-owned with Groupe Lebel Cambium. That transaction was closed on December 1, 2015. Finally, we closed the transaction where the Company purchased all shares of Quality Hardwoods Ltd. in Powassan Ont. on December 31, 2015.

During Fiscal 2016, Management undertook a major project investing in a new Enterprise Resource Planning system ('ERP') in order to improve its customer service and establish a new base for the future. A new joint-venture was created and the acquisition of Quality Hardwoods was completed in the first month of fiscal 2016. Management focus was on growing the top line and improve its position as market leader. The implementation of the ERP proved to be extremely challenging. The biggest challenge was the integration of new technology and the lack of visibility on gross margin information through our business intelligence reporting system for the greater part of fiscal 2016. As the year progressed, price lists were being revised based on actual average costing fluctuations from our suppliers in order to maintain gross margins targets. After major review process, we noticed a disconnect between our supply costs (purchase orders) and our internal inventory average costing as well as our related pricing. Data analytics and searches were performed for the most part of the fourth quarter in order to confirm the integrity of our business intelligence database. In addition, the Q3-2016 financial and ERP review took major efforts from all members of Management to review, analyze and search for explanations. The impact of the lost visibility on margins resulted in a sharp decline in gross margins and overall financial performance. Q4 results were highly affected as the price fluctuation in our inventory purchases were not reflected adequately which resulted in quoting price to our clients at a lower margin. Results for the fiscal 2016 were disastrous. Overall gross margin decreased from 19.1% to 14.4% in fiscal 2016 as compared to fiscal 2015 mainly due to the lack of visibility on costing issues, changes in business methods for pressure treated and siding which were outsourced in fiscal 2016, increased raw material costs, higher salary expenses, increased freight cost, negative impact of the Canadian dollar as compared to the prior year, change in sales mix with higher proportion of sales on lower margin products, liquidation of some excess inventory at losses as well as increased inventory obsolescence provisions taken in the fourth quarter to reflect the excess inventory issues encountered as part of accumulating larger level of inventories in the second part of the year. The high inventory level during the year was due to previous strategies. This high inventory level could not be sold during the fall and had to be written-off in our fourth quarter. A net loss of $12.1 million was recorded. The first loss in the history of the Company.

Fiscal 2017 must be evaluated and perceived as a year of transition and correction. All attempts were made to address very compromising issues related to the very dark chapter in the same previous period. Management had the objective of restoring stability and profitability as aggressively as possible. Inventory reductions rapidly targeted slow moving and obsolete goods. Costs were diminished by focusing on core activities and essential initiatives only. Margins were restored progressively by diligently resetting price lists and giving the Company's management team an accurate portrait of the cost of goods sold. Staffing levels were significantly right sized to reflect efficiencies achieved by process improvements in our very difficult ERP implementation. Despite the major carry-over pre-tax loss of $7.6M in Q1, by the end of Q2 initiatives started gaining traction, which resulted in a profitable month of May 2017 and a Q2 loss of $717K. Our stated objective was the pursuit of a break-even scenario by year-end 2017. Q3 and Q4 pre-tax signaled a return to profitable operations for Goodfellow Inc. For the Year Ended November 30th, 2017 Goodfellow Inc. showed a pre-tax loss of $3.3M (net of $2.1M) compared to a pre-tax loss of $16.3M (net of $12.1M) for the period ended November 30th, 2016: a pre-tax loss reduction of $13.0M. Some ill-conceived operational partnerships have been unwound and Goodfellow Inc. is moving proudly forward with its core activities. In Q2-2017, Goodfellow inc. and Groupe Lebel Cambium agreed to dissolve the joint venture. The joint venture ceased operations on May 31st, 2017. The better part of the liquidation was done in Q3-2017. The closing of the joint venture will occur in summer 2018. Company is now reliant on its own independent operational assets therefore in control of its destiny. The Company has successfully renewed its traditional cash flow banking arrangement with the TD/BMO syndicate. The Company's ability to quickly right size inventory, reduce the operating loan and return to profitability promptly made this renewal with our loyal lenders possible. The Company is very grateful for its strong banking relationship. All those changes bode well for the future and have contributed to putting the Company back on a solid conservative footing moving forward. The Company continues in its transition to consistent profitability through responsible inventory management and the ability to capitalize on asset opportunities in 2018 and beyond.

ITEM 3 - BUSINESS OF GOODFELLOW INC.

3.1 General

Summary

Economic Segment and Main Markets
Goodfellow sells to over seven thousand customers with only two accounts representing more than 10% of its annual sales volume. The Corporation operates in one single economic segment as stated in the financial statements. There are 3 main categories of end-use market for Goodfellow's product: new home building, renovations and industrial (manufacturing). These categories are directly affected by the economy, the trends and general demand. Most of the 7000 clients that Goodfellow supplies can be classified within one of the following categories: home centres/lumber dealers and large chains, specialty retailers, government, manufacturers and industrial.

Goodfellow has a significant presence throughout Canada. In 2017, approximately 31% of total Corporation sales are in Quebec, 13% in the Atlantic provinces, 30% in Ontario, 10% in Western Provinces and 16% in the U.S. and other export markets.

Distribution Methods and Products
The Corporation purchases its lumber and lumber products from over 1200 saw mills and re-manufacturing plants in Canada and the United States. Goodfellow has never had any difficulty obtaining its lumber and lumber products, largely because its supply base is so broad; Goodfellow does not anticipate any problems in the supply of its lumber and lumber products in the near future. Goodfellow in turn distributes or re-manufactures the lumber and wood products. Some of these products are re-manufactured and recycled timber, pressure treated lumber, machine coated stained siding, hardwood and softwood panel products, laminated veneer lumber, engineered wood products including laminated timber, rough and dressed imported and domestic hardwoods, hardwood flooring products and various grades, species and sizes of softwood lumber. Over the last few years, the Corporation has added many new products to its product lines such as wire products and building products including foil insulation, house wrap insulation, ceiling products, trus joist, compositie decking and hardware. Goodfellow is one of the largest distributor of hardwood flooring in Canada.

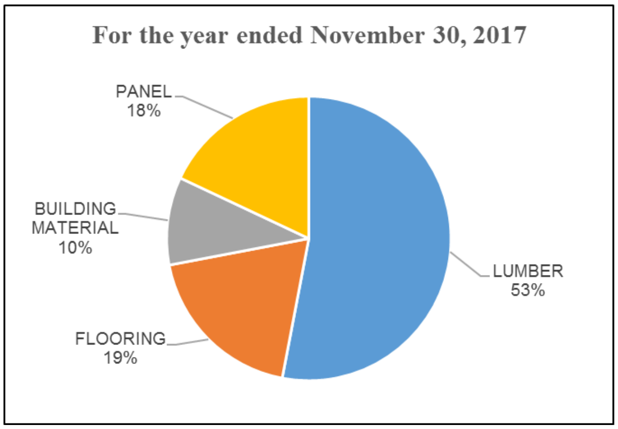
In addition to the selling activity, Goodfellow also sells to its client a wide range of services, such as kiln facilities, paint shop for customized products, millwork, pressure treatment facilities and engineering.

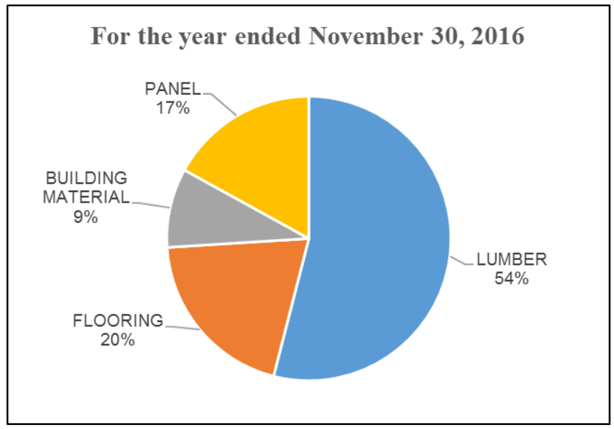
Goodfellow keeps a broad range and quantity (over 50 000) of items in inventory in order to satisfy its customers' demand in a timely fashion. In addition to this purchased inventory, Goodfellow keeps products on consignment. These products are treated as if they belong to the Corporation, but no disbursement is required until they are sold. Goodfellow also distributes products under its own name.

Purchased products are mostly received at one of our 18 locations and then shipped to the client. Goodfellow uses the services of independent transportation companies for its deliveries as well as its own fleet (mostly used for local distribution). But, from time to time, Goodfellow will request that its supplier ship directly to its customer. These direct sales significantly reduce shipping time because the product does not have to transit through our facilities and because, in some cases, the supplier is closer to our client.

Sales

Goodfellow sales of products or services which accounted for more than 10% of its total consolidated revenue for 2017 are set out below. Approximately 84% of its sales are made in Canada.





Premises

The following constitutes a complete list of the premises owned or leased by Goodfellow and used in carrying on its business:

Municipality or Region	Use of property	Owned Or Leased	Lease Expires	Area (Sq.Ft.)
Delson, QC 225 Goodfellow St. Delson, QC J5B 1V5	Head office, sales office, distribution centre, manufacturing facilities	Owned		3,500,000
Quebec City, QC 5100 John Molson St. Quebec City, QC G1X 3X4	Sales office and distribution centre	Owned		296,000
Moncton, NB 660 Edinburg Drive Moncton, NB E1E 4C6	Sales office and distribution centre	Owned		15,000
Dartmouth, NS 20 Vidito Dr Dartmouth, NS B3B 1P5	Sales office and distribution centre	Owned		150,000

Municipality or Region	Use of property	Owned Or Leased	Lease Expires	Area (Sq.Ft.)
Deer Lake, NL 4 Wellon Drive Deer Lake, NL A8A 2G5	Sales office and distribution centre	Owned		65,000
Campbellville, ONT P.O. Box 460 9184 Twiss Road Campbellville, ONT L0P 1B0	Sales office, distribution centre and manufacturing facility	Leased	June 2024	525,000
Ottawa, ONT 3091 Albion Road North Ottawa, ONT K1V 9V9	Sales office and distribution centre	Leased	Jan. 2019	315,000
Winnipeg, MAN 1431 Church Avenue Unit B Winnipeg, MAN R2X 1G5	Sales office and distribution centre	Leased	Jul. 2026	24,297
Calgary, AB 2600 – 61st Avenue SE Calgary, AB T2C 4V2	Sales office and distribution centre	Leased	Mar. 2023	64,939
Edmonton, AB 11128-158, 112th Avenue Edmonton, AB T5M 1Y4	Sales office and distribution centre	Leased	Aug. 2022	35,330
Saskatoon, SK 802 58th street East Saskatoon, SK S7N 1Z1	Sales office and distribution centre	Leased	Feb. 2020	15,000
Richmond, BC 2060 Van Dyke Place Richmond, BC V6V 1X9	Sales office and distribution centre	Leased	Oct. 2019	60,680
Manchester, NH 368 Pepsi Road Manchester, NH 03109	Sales office and distribution centre	Leased	July 2022	25,400
St-André, QC 4 rue du Moulin St-André-d'Argenteuil, QC J0V 1X0	Leasing space facility	Owned		60,000
Elmsdale, NS 731 Highway #2 Elmsdale, NS	Manufacturing facility	Owned		160,000

Municipality or Region	Use of property	Owned Or Leased	Lease Expires	Area (Sq.Ft.)
B0N 1M0				
Trois-Rivières, QC 75, rue Philippe-Francoeur Trois-Rivières, QC G8T 9L7	Manufacturing facility	Owned		350,000
Mont Tremblant, QC 226, chemin David Lac-Supérieur, QC J0T 1P0	Manufacturing facility	Owned		3,250,000
Drummondville, QC 1750 Haggerty Drummondville, QC J2C 5P8	Manufacturing facility	Owned		436,000
Quality Hardwoods 196 Latour Cres. Powassan, ON P0H 1Z0	Sales office, manufacturing facility and distribution centre	Owned		979,664

Quality Control System
The Corporation has established a quality control system at its Delson plant in accordance with the ISO 9001 International Quality Standards for which it received certification in 1995. This facility produces specialty treated products such as guard rail posts, treated products for industrial construction and laminated beams. This ISO 9001 quality system is in place to satisfy the requirements of the Quebec government's "Direction de la Qualité" and has enabled the Corporation to be included on an exclusive bidders list for these products.

Research and Development
The Corporation undertakes research and development activities, due to the nature of its business. The R&D is mainly focused on engineered and treated wood products in order to develop better manufacturing methods. The Corporation conducts is own research and development activities.

Competition
The Corporation offers a wide range of products to a large number of customers in diverse business sectors. Its competition is varied and includes large integrated forest product companies as well as numerous smaller distributors link with vendors going direct.

Cyclical Nature
The Corporation business follows a seasonal pattern with merchandise sales traditionally higher in the fiscal second and third quarters than other quarterly periods. As a result, a higher share of the total earnings is typically earned in the third and fourth quarter. This business seasonality results in performance that can vary from quarter to quarter and is not necessarily indicative of performance for the balance of the year.

Employee Relations
As at November 30, 2017, the Corporation employed 791 persons of which 502 were located in Quebec. There were 306 classified as management (sales and administration), 33 classified as plant, mill and yard supervisors and 452 classified as skilled workers. The Corporation's employees are not represented by a labour union except for the Delson and Trois-Rivieres sites. The Corporation considers its labour relations to be good. No work stoppage has ever occurred due to labour unrest. The Corporation, in consultation with employee representatives, regularly reviews working conditions, wages and benefits with a view to establishing competitive compensation arrangements acceptable to its employees.

3.2 Risk Factors

The business as conducted by the Company involves numerous risks and uncertainties. The main risk factors and uncertainties facing the Company are disclosed in the “Risk and Uncertainties” section of the Company’s Annual report for the year ended November 30, 3017 which is incorporated herein by reference, as supplemented in the “Risk and Uncertainties” section of the Company’s quarterly reports to shareholders. Theses risks and uncertainties should be considered in conjuction with the other information included in this AIF.

ITEM 4 - DIVIDENDS

The Corporation declares a dividend depending on mid-year and annual financial results. No eligible dividend was declared and paid to the holders of participating shares for the year ended November 30, 2017. In the past, dividend payments represented approximately 50% of net recurrent income. From time-to-time, the Corporation will look at special dividend payments as warranted.
The dividend paid within the last 3 financial years was as follow:

	2017	2016	2015
Dividend	nil	$0.30	$0.35

ITEM 5 - DESCRIPTION OF CAPITAL STRUCTURE

At November 30, 2017, there were 8,506,554 common shares issued (same as last year). The Company has authorized an unlimited number of common shares to be issued, without par value. At February 15, 2018, there were 8,506,554 common shares outstanding. On January 15, 2017, the Company granted 56,000 deferred shares to a key executive. Under this program, the executive was eligible to receive shares of the Company if specific non-market performance targets were met. The Company recognized the fair value of the shares at the grant date and the shares were vested at November 30, 2017 as the Company met the non-market performance targets.

ITEM 6 - MARKET FOR SECURITIES OF GOODFELLOW

The common shares of Goodfellow are listed on the Toronto Stock Exchange under the symbol “GDL”. The following table sets forth the market price range, in Canadian dollars, and trading volumes of the Corporation’s Common Shares on the Toronto Stock Exchange for each month of the most recently completed financial year. Trading price and volume :

Fiscal Year ended November 30, 2017							
Date	**Open**	**High**	**Low**	**Close**	**Average daily volume**	**Adj Close**	**Monthly Volume**
2017-11-01	8,59 $	8,59 $	7,92 $	8,33 $	1 073	8,33 $	23 600
2017-10-01	7,53 $	8,75 $	7,17 $	8,55 $	1 971	8,55 $	41 400
2017-09-01	7,85 $	7,95 $	7,45 $	7,53 $	1 040	7,53 $	20 800
2017-08-01	7,79 $	8,65 $	7,55 $	7,81 $	1 132	7,81 $	24 900
2017-07-01	7,20 $	7,79 $	7,00 $	7,79 $	2 920	7,79 $	58 400
2017-06-01	7,40 $	7,60 $	6,85 $	7,17 $	2 127	7,17 $	46 800
2017-05-01	7,40 $	7,75 $	7,40 $	7,40 $	1 591	7,40 $	35 000
2017-04-01	8,50 $	8,50 $	7,32 $	7,52 $	7 947	7,52 $	151 000
2017-03-01	8,60 $	9,20 $	8,36 $	8,36 $	2 157	8,36 $	49 600
2017-02-01	8,80 $	9,58 $	7,81 $	8,58 $	3 516	8,58 $	66 800
2017-01-01	8,93 $	9,20 $	8,80 $	8,80 $	1 790	8,80 $	37 600
2016-12-01	10,03 $	10,03 $	8,81 $	8,93 $	3 440	8,93 $	68 800

ITEM 7 - DIRECTORS AND OFFICERS

As at November 30, 2017, the Directors and Officers of Goodfellow, as a group, beneficially owned, directly or indirectly, or exercised control or direction 53.9 % of the common shares of Goodfellow, the only class of voting or other securities of Goodfellow.

Name and Place of Residence	Principal Occupation	Director Since	Common Shares Owned, Controlled or Directed
Claude Garcia (3) (4) Montréal, Quebec Independant	Chairman of the Board and Chairman of the Compensation Committee	December 21, 2005	64,500
David A. Goodfellow Ville de Léry, Quebec Non independant	Director	October 22, 1993	1,755,067 (2)
G. Douglas Goodfellow (4) Beaconsfield, Quebec Non independent	Vice Chairman of the Board and Secretary Goodfellow Inc.	November 26, 1975	1,673,967 (1)
Stephen A. Jarislowsky (3)(4) Westmount, Quebec Independant	Director Founder and chairman emeritus, Jarislowsky, Fraser Ltd.	May 23, 1973	1,066,498 (5)
Normand Morin (3) (4) Montreal, Quebec Independant	Chairman of the Audit Committee Corporate Director	December 16, 2011	3,000

(1) All common shares are held indirectly through holding companies
(2) Includes 1,674,467 common shares held indirectly through holding companies and 76,600 common shares held through 171 107 Canada Inc. and 4,000 common shares held by Mr. David A. Goodfellow personally
(3) Member of the Audit Committee.
(4) Members of the Compensation Committee.
(5) Includes 1,046,298 common shares held by SA Jarislowsky Investments and 20,200 common shares held by Mr. Jarislowsky personally.

OFFICERS

On November 30, 2017, the Officers of Goodfellow Inc. were as follows:

Name of officer	Office	Common Shares
Patrick Goodfellow Dorval, Quebec	President and Chief Executive Officer	5,000
G. Douglas Goodfellow Beaconsfield, Quebec	Vice Chairman of the Board and Secretary	1,673,967
Charles Brisebois Saint-Basile-le-Grand, Quebec	Chief Financial Officer	Nil
Mary Lohmus Mississauga, Ontario	Senior Vice President, Ontario and Western Canada	15,500
David Warren Fall River, Nova-Scotia	Vice President, Atlantic	700
Jeffrey Morrison Georgetown, Ontario	Vice President, National Accounts	Nil
Luc Dignard Candiac, Quebec	Vice President, Quebec Dealer Sales	Nil

All of the directors and officers of Goodfellow have held senior positions with the Corporation for five or more. Patrick Goodfellow was appointed new President and CEO on January 17, 2017. Jeffrey Morrison was appointed Vice President National Accounts on May 17, 2017. Luc Dignard was appointed Vice President Quebec Dealer Sales on September 25, 2017. M. Charles Brisebois was appointed Chief Financial Officer on September 28, 2017.

ITEM 8 - TRANSFER AGENT AND REGISTRAR

Goodfellow's transfer agent and registrar is Computershare Investor Services Inc. The register of transfers of the common shares of Goodfellow maintained by Computershare Investor Services Inc. is located at its offices in Montreal, Quebec.

ITEM 9 - AUDIT COMMITTEE

General

As required since Multilateral Instrument 52-110 in 2004, the Audit Committee is composed of three independent directors (Claude Garcia, Stephen A. Jarislowsky and Normand Morin). All Audit Committee members have the ability to read and understand financial statements that present a breadth and complexity of the issues that can be reasonably expected to be raised by the Corporation's financial statements. All of the Audit Committee members have in depth experience and knowledge of the preparation and analysis of financial statements, an understanding of the accounting principals and internal controls and procedures used for financial reporting by the Corporation and an understanding of Audit Committee functions. The Audit Committee examines the financial statements quarterly and annual reports including the management discussion and analysis in order to provide assistance to the directors in fulfilling their responsibilities in connection with the supervision of the accounting and reporting practices of the Corporation, and the quality and integrity of the financial reports and public disclosure documents of the Corporation. The Audit Committee has direct and open communication with the directors and the independent auditors. You can find a copy of the Audit committee mandate at Appendix A.

The following is a brief summary of the education and experience of each member of the Audit Committee that is relevant to his or her performance or his or her responsibilities as a member of the Audit Committee:

Normand Morin
Chairman of the Audit Committee

Mr. Normand Morin was Executive VP at SNC-Lavalin where he spent 33 years (retired in 2004) working on large domestic and international projects. He is a graduate of M.I.T. (Ph.D) and Harvard (Management) and is a member of the Canadian Academy of Engineering. He previously held directorships with Groupe Canam, Ovivo Inc, Trévi Inc and Montreal Port Authority.

Claude Garcia

Mr. Garcia was appointed President, Canadian operations of The Standard Life Assurance Company in June 1991 and retired in the same capacity in December 2004.. Mr. Garcia is a graduate of Laval University in Actuarial Science and a Fellow of the Canadian Institute of actuaries.

Mr Garcia has been Chairman of the Board of the Agence des partenariats public-privé du Québec and of the Université du Québec à Montréal (UQAM). During his carrier, he has been a director of many organizations, including, the Standard Life Assurance Company, Montreal Stock Exchange, Cogeco, the Caisse de dépôt et placement du Québec, the Clinical Research Institute of Montreal and the Montreal Chamber of Commerce.

Stephen A. Jarislowsky – C.C., G.O.Q., M.A., Ll.D

Mr. Jarislowsky is founder and chairman emeritus of Jarislowsky, Fraser Limited, a director of Goodfellow Inc., the Canadian Coalition for Good Governance, Foundation for advancement of shareholders rights as well as a director of L'institut sur la gouvernance d'organisations privées et publiques. Mr. Jarislowsky is also a director of many prominent Canadian organizations. Mr. Jarislowsky received a B.Sc. from Cornell, a

Masters of Business Administration from Harvard Graduate School of Business Administration, a M.A. from the University of Chicago and Honourary Law Degrees from Queen's University, University of Montreal, University of Alberta, McMaster University, Laval University, Concordia University, University of Windsor, Simon Fraser University, University of Ottawa, University of Québec, McGill University and Mount St. Vincent in Halifax. He is a Companion of the Order of Canada and a Grand Officier de l'Ordre du Quebec and enrolled in the Canadian Business Hall of Fame.

9.1 Audit fees

The aggregate fees billed by the independent auditors to the Corporation and its subsidiaries for audit services and for services normally provided by the independent auditors, such as services in connection with statutory and regulatory filings were $175,000 in Fiscal 2017 ($185,000 in 2016).

9.2 Audit related fees

The aggregate fees billed by the independent auditors to the Corporation and its subsidiaries for audit related services were $112,320 in fiscal 2017 ($294,700 in fiscal 2016).

9.3 Tax fees

The aggregate fees billed by the independent auditors to the Corporation and its subsidiaries for professional services rendered for tax compliance, tax advice, tax planning were $16,000 in Fiscal 2017 ($21,000 in Fiscal 2016). These services were comprised of consultations related to tax compliance, tax advice and tax planning.

ITEM 10 - INTERESTS OF EXPERTS

During Fiscal 2017, Goodfellow Inc. engaged the services of the following experts to provide services to the Corporation:

Auditors:

KPMG LLP, Montreal – Audit of the financial statements of Goodfellow Inc.

Other:

- Pricewaterhouse Coopers LLP, Montreal – Income tax, sales tax and transfer pricing consultants
- Petrie Raymond LLP, Montreal – Income tax
- Mercer Human Resource Consulting, Montréal – Pension plan
- Deloitte – Business Consulting

ITEM 11 - ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Goodfellow securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Goodfellow 2017 Notice of Annual Meeting and Management Proxy Circular, under the heading "Remuneration of Directors and Executive Officers".

Additional financial information, including comparative audited financial statements and management's discussion and analysis, is provided in the Goodfellow 2017 Annual Report to Shareholders.

A 2017 Annual Report to Shareholders and additional information concerning the Corporation can be found on SEDAR at www.sedar.com and may also be obtained upon request to the Chief Financial Officer, Goodfellow Inc., 225 Goodfellow Street, Delson, Quebec, J5B 1V5.

APPENDIX A

GOODFELLOW INC.

AUDIT COMMITTEE MANDATE

1. **Formation**.
The Board of Directors may appoint annually from its members an Audit Committee consisting of such number of members as the Board of Directors may from time to time determine, but not less than three.

   The Audit Committee shall determine its own organization and procedure, except as provided in the By-Laws of the Corporation or as may be otherwise determined by the Board of Directors.

2. **Tenure and Office**.
All members of the Audit Committee shall be appointed by the Board of Directors. The Board of Directors may remove from office any member of the Audit Committee, with or without cause. Any vacancy in the membership of the Audit Committee may be filled by the Board of Directors. All members of the Audit Committee shall cease to be in office at the close of each annual meeting of shareholders.

3. **Powers**.
The Audit Committee shall advise and assist the Board of Directors on financial matters, including without limiting the generality of the foregoing, the following:

   — Review the recommendations of the officers of the Corporation as to the appointment of independent auditors, verify the independence of the independent auditors and make recommendations to the Board of Directors with respect to the nomination and remuneration of independent auditors to be appointed at each annual meeting of shareholders;

   — Oversee the work of the independent auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit review or attest services for the Corporation, including the resolution of disagreements between management and the independent auditors regarding financial reporting; review with the independent auditors the scope and timing of their audit services and any other services they are asked to perform, their report on the Corporation's accounts following completion of the audit and the Corporation's policies and procedures with respect to internal accounting and financial controls, discussion of quality and depths of staffing in the accounting and financial departments, discussion of implementation of new accounting systems (e.g. computers), discussion of recent prospective releases of CPA Canada and their impact on the Corporation's financial statements, discussion of the need to extend the audit examination into areas beyond those required under a normal statutory audit;

   — Pre-approve all non-audit services in excess of 5% of the audit fees to be provided to the Corporation or its subsidiary entities by the Corporation's independent auditors;

   — Review the audited annual financial statements, the unaudited interim quarterly financial statements, the annual and interim management's discussion and analysis and the annual and interim earnings press releases of the Corporation and report thereon to the Board of Directors of the Corporation before approval thereof by the Board of Directors and prior to disclosure thereof to securities authorities, shareholders and the public;

   — See, to its satisfaction, that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from its financial statements and periodically assess the adequacy of those procedures;

— Review the internal control procedures of the Corporation and advise the directors on auditing practices and procedures as part of the responsibility of directors to meet their moral and legal responsibilities to the Corporation;

— Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former independent auditors of the Corporation;

— Establish procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and (ii) the confidential and anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

— Review the accuracy and reliability of data to be disclosed to interested parties;'

— Review the relationship among independent auditors, internal auditors, if any, and employees;

— Review management plans regarding any requirement for revised accounting practices;

— Review the independent auditors recommendation for improvements in the Corporation's operation and internal controls generally, and in particular, computer information and controls;

— Determine, based on its review and discussion, whether to recommend the approval by the Board of such financial statements and MD&A. The financial disclosure in any prospectus or other similar document and the Annual Information Return.

4. **Accountability of Independent Auditors**.
The independent auditors are ultimately accountable to the Board of Directors and the Audit Committee as representatives of shareholders.

5. **Signed Resolution.**
A resolution in writing signed by all members of the Audit committee entitled to vote on that resolution at a meeting of the Audit Committee is as valid as if its had been passed at a meeting of the Audit Committee. A copy of every resolutions referred to in this paragraph shall be kept with the minutes of the meetings of the Audit Committee.

6. ***Chairman,* Quorum and Procedure.**
The Audit Committee shall have the power to appoint a Chairman and a Vice-Chairman, to fix its quorum, which quorum shall consist of not less than a majority of its members, and to determine its procedure.

7. **Meetings**.
Meetings of the Audit Committee may be held at the registered office of the Corporation or at such other places within or without Canada as the Audit Committee may from time to time determine. Meetings of the Audit Committee may be called by the order of the President of the Corporation, the Chairman of the Audit Committee, or any two (2) members thereof.