GOODFELLOW INC.

Notice of Annual Meeting of Shareholders and Management Proxy Circular

The Annual Meeting of Shareholders will take place on
April 13, 2018, at 11:00 a.m. (EDT)
at 225 rue Goodfellow, Delson, Quebec, J5B 1V5

This notice explains who can vote, what matters you will vote on, and how you can exercise your right to vote your shares.

Please read carefully

GOODFELLOW INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the Annual Meeting of Shareholders (the “Meeting”) of Goodfellow Inc. (the “Corporation”) will be held at the head office of the Corporation, located at 225 Goodfellow Street, Delson, Quebec, J5B 1V5, on April 13, 2018, at 11:00 a.m. (EDT) for the following purposes:

1. To receive the consolidated financial statements for the fiscal year ended November 30, 2017 and the independent auditors’ report thereon;

2. To elect directors;

3. To appoint the independent auditors and authorize the directors to fix their remuneration;

4. To transact such other business as may properly be brought before the Meeting or at any adjournment thereof.

You are entitled to receive the notice of Annual Meeting and vote at the Meeting if you were a shareholder of the Corporation on March 9, 2018, at 5:00 p.m. (EST).

The following pages tell you more about how to exercise your right to vote your shares and provide additional information relating to the matters to be dealt with at the Meeting.

DATED at Delson, Quebec
February 16, 2018

By order of the Board of Directors,

G. Douglas Goodfellow
Secretary

ANY SHAREHOLDER WHO EXPECTS TO BE UNABLE TO ATTEND THE MEETING IN PERSON IS URGED TO COMPLETE AND SIGN THE ENCLOSED FORM OF PROXY AND RETURN IT IN THE POSTAGE-PAID ENVELOPE PROVIDED FOR THAT PURPOSE. TO BE VALID, PROXIES MUST BE RECEIVED AT THE OFFICE OF COMPUTERSHARE INVESTOR SERVICES INC., 100 UNIVERSITY AVENUE, 8th FLOOR, TORONTO, ONTARIO, M5J 2Y1, NO LATER THAN 11:00 A.M. (EDT) ON APRIL 11, 2018.

GOODFELLOW INC.

MANAGEMENT PROXY CIRCULAR

FOR THE ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 13, 2018

SOLICITATION OF PROXIES

This Management Proxy Circular (the "Circular) is provided in connection with the solicitation by the management of Goodfellow Inc. (the "Corporation") of proxies for use at the Annual Meeting of shareholders (the "Meeting") of the Corporation to be held on April 13, 2018, at the time and place set forth in the notice of said Meeting and at any and all adjournments thereof.

Except as otherwise indicated, the information contained herein is given as at February 16, 2018. All dollar amounts appearing in the Circular are in Canadian dollars, except if another currency is specifically mentioned.

This solicitation is made primarily by mail; however, officers and regular employees of the Corporation may solicit proxies in person. In addition, the Corporation shall, upon request, reimburse brokerage firms and other custodians for their reasonable expenses in forwarding proxies and related material to beneficial owners of shares of the Corporation. The cost of soliciting proxies will be borne by the Corporation and is expected to be nominal.

APPOINTMENT OF PROXYHOLDERS

G. Douglas Goodfellow and Claude A. Garcia named in the accompanying form of proxy are directors of the Corporation. A shareholder has the right to appoint as proxyholder a person (who is not required to be a shareholder) other than the persons whose names are printed as proxyholders in the accompanying form of proxy, by inserting the name of the chosen proxyholder in the blank space provided for that purpose in the form of proxy. The completed proxy shall be delivered to the office of Computershare Investor Services Inc., 100 University Avenue, 8th floor, Toronto, Ontario, M5J 2Y1 no later than 11:00 A.M. (EDT) on April 11, 2018.

REVOCATION OF PROXIES

A shareholder giving a proxy pursuant to this solicitation may revoke such proxy by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either at the head office of the Corporation at any time up to and including the last business day preceding the day of the Meeting in respect of which such proxy is to be used, or any adjournment thereof, or with the chairman of such Meeting on the day of the Meeting, or any adjournment thereof.

VOTING OF SHARES AT THE MEETING

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the instructions of the shareholders appointing them. **In the absence of such instructions, such shares will be voted FOR the election of the proposed directors, and FOR the appointment of the proposed independent auditors (the "auditors"), the whole in accordance with the applicable headings in this Circular.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to matters identified in the notice of Meeting and to any other matter as may properly come before the Meeting. At the time of printing this Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital stock of the Corporation consists of an unlimited number of Common Shares without par value. Each Common Share carries the right to one vote. As of February 16, 2018, there were 8,506,554 outstanding Common Shares. All shareholders shown in the register of the Corporation on March 9, 2018, at 5:00 p.m. (EST) (the "Record Date") will be entitled to vote at the Meeting and any adjournment thereof if present or represented by proxy thereat. For more information on voting procedure, please see below under the section "Voting Procedures".

For more information concerning the transmission of proxies, please see above under the section "Appointment of Proxyholders". Take note that if you are an objecting beneficial owner, your intermediary will need your voting instructions sufficiently in advance of this deadline to enable your intermediary to act on your instructions prior to the deadline. See "Voting Procedures – Non-Registered Shareholders (Beneficial Owners)" below.

To the knowledge of the Corporation's directors and officers, as at the date of the Circular, the following persons, directly or indirectly own, control, or direct voting securities carrying 10% or more of the voting rights attached to any class of outstanding securities of the Corporation:

Shareholder's Name	Number and Class of Shares Held	Percentage of Voting Shares Held
David A. Goodfellow	1,755,067(1) common shares	20.6%
G. Douglas Goodfellow	1,673,968(2) common shares	19.7%
Stephen A. Jarislowsky	1,066,498(3) common shares	12.5%

(1) David A. Goodfellow holds 4,000 common shares directly, 76,600 common shares through 171107 Canada Inc., and 1,674,467 common shares through Les Placements Lac St-Louis Inc.

(2) G. Douglas Goodfellow holds 1 common share through Les Placements G Douglas G Inc. and 1,673,967 common shares through Les Placements Lac St-Louis Inc.

(3) Stephen A. Jarislowsky holds 20,200 common shares directly and 1,046,298 common shares through S.A. Jarislowsky Investments Inc.

VOTING PROCEDURES

Registered Shareholders

You are a "registered shareholder" if you have a share certificate and as a result, have your name shown on the Corporation's register of shareholders kept by our transfer agent, Computershare Investor Services Inc.

If you are a registered shareholder, you can vote your shares by attending the Meeting in person, by appointing someone else as proxyholder to attend the Meeting and vote your Common Shares for you, by completing your proxy form and returning it by mail, hand or fax delivery in accordance with the instructions set forth therein, or by Internet by visiting the website shown on your proxy form (refer to your control number shown on your proxy form) and following the online voting instructions.

If you are a transferee of Common Shares acquired after the Record Date, you are entitled to vote those shares at the Meeting and at any adjournment thereof if you produce properly endorsed share certificates for such shares or otherwise establish that you own the shares, and demand, no later than ten days before the Meeting, that your name be included on the Corporation's register of shareholders entitled to receive the notice of Meeting, such register having been prepared as at the Record Date.

Non-Registered Shareholders (Beneficial Owners)

You are a "non-registered shareholder" or "beneficial owner" if your shares are held on your behalf through an intermediary or nominee (for example, a bank, trust company, securities broker, clearing agency or other institution).

Under applicable securities legislation, a beneficial owner of securities is a "non-objecting beneficial owner" (or "NOBO") if such beneficial owner has or is deemed to have provided instructions to the intermediary holding the securities on such beneficial owner's behalf not objecting to the intermediary disclosing ownership information about the beneficial owner in accordance with said legislation, and a beneficial owner is an "objecting beneficial owner" (or "OBO") if such beneficial owner has or is deemed to have provided instructions objecting to same.

If you are a non-objecting beneficial owner, the Company has sent these materials directly to you, and your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities legislation from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. The voting instruction form that is sent to NOBOs contains an explanation as to how you can exercise the voting rights attached to your Common Shares, including how to attend and vote directly at the Meeting. Please provide your voting instructions as specified in the enclosed voting instruction form.

If you are an objecting beneficial owner, you received these materials from your intermediary or its agent (such as Broadridge), and your intermediary is required to seek your instructions as to the manner in which to exercise the voting rights attached to your Common Shares. The Company has agreed to pay for intermediaries to deliver to OBOs the proxy-related materials and the relevant voting instruction form. The voting instruction form that is sent to an OBO by the intermediary or its agent should contain an explanation as to how you can exercise the voting rights attached to your Common Shares, including how to attend and vote directly at the Meeting. Please provide your voting instructions to your intermediary as specified in the enclosed voting instruction form.

An OBO who receives a Broadridge voting instruction form cannot use that form to vote shares directly at the Meeting. The voting instructions forms must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through a broker or other intermediary, please contact your broker or other intermediary of assistance.

All references to the Corporation shareholders in these documents are to the registered shareholders of the Corporation unless specifically stated otherwise.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed in this Circular, to the knowledge of the Corporation's management, no person who, (i) at any time since the beginning of the Corporation's financial year, has been a director or executive officer of the Corporation; (ii) is a proposed nominee for election as director of the Corporation; or (iii) is an associate or affiliate of any of the persons mentioned in paragraphs (i) or (ii) has any interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any of the items on the Meeting agenda.

MANAGEMENT'S REPORT AND FINANCIAL STATEMENTS

The Corporation's consolidated financial statements for the fiscal year ended November 30, 2017, as well as auditors' report thereon will be presented to the shareholders at the Meeting, but will not be subject to a vote. The financial statements and the auditors' report are available on the SEDAR website (www.sedar.com) and the Corporation's website (www.goodfellowinc.com).

ELECTION OF DIRECTORS

The articles of the Corporation provide that the Corporation's Board of directors (the "Board" or "Board of Directors") shall consist of no less than one (1) and no more than eleven (11) directors. The Corporation's management proposes that six (6) directors be elected for the next fiscal year. Each director elected at the Meeting will hold office until the next annual meeting of shareholders or until his/her successor is duly elected, unless he/she resigns his/her position or the position becomes vacant, following his/her death, destitution, or for any other cause. All nominees whose names appear below have been members of the Board of Directors since the date indicated opposite their names.

If instructions are not received the directors named as proxyholders in the enclosed form of proxy or voting instruction form will, at the Meeting, exercise the voting rights attached to the shares represented by the proxy <u>FOR</u> the election of each of the six (6) nominees whose names are set forth hereinafter. Management does not contemplate that any of the nominees mentioned below will be unable to perform his duties as director or, for any reason whatsoever, be unwilling to act as director. Should this occur for any reason before the election, the persons named in the enclosed form of proxy reserve the right to vote for another nominee of their choice, unless the shareholder has provided instructions in the proxy to abstain from voting upon the election of directors.

The following table indicates the name, municipality, province, and country of residence of each of the proposed nominees for election as directors, their main duties at the Corporation and positions held on Board committees, the date on which they became directors of the Corporation, and, to the knowledge of the Corporation's management, the number of shares of each class of voting securities of the Corporation they beneficially own or over which they exercised control or directed as at February 16, 2018.

Name and Place of Residence	Principal Occupation	Director Since	Common Shares Owned, Controlled or Directed
Claude A. Garcia [1] [2] Montreal, Quebec Independent	Chairman of the Board and Chairman of the Compensation Committee	December 21, 2005	64,500
David A. Goodfellow Ville de Léry, Quebec Non independent	Director	October 22, 1993	1,755,067[3]
G. Douglas Goodfellow [2] Beaconsfield, Quebec Non independent	Vice Chairman of the Board and Secretary Goodfellow Inc.	November 26, 1975	1,673,968[4]
Stephen A. Jarislowsky [1][2] Westmount, Quebec Independent	Partner, Jarislowsky, Fraser Ltd. and Director	May 23, 1973	1,066,498[5]
Normand Morin [1] [2] Montreal, Quebec Independent	Chairman of the Audit Committee and Director	December 16, 2011	3,000
Alain Côté Boucherville, Quebec Independent	Director	--- (6)	0

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Includes 1,674,467 common shares held indirectly through Les Placements Lac St-Louis Inc., 76,600 common shares held through 171107 Canada Inc. and 4,000 common shares held by Mr. David A. Goodfellow personally.

(4) Includes 1,673,967 common shares held indirectly through Les Placements Lac St-Louis Inc. and 1 common share held through Les Placements G Douglas G Inc.

(5) Includes 1,046,298 common shares indirectly through S.A. Jarislowsky Investments Inc. and 20,200 common shares held by Mr. Jarislowsky personally.

(6) Mr. Alain Côté is proposed for election as director of the Corporation for the first time.

The above mentioned nominees have personally supplied the information concerning the shares they hold, directly or indirectly, or over which they exercised direction or control as at February 16, 2018. All directors, with the exception of Mr. Alain Côté, have occupied their position for more than five years. Mr. Alain Côté is a Deloitte Partner for over 25 years, and the former Quebec Managing Partner. His area of expertise include audit services, public and private financing, due diligence reviews, and reviews of internal control and risk management systems. He is a graduate of Laval University in Accounting Science. He served as Chair of the Board of the Ordre des comptables agréés du Quebec, Vice-Chair of the Board of CICA and Chair of the Board of CPA Canada. He was a member of the board, executive committee, and finance and audit committee of the Board of Trade of Metropolitan Montreal. He is currently a member of the Board and Audit Committee of the Laval University Foundation. Mr. Côté was named Honorary Consul of Luxembourg in Montreal with jurisdiction throughout the province of Quebec. In November 2012, he was awarded a Queen Elizabeth II Diamond Jubilee Medal.

APPOINTMENT OF INDEPENDENT AUDITORS AND THE AUTHORIZATION OF THE DIRECTORS TO SET THEIR COMPENSATION

At the Meeting, shareholders will be asked to appoint the auditors who will serve until the end of the next annual meeting of the Corporation and to authorize the directors to set the compensation of such appointed auditors.

The Board and the Audit Committee recommend that the firm of KPMG LLP, chartered professional accountants, the Corporation's current independent auditors, be reappointed for the period starting December 1, 2017, and ending November 30, 2018.

If instructions are not received, the directors of the Corporation named as proxyholders in the enclosed form of proxy or voting instruction form will, at the Meeting, exercise the voting rights attached to the shares represented by the proxy FOR of the appointment of KPMG LLP as the Corporation's auditors.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation of Directors

An annual retainer of $16,500 is paid to each director. Furthermore, director's fees of $1,650 are paid for attendance at each meeting of the Board of Directors, meeting of Audit committee and meeting of Compensation committee. Employees of the Corporation holding a director's seat are not entitled to receive such remuneration.

Additional annual fees of $22,000 are paid to the Chairman of the Board, additional annual fees of $4,400 are paid to the Chairman of each of the Audit Committee and the Compensation Committee, and additional annual fees of $3,300 are paid to the members of the Audit Committee and the Compensation Committee.

For the period ended November 30, 2017, the aggregate compensation paid in cash to the directors totalled $168,575.

Director Compensation Table

The following table presents the details of the compensation paid to the Corporation's directors for the fiscal year ended November 30, 2017.

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Claude A. Garcia	61,050	-	-	-	-	-	61,050
Stephen A. Jarislowsky	37,950	-	-	-	-	-	37,950
David A. Goodfellow	24,750	-	-	-	-	-	24,750
G. Douglas Goodfellow	-	-	-	-	-	-	-
Normand Morin	39,050	-	-	-	-	-	39,050
R. Keith (1) Rattray	5,775	-	-	-	-	-	5,775
Denis Fraser (2)	-	-	-	-	-	-	-

(1) Mr. R. Keith Rattray stepped down as director of the Corporation on April 19, 2017.
(2) Mr. Denis Fraser stepped down as director of the Corporation on January 17, 2017.

Remuneration of Named Executive Officers

For the purposes of this section of the Circular, the named executive officers ("NEOs") are the President and Chief Executive Officer, the Chief Financial Officer, and the three most highly compensated Executive Officers pursuant to the definition under Form 51-102F5 of *Regulation 51-102 Respecting Continuous Disclosure Obligations*, i.e.:

- Patrick Goodfellow (1), President and Chief Executive Officer;
- Denis Fraser (2), President and Chief Executive Officer;
- Charles Brisebois (3), Chief Financial Officer;
- Pierre Lemoine (4), Chief Financial Officer;
- Mary Lohmus, Executive Vice President Ontario and Western Canada;
- David Warren, Vice President Atlantic,
- Jeffrey Morrison(5), Vice President National Accounts

(1) Mr. Patrick Goodfellow was nominated President and CEO on January 18, 2017.
(2) Mr. Denis Fraser stepped down as President and CEO of the Corporation on January 17, 2017.
(3) Mr. Charles Brisebois was nominated Chief Financial Officer on September 28, 2017.
(4) Mr. Pierre Lemoine is no longer employed by the Corporation since March 3, 2017.
(5) Mr. Jeffrey Morrison was nominated Vice President National Accounts May 17, 2017.

The aggregate cash remuneration paid or payable by the Corporation to the senior executives, including NEOs and the other vice-presidents of the Corporation for services rendered during the fiscal year of the Corporation ended November 30, 2017 was $2,810,000.

The Summary Compensation Table found further on in this Circular shows compensation information for the NEOs for services rendered in all capacities during the fiscal years ended November 30, 2017, November 30, 2016, and November 30, 2015. This information includes the base salaries, bonuses, awards, long-term compensation awards and all other compensation not reported elsewhere.

Stock Option Plan

The Corporation utilizes a share option plan to motivate key employees to work in the best interest of the Corporation and its shareholders, to attract, retain and reward individuals as qualified senior staff members and to promote a proprietary interest in the Corporation at key, sensitive levels.

Key Employee Share Option Plan

On April 24, 2002, the directors adopted a resolution creating a new Stock Option Plan, called the "Key Employee Stock Option Plan – 2002", relating to a maximum of 420,000 common shares (the "Option Plan") intended to replace a plan adopted in 1984 pursuant to which all available options had been granted. The shareholders approved the Option Plan at the annual general meeting held on December 18, 2002.

Pursuant to the Option Plan, participants may purchase shares as to one-half of their entitlement any time after three years have elapsed and as to the balance, after five years have elapsed, in both cases calculated from the date of grant of the option. The price at which optioned shares may be purchased may not be less than the market price of the shares on The Toronto Stock Exchange on the date upon which the underlying option was granted. All rights of participants in respect of the plan cease upon cessation of the full-time employment with the Corporation. The Board of Directors may from time to time impose restrictions on participants or such options.

The provisions of the Option Plan provide also that in the event of a merger or amalgamation involving the Corporation or in the event of a takeover bid for the shares of the Corporation, the exercise of the options may be accelerated (and all other rights of the participants terminated) upon giving a twenty day notice.

At November 30, 2017, senior executives, including NEOs and the other vice-presidents of the Corporation, as a group, did not hold any options for the acquisition of common shares of the Corporation.

During the fiscal year ended November 30, 2017, no options were granted under the Option Plan.

Equity Compensation Plan Information

The following table sets forth the information with respect to options outstanding under the Corporation's stock option plans as at November 30, 2017:

Options Outstanding
Stock Option Plan as at November 30, 2017

Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights** (a)	**Weighted-average exercise price of outstanding options, warrants and rights** (b)	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))** (c)
Equity compensation plans approved by securityholders	N/A	N/A	220,000
Equity compensation plans not approved by securityholders	N/A	N/A	N/A

For the material features of the Equity Compensation Plan approved by securityholders, please see above under the section "Key Employee Share Option Plan – 2002."

Outstanding Share-based- and Option-based Awards

There were no awards to NEOs outstanding at the end of the fiscal year ended November 30, 2017, including those granted prior to the last fiscal year.

Incentive Plan Awards – Value vested or earned during the fiscal year

The table below shows, for each NEO, the value vested of all awards and the value earned during the fiscal year ended November 30, 2017.

Name	**Option-based awards – Value vested during the fiscal year ($)**	**Share-based awards – Value vested during the fiscal year ($)**	**Non-equity incentive plan compensation – Value earned during the fiscal year ($)**
Patrick Goodfellow		$494,480(1)	

(1) Patrick Goodfellow has been awarded 56,000 deferred share units which vested upon the approval of the audited financial statements by the Board. He may exercise these units at any business day before February 13, 2021 for an amount equal to the average closing price of the share on the Toronto Stock Market on the preceding twenty business days. Value is based on the Corporation's share price as at the date of grant on January 15, 2017.

COMPENSATION DISCUSSION AND ANALYSIS

The Corporation has a Compensation Committee formed of Stephen A. Jarislowsky, G. Douglas Goodfellow, Normand Morin and Claude A. Garcia. The following is a description of the Corporation's compensation program which determines compensation plans for the NEOs. Additional information on the Compensation Committee is provided below under the section "Disclosure of Corporate Governance Practices".

Compensation Program for NEOs

The Corporation's compensation program is designed to recognize and reward individual performance as well as offer a competitive level of remuneration. The compensation policies are applied by the Compensation Committee of the Board of Directors.

The Compensation Program for NEOs and other senior executives essentially consists of the following components:

(a) base salary;

(b) short-term incentive compensation;

(c) commissions;

(d) pension benefits; and

(e) perquisites.

(a) Base salary:

Base salary takes into account experience, sustained performance, level of responsibility and complexity of duties and correspondingly positions the salary within the salary range for that position within the organization.

(b) Short-term incentive compensation:

Comprised of the Corporation's profit sharing plan ("Profit Sharing Plan"), short-term incentive compensation is designed to reward NEO's (and other salaried employees) when the Corporation's financial performance targets are attained and provides recognition to those individuals whose performance objectives are met or exceeded.

Each participant's bonus under the Profit Sharing Plan is determined by the Compensation Committee. All participants can thus be eligible for a bonus in an amount that will vary based on personal performance objectives. Personal performance objectives are determined jointly by the participant and the Compensation Committee.

The Profit Sharing Plan bonuses take into account each participant's contribution towards the overall execution of the Corporation's business strategy and the goals within each person's defined role. No specific weight is assigned to any quantitative criteria.

The annual bonus of the Corporation's CEO, is based on the attainment of objectives mutually agreed upon by the CEO and the Corporation's Board of Directors. These objectives include the attainment of the overall financial results forecast in the Corporation's annual budget, as presented to and approved by the Board of Directors, as well as the assessment made by the Compensation Committee of his achievements in meeting various strategic and qualitative targets which includes but is not limited to ROI (return on investment), market share value, inventory control, adherence to capital expenditures guidelines, new product development and personnel development. These strategic and qualitative targets are set by the Board of Directors. Actual financial performance and financial performance versus budget would represent approximately 50% of the weighting assigned to the total compensation awarded the President and CEO, with the balance dependent upon the assessment of the qualitative and strategic criteria. The Board made an exceptional grant of 56,000 deferred share units for the year 2017 which vested upon Goodfellow achieving two consecutive profitable quarters.

The annual bonus of the Corporation's Chief Financial Officer is based on the attainment of objectives mutually agreed upon by the CFO and the Compensation Committee. These objectives include attainment of the overall financial results forecast in the Corporation's annual budget, management of the integration of the accounting and financial functions, and overseeing the Corporation's progress and compliance with respect to disclosure and internal controls matters, as well as new accounting standards and their implementation.

The Corporation does not disclose specific performance targets because it considers that the information would place it at a significant competitive disadvantage if the targets became known. Disclosing the specific performance targets that are set as part of the Corporation's annual budget and strategic planning process would expose the Corporation to serious prejudice and negatively impact its competitive advantage. For example, to the extent that the Corporation's performance targets became known, its ability to negotiate business agreements on advantageous terms would be significantly impaired, putting incremental pressure on profit margins. In addition, the Corporation does not provide guidance to the market and limits all other forward-looking information. Achievement of the performance objectives presents a meaningful challenge for the Corporation's management team since the Corporation consistently sets ambitious goals as part of its annual budget and strategic planning process.

(c) Commissions:

The Corporation offers NEOs, the management team and senior executives involved in selling the Corporation's products a program of commissions earned when individual monthly, quarterly and annual sales (the "Sales Period") are met or exceeded. This entitles all participants to commission to an amount commensurate with their personal sales during the Sales Period. The percentage of sales earned as commissions varies between the Corporation's various branches.

(d) Pension Benefits:

The Corporation provides retirement benefits in the form of pensions for all of the Corporation's salaried employees. The *Pension Plan for the Salaried Employees of Goodfellow Inc.* (the "Salaried Plan") covers some key executives as named by the Board of Directors of the Corporation. Prior to participating in the Salaried Plan, the executives participated in the *Pension Plan for the Senior Salaried Employees of Goodfellow Inc.* (the "Senior Plan"). Both plans were pure defined benefit (DB) plans. On June 1, 2007, they merged together to introduce a defined contribution ("DC") component for future service. Pursuant to the DC component, each employee accumulates funds that are matched by the Corporation to the extent of 4% of the employee's earnings (subject to the maximum prescribed in the *Income Tax Act*); the pension entitlement from the DC component depends on the value of the accumulated funds at retirement, when such funds are converted into retirement income for the benefit of the retiree. See the "Pension Benefits" section of the Circular.

(e) Perquisites:

Leased vehicles or allowance for vehicle are provided by the Corporation to some NEOs as their primary means of transportation in conjunction with their duties. Each individual is fully responsible for the tax liabilities associated with his personal use of these vehicles. Cell phones, smart phones and laptop computers are provided in a manner appropriate and consistent with the duties and responsibilities of NEOs. These items are and remain the property of the Corporation.

The Compensation Committee believes that these components collectively provide a fair and competitive structure and an appropriate relationship between executive compensation level, the Corporation's financial performance and shareholder value. None of the NEOs have change of control provisions in their respective employment agreements.

When determining discretionary compensation payments for senior executives, the Compensation Committee examines the remuneration paid to executives of corporations listed on The Toronto Stock Exchange with activities similar to those of the Corporation. Corporations included in this benchmark group must be involved in the wholesale and transformation of wood products, have a national presence and have similar annual sales. The benchmark group for the most recent completed fiscal year ended November 30, 2017 was comprised of CanWel Building Materials Group Ltd., Taiga Building Products Ltd., Hardwoods Distribution Inc., Stella-Jones Inc., and Richelieu Hardware Ltd. The benchmark group is updated annually.

The Compensation Committee considered the implications of the risks associated with the Corporation's compensation policies and practices. The extent and nature of the Compensation Committee's role in the risk oversight of the Corporation's compensation policies and practices relates to annual financial objectives and budgets. The Compensation Committee meets on a regular basis to review such financial objectives and approve all compensation plans submitted by the CEO. Compensation plans are reviewed prior to payments in order to mitigate compensation policies and practices that could encourage an NEO or individual at a principal business unit or division to take inappropriate or excessive risks.

The NEOs or directors are permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or directors. Patrick Goodfellow has been awarded 56,000 deferred share units which vested upon the approval of the audited financial statements by the Board. He may exercise these units at any business day before February 13, 2021 for an amount equal to the average closing price of the share on the Toronto Stock Market on the preceding twenty business days. Value is based on the Corporation's share price as at the date of grant on January 15, 2017. Furthermore, to the Corporation's knowledge, at the date of present, no NEO or director has purchased such financial instruments.

Summary Compensation Table

The table below shows aggregate compensation paid to NEOs during the Corporation's last three fiscal years.

Name and principal position	Year	Salary ($)	Share-based awards ($) [9]	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensation ($)[1]	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
Patrick Goodfellow [2] President and CEO	2017 2016 2015	284,382 198,480 150,000	494,480 - -	- - -	25,000 - 148,000	- - -	12,241 8,118 10,500	16,756 16,541 16,250	832,859 223,139 324,750
Denis Fraser [3] President and CEO	2017 2016 2015	49,231 300,000 275,000	- - -	- - -	- - 182 500	- - -	969 10,500 10,500	151,446 [7] 18,771 18,629	201,646 329,271 486 629
Charles Brisebois [4] Chief Financial Officer	2017 2016 2015	120,731 108,123 100,000	- - -	- - -	10,000 5,000 35,250	- - -	5,951 4,525 5,410	13,066 2,130 2,016	149,748 119,778 142,676
Pierre Lemoine [5] Chief Financial Officer	2017 2016 2015	87,308 200,000 176,000	- - -	- - -	- - 111,000	- - -	1,692 8,089 10,500	62,904 [8] 16,231 1,830	151,904 224,320 299,330
Mary Lohmus Executive Vice President Ontario and Western Canada	2017 2016 2015	229,696 230,000 164,800	- - -	- - -	20,000 21,200 144,601	- - -	10,897 9,722 10,500	15,992 8,754 -	276,585 269,676 319,901
David Warren Vice President Atlantic	2017 2016 2015	163,942 165,000 134,000	- - -	- - -	15,000 - 67,861	- - -	7,000 6,777 8,074	9,453 9,707 769	195,395 181,484 210,704
Jeffrey Morrison[6] Vice President National Accounts	2017 2016 2015	119,500 107,415 80,000	- - -	- - -	9,000 7,500 44,235	- - -	5,060 4,597 4,969	8,865 7,895 9,053	142,425 127,407 138,257

(1) Includes fringe benefits, vacation paid, company vehicle or allowance for vehicle, severance, professional association membership.
(2) Includes his salary as Vice President Hardwood from December 1, 2016 to January 17, 2017 and his salary as President and CEO starting January 18, 2017.
(3) Mr. Denis Fraser stepped down as President and CEO of the Corporation on January 17, 2017.
(4) Includes his salary as senior controller from December 1, 2016 to September 27, 2017 and his salary as CFO starting September 28, 2017.
(5) Mr. Pierre Lemoine is no longer employed by the Corporation since March 3, 2017.
(6) Includes his salary as Director of Sales - LBM from December 1, 2016 to May 16, 2017 and his salary as Vice President starting May 17, 2017.
(7) Includes a severance of $150,000.
(8) Includes a severance of $55,000.
(9) Patrick Goodfellow has been awarded 56,000 deferred share units which vested upon the approval of the audited financial statements by the Board. He may exercise these units at any business day before February 13, 2021 for an amount equal to the average closing price of the share on the Toronto Stock Market on the preceding twenty business days. Value is based on the Corporation's share price as at the date of grant on January 15, 2017.

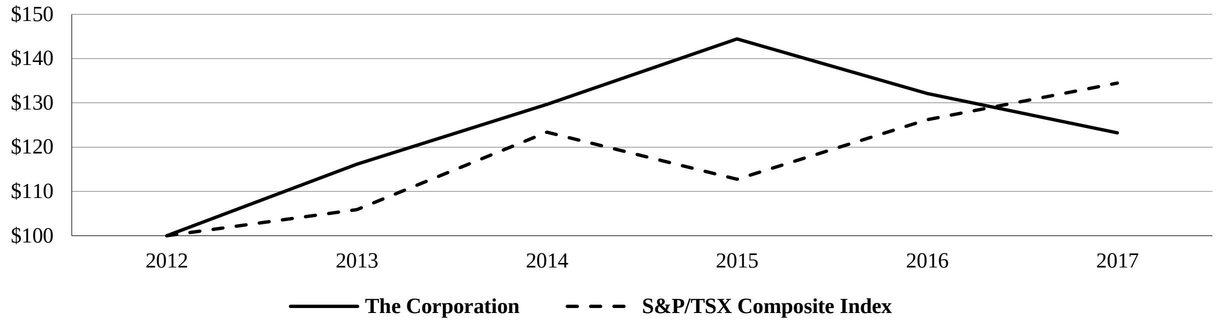
PERFORMANCE GRAPH

The performance graph presented below illustrates the cumulative total return on an investment of $100 made on August 31, 2012, in common shares of the Corporation compared with The Toronto Stock Exchange S&P/TSX Composite Index for the Corporation's last five fiscal years.

The year-end values of each investment are based on share appreciation plus dividends paid in cash. The calculations exclude brokerage fees and taxes. Total shareholder returns from each investment can be calculated from the year-end investment values shown below the graph.

CUMULATIVE TOTAL RETURN FOR FIVE YEARS

Years ended August 31(1) and November 30(3)
Total return index
Investment on August 31, 2012
2012 = $100.0



	2012(1)	2013(1)	2014(2)(3)	2015(3)	2016(3)	2017(3)
The Corporation	100.0	116.2	129.6	144.4	132.1	123.2
S&P/TSX Composite Index	100.0	105.9	123.4	112.7	126.2	134.5

(1) Year ended August 31
(2) Change of fiscal year-end, from August 31 to November 30 (15 months)
(3) Year ended November 30

Over the last five years, the total compensation received by the Corporation to the senior executives, including NEOs and the other vice-presidents, in the aggregate, increased by approximately 4% while cumulative shareholder return totalled 23% and the S&P/TSX Composite Index increased by 35%.

SHAREHOLDINGS OF SENIOR EXECUTIVES

The following table sets forth the number of common shares beneficially owned or over which control or direction is exercised by each of the NEOs as at November 30, 2017:

Names of officers	Common Shares Owned, Controlled or Directed (Number)
Patrick Goodfellow	5,000
Charles Brisebois	-
Mary Lohmus	15,500
David Warren	700
Jeffrey Morrison	-

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No executive officers, senior officers, directors or any person related to them is indebted to the Corporation at February 16, 2018.

PENSION BENEFITS

Since October 1, 1971, the Corporation has provided retirement programs to all its employees. One of these plans, the *Pension Plan for the Salaried Employees of Goodfellow Inc.* (the "Salaried Plan"), covers various key executives as named by the Board of Directors of the Corporation. Prior to participating in the Salaried Plan, the executives participated in the *Pension Plan for the Senior Salaried Employees of Goodfellow Inc.* (the "Senior Plan").

Both plans were pure defined benefit (DB) plans up to May 31, 2007, but were amended effective June 1, 2007, to be merged together and to introduce a defined contribution (DC) component for future service. The objective of the merger of the Senior Plan into the Salaried Plan (referred thereafter as the "Plan") was to simplify administration. The merger had no impact on the benefits accumulated prior to the effective date of the merger.

Pursuant to the DC component, each employee accumulates funds that are matched by the Corporation to the extent of 4% of the employee's earnings (subject to the maximum prescribed in the *Income Tax Act*); the pension entitlement from the DC component depends on the value of the accumulated funds at retirement, when such funds are converted into retirement income for the benefit of the retiree.

For each year of credited service as a senior salaried member in the DB component of the Plan, the Plan provides for an annual income equal to 1.75% of the average salary over the 5-year period preceding retirement. Salary includes commissions and bonuses. However, the DB annual pension at normal or early retirement is limited to $2,000 per year of credited service in the DB component of the Plan. The normal retirement age is 65. However, an executive can retire as early as 10 years prior to normal retirement age and commence receiving a reduced pension. The DB pension is reduced by 4% per year that retirement precedes normal retirement age. In the case of a member who has a spouse at retirement, the DB pension is paid in the form of a lifetime annuity with 60% continuing to the spouse for his/her lifetime after the employee's death. If the member dies less than 10 years after the start of pension payments and did not have a spouse at the time of retirement, the difference between the pension payments made before death and those remaining to be made until the expiry of 10 years, is payable to the retiree's estate. All employees ceased to accrue credited service in the DB component of the Plan after May 31, 2007. The DB component of the Plan is fully paid by the Corporation. The Corporation made cash contributions to the defined benefit component of the Plan of $55,100 for the year ended November 30, 2017.

The following table shows the estimated annual retirement income payable from normal retirement age by the DB component of the Plan according to years of credited service in the DB component of the Plan:

Pensionable Salary ($)	**Years of credited service**						
	5 ($)	10 ($)	15 ($)	20 ($)	25 ($)	30 ($)	35 ($)
100,000	8,750	17,500	26,250	35,000	43,750	52,500	61,250
150,000	10,000	20,000	30,000	40,000	50,000	60,000	70,000
200,000	10,000	20,000	30,000	40,000	50,000	60,000	70,000
250,000	10,000	20,000	30,000	40,000	50,000	60,000	70,000

On November 30, 2017, the following NEOs had accumulated the following years of credited service in the DB component of the Corporation pension plans:

Name	Number of years credited service (1)	Annual benefits payable ($)		Accrued obligation at start of year ($) (4)	Compensatory ($) (5)	Non-Compensatory ($) (6)	Accrued obligation at year end ($) (7)
		At year end(2)	At age 65 (3)				
Patrick Goodfellow	5.7465	11,493	11,493	109,000	-	10,000	119,000
Denis Fraser[8]	-	-	-	-	-	-	-
Charles Brisebois	2.4137	4,827	4,827	41,000	-	4,000	45,000
Pierre Lemoine[9]	6.4137	12,827	12,827	135,000	-	11,000	146,000
Mary Lohmus	12.4137	24,827	24,827	365,000	-	27,000	392,000
David Warren	14.4137	28,827	28,827	330,000	-	26,000	356,000
Jeffrey Morrison	4.4137	8,827	8,827	70,000	-	7,000	77,000

(1) Service for the Defined Benefits portion of the Plan, frozen as at June 1, 2007.
(2) Based on the credited service shown in the previous column. For members in receipt of a pension, actual amount of pension is shown as at November 30, 2017. For other members, maximum pension per year of service ($2,000 not indexed) applies. Salaries therefore do not affect pension amounts.
(3) Amount is equal to amount in previous column since there is no benefit accrual under the plan and since salaries do not affect pension amounts.
(4) Projected Benefit Obligation (PBO) at November 30, 2016 based on assumptions on November 30, 2016, calculated using the accrued benefit method adopted for accounting and proxy disclosure. The main assumptions are a discount rate of 3.75%, the CPM2014Priv mortality table projected with generational mortality improvement and a retirement age of 62.
(5) Amount is nil since there is no service accrual under the Plan and because salaries do not affect pension amounts.
(6) Corresponds to the sum of the interest on the PBO, the impact of the change in assumptions and any gain or loss on indexing or retirement, less any pensions actually paid.
(7) PBO as of November 30, 2016 based on 2017 year-end assumptions. The 2017 year-end assumptions are the same as for 2016, except for the discount rate of 3.50%.
(8) M. Denis Fraser has stepped down as president and CEO of the Corporation on January 17, 2017.
(9) M. Pierre Lemoine is no longer employed by the Corporation since March 3, 2017.

At normal retirement age, the above NEOs will have the same number of years of credited service in the DB component as shown above since the credited service under the DB component of the Plan ceased to accrue after May 31, 2007.

In addition to the DB component, the NEOs now accrue service under the DC component of the plan, since June 1, 2007. On November 30, 2017, they had accumulated the amounts shown below in the DC components of the Corporation pension plans:

Defined Contribution Plan Table

Name	Accumulated value at start of year ($)	Compensatory ($)	Non-compensatory ($)	Accumulated value at year end ($)
Patrick Goodfellow	210,260	24,269	23,844	258,373
Denis Fraser(1)	49,407	1,938	n/a	n/a
Charles Brisebois	157,021	11,151	16,858	185,030
Pierre Lemoine (2)	286,027	7,077	n/a	n/a
Mary Lohmus	267,706	21,256	17,700	306,662
David Warren	222,755	15,016	20,975	258,746
Jeffrey Morrison	125,755	10,625	12,762	149,142

(1) M. Denis Fraser has stepped down as president and CEO of the Corporation on January 17, 2017.
(2) M. Pierre Lemoine is no longer employed by the Corporation since March 3rd, 2017.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

In accordance with *Regulation 58-101 Respecting Disclosure of Corporate Governance Practices* the following text, as well as the information set forth in Appendix A hereto, summarizes the Corporation's corporate governance policy and practices.

Composition of the Board of Directors

The Board of Directors for the next fiscal year will be comprised of six (6) directors. Independent and unrelated directors are those who are independent of management of the Corporation or of management of a significant shareholder and are free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the Corporation.

MM. G. Douglas Goodfellow, Secretary of the Corporation, and David A. Goodfellow a significant shareholder of the Corporation, are non-independent. MM. Stephen A. Jarislowsky, Claude A. Garcia (Chairman of the Board), Normand Morin (Chairman of the Audit Committee) and Alain Côté are independent. Independent directors have direct and unlimited access to other management members and other managers as well as to the auditors of the Corporation. The independent members of the Board do not hold regularly scheduled meetings without the presence of non-independent directors. However, such directors are given the opportunity to meet on an ad hoc basis during regularly scheduled Board meetings, or otherwise as appropriate. The Board of Directors does not find it necessary to add structures to those that already exist in order to ensure its independence vis-à-vis management. Any given director may retain the services of an outside advisor at the Corporation's expense, subject to approval by the chair of the Board.

Mandate and Operating Methods of the Board of Directors

The Board of Directors manages the business and affairs of the Corporation through the mandates it confers upon its committees and upon its officers and through the exercise of its plenary powers in all matters. At regularly scheduled meetings it receives, discusses and considers for approval, with or without modification, reports of its committees and of its officers on the operations of the Corporation and its subsidiaries and divisions. Without limitation these include reports on current issues and developments of relevance to the operations and objectives of the Corporation and to their achievement. They also include monitoring of a strategic planning process; identification, and to the extent reasonably possible, management of principal risks; monitoring of a communications policy for the Corporation; communications with the public, with shareholders and with employees; and the adequacy and efficiency of the Corporation's internal information systems and their control and security; and succession planning, including appointing, training and monitoring senior management.

The Corporation has a variety of orientation and education programs in place for current and new directors. All new directors receive a complete record of historical public information about the Corporation, as well as the charters and by-laws of the board and its committees, and other relevant corporate and business information. Senior management make regular presentations at each Board meeting on the main areas of the Corporation's business, including (but not exclusively) cost reduction programs, business conditions, prospects, personnel issues and new product development. Directors are invited to tour the Corporation's various facilities.

The Board of Directors reviews the composition and size of the Board once a year. The Board feels that the present number of directors permits the Board to operate in a prudent and efficient manner.

The plenary power of management of the Corporation by the Board of Directors is exercised through the approval of revenue and capital budgets, the review of monthly narrative and financial reports of performance, the acquisition or disposition of all real estate, acquisitions of other businesses and of all non-budgeted expenditures and all measures respecting the environment. It also includes control of all banking and borrowing and granting of any security; the issue or redemption of all debt and equity securities; declaration of dividends; filling of vacancies on the Board of Directors; adoption, amendment or repeal of by-laws; and the approval of all quarterly and annual financial statements and any related press releases.

The Corporation's objective communicated by the Board of Directors to the chief executive officer of the Corporation is to maximize long-term shareholder value through the efficient manufacture, wholesale distribution and brokerage sale of a full range of quality lumber and wood-related products throughout North America. Such enhancement of shareholder value through growth is to be achieved in a responsible manner, without the assumption of undue risks, and also in consideration of its employees, its customers and its goodwill.

Ethical Business Conduct

On April 21, 2005, the Board of Directors adopted a code of business ethics (the "Code"). The Board of Directors monitors compliance with the Code by ensuring that the Code sets out the basic principles by which all employees, officers and directors of the Corporation conduct themselves and that as part of the recruitment process for new employees, all employees read and sign a copy of the Code. A copy of the Code is available to any person by request to the Corporate Secretary, Goodfellow Inc., 225 Goodfellow Street, Delson, Quebec, J5B 1V5.

Majority Voting in Director Elections

In an uncontested election of Directors, each Director should be elected by the vote of a majority of the shares represented in person or by proxy at any shareholders' meeting for the election of Directors. Accordingly, if any nominee for Director fails to receive at least a majority of the votes cast for his election, treating for such purpose "withhold" votes as a vote against such election, (a "Majority Withheld Vote") that nominee shall immediately tender his resignation to the Board Chair following the meeting at which he is elected, which resignation will become effective upon acceptance by the Board. In this Policy, an "uncontested election" means an election where the number of nominees for Directors is equal to the number of Directors authorized to be elected upon such election as determined by the Board.

The Board shall consider the resignation offer and shall decide, within 90 days following the meeting at which the Director received a Majority Withheld Vote, whether to accept or refuse it. The Board will consider all facts and circumstances deemed relevant including, without limitation, the stated reasons why shareholders "withheld" votes from the election of that nominee, the length of service and the qualification of the Director whose resignation has been tendered, such Director's contributions to the Corporation, the Corporation's corporate governance policies, alternatives to cure the underlying cause of the withheld votes, the overall composition of the Board (including the current mix of skills and attributes of the Board), and whether accepting the resignation would cause the Corporation to fail to meet any applicable listing, statutory or regulatory requirements.

Following the Board's decision on the resignation, the Board shall promptly disclose via press release, duly filed with the Toronto Stock Exchange, its decision whether to accept the Director's resignation offer. Should the Board decline to accept the resignation offer, it should fully state in the press release the reasons for the decision. If the resignation is accepted, the Board may, in accordance with the provision of the Canada Business Corporations Act, appoint a new Director to fill any vacancy created by resignation or reduce the size of the Board or call a special meeting of shareholders at which there will be presented a new candidate to fill the vacant position(s).

Communications with Investors and Shareholders

Representatives of the Corporation are available to respond to inquiries from shareholders and investors during the Corporation's regular business hours. The Corporation is also subject to certain disclosure requirements pursuant to applicable Canadian securities laws. The Board of Directors is satisfied with the communications policy implemented by the Corporation. The representatives designated by the Corporation for this purpose ensure efficient communications with shareholders, the financial community and the media.

Committees of the Board of Directors

The by-laws of the Corporation provide that the Board of Directors may delegate to any of its board committees any power that the Board of Directors may exercise, save those powers any board committee is prohibited from exercising by law. The Board of Directors has established the following committees:

(i) Corporate Governance Committee

The Board of Directors acts as the Corporation's Corporate Governance Committee, with a view to examining measures to improve the effectiveness of the Board of Directors and to identify and manage the principal risks facing the Corporation. It also considers matters of corporate governance such as the functions and duties of the other committees of the Board of Directors and the Corporation's general relations and communications with its shareholders. You can find a copy of the Corporate Governance Guideline at Appendix A.

(ii) Audit Committee

The Audit Committee directly examines the Corporation's financial statements, aided by the Corporation's auditors, and recommends their approval to the Board of Directors. It also reviews the auditors' assessment of internal controls, their recommendations for improvement, and management's response to such recommendations. The members of the Audit Committee are Normand Morin, Claude A. Garcia and Stephen A. Jarislowsky.

The Corporation provides additional information on the audit committee on an ongoing basis in Item 9 – Audit Committee of the Annual Information Form for the fiscal year ended November 30, 2017. The Corporation's annual Information Form is available on the SEDAR website (www.sedar.com) and on the Corporation's website (www.goodfellowinc.com).

(iii) Compensation Committee

The Board of Directors has a Compensation Committee composed of Claude A. Garcia, Stephen A. Jarislowsky, G. Douglas Goodfellow and Normand Morin. Of the Compensation Committee members, Messrs. Jarislowsky, Garcia and Morin are independent directors and all three have extensive executive compensation experience to aid them in the performance of their duties. Mr. Jarislowsky is a cofounder of the Canadian Coalition for Good Governance and the Institut de Gouvernance du Québec. Mr. Garcia and Mr. Morin were directors on many publicly traded companies with similar functions. This experience enables the committee to make decisions on the suitability of the Corporation's compensation policies and practices.

All officers of the Corporation receive compensation that is believed to be competitive with the compensation packages paid by comparable corporations. The committee manages the Stock Option Plan for senior executives and performs all other duties entrusted to it by the Board of Directors.

Other Governance Matters

The Board of Directors has not seen fit at this time to create the other committees recommended by the TSX Guidelines. No committee responsible for the nomination and assessment of new Board members is deemed necessary. Once a year, the members of the Board establish the various board committees and their respective composition, according to the skills, interests and availability of individual Board members, and appoint a chairman for each committee.

Board of Directors and Committee Meetings Held and Attendance Record

Attendance records for the Board of Directors and committee meetings held during the financial year ended November 30, 2017 were as follows;

Attendance Records
During Fiscal Year Ended November 30, 2017

Director's name	Board of Directors (Total of four meetings)	Audit Committee (Total of four meetings)	Compensation Committee (Total of one meeting)
Claude A. Garcia	4	4	1
Stephen A. Jarislowsky	4	4	1
David A. Goodfellow	4	-	-
G. Douglas Goodfellow	4	-	1
Normand Morin	4	4	1
Keith Rattray (1)	1	-	-
Denis Fraser (2)	-	-	-

(1) Mr. Keith Rattray stepped down as director of the Corporation on April 19, 2017.
(2) Mr. Denis Fraser stepped down as director of the Corporation on January 17, 2017.

DIRECTORS AND OFFICERS LIABILITY INSURANCE

The Corporation has purchased and maintains liability insurance for the benefit of the directors and officers of the Corporation and its affiliates. The Insurance coverage is $10,000,000. The amount of the deductible is $35,000. The premium paid by the Corporation in respect of directors and officers as a group was $22,500 for the period from September 1, 2017 to September 1, 2018.

INTEREST OF INSIDERS AND OTHERS IN MATERIAL TRANSACTIONS

During the fiscal year ended November 30, 2017, the Corporation entered into a transaction with an insider of the Corporation, namely Jarislowsky Fraser Ltd., a company controlled by a member of the Board, with its head office at 2005-1010 Sherbrooke Street West, Montreal, Quebec, H3A 2R7. Jarislowsky Fraser Ltd. provided certain administrative services to the Corporation's pension plans, for which aggregate management fees of $187,000 were charged and paid by the pension plans during 2017. The management fees represent an appropriate allocation of costs incurred in performing the various administrative services. The transaction with Jarislowsky Fraser Ltd. occurred in the normal course of business of the Corporation and the consideration relating to this transaction was established and agreed to by way of contractual arrangements between the related parties.

INFORMATION ON THE AUDIT COMMITTEE

Regulatory information concerning the Audit Committee is provided in Item 9 – Audit Committee of the Annual Information Form for the fiscal year ended November 30, 2017. The Corporation's annual Information Form is available on the SEDAR website (www.sedar.com) and on the Corporation's website (www.goodfellowinc.com).

ADDITIONAL DOCUMENTATION

The Corporation is a reporting issuer under the securities legislation of the provinces of Quebec and Ontario and is therefore required to file financial statements, management discussion and analysis, a management proxy circular and an annual information form with the securities regulatory authorities in these jurisdictions. Copies of these documents and additional information concerning the corporation can be found on the SEDAR website at www.sedar.com. In addition, copies of such documents may be obtained on request from the office of the Secretary of the Corporation (225 Goodfellow Street, Delson, Québec, J5B 1V5, tel.: 450-635-6511). The Corporation may require the payment of reasonable expenses if a request is received from a person who is not a holder of securities of the Corporation, unless the Corporation makes a distribution of its securities pursuant to a short form prospectus, in which case such documents will be provided free of charge.

RECEIPT OF SHAREHOLDERS PROPOSALS FOR THE 2018 ANNUAL MEETING

Shareholders who will be entitled to vote at the 2018 annual meeting of Shareholders, who will wish to submit a proposal in respect of any matter to be raised at the meeting and who wish their proposal to be considered for inclusion in the management proxy circular and form of proxy relating thereto, shall ensure that the Secretary of the Corporation receives their proposal no later than December 14, 2018.

APPROVAL OF DIRECTORS

The contents and the sending of this Circular have been approved by the directors of the Corporation.

G. Douglas Goodfellow
Secretary
Dated at Delson, Quebec
16 February 2018

Appendix A

Corporate Governance Disclosure

The following compares the Corporation's governance practices against *Regulation 58-101 Respecting Disclosure of Corporate Governance Practices*, which deal with corporate governance, as required under form 58-101-F1 "Corporate Governance Disclosure":

Guidelines	**Comments**
1. Board of Directors	
(a) Disclose the identity of directors who are independent.	Of the six Board nominees, Claude A. Garcia (chair of the Board), Normand Morin, Stephen A. Jarislowsky and Alain Côté are independent.
(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.	The Board of Directors is responsible for determining whether or not each director is an independent director. To do this, the Board analyzes all the relationships of the directors with the Corporation and its subsidiaries. Non-independent directors are G. Douglas Goodfellow, secretary and David A. Goodfellow, a significant shareholder. None of the other directors works in day-to-day operations of the Corporation, is party to any material contracts with the Corporation, or receives any fees from the Corporation other than as directors.
(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the Board of Directors (the *Board*) does to facilitate its exercise of independent judgement in carrying out its responsibilities.	A majority of directors are independent. Independent directors are given the opportunity to meet on an ad hoc basis during regularly scheduled Board meetings, or otherwise as appropriate. The Board of Directors does not find it necessary to add structures to those that already exist in order to ensure its independence vis-à-vis management. Any given director may retain the services of an outside advisor at the Corporation's expense, subject to approval by the Chair of the Board.
(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.	Claude A. 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) and he also held directorships with Standard Life Assurance Co., the Montreal Stock Exchange, Cogeco, the Caisse de dépôt et placement du Québec, the Clinical Research Institute of Montreal and the Montreal Chamber of Commerce. Normand Morin has previously held directorships with Groupe Canam, Ovivo Inc., Trévi Inc. and Montreal Port Authority. Alain Côté has previously held

	directorships with the Ordre des comptables agréés du Québec, CICA, CPA Canada and the Board of Trade Metropolitan Montreal. He is currently a member of the Board and Audit Committee of the Laval University Foundation.
(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 issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.	The independent members of the Board do not hold regularly scheduled meetings without the presence of non-independent directors. However, such directors are given the opportunity to meet on an ad hoc basis during regularly scheduled Board meetings or otherwise, as appropriate. The Board of Directors does not find it necessary to add structures to those that already exist in order to ensure its independence vis-à-vis management. Any given director may retain the services of an outside advisor at the Corporation's expense, subject to approval by the Chairman of the Board.
(f) Disclose whether or not the chair of the Board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.	The Chairman of the Board, Claude A. Garcia, is independent. The Chairman of the Board, together with the Compensation Committee, is responsible for administering the Board's relationship with management and the CEO. The Compensation Committee may convene meetings of the Board without management present whenever at least two members of the Compensation Committee feel it is necessary. At least one meeting of independent directors is held in private each year to allow a more open discussion. Claude A. Garcia is chair of the Board and chairs these independent meetings whenever they occur.
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	See the table under "Board of Directors and Committee Meetings Held and Attendance Record" under "Disclosure of Corporate Governance Practices".
2. Board Mandate	
(a) 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.	The Board of Directors recognizes its mandate to supervise the management of the Corporation and act in the best interests of the Society and of all shareholders and the best interests of the Corporation. The Board of Directors approves all significant decisions that affect the Corporation and its subsidiaries before they are implemented. In pursuing this objective, consideration is given to the interests of the shareholders generally as well as those of the other stakeholders in the Corporation, including its employees, and to balancing gain against risk in order to ensure the long term financial

	viability of the business of the Corporation. The Board of Directors is actively involved in the Corporation's strategic planning process. The Board discusses and reviews all materials relating to the strategic plan with management. The Board is responsible for reviewing and approving the strategic plan. At least one Board meeting each year is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. The Board also reviews the strategic plan quarterly. There is no specific committee that manages the strategic planning process but is rather an integral part of each Board of Directors meeting. The Board, through the Audit Committee, is responsible for identifying the principal risks of the Corporation and ensuring that risk management systems are implemented. The principal risks of the Corporation are those related to the environment, the Corporation's industry, foreign currencies and interest rates. The Audit Committee meets four times a year to review reports and discuss significant risk areas with management. The Audit committee meets with the auditors at least twice a year to review audit plan and audit findings and recommendations. The Board, through the Audit Committee, ensures that the Corporation adopts risk management policies. The Board is responsible for choosing the president and CEO, appointing senior management and for monitoring their performance. The Board approves the president and CEO's corporate objectives and compensation. The Board also ensures that processes are in place to recruit senior managers with the highest standards of integrity and competence, and to train, develop and retain them. The Board supports management's commitment to training and developing all employees. The Board approves the entire Corporation's major communications, including annual and quarterly reports, financing documents and press releases. The Corporation communicates with its shareholders through a number of channels including its website. The Board approves the communication policy that covers the accurate and timely communication of all important information. It is reviewed annually. The Board, through its Audit Committee, examines the effectiveness of the Corporation's internal control processes and management information systems. The

	Board consults with management and the external auditors of the Corporation to ensure the integrity of these systems. The auditors submit a report to the Audit Committee each year on the quality of the Corporation's internal control and management systems. The Board of Directors reviews the composition and size of the Board once a year. The Board feels that the present number of directors permits the Board to operate in a prudent and efficient manner.
3. Position Descriptions	
(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.	The Board has established a position description for its Chairman and for the Chairman of the two committees. Essentially, the primary responsibility of the Chairman Board chair is to conduct various meetings and to ensure that the Board or committee operates effectively and meets the objectives set forth in their respective charter.
(b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.	The Board approves the president and CEO's corporate objectives and compensation. The Board acts as a Corporate Governance Committee and is responsible for the overall governance of the Corporation. This includes developing position descriptions for the Board and the CEO. The Governance Committee reviews and approves the corporate objectives that the CEO is responsible for meeting. The committee assesses the CEO's performance against these objectives and reports the results of this assessment to the Board. The Board has clearly defined the limits to management's authority. The Board expects management to: ➢ review the Corporation's strategies and their implementation in all key areas of the Corporation's activities; ➢ carry out a comprehensive budgeting process and monitor the Corporation's financial performance against the budget; and ➢ identify opportunities and risks affecting the Corporation's business and find ways of dealing with them.
4. Orientation and Continuing Education	
(a) Briefly describe what measures the board takes to orient new directors regarding:	The Corporation has a variety of orientation and education programs in place for current and new

i) the role of the board, its committees and its directors, and ii) the nature and operation of the issuer's business.	directors. All new directors receive all records of historical public information about the Corporation, as well as the by-laws and charters of the Board and its committees, and other relevant corporate and business information. Senior management makes regular presentations at each Board meeting on the main areas of the Corporation's business, including (but not exclusively) cost reduction programs, business conditions, prospects, personnel issues and new product developments. Directors are regularly invited to tour the Corporation's various facilities.
(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 its directors maintain the skill and knowledge necessary to meet their obligations as directors.	See comments above.
5. Ethical Business Conduct	
(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: (i) disclose how a person or Corporation may obtain a copy of the code; (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; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.	The Board of Directors has adopted a code of ethics (the "Code") which sets out standards of conduct expected of all employees, officers and Directors, all of whom receive a copy and are expected to acknowledge a) having read the Code and b) understanding that compliance is a condition of their continued employment or status with the Corporation. The Board relies on the CEO of the Corporation to monitor compliance with the Code, and the CEO has acknowledged that that it is his duty to do so and to report all transgressions to the Board along with a description of any remedial action taken; in this way the Board is able to assess sensitive areas and to revise and strengthen the Code as warranted. A copy of the Code is available to any person on request to the Corporate Secretary, Goodfellow Inc., 225 Goodfellow Street, Delson, Quebec, J5B 1V5.
(b) Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.	The Corporate Governance Committee's mandate includes the review and approval of all related party transactions for potential conflict of interest situations.

(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	The Board of Directors monitors compliance with the Code by ensuring that the Code sets out the basic principles by which all employees, officers and directors of the Corporation conduct themselves and that as part of the recruitment process for new employees, all employees read and sign a copy of the Code.
6. Nomination of Directors	
(a) Describe the process by which the board identifies new candidates for board nomination.	The Corporation does not have a nominating committee. The Board of Directors is responsible for proposing new nominees. The Board of Directors is also responsible for the ongoing assessment of directors. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation and the ability to devote the time required, and must show support for the Corporation's mission and strategic objectives and a willingness to serve.
(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.	No committee responsible for the nomination and assessment of new Board members is deemed necessary. Once a year, the members of the Board establish the various Board committees and their respective makeup according to the skills, interests and availability of individual Board members, and appoint a chair for each committee. The independent directors evaluate Board and individual director performance. The Corporation has a small (six members) Board with four independent members. The Chairman of the Board is responsible for ensuring good Board member diversity and chemistry. Board members represent some 54% of the Corporation's shares.
(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	Not applicable.
7. Compensation	
(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.	The Board of Directors has a Compensation Committee composed of Claude A. Garcia, Stephen A. Jarislowsky, G. Douglas Goodfellow and Normand Morin. All officers of the Corporation receive compensation that is believed to be competitive with the compensation packages paid by comparable corporations. The Compensation

	Committee manages the Stock Option Plan for senior executives and performs all other duties entrusted to it by the Board of Directors. The Compensation Committee reviews director compensation once a year. To make its recommendation on director compensation, the committee takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian corporations. Directors only receive their compensation in the form of cash. There is no minimum shareholding requirement.
(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.	One of the members of the Compensation Committee—G. Douglas Goodfellow, secretary—is not an independent director, and the other three are independent. The committee met two times in 2017, and all members attended the meetings. In order to ensure that the Compensation Committee follows an objective process even though one of its members is not independent, the chair of the Compensation Committee is independent and G. Douglas Goodfellow is asked to leave the meetings when its remuneration is discussed. The Compensation Committee is responsible for developing and maintaining the Corporation's compensation practices, including: ➢ setting directors' compensation; ➢ developing and recommending management compensation policies, profit-sharing programs and levels to the Board to make sure they are aligned with shareholders' interests and corporate performance; ➢ disclosing the Corporation's approach to executive compensation; ➢ developing performance objectives for the CEO and assessing the CEO's performance against them; and ➢ reviewing succession plans for senior officers of the Corporation.
(c) If the board has a Compensation Committee, describe the responsibilities, powers and operation of the Compensation Committee.	See above.

8. Other Board Committees	
If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Board of Directors acts as the Corporation's Corporate Governance Committee, with a view to examining measures to improve the effectiveness of the Board of Directors and to identify and manage the principal risks facing the Corporation. It also considers matters of corporate governance such as the functions and duties of the other committees of the Board of Directors and the Corporation's general relations and communications with its shareholders. In such capacity, the Board is responsible for reviewing the overall governance principles of the Corporation, recommending any changes to these principles, and monitoring their disclosure. The Board is responsible for the statement of corporate governance practices included in the Corporation's management proxy circular and monitors best practices among major Canadian companies to ensure the Corporation continues to uphold high standards of corporate governance. In such capacity, the Board is responsible for the overall governance of the Corporation. This includes developing position descriptions for the Board and the CEO. The Board reviews and approves the corporate objectives that the CEO is responsible for meeting. The Board assesses the CEO's performance against these objectives. The Board has clearly defined the limits to management's authority. The Board expects management to: ➢ review the Corporation's strategies and their implementation in all key areas of the Corporation's activities; ➢ carry out a comprehensive budgeting process and monitor the Corporation's financial performance against the budget; and ➢ identify opportunities and risks affecting the Corporation's business and find ways of dealing with them.

9. Assessments	
Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.	The Board of Directors is responsible for the ongoing assessment of directors. The independent directors evaluate Board and individual director performance. The chair of the Board is responsible for ensuring good Board member diversity and chemistry. The Corporate Governance Committee has recently established a program under which questionnaires are issued to the directors annually to assess the effectiveness of the Board, its committees and the directors. The results are compiled for presentation to the Corporate Governance Committee for discussion and action, as required.
10. Director Term Limits and Other Mechanisms of Board Renewal	
Disclose whether or not the issuer 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 issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.	The Corporation has not adopted term limits for the directors comprising the board. At this time, the board does not believe that it is in the best interests of the Corporation to establish a limit on the number of times a director may stand for election. While such a limit could help create an environment where fresh ideas and viewpoints are available to the board, a director term limit could also disadvantage the Corporation through the loss of the beneficial contribution of directors who have developed increasing knowledge of, and insight into, the Corporation and its operations, over a period of time.
11. Policies Regarding the Representation of Women on the Board	
(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so. *(b)* If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy: i) a short summary of its objectives and key provisions, ii) the measures taken to ensure that the policy has been effectively implemented, iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and	The Corporation has not adopted a written policy relating to the identification and nomination of women directors to the board of directors. The Corporation considers diversity of race, ethnicity, gender, age, cultural background and professional experience in evaluating candidates for board membership.

<table>
<tr><td>iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.</td><td></td></tr>
<tr><td colspan="2">12. Consideration of the Representation of Women in the Director Identification and Selection Process</td></tr>
<tr><td>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 issuer 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 issuer’s reasons for not doing so.</td><td>The Corporation does not consider the level of representation of women on the board or in executive officer positions because in considering individuals as potential directors or members of senior management, we at all times seek the most qualified persons, regardless of gender. We believe that this approach enables us to make decisions regarding the composition of the board and senior management team based on what is in the best interests of the Corporation and the best interests of our shareholders.</td></tr>
<tr><td colspan="2">13. Consideration Given to the Representation of Women in Executive Officer Appointments</td></tr>
<tr><td>Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer’s reasons for not doing so.</td><td>See our comment under section 12, above.</td></tr>
<tr><td colspan="2">14. Issuer’s Targets Regarding the Representation of Women on the Board and in Executive Officer Positions</td></tr>
<tr><td>(a) For purposes of this Item, a “target” means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer’s board or in executive officer positions of the issuer by a specific date.

(b) Disclose whether the issuer has adopted a target regarding women on the issuer’s board. If the issuer has not adopted a target, disclose why it has not done so.

(c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.

(d) If the issuer has adopted a target referred to in either (b) or (c), disclose:

i) the target, and</td><td>The Corporation has not adopted a target for women on the board of directors or in executive officer positions because we do not believe that any candidate for membership to our board of directors or for an executive officer position should be chosen nor excluded solely or largely because of gender. In selecting director nominee or executive candidates, we consider the skills, expertise and background that would complement the existing board and management team. Directors and executive officers will be recruited based on their ability and contributions.</td></tr>
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ii) the annual and cumulative progress of the issuer in achieving the target.	
15. Number of Women on the Board and in Executive Officer Positions	
(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women. *(b)* Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.	As of the date of this Circular, there are no women on our board of directors, and one (1) of our executive officers is a women.

Notes: