

# **GOODFELLOW INC.**

## **Notice of Annual and Special Meeting of Shareholders and Management Proxy Circular**

The Annual and Special Meeting of Shareholders will take place on  
**June 22, 2021, at 11:00 a.m. (EDT)**

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 AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE is hereby given that the Annual and Special 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 June 22, 2021, at 11:00 a.m. (EDT) for the following purposes:**

1. To receive the consolidated financial statements for the fiscal year ended November 30, 2020 and the independent external auditors’ report thereon;
2. To elect directors;
3. To appoint the independent external auditors and authorize the directors to fix their remuneration;
4. To consider and, if deemed advisable, to ratify and approve by ordinary resolution the amendment and restatement of the Corporation’s general by-laws in the form of By-law No. 2021-1, which sets out the general rules that govern the business and affairs of the Corporation, as described in the accompanying Management Information Circular;
5. to consider and, if deemed advisable, to ratify and approve by ordinary resolution the adoption of By-law No. 2021-2, implementing advance notice procedures relating to the nomination of directors, as described in the accompanying Management Information Circular;
6. to consider and, if deemed advisable, to ratify and approve by ordinary resolution the adoption of By-law No. 2021-3, designating the courts of the Province of Québec as the forum for certain actions involving the Corporation;
7. to consider and, if deemed advisable, to approve by special resolution the amendment to the Articles of the Corporation so as to allow the Board of Directors of the Corporation to appoint additional directors within the limits allowed by the *Canada Business Corporations Act*;
8. 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 the Meeting and vote at the Meeting if you were a shareholder of the Corporation on May 18, 2021, at 5:00 p.m. (EDT).

**In order to follow public health measures as a result of COVID-19, the Corporation is encouraging shareholders and other participants to attend the Meeting virtually by way of a live webcast and telephone conference:**

**Webcast:** <https://edge.media-server.com/mmc/p/inqi5bv5>

**Call:** Please contact Olivia Goodfellow ahead of the Meeting by phone at 450 635 6511 Ext.: 2418 or by email at [ogoodfellow@goodfellowinc.com](mailto:ogoodfellow@goodfellowinc.com) to obtain the phone number and your personal password.

Once you have the phone number and personal password, please dial-in 15 minutes before the beginning of the meeting.

Shareholders are urged to vote on the matters in advance of the meeting by proxy as the webcast and telephone conference will not allow shareholders to cast votes during the meeting. Shareholders will be able to submit questions to the Management team through the live webcast or telephone conference during a portion of the Meeting dedicated for this purpose. The Corporation may take additional precautionary measures in relation to the meeting in response to further developments regarding COVID-19.

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

DATED at Delson, Quebec  
May 5, 2021

By order of the Board of Directors,

**G. Douglas Goodfellow**  
Chairman of the Board

SHAREHOLDERS ARE 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, 8<sup>th</sup> FLOOR, TORONTO, ONTARIO, M5J 2Y1, NO LATER THAN 11:00 A.M. (EDT) ON JUNE 18, 2021.

# **GOODFELLOW INC.**

## **MANAGEMENT PROXY CIRCULAR**

### **FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 22, 2021, AT 11:00 A.M. (EDT)**

#### **SOLICITATION OF PROXIES**

**This Management Proxy Circular (the “Circular”) is provided in connection with the solicitation by the management of Goodfellow Inc. (the “Corporation” or “Goodfellow”) of proxies for use at the Annual and Special Meeting of Shareholders (the “Meeting”) of the Corporation to be held on June 22, 2021, 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 May 5, 2021. 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**

**The persons named as proxyholders in the accompanying form of proxy are directors or officers 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 June 18, 2021. In order to follow public health measures as a result of COVID-19, the Corporation is encouraging shareholders and other participants to attend the Meeting virtually by way of a live webcast and telephone conference:**

**Webcast:** <https://edge.media-server.com/mmc/p/inqi5bv5>

**Call:** Please contact Olivia Goodfellow ahead of the Meeting by phone at 450 635 6511 Ext.: 2418 or by email at [ogoodfellow@goodfellowinc.com](mailto:ogoodfellow@goodfellowinc.com) to obtain the phone number and your personal password.

Once you have the phone number and personal password, please dial-in 15 minutes before the beginning of the meeting.

## 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. **In order to follow public health measures as a result of COVID-19, the Corporation is encouraging shareholders and other participants to attend the Meeting virtually by way of the live webcast or telephone conference.**

## 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 shareholder(s) appointing them. **In the absence of such instructions, such shares will be voted FOR the election of the proposed directors, FOR the appointment of the proposed independent external auditors (the “auditors”), FOR the three resolutions approving and ratifying the amendments to the Corporation’s By-laws, and FOR the resolution approving the amendment to the Articles of the Corporation, the whole in accordance with the terms contained 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 May 5, 2021, there were 8,562,554 outstanding common shares. All shareholders shown in the register of the Corporation on May 18, 2021, at 5:00 p.m. (EDT) (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 common shares <sup>(1)</sup>	20.5%
G. Douglas Goodfellow	1,673,968 common shares <sup>(2)</sup>	19.5%
Stephen A. Jarislowsky	1,066,498 common shares <sup>(3)</sup>	12.5%
Fidelity Management & Research Company	872,000 common shares	10.2%

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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 or hand 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 from a registered shareholder 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 Corporation 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 Corporation (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 Corporation 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, 2020, as well as the independent external auditors' report thereon will be placed before the shareholders at the Meeting, but will not be subject to a vote. The consolidated financial statements and the independent external auditors' report are available on the SEDAR website ([www.sedar.com](http://www.sedar.com)) and the Corporation's website ([www.goodfellowinc.com](http://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 Board has established the number of directors to be elected for the next fiscal year at five (5) directors. 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 and/or officers 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 the election of each of the five (5) 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 May 5, 2021.

<b>Name and Place of Residence</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Common Shares Owned, Controlled or Directed</b>
G. Douglas Goodfellow <sup>(2)</sup> Beaconsfield, Quebec Non-independent	Chairman of the Board Goodfellow Inc.	November 26, 1975	1,673,968 <sup>(3)</sup>
David A. Goodfellow Ville de Léry, Quebec Non-independent	Director	October 22, 1993	1,755,067 <sup>(4)</sup>
Stephen A. Jarislowsky <sup>(1)(2)</sup> Westmount, Quebec Independent	Founder, Jarislowsky, Fraser Ltd. and Director	May 23, 1973	1,066,498 <sup>(5)</sup>
Normand Morin <sup>(1)(2)</sup> Montreal, Quebec Independent	Chairman of the Audit Committee and Director	December 16, 2011	5,000
Alain Côté <sup>(1)(2)</sup> Boucherville, Quebec Independent	Lead Director	April 13, 2018	1,000

<sup>(1)</sup> Member of the Audit Committee.

<sup>(2)</sup> Member of the Compensation Committee.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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.

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

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 May 5, 2021. All directors, with the exception of Mr. Alain Côté, have occupied their position for more than five years.

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

At the Meeting, shareholders will be asked to appoint the independent external 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 external auditors, be reappointed for the period starting December 1, 2020, and ending November 30, 2021.

**If instructions are not received, the directors and/or officers 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 independent external auditors.**

#### **ADOPTION OF BY-LAW NO. 2021-1**

Our previous general by-laws were adopted in 1983 and had not been amended since. As a result, these by-laws did not provide for the use of modern technology in dealing with matters such as shareholder meetings, director meetings and share certificates. Moreover, the quorum requirement set at 51% for shareholder meetings was considered to be high compared to current market practice. As a result, on April 22, 2021, the Board reviewed and approved amended and restated general by-laws in the form of By-law No. 2021-1 which allow, *inter alia*, for meetings of shareholders to be held by telephonic, electronic or other communications facilities, and which provide that shareholders attending by such communication means shall be deemed to be present at the meeting. By-law No. 2021-1 also reduces the quorum for shareholder meetings to 25% of the issued and outstanding shares from 51% before, thereby facilitating the holding of shareholder meetings. The full text of By-law No. 2021-1 can be found in Appendix A to the Circular.

By-law No. 2021-1 is currently in effect from the date that it was adopted by the Board but must be ratified and approved by an ordinary resolution of the Corporation's shareholders at the Meeting to remain in effect. At the Meeting, shareholders will be asked to consider and, if deemed advisable, to adopt an ordinary resolution ratifying and approving By-law No. 2021-1. If so ratified and approved, By-law No. 2021-1 will continue to be effective from the date of its adoption by the Board.

**Management recommends voting in favour of a resolution ratifying and approving By-law No. 2021-1. The text of the resolution approving such by-law is set forth below (the "By-law 2021-1 Resolution"):**

**"RESOLVED THAT,**

- 1 . By-law No. 2021-1 of the Corporation adopted by the board of directors on April 22, 2021 and in the form attached as Appendix A to the Corporation's management information circular dated May 5, 2021 is hereby ratified and approved in all respects; and

- 2 . any one officer or director of the Corporation is hereby authorized, for and on behalf of the Corporation, to execute and deliver any and all documents and instruments and to do all other things as in the opinion of such officer or director may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.”

**If instructions are not received, the directors and/or officers 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 adoption of the By-law No. 2021-1 Resolution.**

#### **ADOPTION OF ADVANCE NOTICE BY-LAW NO. 2021-2**

On April 22, 2021, the Board reviewed and adopted By-law No. 2021-2 to establish a framework for advance notice of nominations of directors by the shareholders of the Corporation. Among other things, By-law No. 2021-2 fixes deadlines by which shareholders must submit a notice of director nominations to the Corporation prior to any annual or special meeting of shareholders where directors are to be elected and sets out the information that a shareholder must include in the notice.

By-law No. 2021-2 allows the Corporation to receive adequate prior notice of director nominations, as well as sufficient information on the nominees to allow the Corporation to evaluate the proposed nominees’ qualifications and suitability as directors and to communicate its views to shareholders in a timely way. It also facilitates an orderly and efficient meeting process and allows all shareholders a reasonable opportunity to evaluate all proposed nominees in order that they be able to make an informed vote. The full text of By-law No. 2021-2 can be found in Appendix B to the Circular.

By-law No. 2021-2 is currently in effect from the date that it was adopted by the Board, but must be ratified and approved by an ordinary resolution of the Corporation’s shareholders to remain in effect. At the Meeting, shareholders will be asked to consider and, if deemed advisable, to adopt an ordinary resolution ratifying and approving By-law No. 2021-2. If so ratified and approved, By-law No. 2021-2 will continue to be effective from the date of its adoption by the Board.

**Management recommends voting in favour of a resolution ratifying and approving By-law No. 2021-2. The text of the resolution approving such by-law is set forth below (the “By-law 2021-2 Resolution”):**

“RESOLVED THAT,

- 1 . By-law No. 2021- 2 of the Corporation adopted by the board of directors on April 22, 2021 and in the form attached as Appendix B to the Corporation’s management information circular dated May 5, 2021 is hereby ratified and approved in all respects; and
- 2 . any one officer or director of the Corporation is hereby authorized, for and on behalf of the Corporation, to execute and deliver any and all documents and instruments and to do all other things as in the opinion of such officer or director may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.”

**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 adoption of the By-law No. 2021-2 Resolution.**

### **ADOPTION OF FORUM SELECTION BY-LAW NO. 2021-3**

On April 22, 2021, the Board reviewed and adopted By-law No. 2021-3, which select the courts of the Province of Québec and appellate courts therefrom as the sole and exclusive forum for certain actions and proceedings involving the Corporation, including derivative actions or proceedings brought on behalf of the Corporation, actions or proceedings asserting a claim for breach of a fiduciary duty owed by any director, officer or employee of the Corporation to the Corporation, actions or proceedings asserting a claim arising pursuant to any provision of the *Canada Business Corporations Act* or the Articles or By-laws, and actions or proceedings asserting a claim otherwise related to the Corporation's affairs. The full text of By-law No. 2021-3 can be found in Appendix C to the Circular.

By-law No. 2021-3 is currently in effect from the date that it was adopted by the Board, but must be ratified and approved by an ordinary resolution of the Corporation's shareholders to remain in effect. At the Meeting, shareholders will be asked to consider and, if deemed advisable, to adopt an ordinary resolution ratifying and approving By-law No. 2021-3. If so ratified and approved, By-law No. 2021-3 will continue to be effective from the date of its adoption by the Board.

**Management recommends voting in favour of a resolution ratifying and approving By-law No. 2021-3. The text of the resolution approving such by-law is set forth below (the "By-law 2021-3 Resolution"):**

"RESOLVED THAT,

- 1 . By-law No. 2021-3 of the Corporation adopted by the board of directors on April 22, 2021 and in the form attached as Appendix C to the Corporation's management information circular dated May 5, 2021 is hereby ratified and approved in all respects; and
- 2 . any one officer or director of the Corporation is hereby authorized, for and on behalf of the Corporation, to execute and deliver any and all documents and instruments and to do all other things as in the opinion of such officer or director may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action."

**If instructions are not received, the directors and/or officers 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 adoption of the By-law No. 2021-3 Resolution.**

### **AMENDMENT TO THE ARTICLES OF THE CORPORATION**

The *Canada Business Corporations Act*, which governs the Corporation, has been amended to allow a board of directors to appoint one or more additional directors to hold office for a term expiring not later than the close of the next annual meeting of shareholders, provided that (i) the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders and (ii) the articles so allow. The Corporation's current Articles do not currently allow for such appointment of additional directors. The Board of Directors believes that amending the Articles to allow for

such appointment of additional directors would provide additional flexibility to the Board of Directors to seize opportunities to retain prime candidates.

As a result, the Board of Directors adopted a resolution amending the Articles to allow for the appointment of additional directors. The full text of the proposed Articles of Amendment can be found in Appendix D to the Circular. In order to become effective, the Articles of Amendment must be approved by shareholders by way of a special resolution. If the shareholders adopt such a resolution, the Articles of Amendment will be filed shortly after the Meeting and will become effective thereafter.

**Management recommends voting in favour of a special resolution approving the Articles of Amendment. The text of the special resolution approving such Articles of Amendment is set forth below (the “Articles of Amendment Resolution”):**

“RESOLVED THAT,

- 1 . the Articles of Amendment in the form attached as Appendix D to the Corporation’s management information circular dated May 5, 2021 are hereby approved in all respects; and
- 2 . any one officer or director of the Corporation is hereby authorized, for and on behalf of the Corporation, to execute and deliver any and all documents and instruments and to do all other things as in the opinion of such officer or director may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.”

**If instructions are not received, the directors and/or officers 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 adoption of the Articles of Amendment Resolution.**

## **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, 2020, the aggregate compensation paid in cash to the directors totalled \$242,056.

## Director Compensation Table

The following table presents the details of the compensation paid and payable to the Corporation's directors for the fiscal year ended November 30, 2020.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Claude A. Garcia <sup>(1)</sup>	62,494	-	-	-	-	-	62,494
Stephen A. Jarislowsky	38,156	-	-	-	-	-	38,156
David A. Goodfellow	24,956	-	-	-	-	-	24,956
G. Douglas Goodfellow	36,562	-	-	-	-	-	36,562
Normand Morin	40,494	-	-	-	-	-	40,494
Alain Côté	39,394	-	-	-	-	-	39,394

<sup>(1)</sup> Mr. Garcia retired from the Board of Directors on April 14, 2021.

## 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 (as such term is defined in Regulation 51-102 Respecting Continuous Disclosure Obligations), i.e.:

- Patrick Goodfellow, President and Chief Executive Officer;
- Charles Brisebois, Chief Financial Officer and Secretary of the Board;
- Mary Lohmus, Executive Vice President Ontario and Western Canada;
- David Warren, Vice President Atlantic;
- Luc Dignard, Vice President Sales Quebec.

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, 2020 was \$2,087,000.

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, 2020, November 30, 2019, and November 30, 2018. This information includes the base salaries, bonuses, awards, long-term compensation awards and all other compensation not reported elsewhere.

## COMPENSATION DISCUSSION AND ANALYSIS

For the period ended November 30, 2020, the Corporation's Compensation Committee was comprised of Stephen A. Jarislowsky, G. Douglas Goodfellow, Normand Morin, Alain Côté and Claude A. Garcia (until his retirement on April 14, 2021). 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 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, 2020 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. 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 (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) <sup>(1)</sup>	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
<b>Patrick Goodfellow</b> President and CEO	2020	300,676	-	-	175,000	-	12,075	17,961	505,712
	2019	317,769	-	-	25,000	-	13,892	18,041	374,702
	2018	305,769	-	-	20,000	-	13,808	17,019	356,596
<b>Charles Brisebois</b> Chief Financial Officer and Secretary of the Board	2020	144,308	-	-	21,000	-	5,882	11,636	182,826
	2019	135,062	-	-	10,500	-	6,202	14,193	165,957
	2018	130,000	-	-	8,000	-	5,960	3,952	147,912
<b>Mary Lohmus</b> Executive Vice President Ontario and Western Canada	2020	229,035	-	-	27,000	-	9,078	8,005	273,118
	2019	241,346	-	-	13,500	-	10,480	8,685	274,011
	2018	230,000	-	-	14,500	-	10,557	7,609	262,666
<b>David Warren</b> Vice President Atlantic	2020	165,685	-	-	22,000	-	6,624	8,448	202,757
	2019	173,846	-	-	10,500	-	7,565	11,835	203,746
	2018	165,000	-	-	13,000	-	7,035	11,530	196,565
<b>Luc Dignard</b> Vice President Sales, Quebec	2020	131,323	-	-	25,000	-	5,937	13,933	176,193
	2019	135,846	-	-	16,000	-	6,131	2,996	160,973
	2018	130,000	-	-	10,000	-	5,320	2,382	147,702

<sup>(1)</sup> Includes fringe benefits, vacation paid, company vehicle or allowance for vehicle, severance, professional association membership.

## PERFORMANCE GRAPH

The performance graph presented below illustrates the cumulative total return on an investment of \$100 made on November 30, 2015, in common shares of the Corporation compared with the 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.

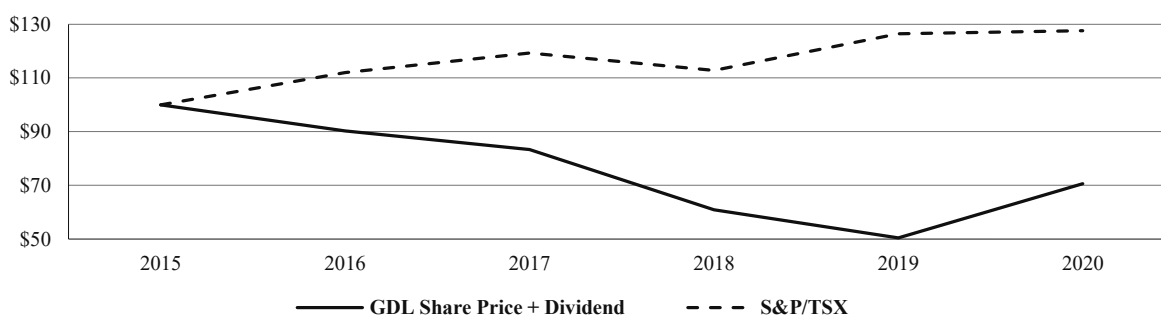
### CUMULATIVE TOTAL RETURN FOR FIVE YEARS

Years ended November 30

Total return index

Investment on November 30, 2015

2015 = \$100



	2015	2016	2017	2018	2019	2020
The Corporation	100.0	90.3	83.4	60.9	50.4	70.6
S&P/TSX Composite Index	100.0	112.0	119.3	112.8	126.5	127.6

Over the last five years, the total compensation received by the NEOs in the aggregate decreased by approximately 17% while cumulative shareholder return decreased by 29% and the S&P/TSX Composite Index increased by 28%.

## 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, 2020:

<b>Names of officers</b>	<b>Common Shares Owned, Controlled or Directed (Number)</b>
Patrick Goodfellow	61,000
Charles Brisebois	1,000
Mary Lohmus	15,500
David Warren	700
Luc Dignard	-

## 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 May 5, 2021.

## 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. However, the DB pension is not reduced if the member is at least 60 years old and has at least 30 years of service with the Corporation at retirement. 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 designated beneficiary or 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 \$41,000 for the year ended November 30, 2020.

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, 2020, the following NEOs had accumulated the following benefits in the DB component of the Corporation pension plans:

Name	Number of years credited service <sup>(1)</sup>	Annual benefits payable (\$)		Accrued obligation at start of year (\$) <sup>(4)</sup>	Compensatory change (\$) <sup>(5)</sup>	Non-Compensatory change (\$) <sup>(6)</sup>	Accrued obligation at year end (\$) <sup>(7)</sup>
		At year end <sup>(2)</sup>	At age 65 <sup>(3)</sup>				
Patrick Goodfellow	5.7465	11,493	11,493	148,000	-	16,000	164,000
Charles Brisebois	2.4137	4,827	4,827	58,000	-	6,000	64,000
Mary Lohmus	12.4137	24,827	24,827	454,000	-	34,000	488,000
David Warren	14.4137	28,827	28,827	446,000	-	41,000	487,000
Luc Dignard	12.4137	24,827	24,827	315,000	-	32,000	347,000

<sup>(1)</sup> Service for the Defined Benefits portion of the Plan, frozen as at June 1, 2007.

<sup>(2)</sup> 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, 2020. For other members, maximum pension per year of service (\$2,000 not indexed) applies. Salaries therefore do not affect pension amounts.

<sup>(3)</sup> 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.

<sup>(4)</sup> Projected Benefit Obligation (PBO) at November 30, 2019 based on assumptions on November 30, 2019, calculated using the accrued benefit method adopted for accounting and proxy disclosure. The main assumptions are a discount rate of 2.95 %, the CPM2014Priv mortality table with the MI-2017 improvement scale and a retirement age of 62 (or the unreduced retirement age if earlier).

<sup>(5)</sup> Amount is nil since there is no service accrual under the Plan and because salaries do not affect pension amounts.

<sup>(6)</sup> Corresponds to the sum of the interest on the PBO, the impact of the change in assumptions and methodologies and any gain or loss on indexing or retirement, less any pensions actually paid.

<sup>(7)</sup> PBO as of November 30, 2020 based on 2020 year-end assumptions. The 2020 year-end assumptions are the same as for 2019, except for the discount rate of 2.60 %.

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, 2020, they had accumulated the amounts shown below in the DC components of the Corporation pension plans:

**Defined Contribution Plan Table**

<b>Name</b>	<b>Accumulated value at start of year (\$)</b>	<b>Compensatory (\$)</b>	<b>Non-compensatory (\$)</b>	<b>Accumulated value at year end (\$)</b>
Patrick Goodfellow	343,858	12,075	36,393	392,326
Charles Brisebois	240,439	5,881	11,210	257,530
Mary Lohmus	389,460	9,078	22,790	421,328
David Warren	315,021	6,625	27,953	349,599
Luc Dignard	260,315	5,937	14,347	280,599

## **TERMINATION AND CHANGE OF CONTROL BENEFITS**

The Corporation is party to an employment agreement entered into with the Corporation's CEO, Mr. Patrick Goodfellow, on January 15, 2017. The agreement is for an indefinite term. The agreement provides that upon termination of employment by the Corporation without cause, Mr. Patrick Goodfellow shall be entitled to an indemnity equivalent to 18 months of remuneration (base salary and bonus), provided that upon completing one full year of uninterrupted service as CEO, the indemnity shall increase by two additional months of remuneration for each full year of service, up to a maximum of 24 months of remuneration. Any such indemnity payment shall be subject to execution of a transaction that includes non-solicitation and non-competition undertakings. Moreover, such indemnity shall be payable in equal instalments based on pay periods and shall cease to be payable upon Mr. Goodfellow beginning other employment, beginning self-employment or establishing a business, in which case a lump sum payment equal to 50% of the residual amount of the indemnity shall be payable. Mr. Goodfellow's employment agreement does not contain any provision applicable in case of a change of control.

## **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 E hereto, summarizes the Corporation's corporate governance policy and practices. Appendix E also contains, immediately following the disclosure required under *Regulation 58-101 Respecting Disclosure of Corporate Governance Practices*, the disclosure in respect of diversity among directors and members of senior management (as prescribed in the regulations) that is required to be placed before shareholders at every annual meeting of a publicly listed corporation governed by the *Canada Business Corporations Act*.

### ***Composition of the Board of Directors***

The Board of Directors for the next fiscal year will be comprised of five (5) 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.

G. Douglas Goodfellow, Chair of the Board, and David A. Goodfellow a significant shareholder of the Corporation, are non-independent. Stephen A. Jarislowsky, Normand Morin (Chair 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 independent external 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. The Code is available on the Corporation’s website ([www.goodfellowinc.com](http://www.goodfellowinc.com)).

### ***Majority Voting in Director Elections***

The Board has adopted a Majority Voting Policy. Under this policy, 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, that nominee shall immediately tender his (or her) resignation to the Board Chair following the meeting at which he (or she) 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 Corporate Governance Committee will consider the resignation offer and will make a recommendation to the Board which will decide, within 90 days after the meeting, whether to accept it. A Director who tenders a resignation pursuant to this policy will not participate in any meeting of the Corporate Governance Committee, the Board of Directors or any other sub-committee of the Board at which the resignation is considered. The Board shall accept the resignation absent exceptional circumstances.

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 shall 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 E of this Circular.

ii. Audit Committee

The Audit Committee directly examines the Corporation's financial statements, aided by the Corporation's independent external auditors, and recommends their approval to the Board of Directors. It also reviews the independent external auditors' assessment of internal controls, their recommendations for improvement, and management's response to such recommendations. During the exercise ending November 30, 2020, the members of the Audit Committee were Normand Morin, Claude A. Garcia (until his retirement on April 14, 2021), Alain Côté 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, 2020. The Corporation's annual Information Form is available on the SEDAR website ([www.sedar.com](http://www.sedar.com)) and on the Corporation's website ([www.goodfellowinc.com](http://www.goodfellowinc.com)).

iii. Compensation Committee

For the exercise ending November 30, 2020, the Board of Directors Compensation's Committee was composed of Claude A. Garcia (until his retirement on April 14, 2021), Stephen A. Jarislowsky, G. Douglas Goodfellow, Alain Côté and Normand Morin. Of the Compensation Committee members, Messrs. Jarislowsky, Garcia, Côté and Morin are independent directors and all four 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. Mr. Côté has assumed many responsibilities as an audit partner at Deloitte. 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 performed 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 other committees as recommended by the Guidelines of the Toronto Stock Exchange. 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, 2020 were as follows:

#### **Attendance Records During Fiscal Year Ended November 30, 2020**

<b>Director's name</b>	<b>Board of Directors (Total of six meetings)</b>	<b>Audit Committee (Total of four meetings)</b>	<b>Compensation Committee (Total of one meeting)</b>
Claude A. Garcia	6	4	1
Stephen A. Jarislowsky	5	4	1
David A. Goodfellow	6	-	-
G. Douglas Goodfellow	6	-	1
Normand Morin	6	4	1
Alain Côté	6	4	1

### **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 \$50,000. The premium paid by the Corporation in respect of directors and officers as a group was \$61,291 covering the period from October 1, 2020 to October 1, 2021.

### **INTEREST OF INSIDERS AND OTHERS IN MATERIAL TRANSACTIONS**

During the fiscal year ended November 30, 2020, the Corporation did not enter into any transaction with an insider of the Corporation or another informed person (within the meaning of the applicable regulations) which has materially affected the Corporation or any of its subsidiaries, nor is any such transaction which would have such effect proposed with an insider or other informed person.

## **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, 2020. The Corporation’s annual Information Form is available on the SEDAR website ([www.sedar.com](http://www.sedar.com)) and on the Corporation’s website ([www.goodfellowinc.com](http://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](http://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.

## **SHAREHOLDERS PROPOSALS**

No shareholder proposals were submitted for deliberation at the Meeting. Shareholders who will be entitled to vote at next year’s annual meeting of shareholders who 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 November 30, 2021.

## **APPROVAL OF DIRECTORS**

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

**G. Douglas Goodfellow**  
**Chairman of the Board**  
Dated at Delson, Quebec  
May 5, 2021

**Appendix A – By-law No. 2021-1**

**(see next page)**

**GOODFELLOW INC.**  
**BY-LAW NO. 2021-1 – GENERAL BY-LAW**

**1. INTERPRETATION**

- 1.1 Definitions. For the purposes of this By-law, unless otherwise provided:

“Act” means the *Canada Business Corporations Act*, R.S.C. (1985) ch. C-44, as well as any amendment which may be made thereto, and any act which may be substituted therefor.

“Articles” means the articles of the Corporation, as they may be amended, restated or consolidated.

“Board” means the Board of Directors of the Corporation.

“Corporation” means Goodfellow Inc. or its successor.

All terms used in this By-law and which are defined in the Act shall have the meanings given to such terms in the Act.

- 1.2 Conflict with the Articles. In the event of conflict between the provisions of this By-law and those of the Articles, the latter shall prevail.

**2. BUSINESS OF THE CORPORATION**

- 2.1 Registered Office. The registered office of the Corporation is situated in the Province specified in the Articles, at such address as the Board may determine.

- 2.2 Corporate Seal. The Corporation may, but need not, adopt one or more corporate seals which shall be such as the Board may approve by resolution from time to time.

- 2.3 Financial Year. The financial year of the Corporation shall end on such date in each year as shall be determined from time to time by the Board.

**3. SHAREHOLDERS**

- 3.1 Annual Meeting. The annual meeting of the shareholders of the Corporation shall be held on such date each year and at such time as may be fixed by the Board in accordance with the Act.

- 3.2 Special Meetings. Special meetings of the shareholders may be called at any time as determined by the Board and shall be called by the Board in accordance with the Act when required by one or more shareholders holding no less than the minimum percentage of the outstanding voting shares prescribed in the Act.

- 3.3 Place of Meetings. Meetings of the shareholders shall be held at the registered office of the Corporation or at any other place in Canada that may be fixed by the Board. Meetings of the shareholders may also be held at a place outside Canada specified in the Articles.

- 3.4 Notice of Meetings. Notice of each meeting of the shareholders shall be sent to the shareholders entitled to vote thereat, the directors and the auditor not less than ten (10) days (or twenty-one (21) days if the Corporation is a distributing corporation) and not more than sixty (60) days prior to the date fixed for the meeting. If such notice is delivered personally or mailed, it shall be directed to the last address of the intended recipient as shown in the records of the Corporation or its agent. The signature to any notice of meeting may be written, stamped, typewritten, printed or otherwise mechanically reproduced thereon.

The irregularity in the notice of meeting or the delivery thereof, including the accidental omission of giving it or the non-reception by a shareholder, a director or the auditor, does not affect the validity of the procedures at the meeting.

In the case of joint shareholders, the notice of meeting and any document pertaining to the meeting may be sent to whichever of such persons is named first in the securities register of the Corporation. Any notice and documents so given shall be sufficient for all of them.

A certificate of the Secretary or of any other duly authorized officer of the Corporation in office at the time of the making of the certificate shall be conclusive evidence of the sending or delivery of a notice of meeting.

- 3.5 Meeting Chairperson and Secretary. The Chair of the Board, or such other person as may from time to time be appointed for that purpose by the Board, shall preside at meetings of shareholders. The Secretary, or such other person as may be appointed for that purpose by the chairperson of the meeting, shall act as secretary of the meeting.
- 3.6 Quorum. Two (2) or more persons present in person or represented by proxy and holding not less than twenty-five percent (25%) of the aggregate number of votes attached to all the outstanding voting shares for such meeting shall constitute a quorum at an annual or special meeting of the shareholders, regardless of the actual number of persons actually present.
- 3.7 Proxy. Shareholders may be represented and vote by proxy. A proxyholder need not be a shareholder of the Corporation and may serve as proxyholder for several shareholders.
- 3.8 Participation by Telephone or Electronic Means. Any person entitled to attend a meeting of shareholders may participate in the meeting using means permitting all participants to communicate adequately with each other, if the Corporation makes available such a communication facility, in particular, telephonic or electronic means. A person participating in a meeting by such means is deemed to be present at the meeting. The Board may determine that the meeting shall be held entirely by means permitting all participants to communicate adequately with each other, in particular, by telephonic or electronic means.
- 3.9 Voting. Unless a ballot is ordered or requested, the vote shall be taken by a show of hands. In such case, the shareholders or their proxyholders shall vote by raising their hands, and the number of votes shall be calculated in accordance with the number of raised hands.

If the chairperson so orders or a shareholder or proxyholder entitled to vote so requests, the vote shall be taken by ballot. A request for a vote by ballot may be made at any time during the meeting, even after the holding of a vote by a show of hands, and such a request may also be withdrawn. Whether or not a vote by a show of hands has previously been taken on the same matter, the result of a ballot shall be deemed to represent the resolution of the meeting in respect thereof.

The Corporation may allow the shareholders and their proxyholders to vote by means of a telephonic, electronic or other communication facility it makes available for that purpose and in accordance with the explanation and instructions it provides them, inasmuch as this facility complies with the requirements contained in the Act. A telephonic or electronic vote is deemed to have been given by show of hands or by ballot, as the case may be.

In the case of joint shareholders and if more than one of such persons is present at any meeting, in person or by proxy, that one of the said persons so present whose name stands first in the securities register of the Corporation in respect of such shares shall alone be entitled to vote in respect thereof.

- 3.10 Procedure at Meetings. The chairperson of any meeting of shareholders shall preside over its deliberations and ensure its orderly conduct. The chairperson has all powers necessary to ensure that the meeting is able to effectively conduct the business for which it was called. To this end, the chairperson shall determine and conduct the procedure in all respects, and the chairperson's decisions, including those pertaining to the validity or invalidity of proxies, shall be conclusive and binding. Everyone attending the meeting, whether or not a shareholder, must comply with the instructions of the chairperson.

Unless a ballot is requested, a declaration by the chairperson that a resolution has been carried or defeated, with or without qualification of unanimity, by a particular majority, and an entry to this effect in the minutes of the meeting shall be conclusive evidence of the fact.

At all times during the meeting, the chairperson may, of the chairperson's own initiative, suspend the meeting for a specified amount of time. The chairperson may also adjourn the meeting for a valid reason such as a disturbance or confusion rendering the harmonious and orderly conduct of the meeting impossible.

- 3.11 Scrutineers. The chairperson at any meeting of shareholders may appoint scrutineers (who may but need not be directors, officers, employees, or shareholders of the Corporation), who shall act in accordance with the directives of the chairperson.

#### **4. BOARD OF DIRECTORS**

- 4.1 Number. The Corporation shall be managed by a Board composed of the fixed number of directors indicated in its Articles. If the Articles establish a minimum and a maximum number of directors, the Board shall be composed of the fixed number of directors established by resolution passed by the Board or, failing this, selected by the shareholders within such limits.

- 4.2 Board Meetings. Meetings of the Board may be called by or by order of the Chair of the Board, if any, the President or any two (2) directors and may be held anywhere in or outside Canada.
- 4.3 Notice of Meetings. Notice of a meeting shall be sent to the directors no less than two (2) days prior to the date fixed for the meeting. Every year, immediately after the annual meeting of the shareholders, a meeting of the new directors present may be held without further notice if they constitute a quorum, to elect or appoint the officers of the Corporation and consider, deal with and dispose of any other matter. Decisions made during the course of a meeting of the Board shall be valid notwithstanding any irregularity, thereafter discovered, in the calling of the meeting of the Board.
- 4.4 Meeting Chairperson and Secretary. Meetings of the Board shall be chaired by the Chair of the Board, if any, or, failing the Chair, by the Lead Director, if any, or, failing the Lead Director, by the President if the President is a director. The Secretary shall act as secretary of the meetings. The directors present at a meeting may nevertheless appoint any other person as chairperson or secretary of such meeting.
- 4.5 Quorum. A majority of the directors in office shall constitute a quorum for a meeting of the Board. A quorum shall be present for the entire duration of the meeting.
- 4.6 Participation by Telephone or Electronic Means. Directors may, if all are in agreement, participate in a Board meeting using means permitting all participants to communicate adequately with each other, in particular, by telephonic or electronic means. A director participating in the meeting by such means shall be deemed to have been present at that meeting. A telephonic or electronic vote is deemed to have been given by show of hands or by ballot, as the case may be.
- 4.7 Voting. Each director shall be entitled to one vote and all matters shall be decided by the majority of the votes cast. The vote shall be taken by a show of hands unless the chairperson orders or a director requests a ballot, in which case the vote shall be taken by ballot. If the vote is taken by ballot, the secretary shall act as scrutineer and count the ballots. The fact of having voted by ballot shall not deprive a director of the right to express such director's dissidence in respect of the resolution concerned and to cause such dissidence to be entered. Voting by proxy shall not be permitted. The chairperson shall have no casting vote in the case of an equality of votes.
- 4.8 Procedure. The chairperson ensures that the meeting is conducted smoothly and submits to the Board the motions on which a vote is to be taken and generally conducts the procedure thereat in all respects, in which regard the chairperson's decision shall be final and binding on all the directors. At the request of the chairperson or any director, a director who has an interest in a contract with the Corporation and is prohibited by the Act to vote on the contract shall leave the meeting while the Board discusses and votes on the contract concerned.
- 4.9 Signed Resolution. A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors, shall be as valid as if it had been passed at a

meeting of directors. A copy of each signed resolution shall be kept with the minutes of the proceedings of the directors.

## **5. COMMITTEES AND OFFICERS**

- 5.1 Committees. The Board may, by resolution, appoint any committee that it may deem fit. Subject to the provisions of the Act and except as otherwise provided by the Board, each such committee shall have the power to fix its quorum (which quorum shall consist of no less than a majority of its members) to appoint its own Chair and to determine its own procedures.
- 5.2 Officers. The Board may, by resolution, appoint all officers it deems appropriate and, subject to the provisions of the Act, determine their powers, functions and duties. The same person may hold more than one office.

## **6. INDEMNIFICATION**

- 6.1 Indemnity. Subject to the limitations provided by the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer, or a person acting in a similar capacity, of another entity, and such person's heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal, administrative or investigative or other proceeding in which such person is involved by reason of being or having been a director or officer of the Corporation or as a director or officer, or a person acting in a similar capacity, of such entity, if:
- a) such person acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, the entity; and
  - b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, such person had reasonable grounds for believing that such person's conduct was lawful.
- 6.2 Insurance. The Corporation may purchase and maintain insurance for the benefit of any person referred to in Section 6.1 against such liability as the Board may from time to time determine, and as permitted by the Act.
- 6.3 Reimbursement and advance of costs. Subject to a contract specifying and restraining this obligation, the Corporation shall reimburse the director, officer and any other agent for the reasonable and necessary costs paid by such person during the execution of such person's duties. This reimbursement shall be done after the presentation of all relevant documents. Moreover, subject to the limitations provided by the Act, the Corporation shall, upon request, advance moneys to such individual for the costs, charges and expenses referred to in Section 6.1, and the individual must repay the moneys if the conditions set out in Section 6.1 are not fulfilled.



## **7. SHARE CAPITAL**

- 7.1 Issue of Shares. Subject to all provisions contained in the Articles or in a unanimous shareholders agreement limiting the allocation or issue of shares in the share capital of the Corporation, the directors may accept subscriptions for, allot, distribute, issue, in whole or in part, the unissued shares of the Corporation, grant options thereon or otherwise dispose thereof to any person, corporation, company, body corporate or other entity, upon the conditions and for the lawful consideration in compliance with the Articles and the Act which is determined by the directors, without any requirement to offer such unissued shares to persons who are already shareholders rateably to the shares held by them.
- 7.2 Securities Register. A central securities register shall be maintained by the Corporation or its agent at the registered office or at any other place in Canada designated by the directors. The directors may from time to time provide that one or more branch securities registers shall be maintained at such places within Canada or elsewhere as may be designated by a resolution and may appoint one or more agents to maintain the same and to effect and record therein transfers of shares of the capital stock of the Corporation. Such an agent may be designated as transfer agent or registrar according to their functions and one person may be designated as both registrar and transfer agent.
- 7.3 Share Certificates. Subject to the Act and applicable laws, share certificates, if required, will be in the form that the Board approves from time to time or that the Corporation adopts.
- 7.4 Lost or Destroyed Certificates. The Board may, upon conditions it shall establish, direct that one or more new certificates of shares may be issued to replace any certificate or certificates of shares theretofore issued by the Corporation that have been worn out, lost, stolen, or destroyed, and the Board, when authorizing the issuance of such new certificate or certificates, may, in its discretion, and as a condition precedent thereto, require the owner of the worn-out, lost, stolen or destroyed certificate or certificates or such owner's legal representatives to give to the Corporation and/or its agent, a bond in such sum as it may direct, as indemnity against any claim that may be made against them for or in respect of the shares represented by such certificates alleged to have been worn out, lost, stolen or destroyed.

## **8. DIVIDENDS AND OTHER PAYMENTS**

- 8.1 Dividends. The Board may, periodically and in compliance with the law, declare and pay dividends to the shareholders, in accordance with their respective rights.
- 8.2 Payment. Any cash dividend or other payment to shareholders will be paid by cheque or by electronic means or by such other method as the directors may determine.

The payment will be made to or to the order of each registered holder of shares in respect of which the payment is to be made. Cheques will be sent to the registered holder's last address as shown in the records of the Corporation or its agent, unless the holder otherwise directs. In the case of joint holders, the payment will be made to the order of all such joint holders and, if applicable, sent to whichever of such joint holders is named

first in the securities register of the Corporation, unless such joint holders otherwise direct.

The sending of the cheque or the sending of the payment by electronic means or the sending of the payment by a method determined by the directors in an amount equal to the dividend or other distribution to be paid less any tax that the Corporation is required to withhold will satisfy and discharge the liability for the payment, unless payment is not made upon presentation, if applicable.

In the event of non-receipt of any payment made as contemplated above by the person to whom it is sent, the Corporation may issue re-payment to such person for a like amount. The directors may determine, whether generally or in any particular case, the terms on which any re-payment may be made, including terms as to indemnity, reimbursement of expenses, and evidence of non-receipt and of title.

To the extent permitted by law, any dividend or other payment that remains unclaimed after a period of six (6) years from the date on which the dividend has been declared to be payable or the payment has been made is forfeited and will revert to the Corporation.

## **9. BORROWING AND SECURITY**

9.1 Borrowing Power. (1) Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the Articles, the Board may from time to time on behalf of the Corporation, without authorization of the shareholders:

- a) borrow money upon the credit of the Corporation;
- b) issue, reissue, sell, pledge or hypothecate bonds, debentures, notes and other debt obligations of the Corporation, whether secured or unsecured;
- c) give, directly or indirectly, financial assistance to any person by means of a loan or a guarantee on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation of any person, or otherwise; and
- d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, property of the Corporation, including, without limitation, accounts, rights, powers, franchises and undertakings, to secure any such bonds, debentures, notes or other debt obligations or guarantees or any other present or future indebtedness, liability or obligation of the Corporation.

(2) Nothing in Section 9.1 limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

9.2 Delegation. Subject to the Act and the Articles, the Board may from time to time delegate to a committee of the Board, a director or an officer of the Corporation or any other person as may be designated by the Board all or any of the powers conferred on the

Board by Section 9.1 or by the Act to such extent and in such manner as the Board may determine at the time of such delegation.

## **10. REPRESENTATION**

- 10.1 Judicial Proceedings. Each of the President, the Secretary, any Vice-President and, with the authorization of the Board, any other officer, employee or person shall be authorized and empowered to answer for the Corporation to all writs, orders or examinations upon articulated facts issued by any court and to declare for and on behalf of the Corporation any answer to writs of attachment by way of garnishment in which the Corporation is garnishee and to sign all affidavits and sworn declarations in connection therewith or any and all judicial proceedings to which the Corporation is a party and to make demands for assignment of property or petition for winding-up or receivership orders upon any debtor of the Corporation and to attend and vote at all meetings of creditors of the Corporation's debtors and grant proxies in connection therewith.
- 10.2 Representation at Meetings. Each of the President, the Secretary, any Vice-President and, with the authorization of the Board, any other officer, employee or person shall be authorized and empowered to represent the Corporation and attend and vote at any and all meetings of shareholders or members of any entity in which the Corporation holds shares or securities or is otherwise interested, and any action taken or vote cast by them at any such meeting shall be deemed to be the act or vote of the Corporation.
- 10.3 Signature of Documents. Contracts, documents, written acts, including discharges and releases, requiring the signature of the Corporation may be validly executed by the President and hence be binding on the Corporation. The Board may also authorize and empower any other officer, employee or person to execute, alone or in conjunction with one or more other persons, and to deliver on behalf of the Corporation all contracts, documents and written acts, and such authorization may be given by resolution in general or specific terms.
- 10.4 Declarations in the Register. Any director or officer having ceased to hold such office as a result of such person's resignation, removal or otherwise shall be authorized to sign on behalf of the Corporation and file with the Enterprise Registrar or similar authority an amending declaration to the effect that such person has ceased to be a director or officer, as applicable, from fifteen (15) days after the date of such cessation, unless such person receives proof that the Corporation has filed such a declaration.

## **11. MISCELLANEOUS PROVISIONS**

- 11.1 Repeal and Effective Date. This By-law is effective as of the date of the resolution of the Board of the Corporation, that is, on April 22, 2021. As a result, the general by-laws in force prior to the date of such resolution of the Board, that is, the "General By-Laws" dated as of November 11, 1983, as amended, shall be repealed on the date of the resolution of the Board. This repeal shall not affect any past application of the general by-laws, nor affect the validity of steps taken, resolutions adopted, or rights, privileges or obligations stemming from the general by-laws prior to said repeal, nor of any contract entered into or commitment made under the former general by-laws. If the adoption of

this By-Law is not confirmed during the next annual or special meeting of shareholders, it will cease to apply, but only from this date.

(signed) G. Douglas Goodfellow  
G. Douglas Goodfellow  
Chairman of the Board

**Appendix B – By-law No. 2021-2**

**(see next page)**

**GOODFELLOW INC.**  
**BY-LAW NO. 2021-2 - ADVANCE NOTICE OF NOMINATIONS OF DIRECTORS**

**Section 1.1 Introduction**

The purpose of this By-law of the Corporation is to provide shareholders, directors and management of the Corporation with guidance on the nomination of directors. This By-law is the framework by which the Corporation seeks to fix a deadline by which shareholders of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form. This By-law is intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote.

It is the belief of the Corporation and the board of directors of the Corporation that this By-law is in the best interests of the Corporation.

**Section 1.2 Definitions**

For the purposes of this By-law, unless otherwise provided:

“Act” means the *Canada Business Corporations Act*, R.S.C. (1985) ch. C-44, as well as any amendment which may be made thereto, and any act which may be substituted therefor.

“Applicable Securities Laws” means the applicable securities legislation of each relevant province or territory of Canada applicable to the Corporation, as amended from time to time, the written rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each such province or territory of Canada.

“Board” means the board of directors of the Corporation.

“Corporation” means Goodfellow Inc. or its successor.

“person” means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or governmental or regulatory entity, and pronouns have a similarly extended meaning.

“public announcement” means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com), or any system that is a replacement or successor thereto.

Terms used in this By-law that are defined in the Act have the meanings given to such terms in the Act.

### **Section 1.3 Nomination Procedures**

Subject only to the Act, Applicable Securities Laws and the articles of the Corporation, only persons who are nominated in accordance with the procedures set out in this By-law shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at a special meeting of shareholders if the election of directors is a matter specified in the notice of meeting:

- (a) by or at the direction of the Board, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of a shareholders meeting by one or more shareholders made in accordance with the provisions of the Act; or
- (c) by any person (a “Nominating Shareholder”) who:
  - (i) at the close of business on the date of the giving of the notice provided for below in this By-law and on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporation; and
  - (ii) complies with the notice procedures set forth below in this By-law.

### **Section 1.4 Nominations for Election**

For the avoidance of doubt, the procedures set forth in this By-law shall be the exclusive means for any person to bring nominations for election to the Board before any annual or special meeting of shareholders of the Corporation.

### **Section 1.5 Timely Notice**

In addition to any other applicable requirements, for a nomination to be validly made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the corporate secretary of the Corporation in accordance with this By-law.

### **Section 1.6 Manner of Timely Notice**

To be timely, a Nominating Shareholder’s notice to the corporate secretary of the Corporation must be made:

- (a) in the case of an annual meeting of shareholders (including an annual and special meeting), not less than thirty (30) days prior to the date of the meeting, provided, however, that if the first public announcement of the date of the meeting

(the “Notice Date”) is less than fifty (50) days before the meeting date, notice by the Nominating Shareholder shall be made not later than the close of business on the tenth (10<sup>th</sup>) day following the Notice Date;

- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes electing directors (whether or not also called for other purposes), not later than the close of business on the fifteenth (15<sup>th</sup>) day following the Notice Date;

provided that, in either instance, if notice-and-access (as defined in Regulation 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting, and the Notice Date in respect of the meeting is not less than fifty (50) days prior to the date of the applicable meeting, the notice must be made not later than the close of business on the fortieth (40<sup>th</sup>) day before the applicable meeting (but in any event, not prior to the Notice Date); provided, however, that in the event that the meeting is to be held on a date that is less than fifty (50) days after the Notice Date, notice by the Nominating Shareholder shall be made, in the case of an annual meeting of shareholders, not later than the close of business on the tenth (10<sup>th</sup>) day following the Notice Date and, in the case of a special meeting of shareholders, not later than the close of business on the fifteenth (15<sup>th</sup>) day following the Notice Date.

The adjournment or postponement of an annual meeting or special meeting of shareholders or any announcement thereof shall not give rise to a new time period for the giving of a timely notice as provided above.

#### **Section 1.7 Proper Form of Notice**

To be in proper written form, a Nominating Shareholder’s notice to the corporate secretary of the Corporation must be in writing and must set forth or be accompanied by, as applicable:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (each a “Proposed Nominee”):
  - (i) the name, age, business address and residential address of the Proposed Nominee;
  - (ii) the principal occupation, business or employment of the Proposed Nominee, both present and for the five years preceding the notice;
  - (iii) whether the Proposed Nominee is a resident Canadian within the meaning of the Act;
  - (iv) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, as of the record



date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

- (v) a description of any relationship, agreement, arrangement or understanding (including financial, compensatory or indemnity related or otherwise) between the Nominating Shareholder and the Proposed Nominee, or any affiliates or associates of, or any person or entity acting jointly or in concert with the Nominating Shareholder or the Proposed Nominee, in connection with the Proposed Nominee's nomination and election as director;
  - (vi) whether the Proposed Nominee is party to any existing or proposed relationship, agreement, arrangement or understanding with any competitor of the Corporation or its affiliates or any other third party which may give rise to a real or perceived conflict of interest between the interests of the Corporation and the interests of the Proposed Nominee;
  - (vii) whether the Proposed Nominee is eligible for consideration as an independent director under the relevant standards contemplated by Applicable Securities Laws or any stock exchange rules that may be applicable to the Corporation; and
  - (viii) any other information relating to the Proposed Nominee that would be required to be disclosed in a dissident's proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Act or any Applicable Securities Laws;
- (b) as to each Nominating Shareholder:
- (i) the name, business and, if applicable, residential address of such Nominating Shareholder;
  - (ii) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by such Nominating Shareholder or any other person with whom such Nominating Shareholder is acting jointly or in concert (and for each such person any options or other rights to acquire shares in the capital of the Corporation, any derivatives or other securities, instruments or arrangements for which the price or value or delivery, payment or settlement obligations are derived from, referenced to, or based on any such shares, and any hedging transactions, short positions and borrowing or lending arrangements relating to such shares) with respect to the Corporation or any of its securities, as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

- (iii) the interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which may be to alter, directly or indirectly, such Nominating Shareholder's economic interest in a security of the Corporation or such Nominating Shareholder's economic exposure to the Corporation;
  - (iv) full particulars regarding any proxy, contract, arrangement, agreement, understanding or relationship pursuant to which such Nominating Shareholder, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of directors to the Board; and
  - (v) any other information relating to such Nominating Shareholder that would be required to be disclosed in a dissident's proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Act or any Applicable Securities Laws;
- (c) an undertaking to follow the requirements of any majority voting policy of the Corporation; and
  - (d) a written consent duly signed by each Proposed Nominee to being named as a nominee for election to the Board and to serve as a director of the Corporation, if elected.

Reference to "Nominating Shareholder" in this Section 1.7 shall be deemed to refer to each shareholder that nominates or seeks to nominate a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.

The Corporation may also require any Proposed Nominee to furnish such other information, including completion of the Corporation's directors questionnaire, as it may reasonably require to determine whether the Proposed Nominee would be considered "independent" as a director or as a member of the audit committee of the Board under the various rules and standards applicable to the Corporation in the same manner as such rules and standards are applicable to the Corporation's other directors.

In addition to the provisions of this By-law, a Nominating Shareholder and any Proposed Nominee shall also comply with all of the applicable requirements of the Act, Applicable Securities Laws and applicable stock exchange rules regarding the matters set forth herein.

#### **Section 1.8 Currency of Notice**

All information to be provided in a Nominating Shareholder's notice pursuant to this By-law shall be provided as of the date of such notice. To be considered timely and in proper form, a Nominating Shareholder's notice shall be promptly updated and supplemented if necessary, so

that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.

#### **Section 1.9 Power of the Chair**

The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in this By-law and, if any proposed nomination is not in compliance with this By-law, to declare that such defective nomination shall be disregarded.

#### **Section 1.10 Delivery of Notice**

Notwithstanding any other provision of this By-law, notice given to the corporate secretary of the Corporation pursuant to this By-law may only be given by personal delivery or by email (at such email address as stipulated from time to time by the corporate secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery or email (at the aforesaid address) to the corporate secretary of the Corporation, at the address of the head office of the Corporation, provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Montreal time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

#### **Section 1.11 Board Discretion**

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this By-law.

#### **Section 1.12 Effective Date**

This By-law shall come into force on April 22, 2021. If the adoption of this By-Law is not confirmed during the next annual or special meeting of shareholders, it will cease to apply, but only from this date.

(signed) G. Douglas Goodfellow  
G. Douglas Goodfellow  
Chairman of the Board

**Appendix C – By-law No. 2021-3**

**(see next page)**

**GOODFELLOW INC.**  
**BY-LAW NO. 2021-3 - FORUM SELECTION**

Unless Goodfellow Inc. (the "Corporation") approves or consents in writing to the selection of an alternative forum, the courts of the Province of Québec and appellate courts therefrom shall be the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of the Corporation; (ii) any action or proceeding asserting a claim for breach of a fiduciary duty owed by any director, officer or employee of the Corporation to the Corporation; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the *Canada Business Corporations Act* (the "Act") or the articles or by-laws of the Corporation (as either may be amended from time to time); or (iv) any action or proceeding asserting a claim otherwise related to the Corporation's "affairs" (as defined in the Act). If any action or proceeding the subject matter of which is within the scope of the preceding sentence is filed in a Court other than a court located within the Province of Québec (a "Foreign Action") in the name of any securityholder, such securityholder shall be deemed to have consented to (i) the personal jurisdiction of the courts located within the Province of Québec in connection with any action or proceeding brought in any such Court to enforce the provisions in the preceding sentence and (ii) having service of process made upon such securityholder in any such action or proceeding by service upon such securityholder's counsel in the Foreign Action as agent for such securityholder.

This By-law shall come into force on April 22, 2021. If the adoption of this By-Law is not confirmed during the next annual or special meeting of shareholders, it will cease to apply, but only from this date.

(signed) G. Douglas Goodfellow  
G. Douglas Goodfellow  
Chairman of the Board

## **Appendix D – Articles of Amendment**

### **ARTICLES OF AMENDMENT**

The articles of the Corporation are amended by adding the following under “other provisions”:

#### **APPOINTMENT OF DIRECTORS**

The directors may appoint one or more additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders.

## Appendix E

### Corporate Governance Disclosure

#### **A. Corporation Governance Disclosure pursuant to *Regulation 58-101 Respecting Disclosure of Corporate Governance Practices***

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 58-101F1 "Corporate Governance Disclosure":

Guidelines	Comments
<b>1. Board of Directors</b>	
(a) Disclose the identity of directors who are independent.	Of the five Board nominees, Normand Morin, Stephen A. Jarislowsky and Alain Côté (Lead Director) 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, Chair 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 <i>Board</i> ) does to facilitate its exercise of independent judgement in carrying out its responsibilities.	The 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 with regard to 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.	Alain Côté is a member of the Board and the audit committee chair of Caisse de dépôt et placement du Québec, Aéroports de Montréal, Chambre de l'assurance de dommages and 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 audit committee is composed of all of the independent directors, they meet prior to Board meetings and have, during such meetings, the occasion to discuss privately. The independent directors met separately prior to four board meetings during the fiscal year 2020 (three for Stephen A. Jarislowsky).
,(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, G. Douglas Goodfellow is not an independent director. The lead director, Alain Côté, is independent. The lead director, 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. Alain Côté is lead director and chairs the meetings of the independent directors 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".
<b>2. Board Mandate</b>	
(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.	<p>The Board of Directors recognizes its mandate to supervise the management of the Corporation and act in the best interests of the Corporation and of all shareholders.</p> <p>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.</p> <p>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, and is responsible for its approval. At least one Board meeting each year</p>



	<p>is devoted to discussing and considering the strategic plan, which takes into account the risks and opportunities of the business. While there is no specific committee that oversees the strategic planning process, it is reviewed quarterly, as well as is an integral part of each Board meeting.</p> <p>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 independent external 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.</p> <p>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.</p> <p>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.</p> <p>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 independent external auditors of the Corporation to ensure the integrity of these systems. The independent external auditors submit a report to the Audit Committee each year on the quality of the</p>
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	<p>Corporation's internal control and management systems.</p> <p>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.</p>
<b>3. Position Descriptions</b>	
(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.	<p>The Board has established a position description for its Chair and for the Chair 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.</p>
(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.	<p>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 Board has developed a partial written position description for the CEO and adjusts its objectives on a regular basis. The Governance Committee approves each year the President and CEO's corporate objectives and compensation.</p> <p>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.</p> <p>The Board has clearly defined the limits to management's authority. The Board expects management to:</p> <ul style="list-style-type: none"> <li>➤ review the Corporation's strategies and their implementation in all key areas of the Corporation's activities;</li> <li>➤ carry out a comprehensive budgeting process and monitor the Corporation's financial performance against the budget; and</li> <li>➤ identify opportunities and risks affecting the Corporation's business and find ways of mitigating them.</li> </ul>
<b>4. Orientation and Continuing Education</b>	
(a) Briefly describe what measures the board takes to orient new directors regarding:	<p>The Corporation has a variety of orientation and education initiatives in place for current and new directors. All new directors receive records of</p>

<p>i) the role of the board, its committees and its directors, and</p> <p>ii) the nature and operation of the issuer's business.</p>	<p>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. Representatives of the senior management team, make regular presentations at each Board meeting covering the main areas of the Corporation's business, including, but not limited to, cost reduction programs, business conditions, prospects, personnel matters and product developments. Directors are regularly invited to tour the Corporation's various facilities.</p>
<p>(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p>	<p>See comments above.</p>
<p><b>5. Ethical Business Conduct</b></p>	
<p>(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:</p> <p>(i) disclose how a person or Corporation may obtain a copy of the code;</p> <p>(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and</p> <p>(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.</p>	<p>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 and CEO 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.</p> <p>A copy of the Code is available online at <a href="http://www.goodfellowinc.com/en/corporate-documents">http://www.goodfellowinc.com/en/corporate-documents</a></p>
<p>(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.</p>	<p>The Corporate Governance Committee's mandate includes the review and approval of all related party transactions for potential conflict of interest situations.</p>
<p>(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.</p>	<p>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.</p>

<b>6. Nomination of Directors</b>	
(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 and for the ongoing assessment of directors. Nominees must have a background in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, and must show support for the Corporation's mission and strategic objectives and a willingness to serve. New nominees must also be or become a shareholder and there is no minimum shareholding requirement.
(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.	<p>The Corporation does not have a nominating committee at this time. 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.</p> <p>The independent directors evaluate Board and individual director performance. The Corporation has a small five-member Board with three independent members. The Chair of the Board and the lead Director are responsible for ensuring Board member diversity and chemistry.</p> <p>Board members represent approximately 53% of the Corporation's shares.</p>
(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	Not applicable.
<b>7. Compensation</b>	
(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.	<p>During the period ending November 30, 2020, the Board of Directors' Compensation Committee was composed of Claude A. Garcia (until his retirement on April 14, 2021), Stephen A. Jarislowsky, G. Douglas Goodfellow, Normand Morin and Alain Côté. All officers of the Corporation receive compensation that is believed to be competitive with the compensation packages paid by comparable corporations. The Compensation Committee performed all other duties entrusted to it by the Board of Directors.</p> <p>The Compensation Committee reviews director compensation once a year. To make its</p>

	<p>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.</p>
<p>(b) Disclose whether or not the board has a Compensation Committee composed entirely of independent directors. If the board does not have a Compensation Committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.</p>	<p>One of the members of the Compensation Committee listed above, G. Douglas Goodfellow, Chair, is not an independent director, and the other three are independent. The committee met once in 2020, and all members attended the meeting.</p> <p>In order to ensure that the Compensation Committee followed an objective process, the Chair of the Compensation Committee would ask G. Douglas Goodfellow to leave the meetings when its remuneration is discussed.</p> <p>The Compensation Committee is responsible for developing and maintaining the Corporation's compensation practices, including:</p> <ul style="list-style-type: none"> <li>➤ setting directors' compensation;</li> <li>➤ 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;</li> <li>➤ disclosing the Corporation's approach to executive compensation;</li> <li>➤ developing performance objectives for the CEO and assessing the CEO's performance against them; and</li> <li>➤ reviewing succession plans for senior officers of the Corporation.</li> </ul>
<p>(c) If the board has a Compensation Committee, describe the responsibilities, powers and operation of the Compensation Committee.</p>	<p>See above.</p>
<p><b>8. Other Board Committees</b></p>	
<p>If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Board of Directors assumes the role and functions that could otherwise be discharged to a 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. Acting in lieu of such committee, it considers matters of corporate governance such as the</p>

	<p>functions and duties of the other committees of the Board of Directors and the Corporation's general relations and communications with its shareholders.</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>➤ review the Corporation's strategies and their implementation in all key areas of the Corporation's activities;</li> <li>➤ carry out a comprehensive budgeting process and monitor the Corporation's financial performance against the budget; and</li> <li>➤ identify opportunities and risks affecting the Corporation's business and find ways of mitigating them.</li> </ul>
<b>9. Assessments</b>	
<p>Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the 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.</p>	<p>The Board of Directors is responsible for the ongoing assessment of its directors.</p> <p>The independent directors evaluate the overall performance of the Board and individual directors. The chair of the Board is responsible for ensuring good Board member diversity and chemistry.</p> <p>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.</p>

<b>10. Director Term Limits and Other Mechanisms of Board Renewal</b>	
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.
<b>11. Policies Regarding the Representation of Women on the Board</b>	
<p>(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.</p> <p>(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:</p> <ul style="list-style-type: none"> <li>i) a short summary of its objectives and key provisions,</li> <li>ii) the measures taken to ensure that the policy has been effectively implemented,</li> <li>iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and</li> <li>iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.</li> </ul>	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 nominees or candidates for Board membership.
<b>12. Consideration of the Representation of Women in the Director Identification and Selection Process</b>	
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.	The Corporation does not consider the level of representation of women on the Board because in considering individuals as potential directors, 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.

<b>13. Consideration Given to the Representation of Women in Executive Officer Appointments</b>	
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.	The Corporation does not consider the level of representation of women in executive officer positions because in considering individuals as potential 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 senior management team based on what is in the best interests of the Corporation and the best interests of our shareholders.
<b>14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions</b>	
<p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(d) If the issuer has adopted a target referred to in either (b) or (c), disclose:</p> <ul style="list-style-type: none"> <li>i) the target, and</li> <li>ii) the annual and cumulative progress of the issuer in achieving the target.</li> </ul>	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.
<b>15. Number of Women on the Board of Directors and in Executive Officer Positions</b>	
<p>(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.</p> <p>(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.</p>	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 woman.



**B. Disclosure relating to Diversity in accordance with the *Canada Business Corporation Act***

<b>Term Limits and other Mechanisms of Board Renewal</b>	
Indication of whether or not the distributing corporation has adopted term limits for the directors on its board or other mechanisms of board renewal and, as the case may be, a description of those term limits or mechanisms or the reasons why it has not adopted them.	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.
<b>Written Policy Relating to the Identification and Nomination of Members of Designated Groups for Directors</b>	
Indication of whether or not the distributing corporation has adopted a written policy relating to the identification and nomination of members of women, Aboriginal peoples (Indians, Inuit or Métis), persons with disabilities and members of visible minorities (“Designated Groups”) for directors and, if it has not adopted a written policy, the reasons why it has not adopted the policy.	The Corporation has not adopted a written policy relating to the identification and nomination of members of the Designated Groups for directors. The Corporation considers diversity of race, ethnicity, gender, age, cultural background and professional experience in evaluating candidates for Board membership.
<b>Consideration given to the Representation of Designated Groups on the Board</b>	
Disclose whether or not the board of directors or its nominating committee considers the level of the representation of Designated Groups on the board in identifying and nominating candidates for election or re-election to the board and, as the case may be, how that level is considered or the reasons why it is not considered.	The Corporation does not consider the level of representation of Designated Groups on the Board because in considering individuals as potential directors or members of senior management, we at all times seek the most qualified persons, regardless of other criteria. We believe that this approach enables us to make decisions regarding the composition of the Board based on what is in the best interests of the Corporation and the best interests of our shareholders.
<b>Consideration Given to the Representation of Designated Groups in Senior Management Appointments</b>	
Disclose whether or not the distributing corporation considers the level of representation of Designated Groups when appointing members of senior management and, as the case may be, how that level is considered or the reasons why it is not considered.	The Corporation does not consider the level of representation of Designated Groups in senior management positions because in considering individuals as potential 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 senior management team based on what is in the best interests of the Corporation and the best interests of our shareholders.
<b>Issuer's Targets Regarding the Representation of Designated Groups on the Board</b>	
<p>Disclose whether or not the distributing corporation has, for each group referred to in the definition Designated Groups, adopted a target number or percentage, or a range of target numbers or percentages, for members of the group to hold positions on the board of directors by a specific date and</p> <p>(i) for each group for which a target has been adopted, the target and the annual and cumulative progress of the corporation in achieving that target, and</p> <p>(ii) for each group for which a target has not been adopted, the reasons why the corporation has not adopted that target.</p>	<p>The Corporation has not adopted targets for Designated Groups on the Board of directors because we do not believe that any candidate for membership to our Board of Directors should be chosen nor excluded solely or largely because of it's belonging to a Designated Group. In selecting director nominee or executive candidates, we consider the skills, expertise and background that would complement the existing Board and management team. Directors will be recruited based on their ability and contributions.</p>
<b>Issuer's Targets Regarding the Representation of Designated Groups in Senior Management Positions</b>	
<p>Disclose whether or not the distributing corporation has, for each group referred to in the definition Designated Groups, adopted a target number or percentage, or a range of target numbers or percentages, for members of the group to be members of senior management by a specific date and,</p> <p>(i) for each group for which a target has been adopted, the target and the annual and cumulative progress of the corporation in achieving that target, and</p> <p>(ii) for each group for which a target has not been adopted, the reasons why the corporation has not adopted that target.</p>	<p>The Corporation has not adopted targets for Designated Groups in executive officer positions because we do not believe that any candidate for membership to a senior management position should be chosen nor excluded solely or largely because of it's belonging to a Designated Group. In selecting director nominee or executive candidates, we consider the skills, expertise and background that would complement the existing Board and management team. Senior Management will be recruited based on their ability and contributions.</p>

<b>Representation of Designated Groups on Board</b>	
For each group referred to in the definition designated groups, the number and proportion, expressed as a percentage, of members of each group who hold positions on the board of directors.	<p>Women: None</p> <p>Aboriginal peoples: None</p> <p>Persons with disabilities: None</p> <p>Members of visible minorities: None</p>
<b>Representation of Designated Groups in Senior Management Positions</b>	
For each group referred to in the definition designated groups, the number and proportion, expressed as a percentage, of members of each group who are members of senior management of the distributing corporation, including all of its major subsidiaries.	<p>Women: 1 representing 11.9%</p> <p>Aboriginal peoples: None</p> <p>Persons with disabilities: None</p> <p>Members of visible minorities: None</p>

