



ACADIAN TIMBER

ACADIAN TIMBER CORP.

COMPENSATION, NOMINATING AND CORPORATE GOVERNANCE COMMITTEE MANDATE

A committee of the board of directors (the “**Board**”) of Acadian Timber Corp. (the “**Corporation**”) to be known as the Compensation, Nominating and Corporate Governance Committee (the “**Committee**”) shall have the mandate set out below.

1. PURPOSE OF THE COMMITTEE

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

Compensation

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

Nominating and Corporate Governance

- a) development of the criteria for selecting new directors;
- b) identification of individuals qualified to become members of the Board;
- c) development of the Corporation’s approach to governance issues and appropriate corporate governance principles;
- d) review of the effectiveness of the directors and the contribution of individual directors, including an annual evaluation of the effectiveness of the Board as a whole, the committees of the Board, the written mandates of the Board and its committees, and the contributions of individual directors;
- e) periodic review and updating of the Corporation’s written disclosure policy; and

- f) such other initiatives as may be necessary or desirable to enable the Board to provide effective corporate governance.

2. SPECIFIC RESPONSIBILITIES

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

Compensation Responsibilities

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

Nominating Responsibilities

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

Governance Responsibilities

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

Other responsibilities

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

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

3. MEMBERSHIP AND ORGANIZATION

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

4. PROCEDURES AND ADMINISTRATION

- a) **Meetings** – Meetings of the Committee may be called by the Chair or the chairperson of the Board. Meetings will be called not less than once annually and at such additional times as is necessary for the Committee to fulfill its responsibilities. Notice of each meeting shall be given to each Member and to the Chairman verbally or by letter, e-mail, telephone facsimile transmission or telephone not less than 24 hours before the time fixed for the meeting. Members may waive notice of any meeting. The notice need not state the purpose or purposes for which the meeting is being held. The Committee shall appoint a secretary to be the secretary of each meeting of the Committee and to maintain minutes of the meeting and deliberations of the Committee.
- b) **Delegation** – The Committee may delegate authority to any individual member or subcommittee when, and in the manner and extent, deemed appropriate by it.

- c) **Quorum and voting** – The powers of the Committee shall be exercisable by a meeting at which a quorum is present. A quorum shall be not less than a majority of the Members from time to time. Subject to the foregoing, and the constating documents under which the Corporation was created, and unless otherwise determined by the Board, the Committee shall have the power to fix its quorum and to regulate its procedure. Matters decided by the Committee shall be decided by majority vote.
- d) **Investigations** – In discharging its duties, the Committee shall have full access to all corporate books, records, facilities, personnel and outside professionals. The Committee may invite from time to time such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee.
- e) **Independent Advisors** – The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent consultants and independent legal, accounting or other advisors, who may be regular advisors to the Corporation. The Corporation shall provide such funding as the Committee determines is appropriate in connection with the retention of such advisors.
- f) **Reports to the Board** – The Committee shall report to the board on its proceedings, reviews undertaken and any associated recommendations following each meeting of the Committee.

5. LIMITATIONS ON COMMITTEE’S DUTIES

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

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (a) the integrity of the persons and organizations from whom they receive information, (b) the accuracy and completeness of the information provided, (c) representations and reports made by management of the Corporation and (d) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

6. ANNUAL EVALUATION

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

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

7. DIRECTOR COMMITMENTS AND INTERLOCKS

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