



## ACADIAN TIMBER CORP.

### MAJORITY VOTING POLICY

The Board of Directors (the “**Board**”) is committed to fulfilling its mandate to supervise the management of the business and affairs of Acadian Timber Corp. (the “**Corporation**”) with the highest standards and in the best interests of the shareholders of the Corporation. The Board has, in light of best practice standards in Canada, adopted this statement of policy providing for majority voting in director elections at any meeting of Corporation shareholders where an “uncontested election” of directors is held. For the purposes of this policy, an “uncontested election” of directors of the Corporation means an election where the number of nominees for director is equal to the number of directors to be elected. This policy does not apply where an election involves a proxy battle, i.e., where proxy material is circulated in support of one or more nominees who are not part of the director nominees supported by the Board.

Pursuant to this policy, the forms of proxy circulated in connection with a meeting of the Corporation’s shareholders at which an uncontested election of directors is to be conducted shall provide the Corporation’s shareholders with the ability to vote in favour of, or to withhold from voting for, each director nominee. If the number of proxy votes withheld for a particular director nominee is greater than the votes in favour of such nominee, the director nominee shall be required to promptly submit his or her resignation to the Chairman of the Board following the applicable meeting of the Corporation’s shareholders.

Following receipt of a resignation submitted pursuant to this policy, the Compensation, Nominating and Corporate Governance Committee (the “**Committee**”) shall consider whether or not to accept the resignation and shall recommend to the Board whether or not to accept it. Absent exceptional circumstances that would warrant the continued service of the applicable director on the Board, the Committee shall be expected to accept and recommend acceptance of the resignation by the Board. Exceptional circumstances where a resignation would not be accepted must meet a high threshold such as:

- the Corporation would not be compliant with corporate or securities law requirements, applicable regulations or commercial agreements regarding the composition of the Board as a result of accepting the resignation;
- the director is a key member of an established, active Special Committee which has a defined term or mandate (such as a strategic review) and accepting the resignation of such director would jeopardize the achievement of the Special Committee’s mandate; or
- majority voting was used for a purpose inconsistent with the policy objectives of the majority voting requirement.

Within 90 days following the applicable meeting of the Corporation’s shareholders, the Board shall make its decision, on the Committee’s recommendation. In considering the Committee’s recommendation, the Board will consider the factors considered by the Committee and such additional information and factors that the Board considers relevant. Absent exceptional circumstances that would warrant the continued service of the applicable director on the Board as

described above, the Board shall be expected to accept the resignation. Following the Board's decision on the resignation, the Board shall promptly disclose, via press release, their decision whether or not to accept the director's resignation including the reasons for rejecting the resignation offer, if applicable. A copy of any such press release will be provided to the TSX. If a resignation is accepted, the Board may in accordance with the provisions of the Corporation's articles and by-laws, as they may be amended, restated and/or supplemented from time to time, on the recommendation of the Committee, appoint a new director to fill any vacancy created by the resignation or leave the vacancy unfilled.

A director who tenders his or her resignation pursuant to this policy shall not be permitted to attend or participate in or attend any meeting of the Board and/or the Committee at which his or her resignation is to be considered. However, if a sufficient number of the Committee members received a greater number of proxy votes withheld than the votes for such member in the same election such that the Committee no longer has a quorum, then the remaining members of the Committee, if any, shall not consider the resignation offer(s) and the Board shall consider whether or not to accept the offer of resignation without a recommendation from the Committee.

In the event that a sufficient number of Board members received a greater number of proxy votes withheld than the votes for such members in the same election, such that the Board no longer has a quorum, then such Directors receiving a majority withheld vote shall attend, but shall not be permitted to vote in, speak at or otherwise participate in, any meeting of the Board at which his or her resignation offer is considered, however he or she shall be counted for the purpose of determining whether the Board has quorum.

In the event that any director, who received a greater number of proxy votes withheld than votes in favour of such director's election, does not tender his or her resignation in accordance with this policy, he or she will not be re-nominated by the Board.

The Committee or, to the extent the Committee is unable to act pursuant to the terms of this policy, the Board, may adopt such procedures as it sees fit to assist it in its determinations with respect to this policy and shall have the sole and complete authority to interpret and apply the policy.