

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Governance Practices

A description of the Corporation's corporate governance practices is set out below in response to the requirements of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and in the form set forth in Form 58-101F1 – *Corporate Governance Disclosure*. The Corporation and its Board is committed to working together to achieve strong and effective corporate governance, with the objective of promoting the long-term interests of the Corporation and the enhancement of value for all Shareholders. Management and the Directors continue to review and improve the Corporation's corporate governance policies and practices in relation to evolving legislation, guidelines and best practices. The Board is of the view that the Corporation's corporate governance policies and practices and its disclosure in this regard are comprehensive and consistent with the guidelines established by Canadian securities regulators.

The Corporation's Board of Directors Mandate can be found attached as Appendix A to the Management Information Circular dated March 28, 2024 available on SEDAR+ at <http://www.sedarplus.ca>. For the Audit Committee Mandate, and for further information on the Audit Committee, see the section entitled "Audit Committee Information" on page 31 of the Corporation's Annual Information Form dated March 28, 2024 available on SEDAR+ at www.sedarplus.ca.

Form 58-101F1 Corporate Governance Matters	Acadian Timber Corp. Governance Practices
<p>1. The Board</p> <p>(a) Disclose the identity of Directors who are independent.</p> <p>(b) Disclose the identity of Directors who are not independent and describe the basis for that determination.</p>	<p>The Board considers a Director to be independent where he or she has no direct or indirect “material relationship” with the Corporation or its subsidiaries which could reasonably be expected to interfere with the exercise of the Director’s independent judgment. On this basis, the Board has determined that Malcolm Cockwell, Heather Fitzgerald, Karen Oldfield and Bruce Robertson are independent. Erika Reilly, former President and Chief Executive Officer of the Corporation within the last three years, and Adam Sheparsi, current President and Chief Executive Officer, are not independent.</p>
<p>(c) Disclose whether or not a majority of Directors are independent. If a majority of Directors are not independent, describe what the Board does to facilitate its exercise of independent judgment in carrying out its responsibilities.</p>	<p>The majority of the Directors are independent, as defined by National Instrument 52-110 – <i>Audit Committees</i>.</p>
<p>(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.</p>	<p>Bruce Robertson is a board member of Morguard Corporation and Morguard North American Residential REIT. Heather Fitzpatrick is a board member of Halmont Properties Corporation. Malcolm Cockwell is a board member of GreenGold Group AB.</p>
<p>(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 Corporation’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.</p>	<p>The Board has at least four scheduled meetings each year. In 2023, the Board had five (5) meetings. At each meeting the Board discussed the need for a private session. There were no private sessions between the independent Directors of the Board, however, there were three sessions amongst the non-management Directors of the Board.</p> <p>The Audit Committee also determines if a private session with the Corporation’s independent auditor is required and queries the auditor if they would prefer to have a private session. There were no private sessions of the Audit Committee during the year with the external auditors, however, there was one session amongst the non-management Directors of the Board.</p> <p>It is the intention of the Board to continue with this process for future meetings to facilitate open and candid discussions among its independent Directors.</p>
<p>(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</p>	<p>Malcolm Cockwell is the chair of the Board and is independent, as described above.</p> <p>Karen Oldfield was appointed lead Director on May 7, 2020 and is an independent Director, as described above. The lead Director assumes certain key functions of the Chair, including, without limitation, acting as a liaison between the Board and senior management of</p>

Form 58-101F1 Corporate Governance Matters	Acadian Timber Corp. Governance Practices																					
independent nor a lead Director that is independent, describe what the Board does to provide leadership for its independent Directors.	the Corporation, promoting open and constructive discussions between the Directors and senior management, monitoring the adequacy of materials provided to the Directors by senior management, ensuring that the independent Directors have adequate opportunities to discuss issues without senior management present and presiding over <i>in camera</i> meetings of the independent Directors.																					
(g) Disclose the attendance record of each Director for all Board meetings held since the beginning of the Corporation’s most recently completed financial year.	<p>There were five Board meetings held in 2023. The following table provides the attendance of Directors at Board and committee meetings held in 2023:</p> <table><tr><th>Director</th><th>Board Meetings Attended</th><th>Committee Meetings Attended</th></tr><tr><td>Malcolm Cockwell</td><td>Board: 5 of 5</td><td>Audit: 4 of 4 CNCG: 5 of 5</td></tr><tr><td>Heather Fitzpatrick</td><td>Board: 5 of 5</td><td>Audit: 4 of 4 CNCG: 5 of 5</td></tr><tr><td>Karen Oldfield</td><td>Board: 5 of 5</td><td>Audit: 4 of 4 CNCG: 5 of 5</td></tr><tr><td>Erika Reilly</td><td>Board: 5 of 5</td><td></td></tr><tr><td>Bruce Robertson</td><td>Board: 4 of 5</td><td>Audit: 3 of 4 CNCG: 4 of 5</td></tr><tr><td>Adam Sheparsi</td><td>Board: 5 of 5</td><td></td></tr></table>	Director	Board Meetings Attended	Committee Meetings Attended	Malcolm Cockwell	Board: 5 of 5	Audit: 4 of 4 CNCG: 5 of 5	Heather Fitzpatrick	Board: 5 of 5	Audit: 4 of 4 CNCG: 5 of 5	Karen Oldfield	Board: 5 of 5	Audit: 4 of 4 CNCG: 5 of 5	Erika Reilly	Board: 5 of 5		Bruce Robertson	Board: 4 of 5	Audit: 3 of 4 CNCG: 4 of 5	Adam Sheparsi	Board: 5 of 5	
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2. Board Mandate 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.	Board of Director’s Mandate can be found attached as Appendix A to the Management Information Circular dated March 28, 2024 available on SEDAR+ at http://www.sedarplus.ca .																					
3. Position Descriptions (a) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.	The Board has developed written descriptions for the role of Chair of the Board and committee chairs. The Chair of the Board is responsible for, among other things, providing leadership to the other Directors in discharging their mandate, presiding over meetings of the Board, assisting Board committees and acting as a liaison between the Board and management. Chairs of the Board committees are responsible for, among other things, scheduling, setting agendas and presiding over meetings and acting as a liaison between the committee and management.																					

<p>(b) Disclose whether or not the Board and the Chief Executive Officer have developed a written position description for the Chief Executive Officer. If the Board and the Chief Executive Officer have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the Chief Executive Officer.</p>	<p>The Board and the Chief Executive Officer have developed a written position description for the Chief Executive Officer that sets out the duties and responsibilities of the Chief Executive Officer, which include, without limitation, providing leadership to the Corporation, and subject to approved policies and direction by the Board, overseeing the management of the business and affairs of the Corporation and its subsidiaries.</p>
<p>4. Orientation and Continuing Education</p> <p>(a) Briefly describe what measures the Board takes to orient new Directors regarding</p> <ul style="list-style-type: none"> (i) the role of the Board, its committees and the Directors, and (ii) the nature and operation of the Corporation's business. 	<p>When new Directors join the Board, appropriate arrangements for their orientation are made by the Board and senior management. Specific briefing sessions from appropriate senior personnel are arranged to help the new Directors better understand the Corporation's strategies and operations, which existing Board members are invited to attend as refreshers.</p> <p>In addition, the Directors are given at least annual reviews by senior management of the Corporation's strategic business units and more detailed presentations on particular strategies. During these sessions, the Directors are provided with comprehensive information about the Corporation and its affiliates. The Directors also have the opportunity to request to meet and participate in work sessions with management, as they deem necessary, to obtain additional insight into or updates on the operations of the Corporation and its affiliates.</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 Directors maintain the skill and knowledge necessary to meet their obligations as Directors.</p>	<p>Each Director has significant past experience. The Board receives industry updates from senior management on at least a quarterly basis and further arrangements are made upon Director request for specific briefing sessions from appropriate senior personnel to help existing Directors better understand industry related changes, when the need arises. Given the experience of the Board and each Director, the Board does not feel a formal continuing education program is necessary.</p>
<p>5. Ethical Business Conduct</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>The Board has adopted a written code of ethical business conduct (the "Code").</p>
<p>(i) disclose how a person or company may obtain a copy of the code;</p>	<p>The Code can be obtained from the Corporation through the contact information provided in the "Additional Information" section of this Circular. The Code can also be found on the Corporation's website at www.acadiantimber.com and under the Corporation's profile at www.sedarplus.ca.</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;</p>	<p>Employees of the Corporation are required to review and acknowledge the terms of the Code annually. Employees may also anonymously report breaches of the Code using the Corporation's whistleblower hotline.</p>
<p>(iii) provide a cross-reference to any material change report filed since the beginning of the Corporation'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>There have been no such departures.</p>
<p>(b) Describe any steps the Board takes to ensure Directors exercise independent judgment in considering transactions and agreements in respect of which a Director or executive officer has a material interest.</p>	<p>In the event that any transactions or agreements occur in respect of which a Director or officer of the Corporation has a material interest, such material interest is disclosed to the Board, in the course of approving the transaction or agreement, and such Director or officer thereby provides full disclosure to the Chair of the Audit Committee of such material interest. In the event that a Director has a material interest in any transaction or agreement, such Director will abstain from voting in that regard.</p> <p>Personnel with potential conflicts of interests are encouraged to consult their supervisor or department head.</p>
<p>(c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.</p>	<p>Through the above-noted methods, the Board encourages and promotes a culture of ethical business conduct.</p>
<p>6. Nomination of Directors</p> <p>(a) Describe the process by which the Board identifies new candidates for Board nomination.</p>	<p>The CNCG Committee is responsible for identifying and proposing new nominees for the Board in a manner that is responsive to the Corporation's needs and the interests of its Shareholders. The CNCG Committee annually reviews the performance of the Board, including the individual contributions of Board members, along with their respective skill sets. If the CNCG Committee were to determine that either replacement or additional Board candidates were required, the CNCG Committee would undertake a more thorough review of the Board's needs to compile a skills matrix setting forth the skills and expertise that are required. The CNCG Committee would then use this matrix to identify suitable candidates for the Board's review.</p>

<p>(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>	<p>The CNCG Committee is composed entirely of independent Directors.</p>
<p>(c) If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</p>	<p>The CNCG Committee is responsible for the development of the criteria for selecting new directors as well as the identification of individuals qualified to become members of the Board.</p>
<p>7. Compensation</p> <p>(a) Describe the process by which the Board determines the compensation for the Directors and officers of the Corporation.</p>	<p>The CNCG Committee is charged with making recommendations concerning the remuneration of Directors. The CNCG Committee formulates a recommendation to the Board and the final decision is made by the Board.</p> <p>The Board also requires that the CNCG Committee undertake an annual review of remuneration of officers of the Corporation. As part of this review, the CNCG Committee makes recommendations regarding long-term incentives for senior management and reviews the adequacy and form of compensation and benefits provided.</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>The CNCG Committee is composed of four Directors, each of whom is independent.</p>
<p>(c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</p>	<p>The CNCG Committee has the responsibility for the compensation of the senior management of the company including the Chief Executive Officer and Chief Financial Officer along with the remuneration of the Directors. This includes administering and making recommendations to the long-term incentive plans for management and the DSU plan for the Directors.</p>
<p>8. Other Board Committees</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 has no other standing committees.</p>
<p>9. Assessments</p> <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</p>	<p>The CNCG Committee reviews, on an annual basis, the effectiveness of the Board, all committees of the Board, and individual Directors, which includes reviewing the individual contributions of Board and committee</p>

<p>process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and individual Directors are performing effectively.</p>	<p>members, along with their respective skill sets. During the review process, the CNCG Committee specifically considers: (i) input from the Directors, where appropriate (including through annual performance surveys and self-assessments); (ii) attendance of the Directors at Board and committee meetings; (iii) compliance with the Board and committee mandates; and (iv) the competencies and skill sets of the individual Board and committee members.</p>
<p>10. Director Term Limits and Mechanisms of Board Renewal</p> <p>Disclose whether or not the Corporation 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 Corporation has not adopted director term limits or other mechanisms of Board renewal, disclose why it has not done so.</p>	<p>The Corporation does not have any term limits or other mechanisms of Board renewal, as the Board believes that the imposition of term limits for its Directors may lead to the exclusion of potentially valuable members of the Board. While there is a benefit to adding new perspectives to the Board from time to time, there are also benefits to having continuity and Directors having in depth knowledge of each facet of the Corporation's business, which necessarily takes time to develop.</p>
<p>11. Policies Regarding the Representation of Women on the Board</p> <p>(a) Disclose whether the Corporation has adopted a written policy relating to the identification and nomination of women Directors. If the Corporation 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"> (i) a short summary of its objectives and key provisions, (ii) the measures taken to ensure that the policy has been effectively implemented, (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy. 	<p>The Corporation recognizes the value of and supports the principle of diversity (including, among other things, diversity in business and other professional expertise and experience, gender, geography, age, race and ethnicity). The Corporation has adopted a written diversity policy (the "Diversity Policy") to outline how the Corporation approaches diversity, particularly when identifying and nominating individuals to serve as members of the Board or senior management of the Corporation. The Board has adopted processes for the nomination and evaluation of individuals as members of the Board and its committees that are based on objective merit-based criteria which afford due regard to the potential benefits of diversity. Similar processes are to be used for the hiring and evaluation of senior management of the Corporation.</p> <p>For the time being, the Corporation has decided to fix targets regarding women representation and not other types of diversity within the designated groups. The Corporation has adopted the same principles regarding senior management. The Corporation's progress made in achieving the targets set forth in the Diversity Policy are disclosed below.</p> <p>Annually, the Board (or a committee of the Board) will review the Diversity Policy and assess its effectiveness in connection with the composition of the Board and senior management.</p>

<p>12. Consideration of Women in the Director Identification and Selection Process</p> <p>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 Corporation 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 Corporation's reasons for not doing so.</p>	<p>As stated above, under the Diversity Policy, the Board together with the CNCG Committee, shall consider diversity of the Board, including the level of representation of women.</p>
<p>13. Consideration Given to the Representation of Women in Executive Officer Appointments</p> <p>Disclose whether and, if so, how the Corporation considers the level of representation of women in executive officer positions when making executive officer appointments. If the Corporation does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the Corporation's reasons for not doing so.</p>	<p>As stated above, under the Diversity Policy, the Board together with the CNCG Committee shall consider diversity of senior management of the Corporation, including the level of representation of women.</p>
<p>14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions</p> <p>Disclose whether the Corporation has adopted targets regarding women on the Corporation's Board or in executive officer positions of the Corporation. If the Corporation has not adopted targets, disclose why it has not done so.</p>	<p>Subject to the availability of candidates who meet the Corporation's objective merit-based criteria the Corporation intends, on a basis that effects an orderly transition, to (i) maintain a Board composition in which women comprise at least 20% of Directors, and (ii) maintain a senior management composition in which women comprise at least 20% of senior management positions.</p> <p>For the time being, the Corporation has decided to fix targets regarding women representation and not other types of diversity within the designated groups. The Corporation has adopted the same principles regarding senior management.</p>
<p>15. Number of Women on the Board and in Executive Officer Positions</p> <p>(a) Disclose the number and proportion (in percentage terms) of Directors on the Corporation's Board who are women.</p> <p>(b) Disclose the number and proportion (in percentage terms) of executive officers of the Corporation, including all major subsidiaries of the Corporation, who are women.</p>	<p>As of March 28, 2024, the Board is comprised of three women Directors (50%) and three men Directors (50%). With respect to executive officer positions, there are currently one woman (50%) and one man (50%) who are executive officers of the Corporation.</p> <p>To the knowledge of the Corporation, the Corporation currently has no Directors or members of senior management who are Aboriginal peoples, persons with disabilities or members of visible minorities.</p>