These materials are important and require your immediate attention. They require holders of common shares of Canam Group Inc. to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal, tax or other professional advisors. If you require any assistance in completing your proxy, please contact Canam Group Inc.'s depositary, Computershare Trust of Canada, toll free in North America at 1-800-564-6253.

NOTICE OF SPECIAL MEETING
OF SHAREHOLDERS OF CANAM GROUP INC.

to be held on June 13, 2017 at 11:00 a.m.

and

MANAGEMENT INFORMATION CIRCULAR

with respect to an

ARRANGEMENT

involving

CANAM GROUP INC.

and

CANAVERAL ACQUISITION INC.

Dated May 11, 2017

THE BOARD HAS UNANIMOUSLY DETERMINED THAT THE ARRANGEMENT IS IN THE BEST INTERESTS OF CANAM GROUP INC. AND UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ARRANGEMENT RESOLUTION

LETTER TO SHAREHOLDERS

May 11, 2017

Dear Shareholders:

The board of directors (the "**Board**") of Canam Group Inc. (the "**Corporation**" or "**Canam**") cordially invites you to attend a special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Shares**") of Canam to be held at the Georgesville Convention Center, located at 300, 118^{e} Rue, Saint-Georges, Québec, Canada, on June 13, 2017 at 11:00 a.m.

At the Meeting, pursuant to the interim order (the "**Interim Order**") of the Québec Superior Court (the "**Court**"), as same may be amended, the Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution approving a statutory plan of arrangement (the "**Arrangement**") under Chapter XVI - Division II of the *Business Corporations Act* (Québec) (the "**QBCA**"). Under the Arrangement, Canaveral Acquisition Inc. (the "**Purchaser**"), a company incorporated and organized by American Industrial Partner Capital Fund VI, L.P. ("**AIP**"), will acquire directly or indirectly all of the issued and outstanding Shares of the Corporation at a price of $12.30 in cash per Share (the "**Consideration**"), except for the Rollover Shares (as defined in the Arrangement Agreement (defined below)) held by Placements CMI Inc., Marcel Dutil, 9085-6063 Québec Inc., Hélène Dutil, Idmed Inc., Marc Dutil, Charles Dutil, Sophie Dutil Jones, and Anne-Marie Dutil Blatchford and any holding corporation controlled by such Persons (collectively, the "**Dutil Shareholders**") and Caisse de dépôt et placement du Québec ("**CDPQ**") and Fonds de solidarité des travailleurs du Québec (F.T.Q.) ("**FSTQ**" and, collectively with the Dutil Shareholders and CDPQ, the "**Rollover Shareholders**") that will be acquired by the Purchaser in exchange for shares of the Purchaser. The purchase of 100% of the equity of Canam represents a total enterprise value of approximately $875 million, including the assumption of existing indebtedness.

The Consideration to be received by the Shareholders (other than the Rollover Shareholders in respect of their Rollover Shares) represents a premium of 98.4% to the closing price of the Shares on the Toronto Stock Exchange on April 26, 2017 and a premium of approximately 91.0% over the 20-day volume weighted average price of the Shares up to and including April 26, 2017, such date being the last trading day prior to the date on which the parties entered into the Arrangement Agreement and announced the transaction.

Shareholders should review the accompanying notice of special meeting of Shareholders and management information circular (the "**Information Circular**") which describes, among other things, the background to the Arrangement as well as the reasons for the determinations and recommendations of the Special Committee (as defined herein) and the Board. The Information Circular contains a detailed description of the Arrangement, including certain risk factors relating to the completion of the Arrangement. You should consider carefully all of the information in the Information Circular**. If you require assistance, you are urged to consult your financial, legal, tax or other professional advisor.**

To be effective, the Arrangement must be approved by a special resolution (the "**Arrangement Resolution**") passed by at least (i) two-thirds of the votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote; and (ii) a majority of the votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote (other than the Rollover Shareholders).

The Dutil Shareholders have entered into irrevocable support and voting agreements for a period of 180 days following April 27, 2017 pursuant to which they have agreed, inter alia, to support the Arrangement and vote all of their Shares in favour of the Arrangement Resolution and against any resolution submitted by any shareholder that is inconsistent therewith. In addition, the directors and executive officers of the Corporation who are not Dutil Shareholders, as well as CDPQ and FSTQ, have entered into support and voting agreements pursuant to which they have agreed to support the Arrangement and vote all of their Shares (including, for FSTQ, in respect of 636,800 Shares held under discretionary management for which FSTQ has agreed to provide instructions to have any such Shares held as of the Record Date voted in support of the Arrangement) in favour of the Arrangement Resolution and against any resolution submitted by any shareholder that is inconsistent therewith. Consequently, Shareholders beneficially owning approximately 29.32% of the outstanding Shares have agreed to vote (or cause to be voted) their Shares in favour of the Arrangement Resolution.

The Arrangement is subject to certain closing conditions, including approval by the Shareholders, by the court and receipt of applicable regulatory approvals. Subject to those closing conditions being satisfied or waived (if permitted) and satisfying other customary conditions contained in the arrangement agreement dated April 27, 2017 among Canam and the Purchaser (the "**Arrangement Agreement**"), it is anticipated that the Arrangement will be completed near the end of June 2017. Further details of the Arrangement are set out in the accompanying Information Circular.

The special committee of the Board (the "**Special Committee**"), composed of three independent directors of the Corporation, retained the services of BMO Nesbitt Burns Inc. ("**BMO Capital Markets**") as financial advisor and Deloitte LLP, Chartered Professional Accountants ("**Deloitte**") to provide opinions as to the fairness (collectively, the "**Fairness Opinions**"), from a financial point of view, of the Consideration to be received by the Shareholders (other than the Rollover Shareholders) in connection with the Arrangement. Deloitte and BMO Capital Markets each provided an opinion to the effect that, as at April 26, 2017, subject to the scope of review, assumptions, qualifications and limitations set forth therein, the Consideration to be received by the Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders (other than the Rollover Shareholders). Deloitte also provided the Special Committee with a formal valuation (the "**Formal Valuation**") completed under its supervision, the whole in accordance with the applicable securities regulation intended to protect minority security holders. The Formal Valuation dated April 26, 2017 determined that, as at March 4, 2017, and subject to the scope of review, assumptions, qualifications and limitations set forth therein, the fair market value of the Shares was in the range of $10.58 to $12.42 per Share.

The Special Committee has received the Fairness Opinions and Formal Valuation and has, after receiving legal and financial advice, unanimously recommended that the Board approve the Arrangement Agreement and that the Shareholders (other than the Rollover Shareholders) vote in favour of the Arrangement Resolution. The Board has received the Fairness Opinions and Formal Valuation and has unanimously (with directors who are also Rollover Shareholders abstaining from voting), after receiving legal and financial advice and the recommendation of the Special Committee, determined that the Arrangement Resolution is in the best interests of the Corporation and is fair to the Shareholders (other than the Rollover Shareholders) and the Board unanimously (with directors who are also Rollover Shareholders abstaining from voting) recommends that the Shareholders (other than the Rollover Shareholders) vote **FOR** the Arrangement Resolution.

Your vote is important regardless of the number of Shares you hold. Whether or not you are able to attend the Meeting in person, you are urged to complete, sign, date and return the enclosed form of proxy or voting instruction form so that your Shares can be voted at the Meeting or any adjournment(s) or postponement(s) thereof in accordance with your voting instructions. Your votes must be received by Canam's transfer agent, Computershare Trust Company of Canada, no later than 5:00 p.m. (Montreal Time) on June 9, 2017 or, if the Meeting is adjourned or postponed, by 5:00 p.m. (Montreal Time) two business days (excluding Saturdays, Sundays and holidays) before the day on which the Meeting is reconvened.

Non-registered Shareholders who hold their Shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary (an "**Intermediary**"), should carefully follow the instructions of their

intermediary to ensure that their Shares are voted at the Meeting in accordance with such Shareholder's instructions, to arrange for their Intermediary to complete the necessary transmittal documents and to ensure that they receive payment for their Shares if the Arrangement is completed.

Pursuant to and in accordance with the Arrangement, the Interim Order and the provisions of Chapter XIV – Division I of the QBCA (as modified or supplemented by the Interim Order, the plan of arrangement and any other order of the Court), registered Shareholders (other than Qualifying Holdco Shareholders (as defined in the Arrangement Agreement), Qualifying Holdcos (as defined in the Arrangement Agreement), Rollover Shareholders, and holders of Shares who have failed to exercise all the voting rights carried by the Shares held by such holder against the Arrangement Resolution) have the right to demand the repurchase of their Shares in connection with the Arrangement and, if the Arrangement becomes effective, to be paid the fair value of their Shares by the Purchaser; provided such Shareholders exercise all of their available voting rights against the adoption and approval of the Arrangement Resolution. This right to demand the repurchase of the Shares is more particularly described in the accompanying Information Circular.

If you require any assistance in completing your proxy, please contact Canam's depositary, Computershare Trust Company of Canada, toll free in North America at 1-800-564-6253.

On behalf of Canam, we would like to thank all Shareholders for their ongoing support as we prepare to take part in this very important milestone event for Canam.

Yours very truly,

Pierre Lortie
Lead Director and Chair of the Special Committee
Canam Group Inc.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To the shareholders of Canam Group Inc. (the "**Corporation**" or "**Canam**"):

NOTICE IS HEREBY GIVEN that, pursuant to an interim order of the Québec Superior Court dated May 11, 2017 (as same may be amended, the "**Interim Order**"), a special meeting (the "**Meeting**") of the holders of common shares of the Corporation (the "**Shareholders**") will be held at the Georgesville Convention Center, located at 300, 118e Rue, Saint-Georges, Québec, Canada, on June 13, 2017 at 11:00 a.m. (Montreal Time) for the purposes indicated below.

(a) to consider pursuant to the Interim Order and, if thought advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set forth in Appendix C attached to the accompanying management information circular (the "**Information Circular**"), approving a statutory plan of arrangement (the "**Arrangement**") under the provisions of Chapter XVI - Division II of the *Business Corporations Act* (Québec) (the "**QBCA**") involving Canam and the Purchaser, as more particularly described in the accompanying Information Circular; and

(b) transacting any other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The Shareholders entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof are those which held Shares as at the close of business on May 4, 2017 (the "**Record Date**"). Only Shareholders whose names have been entered in the register of Canam as at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

Accompanying this notice of meeting is the Information Circular, a form of proxy and a letter of transmittal. The accompanying Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this notice of meeting. Any adjourned or postponed meeting resulting from an adjournment or postponement of the Meeting will be held at a time and place to be specified either by Canam before the Meeting or at the discretion of the Chair at the Meeting.

In order for registered Shareholders to receive the consideration that they are entitled to upon the completion of the Arrangement, such registered Shareholders must complete and sign the letter of transmittal and return such letter of transmittal, together with their Share certificate(s) and any other required documents and instruments to the depositary named in the letter of transmittal, in accordance with the procedures set out in the letter of transmittal.

A separate form of letter of transmittal will be made available for Qualifying Holdco Shareholders (as defined in the arrangement agreement dated April 27, 2017 among Canam and the Purchaser (the "**Arrangement Agreement**")) who have elected the Holdco Alternative (as defined in the Arrangement Agreement). Shareholders who wish to avail themselves of the Holdco Alternative should contact Computershare Trust Company of Canada.

The management of Canam and its Board of Directors urge you to participate in the Meeting and to vote your Shares. If you cannot attend the Meeting to vote your Shares in person, please vote in one of the following four ways: (i) by appointing someone as proxy to attend the Meeting and vote your Shares for you, (ii) by completing and signing the accompanying form of proxy and returning it in the enclosed envelope, postage

prepaid; (iii) by following the instructions for telephone voting in the accompanying form of proxy at least two business days (excluding Saturdays, Sundays and holidays) prior to the Meeting or related adjournment(s), or (iv) by following the instructions for internet voting in the accompanying form of proxy at least two business days (excluding Saturdays, Sundays and holidays) prior to the Meeting or related adjournment(s). Canam reserves the right to accept late proxies and to waive the proxy cut-off, with or without notice. If you are a non-registered Shareholder, please refer to the section in the Information Circular entitled "*Voting Information - Non-Registered Shareholders*" for information on how to vote your Shares.

Beneficial (non-registered) Shareholders who hold their Shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary (an "**Intermediary**"), should carefully follow the instructions of their Intermediary to ensure that their Shares are voted at the Meeting in accordance with such Shareholders' instructions, to arrange for their Intermediary to complete the necessary transmittal documents and to ensure that they receive payment of the consideration for their Shares if the Arrangement is completed.

Pursuant to and in accordance with the Arrangement, the Interim Order and the provisions of Chapter XIV – Division I the QBCA (as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Québec Superior Court (the "**Court**")), registered Shareholders (other than Qualifying Holdco Shareholders, Qualifying Holdcos, Rollover Shareholders (as defined in the Arrangement Agreement) and holders of Shares who have failed to exercise all the voting rights carried by the Shares held by such holder against the Arrangement Resolution) have the right to demand the repurchase of their Shares (the "**Dissent Rights**") in connection with the Arrangement and, if the Arrangement becomes effective, to be paid the fair value of their Shares by the Purchaser. Dissent Rights are more particularly described in the accompanying Information Circular. **A registered Shareholder who wishes to exercise Dissent Rights must send to Canam a written notice (the "Dissent Notice"), which Dissent Notice must be received by Canam at its administrative office at 270, chemin Du Tremblay, Boucherville (Québec) J4B 5X9, fax 450-641-5503, Attention: Louis Guertin, Vice President, Legal Affairs and Secretary, with a copy to Fasken Martineau DuMoulin LLP at 800 Square Victoria, Montréal (Québec) H4Z 1E9, fax 514-397-7600, Attention: Mtre Jean-Pierre Chamberland, not later than 4:30 p.m. (Montreal Time) on June 9, 2017 or not later than 4:30 p.m. (Montreal Time) on the business day that is two business days (excluding Saturdays, Sundays and holidays) immediately preceding the date that any adjourned or postponed Meeting is reconvened or held, as the case may be. Failure to strictly comply with the requirements set forth in Chapter XIV - Division I of the QBCA (as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court) may result in the loss of Dissent Rights. Anyone who is a beneficial owner of Shares registered in the name of an Intermediary and who wishes to exercise Dissent Rights should be aware that only registered Shareholders are entitled to exercise Dissent Rights. Some, but not all, of the Shares, have been issued in the form of a global certificate registered in the name of CDS & Co. and, as such, CDS & Co. is the registered Shareholder of those Shares. Accordingly, a non-registered Shareholder who desires to exercise Dissent Rights must make arrangements for the Shares beneficially owned by such holder to be registered in the name of such holder prior to the time the Dissent Notice is required to be received by Canam or, alternatively, make arrangements for the registered Shareholder of such Shares to exercise Dissent Rights on behalf of such Shareholder. A Shareholder wishing to exercise Dissent Rights may only exercise such rights with respect to all Shares registered in the name of such Shareholder if such Shareholder exercised all the voting rights carried by those Shares against the Arrangement Resolution. It is recommended that you seek independent legal advice if you wish to exercise Dissent Rights.**

St. Georges, Québec
May 11, 2017

BY ORDER OF THE BOARD OF DIRECTORS OF CANAM GROUP INC.

Louis Guertin
Vice President, Legal Affairs and Secretary
Canam Group Inc.

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INFORMATION CIRCULAR

INTRODUCTION

This management information circular (the "**Information Circular**") is delivered in connection with the solicitation of proxies by and on behalf of the management of Canam Group Inc. (the "**Corporation**" or "**Canam**") for use at the special meeting of Shareholders to be held on June 13, 2017 at 11:00 a.m. (the "**Meeting**"), or at any adjournment(s) or postponement(s) thereof, at the time and place and for the purposes set forth in the accompanying notice of special meeting (the "**Notice of Meeting**"). No person has been authorized to give any information or make any representation in connection with the Arrangement or any other matters to be considered at the Meeting other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

All summaries of, and references to, the Arrangement, the Arrangement Agreement and the Plan of Arrangement in this Information Circular are qualified in their entirety by reference to the complete text of the Arrangement Agreement, a copy of which is available on SEDAR under Canam's issuer profile at www.sedar.com, and is attached to this Information Circular as Appendix B. The Plan of Arrangement is attached to this Information Circular as Appendix A. **You are urged to carefully read the full text of the Arrangement Agreement and the Plan of Arrangement.**

The Corporation may retain the services of a proxy solicitation agent in connection with the solicitation of proxies for the Meeting and pay customary fees for such services. Canam may also reimburse brokers and other persons holding Shares in their name, or in the name of nominees for their costs incurred in sending proxy materials to their principals to obtain their proxies.

All capitalized terms used in this Information Circular but not otherwise defined herein have the meanings set forth under "*Glossary of Terms*" starting on page 112. Information contained in this Information Circular is given as at May 3, 2017, unless otherwise specifically stated.

The information concerning the Purchaser and the Rollover Shareholders contained in this Information Circular has been provided by the Purchaser and the Rollover Shareholders for inclusion in this Information Circular. Although Canam has no knowledge that any statement contained herein taken from, or based on, such information and records or information provided by the Purchaser and the Rollover Shareholders are untrue or incomplete, Canam assumes no responsibility for the accuracy of the information contained in such documents, records or information or for any failure by the Purchaser or the Rollover Shareholders to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to Canam.

This Information Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. The delivery of this Information Circular will not, under any circumstances, create any implication or be treated as a

representation that there has been no change in the information set forth herein since the date of this Information Circular.

Shareholders should not construe the contents of this Information Circular as legal, tax or financial advice and are urged to consult with their own legal, tax, financial or other professional advisors.

NO SECURITIES REGULATORY AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS INFORMATION CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

CAUTION ON FORWARD-LOOKING STATEMENTS

This Information Circular contains forward-looking statements, including, but not limited to, statements relating to Canam's expectations with respect to the timing and outcome of the Arrangement, within the meaning of applicable Securities Laws (collectively referred to herein as "**forward-looking statements**"). Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the Arrangement and other future events and conditions and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "intends", "projects", "seeks", "likely" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could".

Specifically, without limiting the generality of the foregoing, all statements included in this Information Circular, including the appendices, that address activities, events or developments that Canam expects or anticipates will or may occur in the future, including, receipt of Court and Shareholder approvals for the Arrangement, information concerning Canam and the Purchaser and their financial capacity and availability of capital, the anticipated benefits of the Arrangement, the treatment of Shareholders under tax laws, the ability of the Corporation and the Purchaser to satisfy the conditions to complete the Arrangement, including applicable regulatory approvals, the anticipated timing for the Meeting, the anticipated timing for the completion of the Arrangement and delisting of the Shares from TSX, the anticipated expenses of the Arrangement, Canam's projected sales volumes, revenues and financial results, including the financial projections included in the Formal Valuation attached to this Information Circular, and other statements that are not historical facts, are forward-looking statements. These statements are based upon certain material risks and uncertainties. In addition, the anticipated dates provided throughout this Information Circular may change for a number of reasons, such as the inability to secure the necessary Court and Shareholder approvals in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Arrangement.

Although Canam believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Risks and uncertainties inherent in the nature of the Arrangement include the failure to obtain the necessary Court and Shareholder approvals or to otherwise satisfy the conditions to the completion of the Arrangement, in a timely manner, on satisfactory terms, or at all, including that there be no material adverse effect with respect to the Corporation or any of its Subsidiaries and that Dissent Rights shall not have been exercised with respect to more than 7% of the issued and outstanding Shares. Failure of the Parties to otherwise satisfy the conditions to or complete the Arrangement may result in the Arrangement not being completed on the proposed terms, or at all. In addition, if the Arrangement is not completed and the Corporation continues as an independent entity, there are risks that the announcement of the Arrangement and the dedication of substantial resources of the Corporation to the completion of Arrangement could have an impact on the Corporation's current business relationships (including with future and prospective employees, customers, distributors, suppliers and partners) and could have a material adverse effect on the current and future operations, financial condition and prospects of the Corporation. Furthermore, the failure of the Corporation to comply with the terms of the Arrangement Agreement may, in certain circumstances, result in the Corporation being required to pay the Corporation Termination Fee or an expense reimbursement fee to the Purchaser. For all these reasons, Shareholders should not place undue reliance on the forward-looking statements contained in this Information Circular.

Caution should also be exercised in the evaluation and use of the results of a formal valuation such as those contained in the Formal Valuation attached to this Information Circular. A formal valuation is an estimate of market value as at a particular date and is not a precise measure of value. The Formal Valuation attached to this Information Circular relies on forward-looking statements that involve risks and uncertainties and Canam's actual results could differ materially from those anticipated in these forward-looking statements as a result of numerous factors.

Forward-looking statements contained in this Information Circular are made as at the date of this Information Circular and, other than as specifically required by law, neither the Corporation nor the Purchaser assumes any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Shareholders are cautioned that the foregoing list of risks and uncertainties is not exhaustive of the risks and uncertainties that may affect forward-looking statements. Additional information on other risks and uncertainties that could affect the operations or financial results of the Corporation, which, in turn, could potentially impact the satisfaction of the conditions to the completion of the Arrangement, are included in reports on file with applicable securities regulatory authorities, including, but not limited to, under the section entitled "Risks and Uncertainties" of the Corporation's Management's Discussion and Analysis for the year ended December 31, 2016 which is available at www.sedar.com. Shareholders are also cautioned to consider these and other risks and uncertainties carefully and not to put undue reliance on forward-looking statements contained in this Information Circular that could be impacted by those risks and uncertainties. The information contained in this Information Circular identifies additional factors that could affect the completion of the Arrangement. You are urged to carefully consider those factors. For a discussion regarding such risks and uncertainties, please refer to the section "*Risk Factors*" of this Information Circular.

CURRENCY

All currency amounts referred to in this Information Circular, unless otherwise stated, are expressed in Canadian dollars. Notwithstanding the foregoing, references to dollars or to $ under the "*Summary of the Arrangement Agreement*" section of this Information Circular shall be references to Canadian dollars as regards the Corporation, Canadian Subsidiaries and Canadian operations and U.S. dollars as regards the U.S. Subsidiaries and U.S. operations of the Corporation.

If you are a registered Shareholder, you will receive the Consideration per Share in Canadian dollars unless you exercise the right to elect in your Letter of Transmittal to receive the Consideration per Share in respect of your Shares in U.S. dollars.

If you are a non-registered Shareholder, you will receive the Consideration per Share in Canadian dollars unless you contact the Intermediary in whose name your Shares are registered and request that the Intermediary make an election on your behalf. If your Intermediary does not make an election on your behalf, you will receive payment in Canadian dollars.

The exchange rate that will be used to convert payments from Canadian dollars into U.S. dollars will be the rate established by Computershare Trust Company of Canada, in its capacity as foreign exchange service provider to the Corporation, on the date the funds are converted, which rate will be based on the prevailing market rate on the date the funds are converted. The risk of any fluctuations in such rates, including risks relating to the particular date and time at which funds are converted, will be solely borne by the Shareholder. Computershare Trust Company of Canada will act as principal in such currency conversion transactions.

SUMMARY

The following is a summary of certain information contained in this Information Circular. This summary is not intended to be complete and is qualified in its entirety by the more detailed information contained elsewhere in this Information Circular and the attached Appendices, all of which are important and should be reviewed carefully. Capitalized terms used in this summary without definition have the meanings ascribed to them in the section "Glossary of Terms" starting on page 112 of this Information Circular.

The Meeting

The Meeting will be held at the Georgesville Convention Center, located at 300, 118e Rue, Saint-Georges, Québec, Canada, on June 13, 2017 at 11:00 a.m. (Montreal Time). The Meeting is a special meeting of the Shareholders at which the Shareholders will be voting on the Arrangement Resolution, the full text of which is set forth at Appendix C. Shareholders may also be asked to consider other business that properly comes before the Meeting or any adjournment(s) or postponement(s) thereof. See "*Voting Information*".

Record Date

The Shareholders entitled to vote at the Meeting are those holders of Shares as at the close of business on the Record Date, being May 4, 2017. Only Shareholders whose names have been entered in the register of Canam as at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof. See "*Voting Information - Voting Shares and Principal Holders Thereof*".

The Arrangement

The Arrangement will be effected pursuant to the terms of the Arrangement Agreement which provides for, amongst other things, the acquisition by the Purchaser directly or indirectly of all of the issued and outstanding Shares of the Corporation by way of statutory plan of arrangement under Chapter XVI - Division II of the QBCA. Pursuant to the Arrangement Agreement and the Plan of Arrangement, each Shareholder (other than the Rollover Shareholders in respect of their Rollover Shares) will receive $12.30 in cash per Share held, each Qualifying Holdco Shareholder (other than the Rollover Shareholder in respect of their Rollover Shares) will receive the Holdco Consideration for each Holdco Share held and each Rollover Shareholder will transfer its Rollover Shares at fair market value, being $12.30 per Rollover Share, and receive the consideration set forth in its Rollover Agreement which will consist of Purchaser Shares. The purchase of 100% of the equity of Canam represents a total enterprise value of approximately $875 million, including the assumption of existing indebtedness.

A copy of the Arrangement Agreement is attached to this Information Circular as Appendix C. See "*The Arrangement*" and "*Summary of the Arrangement Agreement*".

The Parties

Canam

The Corporation is constituted by virtue of and in accordance with the provisions of the QBCA. The Corporation's head office is located at 11535, 1st Avenue, bureau 500, Saint-Georges, Québec, G5Y 7H5.

The Corporation is involved in the design, manufacture and sale of construction products and services for the commercial, industrial, institutional, multi-residential and infrastructure construction industries. The

Corporation operates 23 plants, including seven in Canada and 16 in the United States, and employed 4,644 people as at December 31, 2016. Its revenues come from a wide range of customers located primarily in North America.

The Corporation carries out its business directly or through subsidiaries. The Corporation's sector of activity is divided into three groups of products and services that are allotted to three business units: buildings, structural steel, and bridges. The activities of the Corporation are carried out in Canada directly and through the following subsidiaries: Central Steel Erectors LP, Structure Fusion Inc., St. Lawrence Erectors Inc., and TecFab International Inc.; and in the United States the following subsidiaries: Canam Steel Corporation, Central Erectors, LLC (and its subsidiary Stonebridge, Inc.), and FabSouth LLC (and its subsidiaries).

The Shares are listed for trading on the TSX and are identified by the symbol "CAM".

Purchaser

The Purchaser was incorporated under the QBCA for the purposes of completing the Arrangement and as of the date hereof, an affiliate of AIP is the registered and beneficial owner of all of the outstanding securities of the Purchaser. After Closing, all of the securities of the Purchaser will be held by an affiliate of AIP and the Rollover Shareholders. The Purchaser has not engaged in any business other than in connection with the Arrangement.

AIP

American Industrial Partners is an operationally oriented middle-market private equity firm that makes control investments in North American-based industrial businesses serving domestic and global markets. The firm has deep roots in the industrial economy and has been active in private equity investing since 1989. To date, American Industrial Partners has completed over 70 platform and add-on transactions and currently has US$4.1 billion of assets under management on behalf of leading pension, endowment and financial institutions. American Industrial Partners invests in all forms of corporate divestitures, management buyouts, recapitalizations, and going-private transactions of established businesses with leading market shares with revenues of between US$200 million to US$2 billion.

The Rollover Shareholders

Dutil Shareholders

The individuals included in the Dutil Shareholders are members of the Dutil family and include Marcel Dutil, Chairman of the Board of the Corporation, Marc Dutil, the President and Chief Executive Officer of the Corporation, Anne-Marie Dutil Blatchford, a director of the Corporation, Hélène Dutil, Charles Dutil and Sophie Dutil Jones.

Members of the Dutil family founded Canam Steel Works in 1960 and, with the contribution of Canam employees, made it into the company it is today. Mr. Marcel Dutil, who has stewarded Canam since 1963, is now Chairman of the Board and one of the principal shareholders of Canam through Placements CMI Inc.

Mr. Marc Dutil is the President and Chief Executive Officer of Canam. Mr. Dutil joined The Canam Manac Group Inc. in 1989 where he held various positions at the Saint-Gédéon-de-Beauce, Québec, plant until 1995. In 2001, Mr. Dutil was appointed Vice President of Canam. One year later, he was named

Executive Vice President of Canam and elected to its Board of Directors. In 2003, he was named President and Chief Operating Officer, and in 2012 he became President and Chief Executive Officer.

CDPQ

CDPQ is a long-term institutional investor that manages funds primarily for public and parapublic pension and insurance plans. As at December 31, 2016, CDPQ held $270.7 billion in net assets. As one of North America's leading institutional fund managers, CDPQ invests globally in major financial markets, private equity, infrastructure and real estate.

FSTQ

Created in 1983, FSTQ is a development capital fund that calls upon the solidarity and savings of Quebecers to help fulfill its mission to contribute to Québec's economic growth by creating, maintaining or protecting jobs through investments in small and medium-sized businesses in all spheres of activity. FSTQ also seeks to encourage Quebecers to save for retirement and to offer its over 600,000 shareholders-savers a reasonable return over and above the outstanding tax benefits they receive by purchasing FSTQ shares.

The largest development capital network in the province, FSTQ was created on the initiative of the FTQ, Québec's largest central labour body. Through its governance and codes of ethics, FSTQ is a socially responsible investor committed to sustainable economic development where people come first. Aside from investing capital, FSTQ is committed to supporting the growth of its partner companies by offering value-added services such as economic training. With net assets of $12.2 billion as at November 30, 2016, FSTQ has become a hub of knowledge and resources for Québec businesses and a key player in the local economy.

Required Shareholder Approval

At the Meeting, pursuant to the Interim Order, Shareholders will be asked to vote to approve the Arrangement Resolution. The approval of the Arrangement Resolution will require the affirmative vote of at least (i) two-thirds of the votes of the Shareholders present in person or represented by proxy at the Meeting and entitled to vote and of (ii) a majority of the votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote (other than the Rollover Shareholders). See "*The Arrangement — Required Shareholder Approval*".

Court Approval

The Arrangement requires the Court's granting of the Final Order. Accordingly, on May 11, 2017, the Corporation obtained the Interim Order authorizing and directing the Corporation to call, hold and conduct the Meeting and to submit the Arrangement to the Shareholders for approval. A copy of the Interim Order is attached as Appendix D to this Information Circular. Subject to the terms of the Arrangement Agreement and receipt of the Required Shareholder Approval, the Corporation will make an application to the Court for the Final Order. The hearing in respect of the Final Order is expected to take place before the Superior Court of Québec (Commercial Division), sitting in the district of Montreal, on June 15, 2017 in room 16.12 of the Courthouse located at 1 Notre-Dame Street East, Montreal, Québec H2Y 1B6 (or such other room or location that the Court may determine), at 8:30 a.m. (Montreal Time) (or as soon as counsel may be heard). See "*Certain Legal and Regulatory Matters — Court Approval and Completion of the Arrangement*".

Effective Time and Outside Date

Pursuant to Section 420 of the QBCA, the Arrangement will become effective on the date the Articles of Arrangement are filed, as shown on the Certificate of Arrangement. Closing of the Arrangement will occur as soon as reasonably practicable after the date on which the Required Shareholder Approval and the Final Order have been obtained, the Marketing Period has been completed, and all other conditions to the completion of the Arrangement have been satisfied or waived (if permitted), including receipt of the Key Regulatory Approvals. It is currently anticipated that the Effective Date will occur near the end of June 2017. It is not possible, however, to state with certainty when the Effective Date will occur. The Effective Date could be delayed for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order, a delay in obtaining the Key Regulatory Approvals or a delay in the anticipated timing for the Marketing Period. As provided under the Arrangement Agreement, the Corporation will file the Articles of Arrangement as soon as reasonably practicable and in any event within five Business Days after the satisfaction or waiver (if permitted) of the conditions to the completion of the Arrangement. The Arrangement must be completed on or prior to September 1, 2017, which is the Outside Date.

Background to the Arrangement

The Arrangement Agreement and the other definitive transaction documents were finalized and executed by the parties thereto on April 27, 2017, and Canam issued a press release on April 27, 2017 publicly announcing the Arrangement prior to the opening of the markets.

A summary of the main events that led to the execution of the Arrangement Agreement and certain meetings, negotiations, discussions and actions of the Parties that preceded the public announcement of the Arrangement on April 27, 2017 is provided in "*The Arrangement – Background to the Arrangement*" and "*The Arrangement – Reasons for the Determinations and Recommendations of the Special Committee and the Board*".

Reasons for the Determinations and Recommendations of the Special Committee and the Board

The Special Committee and the Board, with the assistance of financial and legal advisors, carefully reviewed the proposed Arrangement and the terms and conditions of the Arrangement Agreement and all related agreements and documents, and in making their respective determinations and recommendations, the Special Committee and the Board considered and relied upon a number of substantive factors, including the factors discussed below.

Significant Premium

The value of the Consideration offered to Shareholders (other than the Rollover Shareholders in respect of their Rollover Shares) represents a premium of approximately 98.4% to the closing trading price of the Shares on the TSX on April 26, 2017, being $6.20 per Share, and a premium of approximately 91.0% over the 20-day volume weighted average price of the Shares up to and including April 26, 2017, being $6.44 per Share.

Cash Consideration

The Consideration to be paid to Shareholders (other than the Rollover Shareholders in respect of their Rollover Shares) pursuant to the Arrangement will be in cash, providing certainty of value to the Shareholders (other than Rollover Shareholders in respect of their Rollover Shares).

Fairness Opinions

Each of BMO Capital Markets and Deloitte provided an opinion to the effect that, as at April 26, 2017 and subject to the scope of review, assumptions, qualifications and limitations set forth in their respective opinions, the Consideration to be received by the Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders (other than the Rollover Shareholders). The full text of the Fairness Opinions, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with such Fairness Opinions, is attached as Appendix H (the Deloitte Fairness Opinion) and Appendix I (the BMO Capital Markets Fairness Opinion) to the Information Circular. The summary in the Information Circular is qualified in its entirety by reference to the full text of the Fairness Opinions. Neither opinion is a recommendation as to whether or not Shareholders should vote in favour of the Arrangement. See "*The Arrangement – Determinations and Recommendations of the Special Committee and the Board – Fairness Opinions and Formal Valuation*".

Formal Valuation

Deloitte has also provided the Special Committee with a formal valuation completed under the supervision of the Special Committee. The formal valuation, which was dated as of April 26, 2017, determined that as at March 4, 2017, and subject to the assumptions, limitations and qualifications contained therein, the fair market value of the Shares ranged from $10.58 to $12.42 per Share. The full text of the formal valuation, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the formal valuation, is attached as Appendix G to the Information Circular. The summary of the formal valuation in the Information Circular is qualified in its entirety by reference to the full text of the formal valuation. The formal valuation is not a recommendation as to whether or not Shareholders should vote in favour of the Arrangement.

Purchaser's Commitment to Maintain Headquarters in the Province of Québec

The Purchaser has agreed to cause the Corporation's headquarters to remain in the Province of Québec so long as the Purchaser owns a majority of the outstanding Shares of the Corporation.

Ability to Respond to Superior Proposals

The terms and conditions of the Arrangement Agreement, including the amount of the Corporation Termination Fee payable by the Corporation under certain circumstances, do not preclude a third party from proposing or making a Superior Proposal. Notwithstanding the non-solicitation provisions of the Arrangement Agreement, if, at any time prior to obtaining the Required Shareholder Approval, the Corporation receives an unsolicited written Acquisition Proposal and the Board first determines (based upon, *inter alia*, the recommendation of the Special Committee) in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes or could reasonably be expected to constitute a Superior Proposal, the Corporation may engage in or participate in discussions or negotiations with such Person regarding such Acquisition Proposal in certain limited circumstances described in the Arrangement Agreement. See "*Summary of the Arrangement Agreement - Additional Covenants Regarding Non-Solicitation*".

Terms of the Arrangement Agreement

The terms and conditions of the Arrangement Agreement, which were extensively negotiated by the Special Committee at arm's length with AIP and the Dutil Shareholders, with the assistance of the Special Committee's independent financial advisors and legal counsel, including the reasonableness of the

representations, warranties and covenants of the Parties, the reasonableness of the restrictions on the conduct of Canam's business until the completion of the Arrangement, the conditions to the respective obligations of the Parties and the amount of the Corporation Termination Fee, are fair to Canam.

Funding for the Arrangement

The Purchaser has secured the necessary funding commitments, including the Debt Financing pursuant to the Debt Commitment Letter provided by the Lenders and the Equity Financing pursuant to the Equity Commitment Letter provided by AIP (subject to the terms and conditions contained in such commitment letters), to complete the Arrangement and pay the aggregate Consideration to Shareholders (other than the Rollover Shareholders) for their Shares (other than the Rollover Shares).

Limited Number of Conditions

The Purchaser's obligation to complete the Arrangement is subject to a limited number of conditions that the Special Committee and the Board believe are reasonable in the circumstances. The completion of the Arrangement is not subject to any due diligence or financing condition.

Purchaser Termination Fee

The Purchaser has agreed to pay the Corporation a termination fee of $14 million if the Arrangement is not completed in certain circumstances.

Significant Shareholder Support

In connection with the proposed Arrangement, the Dutil Shareholders have entered into irrevocable support and voting agreements pursuant to which they have agreed to support the Arrangement and vote all of their Shares in favour of the Arrangement Resolution and against any resolution submitted by any shareholder that is inconsistent therewith. In addition, the directors and executive officers of the Corporation who are not Dutil Shareholders, CDPQ and FSTQ have also entered into support and voting agreements pursuant to which they have agreed to support the Arrangement and vote all of their Shares in favour of the Arrangement Resolution and against any resolution submitted by any shareholder that is inconsistent therewith (including, for FSTQ, in respect of the 636,800 Shares Under Discretionary Management for which FSTQ has agreed to provide instructions to Groupe Investissement Responsable Inc. ("**GIR**"), in accordance with an agreement between FSTQ and GIR pursuant to which GIR has the power to vote the Shares Under Discretionary Management, to have any such Shares Under Discretionary Management held as of the Record Date voted in support of the Arrangement). Consequently, Shareholders beneficially owning approximately 29.32% of the outstanding Shares have agreed to vote, or cause to be voted, their Shares in favour of the Arrangement Resolution.

Shareholder and Court Approvals

The Arrangement is subject to the following Shareholder and Court approvals, which provide additional protection to Shareholders:

(a) the Arrangement Resolution must be approved by at least two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting and entitled to vote, and a majority of the votes cast by the Minority Shareholders present in person or represented by proxy at the Meeting and entitled to vote.

(b) the Arrangement must also be approved by the Court, which will consider, among other things, the fairness and reasonableness of the Arrangement to Shareholders (other than the Rollover Shareholders).

Dissent Rights

Registered Shareholders (other than Qualifying Holdco Shareholders, Qualifying Holdcos, Rollover Shareholders and holders of Shares who have failed to exercise all the voting rights carried by the Shares held by such holder against the Arrangement Resolution) have the ability to exercise the right to demand the repurchase of their Shares and be paid the fair value for their Shares, as determined by the Court.

Other Relevant Factors

In addition to the above-mentioned factors, the Special Committee and the Board also considered the following factors:

(a) the confirmation provided by the Dutil Shareholders in the Initial Proposal and the Revised Proposal presented to the Board on February 15, 2017 and April 13, 2017, respectively, to the effect that they were not prepared to pursue or support any transaction in which they would sell or otherwise dispose of any of their interests in the Corporation to a party other than AIP;

(b) the Special Committee's assessment of the current and anticipated future opportunities and risks associated with the business, operations, assets, financial performance and condition of the Corporation should it continue as a stand-alone entity, including the evolving competitive environment in the Corporation's key markets;

(c) the Special Committee's assessment that, in light of the value of the Consideration payable under the Arrangement, the significant premium to recent trading prices of the Shares on the TSX which the purchase price represents, the irrevocable Support and Voting Agreements entered into by the Dutil Shareholders in support of the Arrangement, the benefits of the Arrangement to Corporation and other stakeholders of the Corporation, the commitment of the Purchaser to cause the Corporation's headquarters to remain in the Province of Québec so long as the Purchaser owns a majority of the outstanding Shares of the Corporation, and all other factors considered by the Special Committee, including regulatory approval risks, the negotiation of a "go shop" provision in the Arrangement Agreement was not reasonably likely to result in a more favorable transaction for the Corporation; and

(d) the Special Committee's assessment, after consultation with its legal and other advisors, that all required Regulatory Approvals, including the Key Regulatory Approvals, are likely to be obtained on terms and conditions satisfactory to the Corporation and the Purchaser and within the timeframe set out in the Arrangement Agreement, including the outside date of September 1, 2017 or such later date as may be determined in accordance with the Arrangement Agreement.

In making its determinations and recommendations, the Special Committee and the Board also observed that a number of procedural safeguards were and are present to allow the Special Committee and the Board to effectively represent the interests of Canam and the Shareholders (other than Rollover Shareholders), including, among others:

(a) the Special Committee conducted arm's-length negotiations with AIP and the Dutil Shareholders of the key economic terms of the Arrangement and oversaw the negotiation of other material terms of the Arrangement Agreement and the Arrangement;

(b) the Special Committee concluded, after extensive negotiations with AIP and the Dutil Shareholders, that the Consideration agreed to, which represented a significant increase from the consideration initially proposed by AIP and the Dutil Shareholders, was the highest price that could be obtained and that further negotiation could have caused AIP and the Dutil Shareholders to withdraw the proposal, which would have deprived Shareholders of the opportunity to evaluate and vote in respect of the Arrangement;

(c) the Board retains the ability, in certain circumstances, to consider, accept and enter into a definitive agreement with respect to a Superior Proposal, provided that the Corporation pays the Corporation Termination Fee;

(d) in the Special Committee's view, the Corporation Termination Fee would not preclude a third party from making a potential unsolicited Superior Proposal in respect of the Corporation;

(e) the appropriateness of the Corporation Termination Fee and the Purchaser's right to match as an inducement to the Purchaser to enter into the Arrangement Agreement; and

(f) Minority Shareholders will have an opportunity to vote on the Arrangement, and the Arrangement is subject to a determination of the Court that the Arrangement is fair and reasonable, both procedurally and substantively, to holders of securities of the Corporation.

The Special Committee and the Board also considered a number of potential risks and potentially negative factors relating to the Arrangement, including:

(a) the risks to the Corporation if the Arrangement is not completed, including the costs to the Corporation in pursuing the Arrangement, the diversion of management's attention away from conducting the Corporation's business in the ordinary course and the potential impact on the Corporation's current business relationships (including with current, future and prospective employees, customers, suppliers and partners);

(b) the risk that the conditions set forth in the Debt Commitment Letter or the Equity Commitment Letter will not be satisfied or that other events arise which would prevent the Purchaser from consummating the Arrangement, which risk is partly mitigated by the Purchaser Termination Fee;

(c) that, if the Arrangement is successfully completed, the Corporation will no longer exist as an independent public corporation and the consummation of the Arrangement will eliminate the opportunity for Minority Shareholders to participate in potential longer term benefits of the business of the Corporation that might result from future growth and the potential achievement of the Corporation's long-term plans to the extent that those benefits, if any, exceed the benefits reflected in the Consideration to be received by the Shareholders (other than the Rollover Shareholders) under the Arrangement, and with the understanding that there is no assurance that any such long-term benefits will in fact materialize;

(d) that the Special Committee has not conducted a solicitation process prior to entering into the Arrangement Agreement, having regard to the fact that the proposal of AIP and the Dutil Shareholders represents a significant premium to the prevailing market price of the Shares and the fact that the Arrangement Agreement allows the Corporation to respond to a Superior Proposal, provided that the Corporation pays the Corporation Termination Fee and that, under certain circumstances, the Corporation must pay an expense reimbursement fee to the Purchaser;

(e) the conditions to the Purchaser's obligation to complete the Arrangement and the right of the Purchaser to terminate the Arrangement Agreement under certain limited circumstances;

(f) the restrictions imposed pursuant to the Arrangement Agreement on the conduct of the Corporation's business during the period between the entering into of the Arrangement Agreement and the consummation of the Arrangement; and

(g) the fact that the Arrangement will be a taxable transaction and, as a result, Minority Shareholders will generally be required to pay taxes on any gains that result from their receipt of the consideration pursuant to the Arrangement.

The foregoing summary of the information and factors considered by the Special Committee and the Board is not intended to be exhaustive of the factors considered by the Special Committee and the Board in reaching their respective conclusions and making their respective recommendations, but includes the material information, factors and analysis considered by the Special Committee and the Board in reaching such conclusions and making such recommendations. The members of the Special Committee and the Board evaluated the various factors summarized above in light of their own knowledge of the business of Canam and the industry in which Canam operates and of the Corporation's financial condition and prospects and were assisted in this regard by Canam's management and legal and financial advisors, and in the case of members of the Special Committee, the Special Committee's legal and financial advisors. In view of the numerous factors considered in connection with their respective evaluations of the Arrangement, the Special Committee and the Board did not find it practicable to, and did not, quantify or otherwise attempt to assign relative weight to specific factors in reaching their respective decisions. In addition, individual members of the Special Committee and the Board may have given different weights to different factors. The respective conclusions and unanimous recommendations of the Board (with directors who are also Rollover Shareholders abstaining from voting) and the Special Committee were made after considering all of the information and factors involved.

Determinations and Recommendations of the Special Committee and the Board

The Special Committee has received the Fairness Opinions and Formal Valuation and has, after receiving legal and financial advice, unanimously recommended that the Board approve the Arrangement Agreement and that the Shareholders (other than the Rollover Shareholders) vote in favour of the Arrangement Resolution. The Board has received the Fairness Opinions and Formal Valuation, and has unanimously (with directors who are also Rollover Shareholders abstaining from voting), after receiving legal and financial advice and the recommendation of the Special Committee, determined that the Arrangement Resolution is in the best interests of the Corporation and is fair to the Shareholders (other than the Rollover Shareholders) and the Board unanimously (with directors who are also Rollover Shareholders abstaining from voting) recommends that the Shareholders (other than the Rollover Shareholders) vote **FOR** the Arrangement Resolution. See "*The Arrangement – Reasons for the Determinations and Recommendations of the Special Committee and the Board*".

Fairness Opinions and Formal Valuation

In deciding to approve the Arrangement, the Special Committee and the Board considered, among other things, the Fairness Opinions of Deloitte and BMO Capital Markets and the Formal Valuation delivered by Deloitte. The Fairness Opinions established that, as at the date thereof, subject to the scope of review, assumptions, qualifications and limitations set forth therein, the Consideration to be received by the Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders (other than the Rollover Shareholders). The Formal Valuation determined that, as at March 4, 2017, and subject to the scope of review, assumptions, qualifications and limitations set forth therein, the fair market value of the Shares was in the range of $10.58 to $12.42 per Share. See "*The Arrangement – Determinations and Recommendations of the Special Committee and the Board – Fairness Opinions and Formal Valuation*".

Interest of Certain Persons

In considering the recommendations of the Board with respect to the Arrangement, Shareholders should be aware that certain directors and officers of Canam have certain interests or benefits in connection with the Arrangement as described under "*The Arrangement – Interest of Certain Persons in the Arrangement*" that may be in addition to, or differ from, those of Shareholders generally in connection with the Arrangement. The Board is aware of these interests and considered them along with other matters described herein. See "*The Arrangement – Interest of Certain Persons in the Arrangement*".

Support and Voting Agreements

The Dutil Shareholders have entered into irrevocable support and voting agreements for a period of 180 days following April 27, 2017 pursuant to which they have agreed, *inter alia*, to support the Arrangment and vote all of their Shares in favour of the Arrangement Resolution and against any resolution submitted by any shareholder that is inconsistent therewith. In addition, the directors and executive officers of the Corporation who are not Dutil Shareholders, as well as CDPQ and FSTQ, have entered into Support and Voting Agreements which shall automatically terminate if the Arrangement Agreement is terminated pursuant to the terms thereof pursuant to which they have agreed to support the Arrangement and vote all of their Shares in favour of the Arrangement Resolution and against any resolution submitted by any shareholder that is inconsistent therewith (including, for FSTQ, in respect of the 636,800 Shares Under Discretionary Management for which FSTQ has agreed to provide instructions to GIR, in accordance with an agreement between FSTQ and GIR pursuant to which GIR has the power to vote the Shares Under Discretionary Management, to have any such Shares Under Discretionary Management held as of the Record Date voted in favour of the Arrangement Resolution and against any resolution submitted by any shareholder that is inconsistent therewith). Consequently, Shareholders beneficially owning approximately 29.32% of the outstanding Shares have agreed to vote, or cause to be voted, their Shares in favour of the Arrangement.

The foregoing Support and Voting Agreements are described in more details under "*The Arrangement – Support and Voting Agreements*".

Funding and Cooperation Agreement

On April 27, 2017, the Dutil Shareholders entered into a Funding and Cooperation Agreement with AIP in connection with the Arrangement. Pursuant to the Funding and Cooperation Agreement, the Dutil Shareholders and AIP have agreed to, *inter alia*, cooperate with each other in connection with the completion of the Arrangement and share certain expenses incurred in connection with the Arrangement. Pursuant to the terms of the Funding and Cooperation Agreement, the Dutil Shareholders cannot enter into or contemplate any competing transaction until the date that is 180 days following April 27, 2017. The Funding and Cooperation Agreement shall terminate upon the earliest of the Closing or by mutual agreement in writing of the Dutil Shareholders and AIP, but at the latest on the date that is 180 days following April 27, 2017.

Arrangement Agreement

The following is a summary of certain material terms of the Arrangement Agreement and is qualified in its entirety by the full text of the Arrangement Agreement which is attached hereto as Appendix B and which is also available on SEDAR at www.sedar.com. See "*Summary of the Arrangement Agreement*" of this Information Circular for a more detailed summary of the Arrangement Agreement.

Covenants, Representations and Warranties

The Arrangement Agreement contains customary covenants, representations and warranties for an agreement of this nature. A summary of the covenants, representations and warranties is provided in the main body of this Information Circular under "*Summary of the Arrangement Agreement – Covenants*" and "*Summary of the Arrangement Agreement – Representations and Warranties*".

Undertaking to Maintain Canam's Headquarters in Québec

The Purchaser has agreed to cause the Corporation's headquarters to remain in the Province of Québec so long as the Purchaser owns a majority of the outstanding Shares of the Corporation.

Conditions to the Arrangement

The obligations of the Corporation and the Purchaser to complete the Arrangement are subject to the closing conditions set out in the Arrangement Agreement being satisfied or waived (if permitted). These conditions include, among others, the receipt of the Required Shareholder Approval, Court approval and Key Regulatory Approvals. A summary of the conditions is provided in the main body of this Information Circular under "*Summary of the Arrangement Agreement – Closing Conditions*".

Non-Solicitation Provisions

Except as expressly provided for in the Arrangement Agreement, the Corporation agreed pursuant to the Arrangement Agreement that it shall not, and shall cause its Subsidiaries not to, directly or indirectly, through any of its Representatives or affiliates, or otherwise, and shall not permit any such Person to:

(a) solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate, (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, Books or Records of the Corporation or any of its Subsidiaries or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

(b) enter into or otherwise engage or participate in any discussions or negotiations with any Person (other than the Purchaser, AIP and their affiliates) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

(c) make a Change in Recommendation;

(d) accept, approve, endorse, recommend or publicly propose to accept, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal; or

(e) accept or enter into, or publicly propose to accept or enter into, any agreement, understanding or arrangement with any Person (other than the Purchaser) in respect of an Acquisition Proposal, other than a confidentiality agreement permitted by and in accordance with the terms of the Arrangement Agreement.

See "*Summary of the Arrangement Agreement – Additional Covenants Regarding Non-Solicitation – Non-Solicitation*".

Responding to an Acquisition Proposal

Notwithstanding the additional covenants regarding non-solicitation of the Arrangement Agreement, if at any time, prior to obtaining the Required Shareholder Approval, the Corporation receives an unsolicited written Acquisition Proposal, the Corporation may (i) contact the Person making such Acquisition Proposal and its Representatives solely for the purpose of clarifying the terms and conditions of such Acquisition Proposal, and (ii) engage in or participate in discussions or negotiations with such Person regarding such Acquisition Proposal, and may provide copies of, access to or disclosure of confidential information, properties, facilities, or Books and Records of the Corporation or its Subsidiaries, if and only if, in the case of clause (ii):

(a) the Board first determines (based upon, *inter alia*, the recommendation of the Special Committee) in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes, or could reasonably be expected to constitute a Superior Proposal;

(b) the Person making the Acquisition Proposal and its Representatives were not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-disclosure, use, business purpose or similar restriction contained in any Contract entered into with the Corporation or any of its Subsidiaries;

(c) the Corporation has been, and continues to be, in compliance with the additional covenants regarding non-solicitation of the Arrangement Agreement;

(d) prior to providing any such copies, access, or disclosure, the Corporation enters into a confidentiality and standstill agreement with such Person that contains a customary standstill provision and that is otherwise on terms that are no less favourable to the Corporation than those found in the Confidentiality Agreement, and any such copies, access or disclosure provided to such Person shall have already been (or promptly be) provided to the Purchaser (by posting such information to the Data Room or otherwise); and

(e) prior to providing any such copies, access or disclosure, the Corporation provides the Purchaser with a true, complete and final executed copy of the aforementioned confidentiality and standstill agreement.

See "*Summary of the Arrangement Agreement – Additional Covenants Regarding Non-Solicitation – Responding to an Acquisition Proposal*".

Right to Match

If the Corporation receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Arrangement Resolution by the Shareholders, the Board may (based upon, *inter alia*, the recommendation of the Special Committee), subject to compliance with the terms of the Arrangement Agreement, enter into a definitive agreement with respect to such Superior Proposal or withdraw or modify the Board Recommendation, if and only if:

(a) the Person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing confidentiality, standstill, non-disclosure, use, business purpose or similar restriction with the Corporation or any of its Subsidiaries;

(b) the Corporation has been, and continues to be, in compliance with the additional covenants regarding non-solicitation;

(c) the Corporation has delivered to the Purchaser the Superior Proposal Notice;

(d) the Corporation has provided the Purchaser a copy of the proposed definitive agreement for the Superior Proposal and all supporting materials, including any financing documents supplied to the Corporation in connection therewith;

(e) at least five full Business Days - which period shall constitute the Matching Period - have elapsed from the date that is the later of the date on which the Purchaser received the Superior Proposal Notice and the date on which the Purchaser received a copy of the proposed definitive agreement for the Superior Proposal and all supporting materials, including any financing documents supplied to the Corporation in connection therewith;

(f) during any Matching Period, the Purchaser has had the opportunity (but not the obligation) to offer to amend the Arrangement Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal;

(g) after the Matching Period, the Board (i) has determined in good faith, after consultation with the Corporation's outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Arrangement as proposed to be amended by the Purchaser) and (ii) has determined in good faith, after consultation with its outside legal counsel, that the failure by the Board to recommend that the Corporation enter into a definitive agreement with respect to such Superior Proposal or withdraw or modify the Board Recommendation would be inconsistent with its fiduciary duties; and

(h) prior to or concurrently with entering into such definitive agreement or withdraw or modify the Board Recommendation, the Corporation terminates the Arrangement Agreement following a Superior Proposal and pursuant to the terms of the Arrangement Agreement, and pays the Corporation Termination Fee.

During the Matching Period, or such longer period as the Corporation may approve in writing for such purpose: (i) the Board shall review any offer made by the Purchaser to amend the terms of the Arrangement Agreement in accordance with the right to match provisions of the Arrangement Agreement and the Arrangement in good faith in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (ii) the Corporation shall negotiate in good faith with the Purchaser to make such amendments to the terms of the Arrangement Agreement, the Plan of Arrangement or the Financing as would enable the Purchaser to proceed with the transactions contemplated by the Arrangement Agreement on such amended terms. If the Board determines (based upon, *inter alia*, the recommendation of the Special Committee) that such Acquisition Proposal would cease to be a Superior Proposal, the Corporation shall promptly so advise the Purchaser and the Corporation and the Purchaser shall amend the Arrangement Agreement to reflect such offer made by the Purchaser, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

Each successive amendment or modification to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Shareholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal for the purposes of the right to match provisions of the Arrangement Agreement, and the Purchaser shall be afforded a new

full five Business Day Matching Period from the later of the date on which the Purchaser received the Superior Proposal Notice and the date on which the Purchaser received all of the materials set forth the right to match provisions of the Arrangement Agreement with respect to the new Superior Proposal from the Corporation.

See "*Summary of the Arrangement Agreement – Additional Covenants Regarding Non-Solicitation – Right to Match*".

Termination and Termination Fees

The Arrangement Agreement may be terminated prior to the Effective Time by mutual written agreement of the Parties or by either Canam or the Purchaser in certain other circumstances. A summary of the termination provisions is provided in the main body of this Information Circular under "*Summary of the Arrangement Agreement – Termination*".

The Arrangement Agreement provides that a Corporation Termination Fee in the amount of $14,000,000 is payable by Canam to the Purchaser if the Arrangement Agreement is terminated in certain circumstances, including if Canam terminates the Arrangement Agreement in the context of a Superior Proposal in which case the Corporation Termination Fee will be payable prior to or concurrently with the occurrence of the Corporation Termination Fee Event. If the Arrangement is terminated by the Purchaser in the context of a Superior Proposal or a Change in Recommendation by the Board, the Corporation Termination Fee will be paid by Canam to the Purchaser, within two Business Days following the Corporation Termination Fee Event. For further details, please see "*Summary of the Arrangement Agreement – Termination Fee*".

The Arrangement Agreement provides that a Purchaser Termination Fee in the amount of $14,000,000 is payable by Purchaser to Canam, in lieu of any remedy to which the Corporation would otherwise be entitled, if Canam terminates the Arrangement Agreement if the Effective Time does not occur prior to the Outside Date as a result of a breach by the Purchaser of its representations and warranties or the failure to perform its covenants under the Arrangement Agreement. For further details, please see "*Summary of the Arrangement Agreement – Termination Fee*".

Expenses

Except as expressly otherwise provided in the Arrangement Agreement (including in connection with the Pre-Acquisition Reorganization and the Financing), all out-of-pocket third party transaction expenses incurred in connection with the Arrangement Agreement and the Plan of Arrangement and the transactions contemplated thereunder, including all costs, expenses and fees of the Corporation incurred prior to or after the Effective Time in connection with, or incidental to, the Plan of Arrangement, shall be paid by the Party incurring such expenses, whether or not the Arrangement is consummated.

Upon a termination of the Arrangement Agreement by the Purchaser further to a breach of representations and warranties or covenants by the Corporation or by either of the Purchaser or the Corporation if the Effective Time does not occur on or prior to the Outside Date due to a breach of representations and warranties or covenants by the Corporation, the Corporation shall, within two Business Days of such termination, pay or cause to be paid to the Purchaser by wire transfer of immediately available funds an expense reimbursement fee of $4,000,000. In no event shall the Corporation be required to pay the Corporation Termination Fee, on the one hand, and the expense reimbursement fee, on the other hand, in the aggregate, an amount in excess of the Corporation Termination Fee.

Implementation of the Arrangement

The Arrangement will be implemented by way of a statutory plan of arrangement under the provisions of Chapter XVI - Division II of the QBCA pursuant to the terms of the Arrangement Agreement. The following procedural steps must be taken in order for the Arrangement to become effective:

(a) the Required Shareholder Approval must be obtained;

(b) the Court must grant the Final Order approving the Arrangement;

(c) all conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, must be satisfied or waived (if permitted) by the appropriate party; and

(d) the Articles of Arrangement, prepared in the form prescribed by the QBCA and signed by an authorized director or officer of the Corporation, must be filed with the Enterprise Registrar and a Certificate of Arrangement issued related thereto.

If all conditions to the implementation of the Arrangement have been satisfied or waived (if permitted), the steps, qualified in their entirety by the full text of the Plan of Arrangement attached to this Information Circular as Appendix A, described in the section "*The Arrangement – Arrangement Mechanics – Steps to Implementing the Arrangement and Timing*" will occur under the Plan of Arrangement at the Effective Time.

Procedure for Exchange of Share Certificates by Shareholders

Enclosed with this Information Circular is a form of Letter of Transmittal which, when properly completed and duly executed and returned together with the certificate or certificates representing Shares (other than Shares held by a Rollover Shareholder or a Dissenting Shareholder) and all other required documents, will enable each Shareholder (other than a Rollover Shareholder or a Dissenting Shareholder) to obtain the Consideration that such holder is entitled to receive under the Arrangement.

The form of Letter of Transmittal contains complete instructions on how to exchange the certificate(s) representing Shares held by a registered Shareholder (other than a Rollover Shareholder or a Dissenting Shareholder) for the Consideration under the Arrangement. A Shareholder (other than a Rollover Shareholder or a Dissenting Shareholder) will not receive the Consideration under the Arrangement until after the Arrangement is completed, provided that such Shareholder has returned properly completed documents, including the Letter of Transmittal, and the certificate(s) representing his, her or its Shares to the Depositary.

A separate form of letter of transmittal will be made available for Qualifying Holdco Shareholders who have elected the Holdco Alternative. Shareholders who wish to avail themselves of the Holdco Alternative should contact the Depositary.

Only registered Shareholders (other than a Rollover Shareholder or a Dissenting Shareholder) are required to submit a Letter of Transmittal. Non-registered Shareholders (other than a Rollover Shareholder or a Dissenting Shareholder) should contact their Intermediary for instructions and assistance in depositing certificates representing his, her or its Shares and carefully follow any instructions provided by such Intermediary.

See "*Certain Legal and Regulatory Matters – Procedure for Exchange of Share Certificates by Shareholders*".

Holdco Alternative

The Purchaser may in its sole discretion, permit a Qualifying Holdco Shareholder that satisfies certain conditions (including, without limitation, that such Shareholder is resident in Canada for purposes of the Tax Act) to sell to the Purchaser all of the issued shares of a Qualifying Holdco (which must, among other things, be incorporated under the QBCA) that holds Shares. Choosing the Holdco Alternative may require Shareholders to implement a corporate structure through which to hold their Shares. Participating in the Holdco Alternative may give rise to certain Canadian federal income tax consequences for Shareholders that are not described in this Information Circular. **Shareholders who wish to avail themselves of the Holdco Alternative, should consult their own financial, tax and legal advisors before contacting the Depositary to inform them of their election.**

See "*Certain Legal and Regulatory Matters – Holdco Alternative*".

Share Exchange Listing

It is expected that the Shares will be delisted from TSX after the completion of the Arrangement.

Sources of Funds for the Arrangement

The total amount of funds required to complete the Arrangement will be provided by the Purchaser through a combination of debt and equity financing commitments. The obligations of the equity and debt commitment providers are conditional upon certain conditions described under "*The Arrangement – Sources of Funds for the Arrangement*"

Debt Financing

The Purchaser has obtained Debt Financing from the Lenders pursuant to the Debt Commitment Letter whereby the Lenders commit to provide (i) a $100,000,000 ABL Facility and (ii) a US$350,000,000 Term Loan Facility. See "*The Arrangement – Sources of Funds for the Arrangement – Debt Financing*".

Equity Financing

On April 27, 2017, the Purchaser entered into the Equity Commitment Letter with AIP pursuant to which AIP has agreed to provide the Equity Financing to be funded by way of purchase by AIP directly or indirectly of shares in the share capital of the Purchaser.

The Rollover Shareholders have entered into agreements with the Purchaser pursuant to which CDPQ has agreed to make a cash contribution to the Purchaser and the Rollover Shareholders have agreed to make an equity contribution to the Purchaser through the transfer and assignment to the Purchaser, as provided for in the Plan of Arrangement, of all of the Shares owned by the Rollover Shareholders, except for 700,114 Shares held by Placements CMI Inc. and up to 1,436,800 Shares held by FSTQ (which includes the Shares Under Discretionary Management) which will be sold to the Purchaser for the cash consideration contemplated by the Plan of Arrangement. It is expected that the Rollover Shareholders would own as much as 40% of equity in the Purchaser upon Closing. The agreements entered into between the Rollover Shareholders and the Purchaser also provide that they will enter into a shareholders agreement at Closing. The transfer of the Rollover Shares will be made at fair market value, being $12.30 per Rollover Share, and the parties to the Rollover Agreement will agree that the consideration received in exchange has an equivalent fair market value. See "*The Arrangement – Source of Funds for the Arrangement – Equity Financing*".

Dissent Rights

Pursuant to and in accordance with the Arrangement, the Interim Order and the provisions of Chapter XIV - Division I of the QBCA (as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court), registered Shareholders (other than Qualifying Holdco Shareholders, Qualifying Holdcos, Rollover Shareholders and holders of Shares who have failed to exercise all the voting rights carried by the Shares held by such holder against the Arrangement Resolution) have the right to demand the repurchase of their Shares in connection with the Arrangement and, if the Arrangement becomes effective, to be paid the fair value of their Shares by the Purchaser. Dissent Rights are more particularly described in this Information Circular in the section *Dissenting Shareholder Rights*. **A registered Shareholder who wishes to exercise Dissent Rights must send to Canam a written notice (the "Dissent Notice"), which Dissent Notice must be received by Canam at its administrative office at 270, chemin Du Tremblay, Boucherville (Québec) J4B 5X9, fax 450-641-5503, Attention: Louis Guertin, Vice President, Legal Affairs and Secretary, with a copy to Fasken Martineau DuMoulin LLP at 800 Square Victoria, Montréal (Québec) H4Z 1E9, fax 514-397-7600, Attention: Mtre Jean-Pierre Chamberland, not later than 4:30 p.m. (Montreal Time) on June 9, 2017 or not later than 4:30 p.m. (Montreal Time) on the business day that is two Business Days immediately preceding the date that any adjourned or postponed Meeting is reconvened or held, as the case may be. Failure to strictly comply with the requirements set forth in Chapter XIV - Division I of the QBCA (as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court) may result in the loss of Dissent Rights. Anyone who is a beneficial owner of Shares registered in the name of an Intermediary and who wishes to exercise Dissent Rights should be aware that only registered Shareholders are entitled to exercise Dissent Rights. Some, but not all, of the Shares, have been issued in the form of a global certificate registered in the name of CDS & Co. and, as such, CDS & Co. is the registered Shareholder of those Shares. Accordingly, a non-registered Shareholder who desires to exercise Dissent Rights must make arrangements for the Shares beneficially owned by such holder to be registered in the name of such holder prior to the time the Dissent Notice is required to be received by Canam or, alternatively, make arrangements for the registered Shareholder of such Shares to exercise Dissent Rights on behalf of such Shareholder. A Shareholder wishing to exercise Dissent Rights may only exercise such rights with respect to all Shares registered in the name of such Shareholder if such Shareholder exercised all the voting rights carried by those Shares against the Arrangement Resolution. It is recommended that you seek independent legal advice if you wish to exercise Dissent Rights.**

It is a condition to the Purchaser's obligation to complete the Arrangement that Shareholders holding no more than 7% of the Shares shall have exercised Dissent Rights that have not been withdrawn as at the Effective Date.

Certain Canadian Federal Income Tax Considerations

This Information Circular contains a summary of certain Canadian federal income tax considerations generally applicable to certain Shareholders who, under the Arrangement, ultimately dispose of their Shares to the Purchaser for cash. Shareholders considering participating in the Holdco Alternative should consult their own tax advisors as to the Canadian federal income tax considerations of such participation. See the discussion under "*Certain Canadian Federal Income Tax Considerations*". All Shareholders, and Qualifying Holdco Shareholders in particular, are encouraged to seek their own tax advice.

Risk Factors

The risk factors described under "*Risk Factors*" should be carefully considered by Shareholders in evaluating whether to approve the Arrangement Resolution.

FREQUENTLY ASKED QUESTIONS

Pursuant to the terms of the Arrangement Agreement, the Purchaser will acquire directly or indirectly all of the issued and outstanding Shares by way of a statutory plan of arrangement under the QBCA. This Information Circular contains important information about the Arrangement, the Arrangement Agreement, the Meeting and on how to vote at the Meeting. The following section provides answers to certain anticipated questions about the Arrangement and the Meeting. Please note that this section may not address all issues that may be important to you. Accordingly, you should carefully read this entire Information Circular, including the appendices.

About the Meeting

Why did I receive this package of information?

The Purchaser has agreed to acquire directly or indirectly all of the issued and outstanding Shares pursuant to a statutory plan of arrangement under the QBCA. This transaction is subject to, among other things, obtaining the Required Shareholder Approval. As a Shareholder as at the close of business on May 4, 2017, you are entitled to receive notice of and vote at the Meeting. We are soliciting your proxy, or vote, and providing this Information Circular in connection with that solicitation.

Who is soliciting my proxy?

Your proxy is being solicited by the management of Canam. The Purchaser may also assist with the solicitation of proxies and the Corporation may retain the services of a proxy solicitation agent in connection with the solicitation of proxies for the Meeting. If you have any questions or require any assistance with completing your proxy, please contact the Depository, toll free in North America at 1-800-564-6253.

When and where is the Meeting?

The Meeting will be held at the Georgesville Convention Center, located at 300, 118^{e} Rue, Saint-Georges, Québec, Canada, on June 13, 2017 at 11:00 a.m.

What am I being asked to vote on?

You will be voting on the Arrangement Resolution and on any other business that may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

What are the voting requirements?

The Arrangement Resolution must be approved by at least (i) two-thirds of the votes of the Shareholders present in person or represented by proxy at the Meeting and entitled to vote and of (ii) a majority of the votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote (other than the Rollover Shareholders). See "*The Arrangement – Required Shareholder Approval*".

Who is entitled to vote on the Arrangement Resolution and how will the votes be counted?

Shareholders who own Shares as at the close of business on May 4, 2017, may vote on the Arrangement Resolution. Only registered Shareholders or duly appointed proxyholders are entitled to vote in person at the Meeting. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by non-registered Shareholders in order to ensure that their Shares are voted at the Meeting. See "*Voting Information – Non-Registered Shareholders*".

As at May 3, 2017, the number of issued and outstanding Shares stood at 45,361,766. Each Share confers the right to one (1) vote and entitles the holder thereof to one (1) vote per share at the Meeting.

What is the quorum for the Meeting?

One (1) Shareholder present in person or represented by proxy holding or representing not less than one (1) Share constitutes a quorum for the purpose of electing a chair of the Meeting, if necessary, or adjourning the Meeting. With respect to all other matters, one (1) or more Shareholders present in person or represented by proxy holding or representing Shares conferring more than 10% of the maximum number of votes that may be cast at the Meeting constitute a quorum.

Does the Board support the Arrangement?

Yes. Having undertaken a thorough review of, and carefully considered, information concerning Canam, the Purchaser, the Arrangement, the Fairness Opinions, the Valuation Opinion, and the recommendation of the Special Committee, the Board has unanimously determined (with directors who are also Rollover Shareholders abstaining from voting), after receiving legal and financial advice, that the Arrangement is in the best interests of Canam and is fair to the Shareholders (other than the Rollover Shareholders). After careful consideration, the Board unanimously recommends (with directors who are also Rollover Shareholders abstaining from voting) that the Shareholders vote **FOR** the Arrangement Resolution at the Meeting.

In making their determinations and recommendations, the Special Committee and the Board considered a number of factors which are more fully described in this Information Circular. See "*The Arrangement – Reasons for the Determinations and Recommendations of the Special Committee and the Board*".

Am I a registered or non-registered Shareholder?

You are a registered Shareholder if your Shares are registered in your name. You are a non-registered Shareholder if your Shares are not registered in your own name but are held in the name of an Intermediary, such as a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary or in the name of a clearing agency of which the Intermediary is a participant.

Canam will send materials relating to the Meeting directly to non-registered Shareholders that are non-objecting beneficial owners. In addition, Canam will also send materials relating to the Meeting indirectly to non-registered Shareholders that are objecting beneficial owners. In the case of objecting beneficial owners, the materials relating to the Meeting will be delivered through the Intermediaries of such non-registered Shareholders in accordance with the arrangements between the Intermediary and the non-registered Shareholders. Canam will bear the cost of delivery of materials relating to the Meeting to non-registered Shareholders, including those which are non-objecting beneficial owners and objecting beneficial owners.

How do I vote?

If you are eligible to vote your Shares and you are a registered Shareholder, you can vote your Shares in any of the following ways:

(a) by attending the Meeting and voting in person;

(b) by appointing someone as proxy to attend the Meeting and vote your Shares for you;

(c) by completing your proxy form and returning it by mail or delivery, following the instructions on your proxy;

(d) by phoning the toll-free telephone number shown on your proxy form. To vote by phone, simply refer to your control number (shown on your proxy form) and follow the instructions. Note that you cannot appoint anyone other than Mr. Pierre Lortie and Mrs. Elaine Beaudoin as your proxyholder if you vote by phone; or

(e) by internet by visiting the website shown on your proxy form. Refer to your control number (shown on your proxy form) and follow the online voting instructions.

If you are a non-registered Shareholder, and you receive your materials directly from Canam or indirectly through an investment dealer or other Intermediary, you will have received forms with instructions on how to vote. Please follow the instructions in those forms.

How do I appoint someone else to go to the Meeting and vote my Shares for me?

The Persons designated in the form of proxy to represent, as proxyholders, the Shareholders at the Meeting are directors of the Corporation. However, whether or not you attend the Meeting, you can appoint someone else to vote for you as your proxyholder. You can use the enclosed form of proxy, or any other proper form of proxy, to appoint your proxyholder. **Each Shareholder has the right to appoint a person or company, who need not be a Shareholder, to attend and act on his or her behalf at the Meeting other than the person designated in the enclosed form of proxy. Such right may be exercised by inserting in the appropriate space on the form of proxy or voting instruction form the person or company to be appointed or by completing another form of proxy**.

How will my Shares be voted if I vote by Proxy?

On the form of proxy, you can indicate how you want your proxyholder to vote your Shares, or you can let your proxyholder decide for you. If you have specified on the form of proxy how you want your Shares to be voted on a particular issue (by marking "**FOR**" or "**AGAINST**"), then your proxyholder must vote your Shares accordingly.

If you have appointed the Persons designated in the form of proxy as your proxyholders and you have not provided them with instructions, they will vote your Shares **FOR** the Arrangement Resolution.

Is there a deadline for my proxy to be received?

Yes. Whether or not you are able to attend the Meeting in person, you are urged to complete, sign, date and return the enclosed form of proxy or voting instruction form so that your Shares can be voted at the Meeting or any adjournment(s) or postponement(s) thereof in accordance with your voting instructions. Your votes must be received by Canam's transfer agent, Computershare Trust Company of Canada, no later than 5:00 p.m. (Montreal Time) on June 9, 2017 or, if the Meeting is adjourned or postponed, by 5:00 p.m. (Montreal Time) two Business Days before the day on which the Meeting is reconvened.

What if there are amendments or if other matters are brought before the Meeting?

Your voting instructions provided by proxy give the persons named on it authority to use their discretion in voting on amendments or variations to matters identified in the Notice of Meeting or on any matter that may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

As at the time of printing of this Information Circular, management is not aware that any other matter is to be presented for action at the Meeting. If, however, other matters properly come before the Meeting, the persons named in the form of proxy will vote on them in accordance with their judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

What if I change my mind?

If you are a registered Shareholder, you can revoke your proxy at any time before it is acted upon. In addition to revoking your proxy in any other manner permitted by law, you may revoke your proxy by instrument in writing executed by you or your authorized attorney or, if the Shareholder is a corporation, under its corporate seal or by an authorized officer or attorney thereof, and deposited at the Corporation's administrative office at 270, chemin Du Tremblay, Boucherville (Québec) J4B 5X9, at any time so that it arrives no later than 5:00 p.m., Montreal Time, on June 9, 2017 or if the Meeting is adjourned or postponed, by 5:00 p.m. (Montreal Time) two Business Days before the day on which the Meeting is reconvened. If you are a registered Shareholder, you may also revoke your proxy and vote in person at the Meeting or any adjournment(s) or postponement(s) thereof, by delivering a form of revocation of proxy to the Chair of the Meeting before the vote for which the proxy is to be used is taken.

If you are non-registered Shareholder, you may revoke your proxy or voting instructions by following the instructions provided to you by your Intermediary or otherwise contacting the individual who serves your account. You must take such steps sufficiently in advance of the date of the Meeting for your Intermediary to act on such revocation. Note that any new voting instruction must be provided to your Intermediary in sufficient time to enable your Intermediary to provide your new vote to Computershare Trust Company of Canada, no later than 5:00 p.m., Montreal Time, on June 9, 2017, or if the Meeting is adjourned or postponed, by 5:00 p.m. (Montreal Time) two Business Days before the day on which the Meeting is reconvened.

How are proxies solicited?

Your proxy is being solicited by the management of Canam, Management requests that you sign and return the form of proxy or voting instruction form so that your votes are exercised at the Meeting. The solicitation of proxies will be conducted primarily by mail but may also be made by telephone, fax transmission or other electronic means of communication or in person by the directors, officers and employees of Canam. The cost of such solicitation will be borne by the Corporation. The Purchaser may also assist with the solicitation of proxies and the Corporation may retain the services of a proxy solicitation agent in connection with the solicitation of proxies for the Meeting and the Corporation shall pay customary fees for such services. The Corporation will reimburse Intermediaries for their reasonable charges and expenses incurred in forwarding proxy materials to non-registered Shareholders.

Am I entitled to Dissent Rights?

Pursuant to and in accordance with the Arrangement, the Interim Order and the provisions of Chapter XIV - Division I of the QBCA (as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court), registered Shareholders (other than Qualifying Holdco Shareholders, Qualifying Holdcos, Rollover Shareholders and holders of Shares who have failed to exercise all the voting rights carried by the Shares held by such holder against the Arrangement Resolution) have the right to demand the repurchase of their Shares in connection with the Arrangement and, if the Arrangement becomes effective, to be paid the fair value of their Shares. This right to demand the repurchase of their Shares is more particularly described under "*Dissenting Shareholders Rights*".

About the Arrangement

What is a plan of arrangement?

A plan of arrangement is a statutory procedure under Québec corporate law that allows companies to carry out transactions with the approval of their shareholders and the Court. The plan of arrangement you are being asked to consider will provide for, among other things, the acquisition directly or indirectly by the Purchaser of all of the issued and outstanding Shares.

I own Shares. What will I receive in the Arrangement if it is approved?

Pursuant to the Arrangement Agreement and the Plan of Arrangement, each Shareholder (other than the Rollover Shareholders in respect of their Rollover Shares and Qualifying Holdcos) will receive $12.30 in cash per Share held, each Qualifying Holdco Shareholder (other than the Rollover Shareholder in respect of their Rollover Shares) will receive the Holdco Consideration for each Holdco Share held and each Rollover Shareholder will transfer its Rollover Shares at fair market value, being $12.30 per Rollover Share, and will receive the consideration set forth in its Rollover Agreement which will consist of Purchaser Shares. Shareholders and Qualifying Holdco Shareholders (other than the Rollover Shareholders) will receive the Consideration or the Holdco Consideration (after deduction of any applicable withholdings) after the Arrangement is completed.

What premium does the Consideration offered for the Shares represent?

The Consideration to be received by the Shareholders (other than the Rollover Shareholders in respect of their Rollover Shares) represents a premium of 98.4% to the closing price of the Shares on the TSX on April 26, 2017 and a premium of approximately 91.0% over the 20-day volume weighted average price of the Shares up to and including April 26, 2017, such date being the last trading day prior to the date on which the parties entered into the Arrangement Agreement and announced the transaction.

When will the Arrangement be completed?

It is currently anticipated that the Arrangement will be completed near the end of June 2017. It is not possible, however, to state with certainty when the Effective Date will occur. The Effective Date could be delayed for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order, a delay in obtaining the Key Regulatory Approvals or a delay in the anticipated timing for the Marketing Period. As provided under the Arrangement Agreement, the Corporation will file the Articles of Arrangement as soon as reasonably practicable and in any event within five Business Days after the satisfaction or waiver (if permitted) of the conditions to the completion of the Arrangement. The Arrangement must be completed on or prior to the Outside Date.

When will I receive the Consideration for my Shares?

You will receive the Consideration for your Shares as soon as practicable after the Arrangement is completed, provided you have sent all of the necessary documentation to the Depositary.

What will I have to do as a Shareholder to receive the Consideration for my Shares?

If you are a registered Shareholder, you will receive a Letter of Transmittal that you must complete and send with the certificate(s) representing your Shares to the Depositary. The Depositary will mail you a cheque by first class mail as soon as practicable after the Effective Date after receipt of your completed Letter of Transmittal and of your Share certificate(s), together with all other required documents (if

applicable). A separate form of letter of transmittal will be made available for Qualifying Holdco Shareholders who have elected the Holdco Alternative. If you wish to avail yourself of the Holdco Alternative, you should contact the Depositary.

If you are a non-registered Shareholder, you will receive your payment through your account with your broker, investment dealer, bank, trust company or other Intermediary that holds Shares on your behalf. You should contact your Intermediary if you have questions about this process.

About Approval of the Arrangement

What approvals are required for the Arrangement to become effective?

Completion of the Arrangement is subject in particular to the receipt of (i) the Required Shareholder Approval, (ii) the Court approval and (iii) the Key Regulatory Approvals. The Arrangement is also subject to certain other conditions, including, among other things, that there shall not have occurred a Material Adverse Effect with respect to the Corporation or any of its Subsidiaries since the date of the Arrangement Agreement until the Effective Time, and that Dissent Rights have not been exercised with respect to more than 7% of the issued and outstanding Shares.

What is the Required Shareholder Approval?

The Arrangement Resolution must be passed by at least (i) two-thirds of the votes of the Shareholders present in person or represented by proxy at the Meeting and entitled to vote and of (ii) a majority of the votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote (other than the Rollover Shareholders).

What happens if the Shareholders do not approve the Arrangement?

If Canam does not receive the Required Shareholder Approval in favour of the Arrangement Resolution, the Arrangement will not become effective. Failure to complete the Arrangement could have a material adverse effect on the market price of the Shares. If the Arrangement is not completed and the Board decides to seek another transaction, there can be no assurance that it will be able to find a party willing to pay an equivalent or higher price than the Consideration to be paid pursuant to the terms of the Arrangement Agreement. In accordance with the terms of their irrevocable Support and Voting Agreements, the Dutil Shareholders will not be permitted to support an alternative transaction for a period of 180 days following April 27, 2017. See "*Risk Factors*".

About the Shares

Will the Shares continue to be listed on TSX after the Arrangement?

No. If the Arrangement is approved, all of the Shares will be acquired directly or indirectly by the Purchaser and Canam expects that the Shares will be delisted from TSX after the completion of the Arrangement. The Purchaser also intends to seek to have Canam deemed to have ceased to be a reporting issuer following the completion of the Arrangement under the securities legislation of all of the provinces of Canada and the two territories in which it is currently a reporting issuer.

Will Canam pay dividends or buy back Shares before the completion of the Arrangement?

No. Canam will not declare or pay dividends or any other distributions (whether in cash, shares or property) or buy back Shares before the completion of the Arrangement.

About Tax Consequences to Shareholders

What are the tax consequences of the Arrangement to me as a Shareholder?

This Information Circular contains a summary of certain Canadian federal income tax considerations. Please see the discussion under "*Certain Canadian Federal Income Tax Considerations*".

Who to Call with Questions

Who can I contact if I have questions?

If you have any questions or require any assistance with completing your proxy or letter of transmittal, please contact the Depositary, toll-free in North America, at 1-800-564-6253.

If you have questions about deciding how to vote, you should contact your own financial, legal, tax or other professional advisors.

VOTING INFORMATION

Purpose of the Meeting

At the Meeting, Shareholders will consider and vote upon the Arrangement Resolution and such other matters as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The Arrangement is the result of negotiations of the transaction with the Purchaser which were supervised by the Special Committee. The Special Committee has received the Fairness Opinions and Formal Valuation and has, after receiving legal and financial advice, unanimously recommended that the Board approve the Arrangement Agreement and that the Shareholders (other than the Rollover Shareholders) vote in favour of the Arrangement Resolution. The Board has received the Fairness Opinions and Formal Valuation, and has unanimously (with directors who are also Rollover Shareholders abstaining from voting), after receiving legal and financial advice and the recommendation of the Special Committee, determined that the Arrangement Resolution is in the best interests of the Corporation and is fair to the Shareholders (other than the Rollover Shareholders) and the Board unanimously (with directors who are also Rollover Shareholders abstaining from voting) recommends that the Shareholders (other than the Rollover Shareholders) vote **FOR** the Arrangement Resolution. See "*The Arrangement – Background to the Arrangement*" and "*The Arrangement – Determinations and Recommendations of the Special Committee and the Board*".

Date, Time and Place of the Meeting

The Meeting will be held at the Georgesville Convention Center, located at 300, 118^{e} Rue, Saint-Georges, Québec, Canada, on June 13, 2017 at 11:00 a.m.

Record Date

The Shareholders entitled to vote at the Meeting or any adjournment(s) or postponement(s) thereof are those holders of Shares as at the close of business on May 4, 2017.

Solicitation of Proxies

This Information Circular is delivered in connection with the solicitation of proxies by the management of Canam for use at the Meeting or any adjournment(s) or postponement(s) thereof, at the place and for the purposes set out in the accompanying Notice of Meeting.

Your proxy is being solicited by the management of Canam. Management requests that you sign and return the form of proxy or voting instruction form so that your votes are exercised at the Meeting. The solicitation of proxies will be conducted primarily by mail but may also be made by telephone, fax transmission or other electronic means of communication or in person by the directors, officers and employees of Canam. The cost of such solicitation will be borne by the Corporation. The Purchaser may also assist with the solicitation of proxies and the Corporation may retain the services of a proxy solicitation agent in connection with the solicitation of proxies for the Meeting and the Corporation shall pay customary fees for such services. The Corporation will reimburse Intermediaries for their reasonable charges and expenses incurred in forwarding proxy materials to non-registered Shareholders.

Appointment and Revocation of Proxies

The Persons designated in the form of proxy to represent, as proxyholders, the Shareholders at the Meeting are directors of the Corporation. **A registered Shareholder wishing to appoint some other person (who need not to be a Shareholder) to represent such Shareholder at the Meeting has the**

right to do so, either by inserting such person's name in the blank space provided in the applicable form of proxy or by completing another form of proxy. Such Shareholder should notify such nominee of the appointment, obtain such nominee's consent to act as proxy and instruct such nominee on how the Shares held by such Shareholder are to be voted.

A registered Shareholder who has given a proxy may revoke such proxy at any time before it is exercised, by instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing and deposited at the administrative office of Canam at 270, chemin Du Tremblay, Boucherville (Québec) J4B 5X9, at any time so that it is received by Canam's transfer agent, Computershare Trust Company of Canada, no later than 5:00 p.m., Montreal Time, on June 9, 2017 or if the Meeting is adjourned or postponed, by 5:00 p.m. (Montreal Time) two Business Days before the day on which the Meeting is reconvened, or with the Chair of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof, or any other manner permitted by law.

Registered Shareholders

You are a registered Shareholder if your Shares are held in your name or if you have a share certificate.

VOTING OPTIONS

 In person at the Meeting

 By proxy

 By telephone

 By Internet

VOTING FOR REGISTERED SHAREHOLDERS

As a registered shareholder, you can vote your shares in the following ways:

In Person	Attend the meeting and register with the transfer agent, Computershare Trust Company of Canada, upon your arrival. Do not fill out and return your form of proxy if you intend to vote in person at the meeting.
Phone	1-866-732-VOTE (8683) (toll-free in North America) and enter the 15-digit control number printed on the form. Follow the interactive voice recording instructions to submit your vote.
Internet	Go to www.investorvote.com. Enter the 15-digit control number printed on the form and follow the instructions on screen.
Mail	Enter voting instructions, sign the proxy form and send your completed form of proxy to: Computershare Trust Company of Canada Attention: Proxy Department 100 University Avenue, Toronto Ontario M5J 2Y1
Questions	Please call the Depositary at 1-800-564-6253 (toll-free in North America)

Non-Registered Shareholders

Only Shareholders who are registered Shareholders or duly appointed individuals named in the form of proxy are permitted to vote at the Meeting. Most Shareholders beneficially own Shares not registered in their names but instead registered in the name of an intermediary (an "**Intermediary**"), such as a broker, investment dealer, bank or trust company, or in the name of a depositary such as Computershare Trust Company of Canada in which the Intermediary is a participant.

In accordance with applicable Securities Laws, Canam has distributed copies of the materials relating to the Meeting directly to non-registered Shareholders that are non-objecting beneficial owners and indirectly through Intermediaries for distribution to non-registered Shareholders that are objecting beneficial owners. Intermediaries are required to forward materials related to the Meeting to non-registered Shareholders unless the non-registered Shareholders have otherwise instructed his, her or its Intermediary. Canam will bear the cost of delivery of materials relating to the Meeting to non-registered Shareholders, including those which are non-objecting beneficial owners and objecting beneficial owners. Generally, non-registered Shareholders who have not waived the right to receive materials related to the Meeting will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit non-registered Shareholders to direct the voting of the Shares they beneficially own. Non-registered Shareholders should follow the procedures set out below, depending on which type of form they receive:

(a) *Voting Instruction Form* – In most cases, a non-registered Shareholder will receive, as part of the materials related to the Meeting, a voting instruction form. If the non-registered Shareholders does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. Voting instruction forms may permit the completion of the voting instruction form by telephone or electronically through the internet in accordance with the directions provided. If a non-registered Shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), the non-registered Shareholder must complete the voting instruction form (including by inserting the non-registered Shareholder's (or such other person's) name in the blank space provided), sign and return the voting instruction form in accordance with the directions provided; or

(b) *Form of Proxy* – Less frequently, a non-registered Shareholder will receive, as part of the Meeting materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Shares beneficially owned by the non-registered Shareholder but which is otherwise not completed. If the non-registered Shareholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Shareholder's behalf), the non-registered Shareholder must complete the form of proxy and deposit it with Computershare Trust Company of Canada as described above. If a non-registered Shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), the non-registered Shareholder must insert the non-registered Shareholder's (or such other person's) name in the blank space provided.

In either case, non-registered Shareholders should carefully follow the instructions of their Intermediaries, including those regarding when and where the proxy or the voting instruction form is to be delivered.

A non-registered Shareholder may revoke a voting instruction by following the instructions provided by the Intermediary or otherwise contacting the individual who serves the non-registered Shareholder's account. A non-registered Shareholder must take such steps sufficiently in advance of the date of the Meeting for the Intermediary to act on such revocation. Note that any new voting instruction must be

provided to the Intermediary in sufficient time to enable the Intermediary to provide the new vote to Computershare Trust Company of Canada.

Voting of Proxies

The persons named in the enclosed form of proxy have indicated their willingness to represent, as proxyholders, the Shareholders who appointed them. Each Shareholder may instruct its proxyholder how to vote the Shareholder's Shares by completing the blanks in the applicable form of proxy.

Shares represented by properly executed forms of proxy in favour of the persons designated in the enclosed form of proxy will be voted "for" or "against" in accordance with the instructions made on the form of proxy on any ballot that may be called for and, if a Shareholder specifies a choice as to any matters to be acted upon, such Shareholder's Shares will be voted accordingly. **In the absence of such instructions, such Shares will be voted FOR the Arrangement Resolution.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As at May 3, 2017, no director or officer of Canam is aware of any amendment, variation or other matter to be presented for vote at the Meeting.

Voting Shares and Principal Holders Thereof

As at May 3, 2017, the number of issued and outstanding Shares stood at 45,361,766. Each Share confers the right to one (1) vote and entitles the holder thereof to one (1) vote per share at the Meeting or any adjournment(s) or postponement(s) thereof.

The Board has set the close of business on May 4, 2017 as the Record Date for the Meeting. Canam will prepare a list of Shareholders of record as at such time. Only Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

To the knowledge of Canam's directors and executive officers, based on publicly available information as at the date hereof, the only person beneficially owning and exercising control or direction over, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of outstanding securities of Canam, is Mr. Marcel Dutil, with 5,200,114 Shares representing 11.46% of the issued and outstanding Shares. Such Shares are held through a combination of direct holdings by Mr. Marcel Dutil and indirect holdings through Placements CMI Inc. and its wholly-owned subsidiary 9085-6063 Québec Inc., which are entities indirectly controlled by Mr. Marcel Dutil.

In addition, the Corporation has been made aware that FSTQ exercises control or direction over 3,988,700 Shares, representing 8.79% of the issued and outstanding Shares, in addition to being the beneficial owner of 636,800 Shares held on behalf of FSTQ by Sipar-Eterna, a division of Eterna Investment Management Inc., in an account that is fully managed by Sipar-Eterna, which is the sole person responsible for making decisions relating to the acquisition or disposition of such Shares (the "**Shares Under Discretionary Management**"). As a result, when including such 636,800 Shares Under Discretionary Management, FSTQ has beneficial ownership of an aggregate of 4,625,500 Shares, representing 10.20% of the issued and outstanding Shares. The Corporation has also been made aware that pursuant to an agreement between FSTQ and Groupe Investissement Responsable Inc. ("**GIR**"), GIR has the power to vote the Shares Under Discretionary Management; however, FSTQ retains the right to provide specific instructions to GIR as to how such Shares Under Discretionary Management may be voted. Pursuant to FSTQ's Support and Voting Agreement, FSTQ has agreed to instruct GIR to vote any

Shares Under Discretionary Management held as of the Record Date in favour of the Arrangement Resolution.

Procedure and Votes Required

The Arrangement Resolution must be passed by at least (i) two-thirds of the votes of the Shareholders present in person or represented by proxy at the Meeting and entitled to vote and of (ii) a majority of the votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote (other than the Rollover Shareholders).

The Interim Order provides that each Shareholder at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

Pursuant to the Interim Order:

(a) In accordance with the general by-laws of Canam, one (1) Shareholder present in person or represented by proxy holding or representing not less than one (1) Share constitutes a quorum for the purpose of electing a chair of the Meeting, if necessary, or adjourning the Meeting. With respect to all other matters, one (1) or more Shareholders present in person or represented by proxy holding or representing Shares conferring more than 10% of the maximum number of votes that may be cast at the Meeting constitute a quorum;

(b) Canam may adjourn or postpone the Meeting at one or more occasions if it deems appropriate to do so without having first called the Meeting or obtained the vote of the Shareholders on such adjournment of postponment, whether or not the quorum is present and without having obtained any further approval from the Court;

(c) The Record Date for any adjournment(s) or postponement(s) of the Meeting shall not change, except as required by law; and

(d) The proxies will be voted at any adjourned or postponed Meeting in the same manner as they would have been voted at the Meeting, unless such Proxies have been validly revoked prior to such adjourned or postponed Meeting.

Depositary

Computershare Trust Company of Canada will act as the Depositary for the receipt of certificates representing Shares and Letters of Transmittal deposited pursuant to the Arrangement. The Depositary will receive reasonable and customary compensation for its services in connection with the Arrangement, will be reimbursed for certain out-of-pocket expenses and will be indemnified by Canam against certain liabilities under applicable Securities Laws and expenses in connection herewith.

No fee or commission is payable by a Shareholder who transmits its Shares directly to the Depositary. Except as set forth above or elsewhere in this Information Circular, Canam will not pay any fees or commissions to any broker or dealer or any person for soliciting deposits of Shares pursuant to the Arrangement.

Other Business

The Management of Canam does not intend to present and does not have any reason to believe that others will present any item of business other than those set forth in this Information Circular at the Meeting. However, if any other business is properly presented at the Meeting or any adjournment(s) or

postponement(s) thereof, and may be properly considered and acted upon, proxies will be voted by those named in the applicable form of proxy in their sole discretion, including with respect to any amendments or variations to the matters identified in this Information Circular, to the extent permitted by Law.

THE ARRANGEMENT

Overview

The Arrangement will be effected pursuant to the terms of the Arrangement Agreement which provides for, amongst other things, the acquisition by the Purchaser directly or indirectly of all of the issued and outstanding Shares of the Corporation by way of statutory plan of arrangement under Chapter XVI Division II of the QBCA. Pursuant to the Arrangement Agreement and the Plan of Arrangement, each Shareholder (other than the Rollover Shareholders in respect of their Rollover Shares) will receive $12.30 in cash per Share held, each Qualifying Holdco Shareholder (other than the Rollover Shareholder in respect of their Rollover Shares) will receive the Holdco Consideration for each Holdco Share held and each Rollover Shareholder will transfer its Rollover Shares at fair market value, being $12.30 per Rollover Share, and will receive the consideration set forth in its Rollover Agreement which will consist of Purchaser Shares. The purchase of 100% of the equity of Canam represents a total enterprise value of approximately $875 million, including the assumption of existing indebtedness.

Background to the Arrangement

The following is a summary of the main events that led to the execution of the Arrangement Agreement (including related definitive transaction agreements) and certain meetings, negotiations, discussions and actions of the parties that preceded the execution of the Arrangement Agreement and the public announcement of the Arrangement, on April 27, 2017.

On or about January 9, 2017, Mr. Marcel Dutil approached Mr. Louis Guertin, Canam's Vice-President, Legal Affairs and Secretary, to inform him that he was contemplating teaming up with AIP to propose a transaction to privatize the Corporation, although no formal decision had been made, since due diligence needed to be performed and a number of details needed to be agreed to. With a view of advancing the process, Mr. Marcel Dutil inquired about the possibility of providing AIP with certain information relating to the Corporation. After reviewing the situation, and with the advice of its external legal counsel, the Corporation decided it would be willing to provide AIP with certain information provided that AIP sign a non-disclosure agreement protecting the confidentiality of the information that would be provided. On January 11, 2017, AIP signed a non-disclosure agreement for the benefit of the Corporation (the "**Confidentiality Agreement**"). From the date of such agreement, the Corporation has provided AIP with certain information regarding the Corporation.

On February 15, 2017, at the end of the scheduled meeting of the Board of the Corporation, Mr. Marcel Dutil tabled a letter (the "**Initial Proposal**") from Placements CMI Inc., on behalf of the Dutil Shareholders, communicating a preliminary non-binding proposal by the Dutil Shareholders and AIP to privatize the Corporation for a purchase price of $11.55 in cash per Share, other than in respect of Shares held by the Dutil Shareholders, which Initial Proposal was motivated by factors including current market valuation, the cyclical nature of Canam's business and the safeguarding of Canam's long-term interests and operations. The letter also included a request that the Corporation grant such parties a 45-day exclusivity period for due diligence, preparation of financing arrangements and negotiation of transaction documents. The letter indicated that the Dutil Shareholders and AIP would be open to the inclusion of a go-shop provision in the definitive transaction agreement pursuant to which the Corporation would have the right to solicit and engage in discussions and negotiations with respect to potential superior proposals after the entering into of such definitive agreement. Furthermore, the Dutil Shareholders expressed that they would not be prepared to consider alternative acquisition proposals from third parties and set out the reasons for which the Dutil Shareholders consider AIP to be the appropriate partner, namely AIP's strong knowledge of the Canadian market, its commitment to support the Corporation's future growth and its extensive experience and track record in similar transactions.

At such meeting of the Board, and following the tabling of the Initial Proposal, Marcel Dutil, Marc Dutil and Anne-Marie Dutil Blatchford, each of whom are directors of the Corporation and Dutil Shareholders, declared their interest in the potential transaction, and retired from the Board meeting. Thereafter, the members of the Board that were not interested in the potential transaction pursued the meeting *in camera*, without the participation of the interested members, and, in light of the interests of the Dutil Shareholders in the proposed transaction, established the Special Committee comprised of Mr. Pierre Lortie (Chair), Mr. Sean Finn and Ms. Élaine Beaudoin, each of whom are independent directors of the Corporation. It was also determined that the role of the Special Committee would be to, among other things: (i) in collaboration with management, consider, pursue and negotiate the terms, conditions and other details of the Arrangement (including any amendments or variations thereof); (ii) retain an independent valuator to prepare a formal valuation in accordance with Regulation 61-101 and supervise the preparation of such formal valuation; (iii) carry out a review of the strategic alternatives available to the Corporation, including the Arrangement or the status quo; and (iv) advise the Board as to whether the Arrangement is in the best interests of the Corporation and its stakeholders, make a recommendation to the Board with respect to the Arrangement and undertake a process considered appropriate in order to provide such recommendation. The Special Committee was authorized by the Board to retain advisors, including independent legal and financial advisors, as well as an independent valuator, to assist it in carrying out its mandate and performing its duties and in otherwise fulfilling its obligations.

The Special Committee held formal meetings on nine (9) occasions between February 15, 2017 (the date the Special Committee was formally established) and April 26, 2017 (the day prior to the public announcement of the Arrangement) in the course of its review and evaluation of the proposal and the Arrangement, and held discussions with the Corporation's senior management (including the President and Chief Executive Officer, the Vice President and Chief Financial Officer, the Vice President, Legal Affairs and Secretary and the Vice President, Research and Analysis of the Corporation) and the Corporation's legal advisors, in addition to consulting with its own financial and legal advisors and independent valuator, on numerous other occasions.

Following the establishment of the Special Committee, the Chair contacted Norton Rose Fulbright Canada LLP ("**Norton Rose Fulbright**") with regards to its appointment as independent legal counsel to the Special Committee. The Chair also contacted representatives of BMO Capital Markets and Deloitte, separately, in connection with their respective engagement as financial advisor and independent valuator to the Special Committee. As part of such discussions, Deloitte confirmed that it was "independent" of all interested parties for purposes of Regulation 61-101, and that it was not in a conflict of interest nor was it precluded from rendering a formal valuation in connection with the transaction. BMO Capital Markets also confirmed that it was free of conflicts to act as financial advisor to the Special Committee.

The Special Committee met on February 22, 2017 to, among other things, discuss its mandate and formally appoint Norton Rose Fulbright as its independent legal counsel. During such meeting, Norton Rose Fulbright advised the Special Committee of the importance of ensuring that an independent, diligent and rigorous process be put in place for the review of the proposed transaction by the Special Committee, and also advised the members of the Special Committee of their duties and responsibilities in their review and evaluation of the proposed transaction, as well as their ability to rely on external legal and financial advisors in discharging such duties. At such meeting, the Special Committee also decided to retain BMO Capital Markets' and Deloitte's services, respectively as financial advisor and independent valuator, subject to the negotiation of satisfactory engagement letters with such advisors. In particular, the Special Committee was satisfied that Deloitte, through its experience and credentials, had the appropriate qualifications to act as independent valuator in the context of the proposed transaction. In the days following such meeting, satisfactory engagement letters with each of BMO Capital Markets and Deloitte were entered into. At such time, it was not contemplated that either CDPQ or FSTQ would have any involvement in the Arrangement, either as a Rollover Shareholder or in any other capacity.

Following their respective engagements, BMO Capital Markets and Deloitte participated in numerous meetings with management of the Corporation to discuss various operational and financial elements to be built into each of their financial analyses and valuation processes. At a meeting of the Special Committee held on March 20, 2017, BMO Capital Markets and Deloitte, separately, provided the Special Committee with their preliminary views and conclusions regarding the progress of their respective financial analysis, and the Special Committee and BMO Capital Markets had various exchanges on certain assumptions upon which management's financial projections and related estimates were based.

At a meeting of the Board held on March 29, 2017, the Special Committee provided the independent members of the Board with an update on the status of its review of the proposed transaction. The Board also approved the grant of certain change of control benefits to each senior executive of the Corporation and of its subsidiary Canam Steel Corporation in the event of a termination without cause by the Corporation or a termination of employment by the employee for good reason within a two-year period following the closing of a change of control transaction taking place on or prior to December 31, 2017.

Later that same day, the Special Committee was informed that CDPQ was considering participating in the Arrangement as an equity investor and, in the ensuing days, the Special Committee was informed that FSTQ was also potentially interested in participating in the Arrangement. CDPQ and FSTQ respectively entered into non-disclosure agreements on March 30, 2017 and April 11, 2017.

On April 4, 2017, a meeting was held among the members of the Special Committee, BMO Capital Markets, AIP and Morgan Stanley, the latter in its capacity as financial advisor to AIP, during which the parties discussed certain financial metrics relating to the potential transaction, including their respective views on an appropriate approach to value for the Corporation.

On April 5, 2017, an initial draft of the Arrangement Agreement was provided by Stikeman Elliott LLP, counsel to the Purchaser, to Norton Rose Fulbright and Fasken Martineau DuMoulin LLP ("**Fasken Martineau**"), counsel to the Corporation.

On April 10, 2017, the Special Committee met with Norton Rose Fulbright , BMO Capital Markets and members of the Corporation's senior management to review certain due diligence matters discussed with AIP and Morgan Stanley on April 4, 2017. Norton Rose Fulbright also provided the Special Committee and BMO Capital Markets with their summary analysis of the main terms of the draft Arrangement Agreement.

On April 13, 2017, the Chair of the Special Committee met with representatives of AIP in New York City to discuss certain key elements of the potential transaction, including the Special Committee's position, based on analysis it had conducted with the support of its advisors, that the proposed purchase price of $11.55 in cash per Share was inadequate and would need to be increased. After such meeting, Placements CMI Inc. submitted a revised proposal on behalf of the Dutil Shareholders and AIP (the "**Revised Proposal**") reiterating their intention to privatize the Corporation at a revised price of $12.30 in cash per Share. The Revised Proposal did not contemplate the inclusion of a go-shop provision in the definitive transaction agreements. The Revised Proposal set out once again that the Dutil Shareholders were unwilling to consider alternative acquisition proposals from third parties.

At a meeting of the Special Committee held on April 19, 2017, the Chair of the Special Committee informed Norton Rose Fulbright , BMO Capital Markets and Deloitte of the Revised Proposal. Each of BMO Capital Markets, Deloitte and Norton Rose Fulbright provided the Special Committee with an update on the advancement of their respective tasks and responsibilities.

From the date of the Revised Proposal until April 27, 2017, the date the Arrangement Agreement was entered into, the Corporation (including through the Special Committee) and the Purchaser, together with their respective advisors, negotiated the terms and conditions of the Arrangement Agreement, Debt Commitment Letter, Equity Commitment Letter, Purchaser Termination Fee Funding Agreement, Support and Voting Agreements and other definitive transaction agreements. The Special Committee and the Corporation also became aware during the course of these discussions that CDPQ and FSTQ, existing shareholders of the Corporation, were potentially interested in participating as equity investors in the transaction and rolling over all or part of their Shares, although no definitive agreements in that regard were entered into prior to the announcement of the Arrangement.

As part of its deliberations, the Special Committee considered whether the inclusion of a go-shop provision in the definitive transaction agreements would be beneficial to the Corporation given the fact that the Board had not conducted a solicitation process prior to receipt of the Initial Proposal, which proposal contemplated the possibility of a go-shop process. The Special Committee was mindful of the stated position of the Dutil Shareholders that they would not be prepared to consider alternative acquisition proposals from third parties and that the terms of the Support and Voting Agreements to be entered into between the Purchaser and the Dutil Shareholders would irrevocably preclude the Dutil Shareholders from accepting any alternative acquisition proposal following the execution of said Support and Voting Agreements for a period of 180 days thereafter (a "hard lock-up" feature), and therefore determined that the inclusion of a go-shop provision in the definitive transaction agreements was unlikely to unlock additional value for the Corporation, noting that it was not contemplated in the Revised Proposal from the Investors which offered a higher per Share price. The Special Committee also took into account that certain potential buyers for whom a merger with Canam could present synergistic gains may have been more likely to face antitrust challenges in the U.S. market, which would have implied additional regulatory uncertainties, potential delays in and risk of completion and, after the merger, questions about the autonomy and future of Canam's corporate functions in Québec.

In addition, the Special Committee discussed the potential participation by affiliates of BMO Capital Markets in the Purchaser's banking syndicate as a lender and an underwriter in connection with the financing of the Debt Facilities. The Special Committee considered the fact that the participation by affiliates of BMO Capital Markets in the banking syndicate could be beneficial to the successful completion of the financing transactions and relied upon representations made by BMO Capital Markets that appropriate ethical screens and confidentiality barriers were in place to ensure that confidential information was not shared with such affiliates. In light of these considerations, the Special Committee was not opposed to the participation of BMO Capital Markets' affiliates in said banking syndicate.

On April 24, 2017, the independent members of the Board met to consider the proposed transaction and to conduct a review of its material terms and conditions as set out in the transaction agreements and to receive the advice of BMO Capital Markets, Deloitte, Norton Rose Fulbright and Fasken Martineau. The Corporation's President and Chief Executive Officer and Vice President and Chief Financial Officer addressed the Board to present certain elements of the Corporation's financial projections.

After management had left the meeting, BMO Capital Markets presented its financial analysis and reported that it would be prepared to render a verbal opinion to the effect that, subject to the assumptions, limitations and qualifications to be contained in the BMO Capital Markets Fairness Opinion, the consideration of $12.30 to be received by Shareholders (other than the Rollover Shareholders) under the Arrangement Agreement was fair, from a financial point of view, to such Shareholders (other than the Rollover Shareholders) to the Board at its next meeting. Deloitte then addressed the Board to verbally deliver its valuation conclusions and fairness opinion, which was subsequently delivered in writing, the conclusions and underlying assumptions of which had been examined and questioned by the Special Committee to its satisfaction. Deloitte reported its conclusions to the effect that, subject to the analysis,

assumptions, qualifications and limitations to be set forth in Deloitte's Formal Valuation and Fairness Opinion: (i) the fair market value of the Shares was in the range of $10.58 to $12.42; and (ii) the consideration of $12.30 to be received by Shareholders (other than the Rollover Shareholders) under the Arrangement Agreement was fair, from a financial point of view, to such Shareholders (other than the Rollover Shareholders).

Following the presentations by Deloitte and BMO Capital Markets, counsel for the Special Committee, Norton Rose Fulbright, and counsel for the Corporation, Fasken Martineau, provided members of the Board with an overview of the material terms of the Arrangement Agreement, Debt Commitment Letters, Equity Commitment Letters, Purchaser Termination Fee Funding Agreement, Support and Voting Agreements and other definitive agreements relating to the transaction. Counsel confirmed that the current versions of the transaction agreements were nearly settled upon by all parties. Norton Rose Fulbright also reviewed and discussed directors' fiduciary duties in the context of assessing the proposed transaction.

Following the presentations by all advisors, the members of the Board discussed the presentations and materials provided to them and deliberated on the merits of the proposed transaction. The meeting was subsequently adjourned.

On April 26, 2017, the Special Committee finalized its report and recommendation to the Board of the Corporation, taking into account the fact that BMO Capital Markets had confirmed that it was prepared to deliver the BMO Capital Markets Fairness Opinion as well as taking into account the Deloitte Fairness Opinion and Formal Valuation, and such other matters as it considered relevant, including those set forth under the heading "*Reasons for the Determinations and Recommendations of the Special Committee and the Board*", and unanimously recommended that the Board approve the Arrangement.

Upon reconvening the meeting of the Board on April 26, 2017 and after having received the unanimous recommendation of the Special Committee in favour of the Arrangement and taking into account the Fairness Opinions and Formal Valuation and such other matters as it considered relevant, including those set forth under the heading "*Reasons for the Determinations and Recommendations of the Special Committee and the Board*", the Board unanimously determined (with Marcel Dutil, Marc Dutil and Anne-Marie Dutil Blatchford absent from the meeting) that the Arrangement is in the best interests of the Corporation, and approved the Arrangement.

The Arrangement Agreement, Debt Commitment Letters, Equity Commitment Letters, Purchaser Termination Fee Funding Agreement, Support and Voting Agreements and the other definitive transaction agreements were then finalized and executed, and a press release announcing the transaction was issued early in the morning of April 27, 2017 prior to the opening of trading of the TSX.

Reasons for the Determinations and Recommendations of the Special Committee and the Board

The Special Committee and the Board, with the assistance of financial and legal advisors, carefully reviewed the proposed Arrangement and the terms and conditions of the Arrangement Agreement and all related agreements and documents, and in making their respective determinations and recommendations, the Special Committee and the Board considered and relied upon a number of substantive factors, including the factors discussed below.

Significant Premium

The value of the Consideration offered to Shareholders (other than the Rollover Shareholders in respect of their Rollover Shares) represents a premium of approximately 98.4% to the closing trading price of the

Shares on the TSX on April 26, 2017, being $6.20 per Share, and a premium of approximately 91.0% over the 20-day volume weighted average price of the Shares up to and including April 26, 2017, being $6.44 per Share.

Cash Consideration

The Consideration to be paid to Shareholders (other than the Rollover Shareholders in respect of their Rollover Shares) pursuant to the Arrangement will be in cash, providing certainty of value to the Shareholders (other than Rollover Shareholders in respect of their Rollover Shares).

Fairness Opinions

Each of BMO Capital Markets and Deloitte provided an opinion to the effect that, as at April 26, 2017 and subject to the scope of review, assumptions, qualifications and limitations set forth in their respective opinions, the Consideration to be received by the Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders (other than the Rollover Shareholders). The full text of the Fairness Opinions, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with such Fairness Opinions, is attached as Appendix H (the Deloitte Fairness Opinion) and Appendix I (the BMO Capital Markets Fairness Opinion) to the Information Circular. The summary in the Information Circular is qualified in its entirety by reference to the full text of the Fairness Opinions. Neither opinion is a recommendation as to whether or not Shareholders should vote in favour of the Arrangement. See "*The Arrangement – Determinations and Recommendations of the Special Committee and the Board – Fairness Opinions and Formal Valuation*".

Formal Valuation

Deloitte has also provided the Special Committee with a formal valuation completed under the supervision of the Special Committee. The formal valuation, which was dated as of April 26, 2017, determined that as at March 4, 2017, and subject to the assumptions, limitations and qualifications contained therein, the fair market value of the Shares ranged from $10.58 to $12.42 per Share. The full text of the formal valuation, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the formal valuation, is attached as Appendix G to the Information Circular. The summary of the formal valuation in the Information Circular is qualified in its entirety by reference to the full text of the formal valuation. The formal valuation is not a recommendation as to whether or not Shareholders should vote in favour of the Arrangement.

Purchaser's Commitment to Maintain Headquarters in the Province of Québec

The Purchaser has agreed to cause the Corporation's headquarters to remain in the Province of Québec so long as the Purchaser owns a majority of the outstanding Shares of the Corporation.

Ability to Respond to Superior Proposals

The terms and conditions of the Arrangement Agreement, including the amount of the Corporation Termination Fee payable by the Corporation under certain circumstances, do not preclude a third party from proposing or making a Superior Proposal. Notwithstanding the non-solicitation provisions of the Arrangement Agreement, if, at any time prior to obtaining the Required Shareholder Approval, the Corporation receives an unsolicited written Acquisition Proposal and the Board first determines (based upon, *inter alia*, the recommendation of the Special Committee) in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes or could

reasonably be expected to constitute a Superior Proposal, the Corporation may engage in or participate in discussions or negotiations with such Person regarding such Acquisition Proposal in certain limited circumstances described in the Arrangement Agreement. See "*Summary of the Arrangement Agreement - Additional Covenants Regarding Non-Solicitation*".

Terms of the Arrangement Agreement

The terms and conditions of the Arrangement Agreement, which were extensively negotiated by the Special Committee at arm's length with AIP and the Dutil Shareholders, with the assistance of the Special Committee's independent financial advisors and legal counsel, including the reasonableness of the representations, warranties and covenants of the Parties, the reasonableness of the restrictions on the conduct of Canam's business until the completion of the Arrangement, the conditions to the respective obligations of the Parties and the amount of the Corporation Termination Fee, are fair to Canam.

Funding for the Arrangement

The Purchaser has secured the necessary funding commitments, including the Debt Financing pursuant to the Debt Commitment Letter provided by the Lenders and the Equity Financing pursuant to the Equity Commitment Letter provided by AIP (subject to the terms and conditions contained in such commitment letters), to complete the Arrangement and pay the aggregate Consideration to Shareholders (other than the Rollover Shareholders) for their Shares (other than the Rollover Shares).

Limited Number of Conditions

The Purchaser's obligation to complete the Arrangement is subject to a limited number of conditions that the Special Committee and the Board believe are reasonable in the circumstances. The completion of the Arrangement is not subject to any due diligence or financing condition.

Purchaser Termination Fee

The Purchaser has agreed to pay the Corporation a termination fee of $14 million if the Arrangement is not completed in certain circumstances.

Significant Shareholder Support

In connection with the proposed Arrangement, the Dutil Shareholders have entered into irrevocable support and voting agreements pursuant to which they have agreed to support the Arrangement and vote all of their Shares in favour of the Arrangement Resolution and against any resolution submitted by any shareholder that is inconsistent therewith. In addition, the directors and executive officers of the Corporation who are not Dutil Shareholders, CDPQ and FSTQ have also entered into support and voting agreements pursuant to which they have agreed to support the Arrangement and vote all of their Shares in favour of the Arrangement Resolution and against any resolution submitted by any shareholder that is inconsistent therewith (including, for FSTQ, in respect of the 636,800 Shares Under Discretionary Management for which FSTQ has agreed to provide instructions to GIR, in accordance with an agreement between FSTQ and GIR pursuant to which GIR has the power to vote the Shares Under Discretionary Management, to have any such Shares Under Discretionary Management held as of the Record Date voted in support of the Arrangement). Consequently, Shareholders beneficially owning approximately 29.32% of the outstanding Shares have agreed to vote, or cause to be voted, their Shares in favour of the Arrangement Resolution.

Shareholder and Court Approvals

The Arrangement is subject to the following Shareholder and Court approvals, which provide additional protection to Shareholders:

(a) the Arrangement Resolution must be approved by at least two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting and entitled to vote, and a majority of the votes cast by the Minority Shareholders present in person or represented by proxy at the Meeting and entitled to vote.

(b) the Arrangement must also be approved by the Court, which will consider, among other things, the fairness and reasonableness of the Arrangement to Shareholders (other than the Rollover Shareholders).

Dissent Rights

Registered Shareholders (other than Qualifying Holdco Shareholders, Qualifying Holdcos, Rollover Shareholders and holders of Shares who have failed to exercise all the voting rights carried by the Shares held by such holder against the Arrangement Resolution) have the ability to exercise the right to demand the repurchase of their Shares and be paid the fair value for their Shares, as determined by the Court.

Other Relevant Factors

In addition to the above-mentioned factors, the Special Committee and the Board also considered the following factors:

(a) the confirmation provided by the Dutil Shareholders in the Initial Proposal and the Revised Proposal presented to the Board on February 15, 2017 and April 13, 2017, respectively, to the effect that they were not prepared to pursue or support any transaction in which they would sell or otherwise dispose of any of their interests in the Corporation to a party other than AIP;

(b) the Special Committee's assessment of the current and anticipated future opportunities and risks associated with the business, operations, assets, financial performance and condition of the Corporation should it continue as a stand-alone entity, including the evolving competitive environment in the Corporation's key markets;

(c) the Special Committee's assessment that, in light of the value of the Consideration payable under the Arrangement, the significant premium to recent trading prices of the Shares on the TSX which the purchase price represents, the irrevocable Support and Voting Agreements entered into by the Dutil Shareholders in support of the Arrangement, the benefits of the Arrangement to Corporation and other stakeholders of the Corporation, the commitment of the Purchaser to cause the Corporation's headquarters to remain in the Province of Québec so long as the Purchaser owns a majority of the outstanding Shares of the Corporation, and all other factors considered by the Special Committee, including regulatory approval risks, the negotiation of a "go shop" provision in the Arrangement Agreement was not reasonably likely to result in a more favorable transaction for the Corporation; and

(d) the Special Committee's assessment, after consultation with its legal and other advisors, that all required Regulatory Approvals, including the Key Regulatory Approvals, are likely to be obtained on terms and conditions satisfactory to the Corporation and the Purchaser and within the timeframe set out in the Arrangement Agreement, including the outside date of

September 1, 2017 or such later date as may be determined in accordance with the Arrangement Agreement.

In making its determinations and recommendations, the Special Committee and the Board also observed that a number of procedural safeguards were and are present to allow the Special Committee and the Board to effectively represent the interests of Canam and the Shareholders (other than Rollover Shareholders), including, among others:

(a) the Special Committee conducted arm's-length negotiations with AIP and the Dutil Shareholders of the key economic terms of the Arrangement and oversaw the negotiation of other material terms of the Arrangement Agreement and the Arrangement;

(b) the Special Committee concluded, after extensive negotiations with AIP and the Dutil Shareholders, that the Consideration agreed to, which represented a significant increase from the consideration initially proposed by AIP and the Dutil Shareholders, was the highest price that could be obtained and that further negotiation could have caused AIP and the Dutil Shareholders to withdraw the proposal, which would have deprived Shareholders of the opportunity to evaluate and vote in respect of the Arrangement;

(c) the Board retains the ability, in certain circumstances, to consider, accept and enter into a definitive agreement with respect to a Superior Proposal, provided that the Corporation pays the Corporation Termination Fee;

(d) in the Special Committee's view, the Corporation Termination Fee would not preclude a third party from making a potential unsolicited Superior Proposal in respect of the Corporation;

(e) the appropriateness of the Corporation Termination Fee and the Purchaser's right to match as an inducement to the Purchaser to enter into the Arrangement Agreement; and

(f) Minority Shareholders will have an opportunity to vote on the Arrangement, and the Arrangement is subject to a determination of the Court that the Arrangement is fair and reasonable, both procedurally and substantively, to holders of securities of the Corporation.

The Special Committee and the Board also considered a number of potential risks and potentially negative factors relating to the Arrangement, including:

(a) the risks to the Corporation if the Arrangement is not completed, including the costs to the Corporation in pursuing the Arrangement, the diversion of management's attention away from conducting the Corporation's business in the ordinary course and the potential impact on the Corporation's current business relationships (including with current, future and prospective employees, customers, suppliers and partners);

(b) the risk that the conditions set forth in the Debt Commitment Letter or the Equity Commitment Letter will not be satisfied or that other events arise which would prevent the Purchaser from consummating the Arrangement, which risk is partly mitigated by the Purchaser Termination Fee;

(c) that, if the Arrangement is successfully completed, the Corporation will no longer exist as an independent public corporation and the consummation of the Arrangement will eliminate the opportunity for Minority Shareholders to participate in potential longer term benefits of the business of the Corporation that might result from future growth and the potential achievement of the Corporation's long-term plans to the extent that those benefits, if any, exceed the benefits reflected in the Consideration to be received by the Shareholders (other than the Rollover

Shareholders) under the Arrangement, and with the understanding that there is no assurance that any such long-term benefits will in fact materialize;

(d) that the Special Committee has not conducted a solicitation process prior to entering into the Arrangement Agreement, having regard to the fact that the proposal of AIP and the Dutil Shareholders represents a significant premium to the prevailing market price of the Shares and the fact that the Arrangement Agreement allows the Corporation to respond to a Superior Proposal, provided that the Corporation pays the Corporation Termination Fee and that, under certain circumstances, the Corporation must pay an expense reimbursement fee to the Purchaser;

(e) the conditions to the Purchaser's obligation to complete the Arrangement and the right of the Purchaser to terminate the Arrangement Agreement under certain limited circumstances;

(f) the restrictions imposed pursuant to the Arrangement Agreement on the conduct of the Corporation's business during the period between the entering into of the Arrangement Agreement and the consummation of the Arrangement; and

(g) the fact that the Arrangement will be a taxable transaction and, as a result, Minority Shareholders will generally be required to pay taxes on any gains that result from their receipt of the consideration pursuant to the Arrangement.

The foregoing summary of the information and factors considered by the Special Committee and the Board is not intended to be exhaustive of the factors considered by the Special Committee and the Board in reaching their respective conclusions and making their respective recommendations, but includes the material information, factors and analysis considered by the Special Committee and the Board in reaching such conclusions and making such recommendations. The members of the Special Committee and the Board evaluated the various factors summarized above in light of their own knowledge of the business of Canam and the industry in which Canam operates and of the Corporation's financial condition and prospects and were assisted in this regard by Canam's management and legal and financial advisors, and in the case of members of the Special Committee, the Special Committee's legal and financial advisors. In view of the numerous factors considered in connection with their respective evaluations of the Arrangement, the Special Committee and the Board did not find it practicable to, and did not, quantify or otherwise attempt to assign relative weight to specific factors in reaching their respective decisions. In addition, individual members of the Special Committee and the Board may have given different weights to different factors. The respective conclusions and unanimous recommendations of the Board (with directors who are also Rollover Shareholders abstaining from voting) and the Special Committee were made after considering all of the information and factors involved.

Determinations and Recommendations of the Special Committee and the Board

Having undertaken a thorough review of, and carefully considered, information concerning the Corporation, the Purchaser, AIP, the Rollover Shareholders, the Arrangement, the alternatives available to the Corporation (including the status quo alternative), the Special Committee and the Board (the directors who are also Rollover Shareholders, as interested parties, abstained from voting) have unanimously determined, after receiving legal and financial advice, that the Arrangement is in the best interests of the Corporation and is fair to its Shareholders (other than the Rollover Shareholders), and recommends that Shareholders vote **FOR** the Arrangement Resolution. See "*The Arrangement – Reasons for the determinations and Recommendations of the Special Committee and the Board*".

Fairness Opinions and Formal Valuation

In deciding to approve the Arrangement, the Special Committee and the Board considered, among other things, the Fairness Opinions of Deloitte and BMO Capital Markets and the Formal Valuation delivered by Deloitte. The Fairness Opinions established that, as at the date thereof, subject to the scope of review, assumptions, qualifications and limitations set forth therein, the Consideration to be received by the Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders (other than the Rollover Shareholders). The Formal Valuation determined that, as at March 4, 2017, and subject to the scope of review, assumptions, qualifications and limitations set forth therein, the fair market value of the Shares was in the range of $10.58 to $12.42 per Share.

The following summary of the Fairness Opinions and the Formal Valuation is qualified in its entirety by reference to the full text of the Fairness Opinions (attached to this Information Circular as Appendix H and Appendix I) and the Formal Valuation (attached to this Information Circular as Appendix G). You are encouraged to read the Fairness Opinions and the Formal Valuation in their entirety. The Fairness Opinions and the Formal Valuation are not recommendations as to how any Shareholder should vote with respect to the Arrangement or any other matter.

Regulation 61-101 regulates certain types of special transactions to ensure equality of treatment among security holders and may require enhanced disclosure, approval by a majority of security holders (excluding interested or related parties), independent valuations and, in certain instances, approval and oversight of certain transactions by a special committee of independent directors. The protections afforded by Regulation 61-101 apply to, among other transactions, "business combinations" (as defined in Regulation 61-101) in which the interest of holders of equity securities may be terminated without their consent and where a "related party" (as defined in Regulation 61-101) (i) would, as a consequence of the transaction, directly or indirectly acquire the issuer or the business of the issuer, or combine with the issuer, through an amalgamation, arrangement or otherwise, whether alone or with joint actors, (ii) is a party to a "connected transaction" (as defined in Regulation 61-101) to the transaction, or (iii) is entitled to receive a consideration per equity security that is not identical in amount and form to the entitlement of the general body of holders in Canada of securities of the same class or a collateral benefit. The Arrangement is a business combination within the meaning of Regulation 61-101.

Pursuant to Regulation 61-101, a formal valuation of the Shares is required since the Arrangement is a "business combination" within the meaning of Regulation 61-101 and "interested parties", including FSTQ, Mr. Marcel Dutil, Mr. Marc Dutil and other Dutil Shareholders who are directors or officers of the Corporation, will as a consequence of the Arrangement, directly or indirectly, acquire Canam or the business of Canam, or combine with Canam, through an amalgamation, arrangement or otherwise, whether alone or with joint actors. Consequently, the Special Committee retained Deloitte to provide the Special Committee with a formal valuation of the fair market value of the Shares in accordance with the requirements of Regulation 61-101.

Valuation under Regulation 61-101 and Fairness Opinion of Deloitte

Pursuant to an engagement letter dated February 24, 2017, the Special Committee retained Deloitte to provide a formal valuation, completed under the supervision of the Special Committee, the whole in accordance with Regulation 61-101. The formal valuation dated April 26, 2017 determined that, as at March 4, 2017, and subject to the scope of review, assumptions, qualifications and limitations set forth therein, the fair market value of the Shares was in the range of $10.58 to $12.42 per Share.

Deloitte also provided an opinion as to the fairness, from a financial point of view, of the Consideration to be received by the Shareholders (other than the Rollover Shareholders) in connection with the Arrangement. Deloitte also provided an opinion to the effect that, as at April 26, 2017, subject to the scope of review, assumptions, qualifications and limitations set forth therein, the Consideration to be received by the Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders (other than the Rollover Shareholders).

A copy of the Formal Valuation is attached hereto as Appendix G and a copy of the Deloitte Fairness Opinion is attached as Appendix H to this Information Circular.

Valuation Methodologies

For the purposes of the Formal Valuation, Deloitte has been guided by the concept of fair market value, as same is defined in Regulation 61-101: "the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act". For the purpose of determining the fair market value, no downward adjustment was made to reflect the liquidity of the Shares or the effect of the Arrangement, and no adjustment was made to reflect the fact that the Shares being disposed by the Shareholders (other than the Rollover Shareholders) form a minority interest in Canam.

To form the valuation analyses, Deloitte selected the income approach. Specifically, Deloitte selected the discounted cash flows ("**DCF**") for the Company and the conclusions reached were corroborated by market and asset-based approaches. The DCF approach reflects the growth prospects and risks inherent in the Corporation's business by taking into account the amount and timing of the Corporation's management estimated of the pre-debt after-tax cash flows that Canam is expected to generate from 2017 to 2021 (the "**Net Cash Flows**"), discount rates and terminal values. Under the DCF approach, the fair market value is based on the net present value of expected future cash flows. Specifically, the Net Cash Flows, together with the terminal value of the business at the end of the forecast period, are discounted at an appropriate rate, resulting in the fair market value of enterprise value. To the result of the DCF, Deloitte added the available cash and cash equivalents balances as at March 4, 2017, the redundant assets and the non-operating assets, net of the debt balance as at March 4, 2017 to obtain the fair market value of the Shares. As part of the DCF, Deloitte performed various sensitivity analyses of certain valuation variables such as the discount rate and the terminal growth factor before reaching its conclusions. The DCF method requires that certain assumptions be made regarding, among other things, the Net Cash Flows, discount rates, and terminal values. The possibility that some of the assumptions will prove to be inaccurate is one factor involved in the development of the discount rates to be used in determining the value of the Shares.

Based on the scope of Deloitte's review, assumptions, and research, analysis and experience, the fair market value as at March 4, 2017 of the Shares was in the range of $479.9 million and $563.2 million. Considering the number of outstanding Shares (45,361,766 at March 4, 2017), the fair market value of the Shares ranges from $10.58 to $12.42 per Share.

In order to assess the reasonableness of the valuation conclusions determined for Canam, Deloitte has considered alternative valuation methods based on pricing parameters implied by the market value of shares of selected Guideline Public Companies and the valuation factors implied by selected transactions involving the sale of companies similar to Canam. Deloitte recognizes the limitations in directly applying public company multiples and transaction references in the context of Canam due to the different geographic areas served, as well as differences in the size, nature, and diversification of their operations. However, based on the foregoing, Deloitte is of the view that the public company trading multiples and

transactions reviewed in connection with the preparation of the Formal Valuation generally support Deloitte's conclusions in the Formal Valuation.

Also, in order to assess the reasonableness of the valuation conclusions determined for Canam, Deloitte has considered an alternative valuation method based on the adjusted net asset approach under a going concern premise as at the Valuation Date which involves the adjustment of the reported net book value of the assets and liabilities of a company to their respective fair market value estimates. Based on the adjusted net asset approach, the fair market value of the Shares of Canam was $537.2 million, or $11.84 per Share.

The conclusion as per the adjusted net asset approach, under a going concern premise as at the Valuation Date, results in a value per Share which is within Deloitte's DCF calculation range. This supports Deloitte's overall conclusions in the Formal Valuation.

Fairness Considerations of Deloitte

In preparing the Deloitte Fairness Opinion, Deloitte has considered various factors, including:

(a) The Consideration to be received by the Shareholders (other than Rollover Shareholders) represents a premium of 98.4% to the closing price of the Shares on the TSX on April 26, 2017, and a premium of 91.0% over the 20-day volume weighted average price per Share, over the 20-business day period ended on April 26, 2017 (being the last trading day prior to the date on which the Corporation entered into the Arrangement Agreement and announced the transaction);

(b) The Consideration is all cash and therefore provides liquidity to the Shareholders; and

(c) The Consideration is above the midpoint of the range of values for the Shares based on the DCF, which is corroborated by the market and asset-based approaches.

Credentials of Deloitte

Deloitte is one of the world's largest and most reputable professional services organizations, with approximately 200,000 people in over 150 countries. In Canada, Deloitte is one of the country's leading professional services firms and provides audit, tax, financial advisory, and consulting services through more than 8,000 people in 56 offices.

Deloitte's professionals have significant experience in providing advisory services for various purposes, including fairness opinions, mergers and acquisitions, corporate finance, business valuations, litigation matters, and corporate income tax, among other things.

As a global market leader with over 125 dedicated valuation professionals in Canada and over 1,500 valuation professionals globally, Deloitte has a leading valuation practice with international delivery capabilities, deep financial and accounting acumen, and robust industry experience. Deloitte's valuation services group includes finance professionals, most of whom have earned professional designations including Chartered Business Valuator (CBV), Chartered Financial Analyst (CFA), Chartered Accountant (CA), Certified Public Accountant (CPA), and Accredited Senior Appraiser (ASA).

Independence of Deloitte

The Special Committee is satisfied that upon retaining the services of Deloitte and upon receiving its Formal Valuation immediately prior to the announcement by the Corporation of the Arrangement

Agreement, Deloitte was qualified and competent to provide the services under its engagement agreement and independent within the meaning of Regulation 61-101. Deloitte has not provided any financial advisory, audit or soliciting dealer services involving Canam in the past two years other than the services provided in the context of the Arrangement and certain other tax and other advisory services to one of Canam's operating affiliates (8384037 Canada Inc.), which are not considered material. There are no understandings, agreements or commitments between Deloitte and Canam, the Purchaser or any of their respective associated or affiliated entities with respect to any future business dealings, nor has Deloitte been engaged to act as financial advisor to any of the aforementioned parties in connection with the Arrangement. Deloitte is not aware of any current assignments or other matters which would be in contravention to the independence requirements of Regulation 61-101. On February 24, 2017, when Deloitte was retained by the Special Committee to provide a formal valuation, it was not contemplated that FSTQ would have any involvement in the Arrangement, either as a Rollover Shareholder or in any other capacity. At the time the Arrangement Agreement was entered into, approximately two months later, it was expected that FSTQ would participate in the Arrangement and roll over its Shares, but no formal agreements in relation to such participation had been entered into between FSTQ and the Dutil Shareholders or AIP. Moreover, at the time the Arrangement Agreement was entered into, it was not known to the Corporation or to any of its directors or senior officers, after reasonable inquiry, that FSTQ beneficially owned more than 10% of the outstanding Shares. As a result, although Deloitte acts as external auditor to FSTQ, such relationship is not considered to affect Deloitte's independence.

No part of Deloitte's fee is contingent upon the conclusions reached or any action or event contemplated in the Formal Valuation and Deloitte Fairness Opinion. The principal valuator and other staff involved in the preparation of the Formal Valuation and the Deloitte Fairness Opinion acted independently and objectively in completing this engagement. However, Deloitte, being a full-service accounting firm, may from time to time and in the ordinary course of its practice, be requested to provide accounting or other financial advisory services to such parties regarding other matters.

Professional Fees

The terms of the engagement letter provide that Deloitte is to be paid by Canam for the Formal Valuation and the Deloitte Fairness Opinion based on time spent. Deloitte's fees are not contingent, in whole or in part, on the conclusions and results reached in the Formal Valuation, the Deloitte Fairness Opinion or on the completion of the Arrangement. In addition, Canam has agreed to reimburse Deloitte for its reasonable expenses and to indemnify Deloitte in respect of certain liabilities that might arise out of its engagement.

Mandate of BMO Capital Markets and Fairness Opinion of BMO Capital Markets

Pursuant to an engagement letter dated March 1, 2017 and effective as of February 23, 2017, the Special Committee confirmed the retention of BMO Capital Markets to provide financial advisory services in connection with the proposed Arrangement.

BMO Capital Markets will be paid fees for its services as financial advisor to Canam, including for the delivery of the BMO Capital Markets Fairness Opinion. A substantial portion of the fees payable to BMO Capital Markets is contingent upon the successful completion of the Arrangement. In addition, BMO Capital Markets is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by Canam in certain circumstances.

BMO Capital Markets provided an opinion as to the fairness, from a financial point of view, of the Consideration to be received by the Shareholders (other than the Rollover Shareholders) in connection with the Arrangement. BMO Capital Markets provided an opinion to the effect that, as at April 26, 2017,

subject to the scope of review, assumptions, qualifications and limitations set forth therein, the Consideration to be received by the Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to such Shareholders (other than the Rollover Shareholders).

BMO Capital Markets has not been engaged to prepare a formal valuation of Canam or a valuation of any of the securities or assets of Canam and the BMO Capital Markets Fairness Opinion should not be construed as such. A copy of the BMO Capital Markets Fairness Opinion is attached as Appendix I to this Information Circular.

Credentials of BMO Capital Markets

BMO Capital Markets is a leading Canadian investment banking firm whose businesses include corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. The BMO Capital Markets Fairness Opinion represents the opinion of BMO Capital Markets, the form and content of which have been approved for release by a committee of officers of BMO Capital Markets, each of whom is experienced in merger and acquisition, divestiture, restructuring, valuation, fairness opinion and capital markets matters.

Independence of BMO Capital Markets

Neither BMO Capital Markets nor any of its affiliates is (i) an "issuer insider", "associated entity" or "affiliated entity" (as those terms are defined in Regulation 61-101) of Canam or the Purchaser or their associated entities or affiliated entities; or (ii) a financial advisor to the Purchaser or its associated entities or affiliated entities, in connection with the Arrangement.

BMO Capital Markets has not been engaged to provide any financial advisory services nor has it participated in any financings involving Canam or the Purchaser or their associated entities or affiliated entities within the past two years, other than acting as a lender to the Corporation and one of its subsidiaries in connection with certain credit facilities, providing cash management, foreign exchange hedging, interest rate hedging and other treasury services to the Corporation, acting as lender to a portfolio company of AIP in connection with an asset based lending facility and acting as joint book-running manager in connection with the initial public offering of a portfolio company of AIP.

BMO Capital Markets may, in the future, in the ordinary course of business, provide financial advisory, investment banking, or other financial services to one or more of the Parties or their associated entities or affiliated entities from time to time. BMO Capital Markets or one or more of its affiliates may provide financing services to the Purchaser in connection with the Arrangement, for which services BMO Capital Markets or such affiliate would receive compensation. Please see "*The Arrangement − Background to the Arrangement*" for a description of the consideration given by the Special Committee to the potential participation by affiliates of BMO Capital Markets in the Purchaser's banking syndicate as a lender and an underwriter in connection with the financing of the Debt Facilities.

BMO Capital Markets and certain of its affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of one or more of the Parties or their associated entities or affiliated entities and, from time to time, may have executed or may execute transactions on behalf of one or more Parties or their associated entities or affiliated entities for which BMO Capital Markets or its affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of its affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to one or more of the Parties or their associated entities or

affiliated entities or the Arrangement. In addition, Bank of Montreal, of which BMO Capital Markets is a wholly-owned subsidiary, or one or more affiliates of Bank of Montreal, may provide banking or other financial services to one or more of the Parties or their associated entities or affiliated entities in the ordinary course of business.

Restrictions, Limitations and Assumptions

The full texts of the Formal Valuation and Fairness Opinions set out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Formal Valuation and Fairness Opinions. Shareholders are urged to read the Formal Valuation and Fairness Opinions carefully and in their entirety.

Required Shareholder Approval

At the Meeting, pursuant to the Interim Order, Shareholders will be asked to vote to approve the Arrangement Resolution. The Arrangement Resolution must be passed by at least (i) two-thirds of the votes of the Shareholders present in person or represented by proxy at the Meeting and entitled to vote and of (ii) a majority of the votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote (other than the Rollover Shareholders). The Shares beneficially owned or controlled by the Rollover Shareholders which will be excluded from the calculation of the majority vote required under (ii) above represent, to the knowledge of Canam, an aggregate of 12,327,291 Shares representing 27.18% of the issued and outstanding Shares.

The Shares owned or controlled by each Rollover Shareholder are as follows :

Name	**Number of Shares beneficially owned or controlled**	**Percentage of the issued and outstanding Shares**
Marcel Dutil[(1)]	5,200,114	11.46%
Hélène Dutil	13,377	0.03%
Charles Dutil	20,700	0.05%
Sophie Dutil Jones	11,672	0.03%
Anne-Marie Dutil Blatchford	13,500	0.03%
Marc Dutil[(2)]	132,428	0.29%
CDPQ	2,310,000	5.09%
FSTQ	4,625,500[(3)]	10.20%
	Total : 12,327,291	**27.18%**

(1) The Shares are held by Mr. Marcel Dutil, Placements CMI Inc. and its wholly owned subsidiary 9085-6063 Québec Inc., which are indirectly controlled by Mr. Marcel Dutil.

(2) The Shares are held by Mr. Marc Dutil and Idmed Inc., an entity controlled by Mr. Marc Dutil.

(3) Includes the 636,800 Shares Under Discretionary Management held on behalf of FSTQ by Sipar-Eterna, a division of Eterna Investment Management Inc., in an account that is fully managed by Sipar-Eterna, which is the sole person responsible for making decisions relating to the acquisition and disposition of such Shares. Pursuant to an agreement between FSTQ and Groupe Investissement Responsable Inc. ("**GIR**"), GIR has the power to vote the Shares Under Discretionary Management; however, FSTQ retains the right to provide specific instructions to GIR as to how the Shares Under Discretionary Management should be voted. Pursuant to FSTQ's Support and Voting Agreement, FSTQ has agreed to instruct GIR to vote any such Shares Under Discretionary Management held as of the Record Date in favour of the Arrangement Resolution.

Support and Voting Agreements

The Dutil Shareholders, CDPQ, FSTQ, as well as all directors and executive officers of Canam who are not Dutil Shareholders (the "**Supporting D&Os**", and collectively with the members of the Dutil Shareholders, CDPQ and FSTQ, the "**Supporting Shareholders**"), entered into support and voting agreements with the Purchaser in connection with the Arrangement (the "**Support and Voting Agreements**"). The Supporting Shareholders are collectively, the beneficial owners of 13,299,577 Shares (including, for FSTQ, the Shares Under Discretionary Management), representing approximately 29.32% of the Shares (collectively, the "**Supporting Securities**") and have agreed, subject to the terms of the Support and Voting Agreements, to vote, or cause to be voted, such Supporting Securities held by them in favour of the Arrangement Resolution.

The Support and Voting Agreements entered into between the Purchaser and each of the Supporting Shareholders can be found on SEDAR at www.sedar.com. The following is only a summary of the Support and Voting Agreements and is qualified in its entirety by reference to the full text of each of the Support and Voting Agreements.

Support and Voting Agreements of the Dutil Shareholders and the Supporting D&Os

Under their respective Support and Voting Agreements, each Dutil Shareholder and Supporting D&O has respectively agreed, *inter alia*:

(a) at any meeting of shareholders of the Corporation held to consider the Arrangement or any adjournment or postponement thereof, to exercise or cause to be exercised all voting rights attached to Shares comprising the Supporting Securities, and to other voting securities of the Corporation, directly or indirectly acquired by or issued to the such Person after the date hereof (i) in favour of the Arrangement and any other matters which are necessary for the consummation of the Arrangement; and (ii) against any proposed action or agreement which could impede, interfere with or delay, or in any way adversely affect the completion of the Arrangement and any other transactions contemplated by the Arrangement Agreement, including any transaction involving the acquisition by any other party of Shares, other voting securities of the Corporation or assets of the Corporation;

(b) if requested by the Purchaser, acting reasonably, to deliver or cause to be delivered to the Corporation duly executed proxies or voting instruction forms voting in favour of the Arrangement;

(c) not to, directly or indirectly, exercise or cause to be exercised any rights of appraisal, rights of dissent or rights to demand the repurchase of their Shares in connection with the Arrangement or otherwise oppose in any manner the treatment of any Supporting Securities pursuant to the Arrangement;

(d) except in such Person's capacity as director or officer of the Corporation to the extent permitted by the Arrangement Agreement, if applicable, not to take any action which could impede, interfere with or delay, or in any way adversely affect the completion of the Arrangement and any other transactions contemplated by the Arrangement Agreement;

(e) except as contemplated by the Arrangement Agreement (including, for greater certainty, pursuant to the Holdco Alternative), not to, directly or indirectly, acquire or seek to acquire Shares or other voting securities of the Corporation, or sell, assign, transfer, dispose of, hypothecate, alienate, grant a security interest in, encumber or tender to offer, transfer any economic interest (directly or

indirectly) or otherwise convey any of the Supporting Securities, in each case without the Purchaser's prior written consent; and

(f) except in such Person's capacity as director or officer of the Corporation to the extent permitted by the Arrangement Agreement, if applicable, not to, directly or indirectly, make or participate in or take any action that may reasonably be expected to result in or facilitate an Acquisition Proposal, or engage in any discussion, negotiation or inquiries that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal.

The covenants of the Dutil Shareholders under their Support and Voting Agreements are firm for a period of 180 days following April 27, 2017, whereas the undertakings of the Supporting D&Os shall terminate automatically upon termination of the Arrangement Agreement.

Support and Voting Agreements of CDPQ and FSTQ

Under their respective Support and Voting Agreements, CDPQ and FSTQ respectively agreed in respect of their Supporting Securities, *inter alia*:

(a) at the Meeting or at any adjournment thereof or in any other circumstances upon which a vote, consent or other approval (including by written consent in lieu of a meeting) with respect to the Arrangement Resolution is sought, to cause all of its Supporting Securities (or, in the case of FSTQ, with respect to the Shares Under Discretionary Management, to instruct GIR to cause any Shares Under Discretionary Management held as of the Record Date) to be counted as present for purposes of establishing quorum and to vote (or cause to be voted) its Supporting Securities (or, in the case of FSTQ, with respect to the Shares Under Discretionary Management, to instruct GIR to cause any Shares Under Discretionary Management held as of the Record Date) to be voted (i) in favour of the approval of the Arrangement Resolution, and (ii) in favour of any other matter necessary for the consummation of transactions contemplated by the Arrangement Agreement;

(b) not to, directly or indirectly, or, if applicable, through any of its or the Corporation's respective officers, directors, employees, representatives or agents, (i) solicit, assist, initiate, encourage or facilitate (including, without limitation, by way of furnishing non-public information, entering into any form of written or oral agreement, arrangement or understanding or soliciting proxies) any inquiries, proposals or offers regarding an Acquisition Proposal, (ii) engage in or facilitate any discussions or negotiations regarding, or provide any confidential information with respect to, any Acquisition Proposal, (iii) approve or recommend, or propose publicly to approve or recommend, any Acquisition Proposal, (iv) withdraw support, or propose publicly to withdraw support, from the transactions contemplated by the Arrangement Agreement, (v) influence the Board to withdraw or modify in a manner adverse to the Purchaser, its approval of the transactions contemplated in the Arrangement Agreement, (vi) enter, or propose publicly to enter, into any agreement related to any Acquisition Proposal, and (vii) join in the requisition of any meeting of the Shareholders for the purpose of considering any resolution related to any Acquisition Proposal;

(c) to immediately cease and cause to be terminated any existing solicitation, discussion or negotiation commenced prior to the date of the Arrangement Agreement with any Person (other than AIP, the Purchaser, the Dutil Shareholders, CDPQ or FSTQ (as applicable) and its respective affiliates) by it or, if applicable, any of its officers, directors, employees, representatives or agents with respect to any potential Acquisition Proposal, whether or not initiated by it or any of its officers, directors, employees, representatives or agents;

(d) to promptly notify the Purchaser, at first orally and then in writing, of any Acquisition Proposal received by it after the date hereof, any approach made by a third party to it regarding a potential Acquisition Proposal or any request received by it after the date of the Arrangement Agreement for non-public information relating to an Acquisition Proposal;

(e) not to release or permit the release of any third party from or waive any confidentiality, non-solicitation or standstill agreement to which it and any such third party are parties; and

(f) not to directly or indirectly, (i) sell, transfer, gift, assign, grant a participation interest in, option, pledge, hypothecate, grant a security or voting interest in or otherwise convey or encumber (each, a "**Transfer**"), or enter into any agreement, option or other arrangement (including any profit sharing arrangement) with respect to the Transfer of any of its Subject Securities to any Person, other than pursuant to the Arrangement Agreement, its rollover commitment agreement and its Rollover Agreement (excluding, however, the Shares Under Discretionary Management which may be disposed of by Sipar-Eterna at its sole discretion), (ii) grant any proxies or power of attorney, deposit any of its Subject Securities into any voting trust or enter into any voting arrangement, whether by proxy, voting agreement or otherwise, with respect to its Supporting Securities, other than pursuant to its Support and Voting Agreement (or, in the case of FSTQ, with respect to the Shares Under Discretionary Management, instruct GIR to take of the actions described in the foregoing clause (ii) with respect to such Shares), or (iii) agree to take any of the actions described in the foregoing paragraphs (i) and (ii)).

The covenants of CDPQ and FSTQ under their Support and Voting Agreements shall terminate automatically upon termination of the Arrangement Agreement.

Funding and Cooperation Agreement

On April 27, 2017, the Dutil Shareholders entered into a Funding and Cooperation Agreement with AIP in connection with the Arrangement. Pursuant to the Funding and Cooperation Agreement, the Dutil Shareholders and AIP have agreed to, *inter alia*, cooperate with each other in connection with the completion of the Arrangement and share certain expenses incurred in connection with the Arrangement. Pursuant to the terms of the Funding and Cooperation Agreement, the Dutil Shareholders cannot enter into or contemplate any competing transaction until the date that is 180 days following April 27, 2017. The Funding and Cooperation Agreement shall terminate upon the earliest of the Closing or by mutual agreement in writing of the Dutil Shareholders and AIP, but at the latest on the date that is 180 days following April 27, 2017.

Effect of the Arrangement

The Arrangement Agreement provides for the effective acquisition of all of the issued and outstanding Shares directly or indirectly by the Purchaser by way of statutory plan of arrangement under Section 420 of the QBCA. Pursuant to the Arrangement Agreement and the Plan of Arrangement:

(a) each outstanding Share (other than the Shares (i) held by the Dissenting Shareholders; (ii) held by the Qualifying Holdcos; or (iii) that are Rollover Shares) will be transferred by the holder thereof to the Purchaser in exchange for $12.30 in cash;

(b) each outstanding Holdco Share that is not a Rollover Share and that is held by a Qualifying Holdco Shareholder will be transferred by the holder thereof to the Purchaser in exchange for the Holdco Consideration; and

(c) each outstanding Rollover Share held by a Rollover Shareholder will be transferred by the Rollover Shareholder to the Purchaser pursuant to its Rollover Agreement, as applicable, in exchange for the consideration set forth therein which will consist of Purchaser Shares.

Arrangement Mechanics

The Arrangement

The Arrangement will be implemented by way of a statutory plan of arrangement under the QBCA pursuant to the terms of the Arrangement Agreement. The following procedural steps must be taken in order for the Arrangement to become effective:

(a) the Court must grant the Interim Order;

(b) the Required Shareholder Approval must be obtained;

(c) the Court must grant the Final Order approving the Arrangement;

(d) all conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, must be satisfied or waived (if permitted) by the appropriate party; and

(e) the Articles of Arrangement, prepared in the form prescribed by the QBCA and signed by an authorized director or officer of the Corporation, must be filed with the Enterprise Registrar and a Certificate of Arrangement issued related thereto.

Steps to Implementing the Arrangement and Timing

Under the Plan of Arrangement, the following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting at the Effective Time:

(a) each outstanding Share (other than the Shares (i) held by the Dissenting Shareholders; (ii) held by the Qualifying Holdcos; or (iii) that are Rollover Shares) shall be transferred by the holder thereof to the Purchaser in exchange for the Consideration, the name of such holder shall be removed from the register of holders of Shares and the Purchaser shall be recorded as the holder of the Shares so transferred and shall be deemed to be the legal and beneficial owner thereof;

(b) each outstanding Holdco Share that is not a Rollover Share and that is held by a Qualifying Holdco Shareholder shall be transferred by the holder thereof to the Purchaser in exchange for the Holdco Consideration, the name of such holder shall be removed from the register of holders of Holdco Shares and the Purchaser shall be recorded as the holder of the Holdco Shares so transferred and shall be deemed to be the legal and beneficial owner thereof;

(c) each outstanding Rollover Share held by a Rollover Shareholder shall be transferred by the Rollover Shareholder to the Purchaser pursuant to its Rollover Agreement, as applicable, in exchange for the consideration set forth therein which shall consist of Purchaser Shares, the name of such Rollover Shareholder shall be removed from the register of holders of Shares or Holdco Shares and the Purchaser shall be recorded as the holder of the Shares or Holdco Shares so transferred and shall be deemed to be the legal and beneficial owner thereof;

(d) each outstanding Share held by a Dissenting Shareholder shall be deemed to be transferred by the holder thereof to the Purchaser and each Dissenting Shareholder shall cease to have any rights as

a Shareholder other than the right to be paid the fair value of its Shares by the Purchaser in accordance with the Dissent Rights, the name of such Dissenting Shareholder shall be removed from the register of holders of Shares and the Purchaser shall be recorded as the holder of the Shares so transferred and shall be deemed to be the legal and beneficial owner thereof.

This description of the steps is qualified in its entirety by the full text of the Plan of Arrangement attached as Appendix A to this Information Circular.

Cancellation of Rights After Six Years

In accordance with the Plan of Arrangement, each certificate that immediately prior to the Effective Time represented outstanding Shares shall be deemed, immediately after the Effective Time, to represent only the right to receive the consideration to which the holder of such Share, Holdco Shares or Rollover Shares is entiteld to in accordance with the Plan of Arrangement, less any amounts withheld pursuant to the Plan of Arrangement. Any such certificate formerly representing Shares, Holdco Shares or Rollover Shares not duly surrendered on or before the sixth anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of Shares, Holdco Shares or Rollover Shares of any kind or nature against or in the Corporation or the Purchaser. On such date, all consideration to which such former holder of Shares, Holdco Shares or Rollover Shares was entitled shall be deemed to have been surrendered to the Purchaser or the Corporation, as applicable, and shall be paid over by the Depositary to the Purchaser or as directed by the Purchaser.

Any payment made by way of cheque by the Depositary on behalf of the Purchaser or the Corporation, if applicable, pursuant to the Plan of Arrangement that has not been deposited or has been returned to the Depositary (or the Corporation) or that otherwise remains unclaimed, in each case, on or before the sixth anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the sixth anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the Consideration for the Shares or the Holdco Consideration for the Holdco Shares pursuant to the Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Purchaser or the Corporation, as applicable, for no consideration.

Expenses of the Arrangement

Canam estimates that expenses in the aggregate amount of approximately $5.5 million will be incurred by Canam in connection with the Arrangement, including legal, financial advisory and accounting fees, filing and printing costs, the cost of preparing and mailing this Information Circular and fees in respect of the Fairness Opinions and the Formal Valuation.

Except as expressly otherwise provided in the Arrangement Agreement (including in connection with the Pre-Acquisition Reorganization and the Financing), all out-of-pocket third party transaction expenses incurred in connection with the Arrangement Agreement and the Plan of Arrangement and the transactions contemplated thereunder, including all costs, expenses and fees of the Corporation incurred prior to or after the Effective Time in connection with, or incidental to, the Plan of Arrangement, shall be paid by the Party incurring such expenses, whether or not the Arrangement is consummated.

Upon a termination of the Arrangement Agreement by the Purchaser further to a breach of representations and warranties or covenants by the Corporation or by either of the Purchaser or the Corporation if the Effective Time does not occur on or prior to the Outside Date due to a breach of representations and warranties or covenants by the Corporation, the Corporation shall, within two Business Days of such termination, pay or cause to be paid to the Purchaser by wire transfer of immediately available funds an expense reimbursement fee of $4,000,000. In no event shall the Corporation be required to pay the

Corporation Termination Fee, on the one hand, and the expense reimbursement fee, on the other hand, in the aggregate, an amount in excess of the Corporation Termination Fee.

Interest of Certain Persons in the Arrangement

In considering the determinations and recommendations of the Special Committee and the Board with respect to the Arrangement, Shareholders should be aware that certain directors and officers of Canam have certain interests or benefits in connection with the Arrangement, including those referred to below, that may present them with actual or potential conflicts of interest in connection with the Arrangement. The Special Committee and the Board are aware of these interests and considered them along with the other matters described under "*The Arrangement – Background to the Arrangement*".

Canam Shares

As at May 3, 2017, to the knowledge of Canam, the directors and executive officers of Canam collectively owned, directly or indirectly, 6,318,328 Shares, accounting for 13.92% of the total number of Shares, detailed as set forth below.

Name	Number of Shares beneficially owned or controlled	Percentage of the issued and outstanding Shares
Élaine Beaudoin	22,500	0.050%
Anne-Marie Dutil Blatchford	13,500	0.030%
Marc Dutil[(1) (2)]	132,428	0.292%
Marcel Dutil[(3)]	5,200,114	11.464%
Sean Finn	10,000	0.022%
Guy LeBlanc	5,000	0.011%
Pierre Lortie	87,366	0.193%
Pierre Marcouiller	10,800	0.024%
Pierre Thabet	712,985	1.572%
Jean-Marie Toulouse	8,056	0.018%
François Bégin	1,268	0.003%
John Bradley	114	0.0003%
Michael Burnet	2,000	0.004%
Robert Dutil	1,400	0.003%
Louis Guertin	22,641	0.050%
René Guizzetti	8,981	0.020%
Joël Nadeau	42,979	0.095%
François-de-Paul Nkombou	1,198	0.003%
Annie Paquet	3,579	0.008%
Claude Provost	6,281	0.014%
Jean Thibodeau	25,138	0.055%
	Total : 6,318,328	**13.92%**

(1) The Shares are held by Mr. Marc Dutil and Idmed Inc., an entity controlled by Mr. Marc Dutil.

(2) In addition, Mr. Marc Dutil is entitled to an aggregate of 13,737 Bonus Shares payable under the Corporation's profit sharing plan, the vesting of which will be accelerated to the Effective Time, and which will be treated as Rollover Shares under the Plan of Arrangement. See below under "*Change of Control Benefits*".

(3) The Shares are held by Mr. Marcel Dutil, Placements CMI Inc. and its wholly owned subsidiary 9085-6063 Québec Inc., which are indirectly controlled by Mr. Marcel Dutil.

Pursuant to the Support and Voting Agreements, all of the directors and executive officers of Canam have agreed to vote their Shares in favour of the Arrangement Resolution.

If the Arrangement is completed, the directors and executive officers of Canam, excluding those who are Dutil Shareholders, will receive, in exchange for such Shares, an aggregate amount of approximately $11.96 million.

Mr. Marcel Dutil and FSTQ will (directly or indirectly) sell 700,114 Shares and up to 1,436,800 Shares respectively to the Purchaser under the Arrangement, for gross proceeds of $8,611,402.20 and of up to $17,672,640.00, respectively.

Change of Control Benefits

As part of the review of the Arrangement, given the uncertainty generally prevailing in potential change of control transactions, the Board, as is customary in these circumstances, considered various human resource matters to ensure that Canam's ability to maintain the business and achieve an optimal outcome for Canam's Shareholders would not be damaged by the loss of key personnel, and that relevant key personnel would be compensated as appropriate for the supplementary efforts imposed by the process. Following such review, the Board approved the grant to each senior executive of the Corporation and of its subsidiary Canam Steel Corporation of a severance payment to be made in the event of a termination without cause by the Corporation or by the employee for good reason within a two-year period following the closing of a change of control transaction taking place on or prior to December 31, 2017, such as the Arrangement. See "*The Arrangement – Background to the Arrangement*".

The Corporation confirmed such grant through letters provided to each of the concerned senior managers. The foregoing benefits are not, by their terms, conditional on any of the Corporation's officers supporting the Arrangement.

The severance payment consists in a lump sum amount that varies between 6 to 24 months of salary plus benefits depending on the position held by the senior manager. More specifically, Mr. Marc Dutil is entitled to a severance payment equal to 24 months of salary plus benefits, the senior managers of the Corporation are entitled to a severance payment which varies from 6 months to to 18 months of salary plus benefits, and the senior managers of subsidiary Canam Steel Corporation are entitled to a severance payment which varies from 6 months to 12 months of salary plus benefits.

In addition, pursuant to the Corporation's profit-sharing plan described in the Corporation's proxy solicitation circular dated March 17, 2017, a portion of bonuses payable to senior managers of the Corporation is satisfied through the purchase of Shares ("**Bonus Shares**") by Computershare Trust Company of Canada on behalf of such senior managers and which are normally remitted on a date that is in the fourth year following the end of the fiscal year in which the bonuses were earned. The Bonus Shares (other than the Bonus Shares held by Mr. Marc Dutil which will be treated as Rollover Shares in accordance with the Plan of Arrangement) shall be treated in accordance with the Plan of Arrangement, with the Consideration to be paid to Computershare Trust Company of Canada on behalf of the senior managers that are participating in the profit sharing plan of the Corporation. The remittance of Bonus Shares to senior managers of the Corporation entitled to receive same shall be accelerated and such senior managers shall receive in lieu of a Bonus Share, a cash amount per Bonus Share equal to the Consideration. With regards to U.S. employees of the Corporation, employees receive entitlements consisting in "phantom shares" instead of Bonus Shares (the "**Bonus Entitlements**"). U.S. employees of the Corporation shall have their Bonus Entitlements accelerated on Closing in such a way that is permitted under applicable Laws and that complies with the requirements of Section 409A of the U.S. Internal Revenue Code and as consented to by the Purchaser (such consent not to be unreasonably

withheld or delayed to the extent the above legal and tax requirements are met), with the objective of providing such U.S. employees with a cash amount per Bonus Entitlement equal to the Consideration.

Transaction Related Payments

In connection with the completion of the Arrangement, Canam has agreed to pay certain transaction-related performance payments (collectively, "**Transaction Related Payments**").

The Special Committee recommended that the Board grant one-time compensation payments to certain officers to reward their special contribution in the context of the Arrangement. These Transaction Related Payments are designed, among other factors, to recognize the additional efforts made over and above their regular activities by certain officers and reward noteworthy performances. Upon recommendation of the Corporate Governance Committee, the Board adopted a resolution that an aggregate amount of $40,000 be paid to certain employees in recognition for their special contribution to the Arrangement.

Insurance and Indemnification

In addition, consistent with standard practice in similar transactions, in order to ensure that directors and officers do not lose or forfeit their protection under liability insurance policies maintained by Canam, the Arrangement Agreement provides for the maintenance of such protection for six (6) years. See "*Summary of the Arrangement Agreement – Covenants – Covenants Relating to Insurance and Indemnification*".

Intention of the Directors and Executive Officers of Canam and of the Rollover Shareholders

The Dutil Shareholders, CDPQ, FSTQ as well as well as the Supporting D&Os have entered into the Support and Voting Agreements with the Purchaser. The Supporting Shareholders collectively beneficially own an aggregate of 13,299,577 Shares representing approximately 29.32% of the issued and outstanding Shares and have agreed, subject to the terms of the Support and Voting Agreements, to vote, or cause to be voted, their Supporting Securities in favour of the Arrangement Resolution.

Sources of Funds for the Arrangement

The total amount of funds required to complete the Arrangement will be provided through a combination of debt financing and equity financing.

Debt Financing

The Purchaser has obtained debt financing commitments (the "**Debt Financing**") from the Lenders pursuant to a debt commitment letter (the "**Debt Commitment Letter**") whereby the Lenders commit to provide (i) a $100,000,000 senior secured asset-based revolving credit facility (the "**ABL Facility**") and (ii) a US$350,000,000 senior secured term loan facility (the "**Term Loan Facility**", and collectively with the ABL Facility, the "**Debt Facilities**"),which Term Loan Facility may, at the option of the Purchaser, be automatically and permanently reduced dollar-for-dollar by an amount equal to the U.S. dollar equivalent of the aggregate amount of indebtedness of the Corporation owed to Business Development Bank of Canada and FSTQ that will remain in place following the Effective Time (the "**Rollover Debt**").

The proceeds of the Term Loan Facility will be used on the Effective Date for the payment of the aggregate Consideration payable under the Arrangement, the Refinancing (as defined below), and to pay fees, costs and expenses related to the transactions contemplated by the Arrangement and the Debt Commitment Letter. The ABL Facility will be used solely for general corporate purposes (including

permitted acquisitions, investments, restricted payments and certain other transactions), as well as to pay a portion of the aggregate Consideration under the Arrangement not exceeding $25,000,000.

All existing third party indebtedness for borrowed money of the Corporation and its subsidiaries except, at the option of the Purchaser, for the Rollover Debt will be paid in full, and all commitments, securities and guarantees in connection therewith will be terminated and released, or provisions therefor reasonably acceptable to the Lenders will be made (the "**Refinancing**"). The repayment of existing indebtedness is currently expected to be for an aggregate amount of approximately $233 million.

Conditions

The Debt Commitment Letter requires that AIP and others directly or indirectly contribute to the Purchaser, an aggregate amount of cash and rollover equity of not less than 40% of the sum of (i) the aggregate gross proceeds of the loans borrowed under the ABL Facility and the Term Loan Facility on the Effective Date and (ii) the amount of cash and rollover equity under the Equity Financing and the roll-over of the Rollover Shares (the "**Equity Contribution**").

The commitments of the Lenders under the Debt Commitment Letter are subject to the following conditions:

(a) the execution and delivery of the definitive documentation with respect to the ABL Facility and the Term Loan Facility consistent with the terms set forth in the Debt Commitment Letter;

(b) the consummation of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement substantially concurrently with the initial borrowing under any of the Debt Facilities, in accordance with the Arrangement Agreement, but without giving effect to any amendments, waivers or consents that are materially adverse to the Lenders without the prior consent of the Lenders (such consent not to be unreasonably withheld, delayed, denied or conditioned);

(c) the Equity Contribution shall have been consummated, or shall be consummated substantially concurrently with the initial borrowing under the Debt Facilities;

(d) the Refinancing shall have been consummated, or shall be consummated substantially concurrently with the initial borrowings under any of the Debt Facilities;

(e) the Lenders shall have received certain historical and pro forma financial statements of the Corporation;

(f) the Lenders shall have received certain customary closing documents, including legal opinions and certificates;

(g) all documents and instruments required to perfect the Lenders' security interests in the collateral provided under the Debt Facilities shall have been executed and delivered (subject to the certain funds provision in the Debt Commitment Letter);

(h) the Lender shall have been afforded a period (the "**Debt Commitment Letter Marketing Period**") of at least 15 consecutive business days following receipt of the required historical and pro forma financial statements of the Corporation and a Confidential Information Memorandum (the "**Required Information**") to syndicate the ABL Facility and Term Loan Facility; provided that (A) notwithstanding the foregoing, the Debt Commitment Letter Marketing Period shall not commence prior to the earlier of (x) four weeks after the date of the Debt Commitment Letter and (y) the consummation of the roll-over of the Rollover Debt and (B) (i) July 3, 2017 and

July 5, 2017 shall be disregarded for purposes of calculating such 15 consecutive business day period and (ii) if such 15 consecutive business day period has not ended on or prior to August 18, 2017, then it will not commence until on or after September 5, 2017;

(i) the payment of all expenses and fees due to the Lenders;

(j) the accuracy of the representations and warranties (subject to the certain funds provision in the Debt Commitment Letter); and

(k) the absence of a Material Adverse Effect.

Equity Financing

On April 27, 2017, the Purchaser entered into an equity commitment letter (the "**Equity Commitment Letter**") with AIP pursuant to which AIP has agreed to provide equity financing to the Purchaser for an amount corresponding to the difference between (i) the sum of (A) the aggregate Consideration payable for all of the Shares (other than Rollover Shares) and (B) the aggregate amount of the expenses of the Purchaser related to the Arrangement; and (ii) the aggregate amount drawn at Closing under the Debt Commitment Letter in accordance with the terms and conditions of the Debt Commitment Letter to fund the payment of the aggregate Consideration (the "**Equity Financing**"), to be funded by way of purchase by AIP directly or indirectly of shares in the share capital of the Purchaser. The obligations of AIP to provide the Equity Financing on the terms outlined in the Equity Commitment Letter are subject to, among other things, the satisfaction of all conditions precedent to the Purchaser's obligation to consummate the Arrangement under the Arrangement Agreement, the contribution of the Rollover Shares by the Rollover Shareholders and to the receipt by the Purchaser (concurrently or substantially concurrently with, or prior to, the Closing) of the proceeds of the Debt Financing under the Debt Commitment Letter described under "The Arrangement – Sources of Funds for the Arrangement – Debt Financing" or on the terms and conditions of any alternative financing that the Purchaser is required to procure under the Arrangement Agreement. See "Summary of the Arrangement Agreement – Covenants – Conditions to Closing". The obligations of AIP under the Equity Commitment Letter will immediately terminate upon the earliest to occur of the (i) consummation of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, (ii) termination of the Arrangement Agreement or the Rollover Agreements in accordance with their terms and (iii) commencement by the Corporation or any of its affiliates (including by its or their respective directors, officers and employees when acting in such capacities) of certain legal proceedings.

The Rollover Shareholders have entered into agreements with the Purchaser pursuant to which CDPQ has agreed to make a cash contribution to the Purchaser and the Rollover Shareholders have agreed to make an equity contribution to the Purchaser through the transfer and assignment to the Purchaser, as provided for in the Plan of Arrangement, of all of the Shares owned by the Rollover Shareholders, except for 700,114 Shares held by Placements CMI Inc. and up to 1,436,800 Shares held by FSTQ (which includes the Shares Under Discretionary Management) which will be sold to the Purchaser for the cash consideration contemplated by the Plan of Arrangement. It is expected that the Rollover Shareholders would own as much as 40% of equity in the Purchaser upon Closing. The agreements entered into between the Rollover Shareholders and the Purchaser also provide that they will enter into a shareholders agreement at Closing. The transfer of the Rollover Shares will be made at fair market value, being $12.30 per Rollover Share, and the parties to the Rollover Agreement will agree that the consideration received in exchange has an equivalent fair market value.

SUMMARY OF THE ARRANGEMENT AGREEMENT

Canam entered into the Arrangement Agreement with the Purchaser on April 27, 2017. The Arrangement Agreement and the Plan of Arrangement are the legal documents that govern the Arrangement. The following is a summary of the material terms of the Arrangement Agreement and is subject to, and qualified in its entirety by, the full text of the Arrangement Agreement which is attached hereto as Appendix B and which is filed on SEDAR under Canam's issuer profile at www.sedar.com. The Corporation encourages Shareholders to read the Arrangement Agreement and the Plan of Arrangement in their entirety. The Arrangement Agreement establishes and governs the legal relationship between Canam and the Purchaser with respect to the transactions described in this Information Circular. It is not intended to be a source of factual, business or operational information about Canam or the Purchaser.

Pursuant to the Arrangement Agreement, it was agreed that the Parties would carry out the Arrangement in accordance with the Arrangement Agreement and the Plan of Arrangement. See "*The Arrangement – Arrangement Mechanics – Steps to Implementing the Arrangement and Timing*".

Capitalized terms used below which are not otherwise defined herein shall have the meaning ascribed thereto in the Arrangement Agreement.

Effective Date of the Arrangement

After obtaining the Required Shareholder Approval, upon the other conditions in the Arrangement Agreement being satisfied or waived (if permitted) and upon the Final Order being granted, Canam will file the Articles of Arrangement with the Enterprise Registrar. Pursuant to Section 420 of the QBCA, the Arrangement becomes effective on the date the Articles of Arrangement are filed, as shown on the Certificate of Arrangement. Closing of the Arrangement will occur as soon as reasonably practicable after the date on which the Required Shareholder Approval and Court approvals have been obtained, the Marketing Period has been completed and all other conditions to the completion of the Arrangement have been satisfied or waived (if permitted). Currently it is anticipated that the Effective Date will occur near the end of June 2017. It is not possible, however, to state with certainty when the Effective Date will occur. The Effective Date could be earlier than anticipated or could be delayed for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order, a delay in obtaining the Key Regulatory Approvals or a delay in the anticipated timing for the Marketing Period. As provided under the Arrangement Agreement, the Corporation will file the Articles of Arrangement as soon as reasonably practicable and in any event within five Business Days after the satisfaction or waiver (if permitted) of the conditions to the completion of the Arrangement.

As provided under the Arrangment Agreement, if the Marketing Period has not ended at the time of the satisfaction or waiver (where not prohibited) of the conditions set forth in the Arrangement Agreement for the consummation of the Arrangement (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is stipulated, of those conditions as of the Effective Date), then the Closing and filing of the the Articles of Arrangement shall occur instead on the date following the satisfaction or waiver of such conditions that is the earlier to occur of (i) any Business Day before or during the Marketing Period as may be specified by the Purchaser on no less than five Business Days' prior written notice to the Corporation and (ii) five Business Days immediately following the final day of the Marketing Period (subject, in the case of each of clauses (i) and (ii), to the satisfaction or waiver (if not prohibited) of the conditions set forth in the Arrangement Agreement for the consummation of the Arrangement as of the time of the Closing determined pursuant to such clauses).

The Arrangement must be completed on or prior to the Outside Date.

Covenants

Conduct of Business of the Corporation

During the period following April 27, 2017, when the Arrangement Agreement was signed, through to the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms, the Corporation shall, and shall cause each of its Subsidiaries to, conduct business in accordance with Law and, except with the express prior written consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed), as required by Law, as required or permitted by the Arrangement Agreement, in the Ordinary Course.

Without limiting the generality of the foregoing, the Corporation shall, and shall cause each of its Subsidiaries to:

(a) use commercially reasonable efforts to (i) duly and timely file with the appropriate Governmental Entity all Tax Returns required to be filed by Canam or any of its Subsidiaries, (ii) pay, deduct, withhold, collect and remit to the appropriate Governmental Entity in a timely fashion all amounts required to be so paid, deducted, withheld, collected or remitted other than those being contested in good faith; and

(b) keep the Purchaser reasonably informed, on a current basis, of any events, discussions, notices or changes with respect to any Tax investigation not already disclosed to the Purchaser.

Without limiting the generality of the foregoing, the Corporation shall use its commercially reasonable efforts, and shall cause its Subsidiaries to use their commercially reasonable efforts to (i) preserve intact the current business organization of the Corporation and its Subsidiaries, keep available the services of the Corporation Employees, contractors and agents and maintain good relations with, and the goodwill of, suppliers, customers, dealers, landlords, licensors, partners, lessors, creditors, distributors and all other Persons having business relationships with the Corporation or any of its Subsidiaries; (ii) retain possession and control of its assets and the assets of each of its Subsidiaries, and preserve the confidentiality of any confidential or proprietary information relating to the business of the Corporation; (iii) perform and comply with all of its obligations under Material Contracts; (iv) except as part of the Pre-Acquisition Reorganization; and (v) except with the prior written consent of the Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed, the Corporation shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

(a) amend its constating documents or, in the case of any of its Subsidiaries which is not a corporation, its similar organizational documents;

(b) split, combine or reclassify any shares of its capital stock or declare, set aside or pay any dividend or other distribution or make any payment (whether in cash, stock or property or any combination thereof), in respect of the Shares owned by any person or the securities of any Subsidiary other than dividends not in excess of $0.04 per Share per calendar quarter on a basis and timing consistent with the Corporaiton's current practice with respect to dividend payments, and other than, in the case of any Subsidiary wholly-owned by Corporation, any dividends, distributions or payments payable to the Corporation or any other wholly-owned Subsidiary of Corporation;

(c) amend the terms of, redeem, repurchase, or otherwise acquire or offer to redeem, repurchase or otherwise acquire, any of its securities;

(d) adopt a plan of liquidation or resolution providing for the liquidation or dissolution of the Corporation or any of its Subsidiaries;

(e) enter into, or resolve to enter into, any agreement that has the effect of creating a joint venture, partnership, shareholders' agreement or similar relationship between the Corporation or any of its Subsidiaries and another person;

(f) engage in any transaction with any related parties, other than (i) transactions between the Corporation and any of its Subsidiaries or between two or more Subsidiaries or as otherwise permitted in the Arrangement Agreement and (ii) product and service transactions between the Corporation or any of its Subsidiaries and Placements CMI Inc. and or its affiliates which are consistent with past practices;

(g) issue, grant, deliver, sell, pledge or otherwise encumber, or authorize the issuance, grant, delivery, sale, pledge or other encumbrance or create any derivative interest in, any securities of the Corporation or its Subsidiaries or other equity or voting interests, or any options, warrants or similar rights exercisable or exchangeable for or convertible into, or otherwise evidencing a right to acquire such securities, capital stock or other equity or voting interests, or any stock appreciation rights, phantom stock awards or other rights that are linked to the price or the value of the Shares;

(h) reorganize, merge, combine or amalgamate with any Person or acquire by merger, amalgamation, consolidation, acquisition of securities, assets (except as otherwise permited by the Arrangement Agreement), directly or indirectly, in one transaction or in a series of transactions, assets, securities, properties, interests or businesses;

(i) reduce the stated capital of the shares of the Corporation or any of its Subsidiaries;

(j) sell, pledge, hypothecate, lease, license, sell and lease back, mortgage, dispose of, lose the right to use, surrender or encumber or otherwise transfer, any assets, securities, properties, interests or businesses of the Corporation or any of its Subsidiaries except in the Ordinary Course or in respect of assets whose book value, individually or in the aggregate, does not exceed $1,000,000;

(k) make any capital expenditure or commitment to do so other than as budgeted in the 2017 Capex budget of the Corporation and its Subsidiaries which individually or in the aggregate exceeds $2,000,000;

(l) prepay any term indebtedness (whether in account of borrowed money or otherwise) before its scheduled maturity other than repayment of indebtedness under existing revolving credit facilities or increase, create, incur, assume or otherwise become liable for any indebtedness for borrowed money or guarantees thereof or debt securities other than (i) in connection with advances or repayments in the Ordinary Course under the Corporation's or any Subsidiary's existing credit facilities, (ii) in connection with the scheduled repayment of indebtedness pursuant to the Corporation's term loans outstanding on the date of the Arrangement Agreement, (iii) indebtedness owing by one wholly-owned Subsidiary of the Corporation to the Corporation or another wholly-owned Subsidiary of the Corporation or of the Corporation to another wholly-owned Subsidiary of the Corporation or (iv) the $25,000,000 increase of the credit line with the Canadian banking syndicate; provided that any indebtedness created, incurred, refinanced, assumed or for which the Corporation or any Subsidiary becomes liable in accordance with the foregoing shall be prepayable at the Effective Time without premium, penalty or other incremental costs (including breakage costs) in excess of $100,000, in the aggregate;

(m) commence, cancel, waive, release, assign, settle, satisfy, pay, discharge or compromise any (i) claim or right, litigation, proceeding or governmental investigation relating to the assets or the business of the Corporation or any of its Subsidiaries, in excess of an aggregate amount of

$1,000,000; or which would reasonably be expected to impede, prevent or delay the consummation of the transactions contemplated by the Arrangement Agreement, or (ii) action, claim or proceeding brought by any present, former or purported holder of securities of the Corporation or any of its Subsidiaries in connection with the transactions contemplated by the Arrangement Agreement or the Plan of Arrangement;

(n) make any loan or advance (other than advances to Corporation Employees not exceeding $500,000 in the aggregate) to, or any capital contribution or investment in, or assume, guarantee or otherwise become liable with respect to the liabilities or obligations of, any Person (other than in respect of a liability or obligation incurred by a Subsidiary of the Corporation, provided that the incurrence of such liability or obligation by such Subsidiary does not constitute a breach of the Arrangement Agreement);

(o) enter into any interest rate, currency, equity or commodity swaps, hedges, derivatives, forward sales contracts or similar financial instruments;

(p) make any bonus or profit sharing distribution or similar payment of any kind, except those set forth in the Corporation Disclosure Letter;

(q) make any change in the Corporation's methods of accounting, except as required by concurrent changes in GAAP or pursuant to written instructions, comments or orders of a Securities Authority;

(r) grant any general increase in the rate of wages, salaries, bonuses or other remuneration of any Corporation Employees, directors, officers, contractors, consultants or other services providers of the Corporation or any of its Subsidiaries other than (i) in the Ordinary Course and in a manner and timing consistent with past practice and (ii) as may be required by the terms of a Contract disclosed in the Corporation Disclosure Letter or as otherwise disclosed in the Corporation Disclosure Letter;

(s) except as required by Law or as disclosed in the Corporation Disclosure Letter: (i) adopt, enter into or amend any Employee Plan or Contract (other than in conjunction with entering into an employment agreement in the Ordinary Course with a new employee whose annual base salary will be in excess of $125,000 who was not employed by the Corporation or a Subsidiary on the date of the Arrangement Agreement); (ii) pay any benefit to any director or officer of the Corporation or any of its Subsidiaries or to any Corporation Employee (other than in the Ordinary Course in the case of a Corporation Employee who is not a director or Officer of the Corporation); (iii) grant, accelerate, increase or otherwise amend any payment, award or other benefit payable to, or for the benefit of, any director or officer of the Corporation or any of its Subsidiaries or to any Corporation Employee (other than in the Ordinary Course or as a result of the Arrangement, in the case of a Corporation Employee who is not a director of the Corporation); (iv) terminate any officer level or management level Corporation Employee other than for cause; (v) except as disclosed in the Corporation Disclosure Letter, grant any rights of indemnification, retention, severance, change of control, bonus or termination pay to, or enter into any employment agreement, indemnity agreement, deferred compensation or bonus compensation agreement (or amend such existing agreement) with, any officer or director of Corporation or its Subsidiaries or to any Corporation Employee, or hire or terminate the employment (except for just cause) of any officer or director of Corporation or its Subsidiaries or any Corporation Employee; (vi) make any material determination under any Employee Plan or Contract that is not in the Ordinary Course; (vii) make any loan to any director or officer of the Corporation or its Subsidiaries or to any Corporation Employee (other than advances to Corporation Employees not

exceeding $500,000 in the aggregate); or (viii) take or propose any action to effect any of the foregoing;

(t) amend or modify, or terminate or waive any right under, any Material Contract or enter into any contract or agreement that would be a Material Contract if in effect on the date hereof, or fail to enforce any material breach of any Material Contract of which it becomes aware, or materially breach or violate or be in default under any Material Contract, provided that the foregoing shall not apply in respect of any Contract with customers, dealers or suppliers relating to the supply of goods or the sale of inventory or services by the Corporation or any of its Subsidiaries, in each case, in the Ordinary Course;

(u) enter into an agreement that could result in the payment by the Corporation or any of its Subsidiaries of a finder's fee, success fee or other similar fee, provided that the foregoing shall not prohibit the Corporation from entering into an agreement with any dealer and proxy solicitation services firm for purposes of soliciting proxies in connection with the Arrangement;

(v) make any material Tax election, settle or compromise any material Tax claim exceeding $1,000,000, assessment, reassessment or liability, file any amended Tax Return, enter into any material agreement with a Governmental Entity with respect to Taxes, consent to the extension or waiver of the limitation period applicable to any material Tax matter or materially amend or change any of its methods or reporting income, deductions or accounting for income Tax purposes except as may be required by Law;

(w) take any action or fail to take any action that would, or would reasonably be expected to in the aggregate (i) cause the Tax attributes of assets of the Corporation or any of its Subsidiaries or the amount of Tax loss carry-forwards of the Corporation or any of its Subsidiaries to materially and adversely change from what is reflected in their respective Tax Returns; or (ii) render such Tax loss carry-forwards unusable (in whole or in part) by any of them or any successor of the Corporation;

(x) take any action or fail to take any action which action or failure to act would, or would reasonably be expected to, result in the loss, expiration or surrender of, or the loss of any material benefit under, or reasonably be expected to cause any Governmental Entities to institute proceedings for the suspension, revocation or limitation of rights under, any material Authorizations, or fail to prosecute with commercially reasonable due diligence any pending applications to any Governmental Entities for material Authorizations;

(y) enter into, amend or modify any union recognition agreement, Collective Agreement or similar agreement with any trade union or representative body other than in the Ordinary course and upon reasonable consultation with the Purchaser;

(z) except as contemplated in the Arrangement Agreement and except for scheduled renewals in the Ordinary Course, amend, modify or terminate any material insurance policy of the Corporation or any of its Subsidiaries in effect on the date of the Arrangement Agreement, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the terminated, cancelled or lapsed policies for substantially similar premiums are in full force and effect;

(aa) grant or commit to grant a license or otherwise transfer any intellectual property or right in or in respect thereto except in the Ordinary Course or as required pursuant to a Contract in force as of the date hereof;

(bb) materially change its business or regulatory strategy; or

(cc) authorize, agree, resolve or otherwise commit, whether or not in writing, to do any of the foregoing.

Additional Covenants of the Corporation

If, on or after the date of the Arrangement Agreement, the Corporation declares or pays any dividend or other distribution on the Shares prior to the Effective Time (other than other than dividends not in excess of $0.04 per Share per calendar quarter on a basis and timing consistent with the Corporation's current practice with respect to dividend payments), the Consideration shall be reduced by the amount of such dividends or distributions.

Covenants of the Corporation Regarding the Arrangement

The Corporation shall, and shall cause its Subsidiaries to, perform all obligations required or desirable to be performed by the Corporation or its Subsidiaries under the Arrangement Agreement, cooperate with the Purchaser in connection therewith, and shall use its commercially reasonable efforts to perform all such other actions as may be necessary or desirable in order to consummate or make effective, as soon as reasonably practicable, the Arrangement and, without limiting the generality of the foregoing, the Corporation shall, and shall cause its Subsidiaries to:

(a) use its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities from it relating to the Arrangement;

(b) use its commercially reasonable efforts to, upon reasonable consultation with the Purchaser, oppose, lift or rescind any injunction, restraining or other order, decree, judgment or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defend, or cause to be defended, any proceedings to which it or any of its Subsidiaries is a party or brought against it or any of its Subsidiaries or any of their directors or officers challenging the Arrangement or the Arrangement Agreement;

(c) use its commercially reasonable efforts to satisfy the conditions precedent set forth in the Arrangement Agreement and carry out the terms of the Interim Order and Final Order applicable to it and comply promptly with all requirements imposed by Law on it or its Subsidiaries with respect to the Arrangement Agreement or the Arrangement;

(d) use its commercially reasonable efforts to obtain and maintain all third party consents, waivers, permits, exemptions, orders, approvals, agreements or amendments that are (i) necessary to be obtained under the Material Contracts in connection with the Arrangement; or (ii) required in order to maintain the Material Contracts in full force and effect following completion of the Arrangement, in each case, on terms that are satisfactory to the Purchaser, acting reasonably, and without paying, and without committing itself or the Purchaser to pay, any consideration or incur any liability or obligation without the prior written consent of the Purchaser;

(e) not take any action, or refraining from taking any commercially reasonable action, or permitting any action to be taken or not taken, which is inconsistent with the Arrangement Agreement or which would reasonably be expected to prevent, delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement;

(f) assist in obtaining the resignations and releases (in a form satisfactory to the Purchaser, acting reasonably) of each member of the Board and each member of the board of directors of the Subsidiaries to the extent required by the Purchaser, and causing them to be replaced by Persons nominated by the Purchaser effective as of the Effective Time; and

(g) use commercially reasonable efforts to cause each of the directors and officers of the Corporation (other than the Rollover Shareholders and their associates) to comply with and perform his or her obligations under their respective Support and Voting Agreement.

The Corporation shall promptly notify the Purchaser of:

(a) any Material Adverse Effect or any change, effect, event, development, occurrence, circumstance or state of facts which could reasonably be expected to have a Material Adverse Effect;

(b) any notice or other communication from any Person alleging (i) that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person is required in connection with the Arrangement Agreement or the Arrangement, or (ii) such Person is terminating or otherwise materially adversely modifying its relationship with the Corporation or any of its Subsidiaries as a result of the Arrangement or the Arrangement Agreement;

(c) any notice or other communication from any bargaining agent representing Corporation Employees giving notice to bargain and as permitted by Law, copies of any proposals tabled by any such bargaining agent that, if implemented, would materially modify the terms of a Collective Agreement;

(d) any notice or other communication from a Person alleging a defect or claim in respect of any Products sold by the Corporation or its Subsidiaries which is reasonably likely to be reflective of a material recurring product defect, to lead to a product recall or to form the basis for a potential legal action;

(e) any notice or other communication from any Governmental Entity in connection with the Arrangement Agreement (and, subject to Law, the Corporation shall contemporaneously provide a copy of any such written notice or communication to the Purchaser); or

(f) any filing, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting the Corporation, its Subsidiaries or their assets that, if pending on the date of the Arrangement Agreement, would have been required to have been disclosed in the Corporation Disclosure Letter or that relate to the Arrangement Agreement or the Arrangement.

The Corporation shall keep the Purchaser informed of the status of any ongoing collective bargaining negotiations with any union between the date of the Agreement and the Effective Time and provide the Purchaser with copies of all material documents tabled by either party in the course of collective bargaining negotiations, in a timely fashion during said designed period.

Covenants of the Purchaser Regarding the Arrangement

The Purchaser shall perform all obligations required or desirable to be performed by it under the Arrangement Agreement, cooperate with the Corporation in connection therewith, and shall use its commercially reasonable efforts to perform all such other actions as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the Arrangement and, without limiting the generality of the foregoing, the Purchaser shall:

(a) use its commercially reasonable efforts to satisfy the conditions precedent set forth in the Arrangement Agreement and carry out the terms of the Interim Order and Final Order applicable to it and comply promptly with all requirements imposed by Law on it with respect to the Arrangement Agreement or the Arrangement;

(b) use its commercially reasonable efforts, upon reasonable consultation with the Corporation, to oppose, lift or rescind any injunction, restraining or other order, decree, judgment or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers and challenging the Arrangement or the Arrangement Agreement;

(c) use its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities from it relating to the Arrangement or the transactions contemplated by the Arrangement Agreement provided that nothing in the Arrangement Agreement prevents the Purchaser and all of its affiliates from conducting business in the ordinary course; and

(d) not take any action, or refrain from taking any commercially reasonable action, or permitting any action to be taken or not taken, which is inconsistent with the Arrangement Agreement or which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement.

The Purchaser shall promptly notify the Corporation in writing of (i) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with the Arrangement Agreement or the Arrangement, or (ii) any material filings, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving the Purchaser that relate to the Arrangement Agreement or the Arrangement, in the case of each of (i) and (ii) to the extent that such notice, communication, filing, action, suit, claim, investigation or proceeding would reasonably be expected to impair, impede, materially delay or prevent the Purchaser from performing its obligations under the Arrangement Agreement.

Payment of the Consideration

The Purchaser shall, following receipt of the Final Order and immediately prior to the filing by the Corporation of the Articles of Arrangement with the Enterprise Registrar, transfer or cause to be transferred to the Depositary sufficient funds to be held in escrow (the terms and conditions of such escrow to be satisfactory to the Corporation and the Purchaser, each acting reasonably) in order to satisfy the aggregate Consideration payable to the Shareholders (other than Rollover Shareholders) as provided for in the Plan of Arrangement.

Undertaking to Maintain Canam's Headquarters in Québec

The Purchaser has agreed to cause the Corporation's headquarters to remain in the Province of Québec so long as the Purchaser owns a majority of the outstanding Shares of the Corporation.

Covenants of the Purchaser Regarding Employment Matters

Unless otherwise agreed in writing between the Parties, for a period of one year from the Effective Date, the Purchaser has covenanted and agreed, and after the Effective Time, to cause the Corporation and any

successor to the Corporation to covenant and agree that the Corporation Employees, unless their employment is terminated, shall be provided with compensation and benefits that are substantially similar in the aggregate to those provided to such Corporation Employees immediately prior to the Effective Time, other than with respect to the equity portion of the participation in the profit sharing plan of the Corporation.

Moreover, the Purchaser has covenanted and agreed, and after the Effective Time will cause the Corporation and any successor to the Corporation, to honour and comply in all material respects with the terms of all existing employment, indemnification, change in control, severance, termination or other compensation agreements and employment and severance obligations of the Corporation or any of its Subsidiaries and all obligations of the Corporation and its Subsidiaries under the Employee Plans.

Covenants Relating to Regulatory Approvals

The Parties shall, as promptly as practicable, prepare and file all necessary documents, registrations, statements, petitions, filings and applications for the Regulatory Approvals, and use their commercially reasonable efforts to obtain and maintain all Regulatory Approvals.

Subject to Law, the Parties shall cooperate with one another in connection with obtaining the Regulatory Approvals including providing one another with copies of all notices and information or other correspondence supplied to, filed with or received from any Governmental Entity (except for notices and information which a Party reasonably considers to be confidential or sensitive, which such Party shall provide on a "counsel only" basis). Each Party shall keep the other Parties and their respective counsel apprised of all material communications and meetings with any Governmental Entity in respect of the Arrangement Agreement or the Arrangement, and will not participate in such material communications or meetings without giving the other Parties and their respective counsel the opportunity to participate therein.

If any objections are asserted with respect to the transactions contemplated by the Arrangement Agreement under any Law, or if any proceeding is instituted or threatened by any Governmental Entity challenging or which could lead to a challenge of any of the transactions contemplated by the Arrangement Agreement as not in compliance with Law or as not satisfying any applicable legal text under a Law necessary to obtain the Regulatory Approvals, the Purchaser and the Corporation shall, and the Corporation shall cause each of its Subsidiaries to, use their commercially reasonable efforts to resolve such objection or proceeding so as to allow the Effective Time to occur prior to the Outside Date.

Covenants Relating to Access to Information and Confidentiality

From the date of the Arrangement Agreement until the earlier of the Effective Time and the termination of the Arrangement Agreement, subject to Law and the Confidentiality Agreement, the Corporation shall, and shall cause its Subsidiaries and their respective Representatives to, afford to the Purchaser, AIP, the Financing Sources and their Representatives, subject to the Confidentiality Agreement, such access as may reasonably be required at all reasonable times, including, for the purpose of facilitating business planning or for the purpose of conducting environmental studies and investigations, and to furnish such data and information as the Purchaser, AIP, the Financing Sources and their Representatives may reasonably request, so long as the access does not unduly interfere with the Ordinary Course conduct of the business of Corporation and provided that no sampling or other intrusive environmental investigations or studies shall be performed without the Corporation's written consent (which consent shall not be unreasonably withheld, conditioned or delayed).

Covenants Relating to the Pre-Acquisition Reorganization

Subject to the terms of the Arrangement Agreement, the Corporation has agreed that, upon request of the Purchaser, the Corporation shall use its commercially reasonable efforts, and shall cause each of its Subsidiaries to use their commercially reasonable efforts to (i) perform such reorganizations of its corporate structure, capital structure, business, operations and assets or such other transactions, including amalgamation or liquidation, as the Purchaser may request, acting reasonably (each a "**Pre-Acquisition Reorganization**"); (ii) cooperate with the Purchaser and its representatives to determine the nature of the Pre-Acquisition Reorganizations that might be undertaken and the manner in which they would most effectively be undertaken; and (iii) cooperate with the Purchaser and its advisors to seek to obtain consents or waivers which might be required, including without limitation, from the Corporation's lenders under its existing credit facilities in connection with any Pre-Acquisition Reorganization, if any.

The Corporation will not be obligated to participate in any Pre-Acquisition Reorganization under the Arrangement Agreement unless the Corporation determines in good faith that such Pre-Acquisition Reorganization:

(a) can be completed prior to the Effective Date and can be reversed or unwound in the event the Arrangement is not consummated without adversely affecting the Corporation, any of its Subsidiaries or the Shareholders (other than the Rollover Shareholders);

(b) is not, in the opinion of the Corporation, after consultation with its outside legal counsel, prejudicial to the Corporation, any of its Subsidiaries or the Shareholders (other than the Rollover Shareholders);

(c) does not impair, impede, delay or prevent the Corporation or the Purchaser to consummate, and will not materially delay the consummation of, the Arrangement;

(d) does not require the Corporation to obtain the approval of any Shareholders (other than the Rollover Shareholders) or, after the mailing of the Circular, to require any amendment thereto;

(e) is effected as close as reasonably practicable prior to the Effective Time;

(f) does not require the Corporation or its Subsidiaries to take any action that could reasonably be expected to result in Taxes being imposed on any Shareholders (other than the Rollover Shareholders) incrementally greater than the Taxes or other consequences to such party in connection with the completion of the Arrangement in the absence of action being taken pursuant to a Pre-Acquisition Reorganization;

(g) does not result in any material breach by the Corporation or any of its Subsidiaries of any Material Contract or any breach by the Corporation or any of its Subsidiaries of their respective organizational documents or Law, provided that any failure to obtain consent in connection with the Pre-Acquisition Reorganization will be deemed not to constitute or result in a breach pursuant to this paragraph (g);

(h) does not require the directors, officers, employees or agents of the Corporation or its Subsidiaries to take any action in any capacity other than as a director, officer, employee or agent; and

(i) shall not become effective unless the Purchaser has irrevocably waived or confirmed in writing the satisfaction of all conditions precedents in its favour under the Arrangement Agreement and shall have confirmed in writing that it is prepared to promptly and without condition (other than in compliace with Section 4.6 of the Arrangement Agreement) proceed to effect the Arrangement.

The Purchaser shall be responsible for all costs and expenses associated with any Pre-Acquisition Reorganization to be carried out at its request and shall indemnify and save harmless the Corporation and its Subsidiaries from and against any and all liabilities, losses, damages, claims, costs, expenses, interest awards, judgements and penalties suffered or incurred by any of them in connection with or as a result of any such Pre-Acquisition Reorganization (including in respect of any reversal, modification or termination of a Pre-Acquisition Reorganization and including any out of pocket costs and expenses for filing fees and external counsel and auditors which may be incurred) and that any Pre-Acquisition Reorganization will not be considered in determining whether a representation or warranty of the Corporation under the Arrangement Agreement has been breached (including where any such Pre-Acquisition Reorganization requires the consent of any third party under a Contract).

Covenants Relating to Financing

The Purchaser has the right from time to time to amend, replace, supplement or otherwise modify or waive any of its rights under the Financing Letters or any definitive agreements with respect to the Debt Financing described in the Debt Commitment Letter and/or Alternative Financing for all or any portion of the Debt Financing described in the Debt Commitment Letter from the same and/or alternative Financing Sources, provided that any such amendment, replacement, supplement or other modification to or waiver of any provision of the Financing Letters or such definitive agreements that amends the Debt Financing described in the Debt Commitment Letter and/or Alternative Financing shall not expand upon the conditions precedent or contingencies to the funding on the Effective Date of the Debt Financing or Equity Financing as set forth in the Financing Letters in any manner that could reasonably be expected to materially and adversely impact or delay the ability of the Purchaser to consummate the transactions contemplated by the Arrangement Agreement.

The Purchaser has agreed that it shall use its commercially reasonable efforts to take, or cause to be taken, all actions and that it shall use its commercially reasonable efforts to do, or cause to be done, all things necessary or advisable to: (i) comply with all of the Purchaser's obligations under the Financing Letters; (ii) satisfy on a timely basis (or obtain a waiver of) all material terms and conditions applicable to the Purchaser set forth in the Financing Letters and that are within its control; (iii) maintain in effect the Financing Letters, negotiate and enter into definitive agreements with respect to the Debt Commitment Letter on the terms and conditions contemplated by the Debt Commitment Letter or on other terms acceptable to the Purchaser which would not be reasonably expected to materially delay or prevent the Closing; and (iv) consummate the Financing pursuant to the Financing Letters (taking into account any market flex provisions in the fee letter executed contemporaneously with the Debt Commitment Letter), provided that under no circumstances shall the Purchaser be required to, or be required to permit the Corporation or its Subsidiaries to, incur any indebtedness or sell, dispose or otherwise transfer any assets in order to satisfy any conditions in the Debt Commitment Letter or in order to arrange or obtain any Debt Financing pursuant to the Debt Commitment Letter. If any portion of the Debt Financing described in the Debt Commitment Letter becomes unavailable on the terms and conditions described above, the Purchaser has agreed that it shall: (i) promptly notify the Corporation and (ii) use its commercially reasonable efforts to obtain alternative financing ("**Alternative Financing**") from alternative sources (on terms and conditions that are no less favourable to the Purchaser than the terms and conditions as set forth in the Debt Commitment Letter, taking into account any market flex provisions thereof); provided, however, that the Purchaser shall not be required to obtain debt financing which in the Purchaser's reasonable judgment includes terms which, taken as a whole, are materially less advantageous to the Purchaser, in each case relative to those set forth in the Debt Commitment Letter (taking into account any market flex provisions in the fee letter executed contemporaneously with the Debt Commitment Letter).

The Corporation has covenanted and agreed to provide, and cause each of its Subsidiaries to provide to the Purchaser, the cooperation reasonably requested by the Purchaser and that is customary in connection with the Financing.

Covenants Relating to Public Communications

The Parties have agreed to cooperate in the preparation of presentations, if any, to the Shareholders regarding the Arrangement. A Party must not issue any press release or make any other public statement or disclosure with respect to the Arrangement Agreement or the Arrangement without the consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed), and the Corporation has covenanted and agreed not to make any filing with any Governmental Entity with respect to the Arrangement Agreement or the Arrangement without the consent of the Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed); provided that any Party that is required to make disclosure by Law with respect to the Arrangement or the Arrangement Agreement agreed to use its commercially reasonable efforts to give the other Party prior oral or written notice and a reasonable opportunity for it and its outside legal counsel to review or comment on the disclosure or filing

Notice and Cure Provisions

Each Party has covenanted and agreed to promptly notify the other Party of the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would, or would be reasonably expected to cause any of the representations or warranties of such Party contained in the Arrangement Agreement to be untrue or inaccurate in any material respect at any time from the date of the Arrangement Agreement until the earlier of the Effective Time and the time the Arrangement Agreement is terminated in accordance with its terms; or result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party under the Arrangement Agreement.

Each of the Parties may not elect to exercise its right to terminate the Arrangement Agreement for a breach of representations and warranties or covenants of the other Party unless the Party seeking to terminate the Arrangement Agreement (the "**Terminating Party**") has delivered a written notice (a "**Termination Notice**") to the other Party (the "**Breaching Party**") specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Terminating Party asserts as the basis for termination. After delivering a Termination Notice, provided the Breaching Party is proceeding diligently to cure such matter and such matter is capable of being cured prior to the Outside Date, the Terminating Party may not exercise such termination right until the earlier of (i) the Outside Date; and (ii) if such matter has not been cured by the date that is ten Business Days following receipt of such Termination Notice by the Breaching Party, such date. If the Terminating Party delivers a Termination Notice prior to the date of the Meeting or the making of the application for the Final Order, unless the Parties agree otherwise, the Corporation shall postpone or adjourn the Meeting or delay making the application for the Final Order, or both, to the earlier of (i) five Business Days prior to the Outside Date; and (ii) the date that is ten Business Days following receipt of such Termination Notice by the Breaching Party.

Covenants Relating to Insurance and Indemnification

Prior to the Effective Time, the Corporation shall purchase customary "tail" policies of directors' and officers' liability insurance providing protection no less favourable in the aggregate to the protection provided by the policies maintained by the Corporation and its Subsidiaries which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Time and the Purchaser shall, or shall cause the Corporation and its Subsidiaries to maintain such tail policies in effect without any reduction in scope or

coverage for six (6) years from the Effective Date, provided that the Purchaser shall not be required to pay any amounts in respect of such coverage prior to the Effective Time and provided further that the cost of such policies shall not exceed 300% of the Corporation's current annual aggregate premium for policies currently maintained by the Corporation or its Subsidiaries.

The Purchaser has agreed to honour all rights to indemnification or exculpation that were existing as of the date of the Arrangement Agreement in favour of present and former employees, officers and directors of the Corporation and its Subsidiaries which are made available in the Data Room to the Purchaser prior to the date of the Arrangement Agreement and acknowledged that such rights, to the extent that they were made available in the Data Room to the Purchaser prior to the date of the Arrangement Agreement, shall survive the completion of the Plan of Arrangement and shall continue in full force and effect in accordance with their terms.

Covenants Relating to TSX Delisting

The Purchaser and the Corporation shall use their commercially reasonable efforts to cause the Shares to be delisted from TSX promptly, with effect immediately following the acquisition by the Purchaser of the Shares pursuant to the Arrangement.

Additional Covenants Regarding Non-Solicitation

Non-solicitation

Except as expressly provided for in the Arrangement Agreement, the Corporation agreed pursuant to the Arrangement Agreement that it shall not, and shall cause its subsidiaries not to, directly or indirectly, through any of its Representatives or affiliates, or otherwise, and shall not permit any such Person to:

(a) solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate, (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, Books or Records of the Corporation or any of its Subsidiaries or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

(b) enter into or otherwise engage or participate in any discussions or negotiations with any Person (other than the Purchaser, AIP and their affiliates) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

(c) make a Change in Recommendation;

(d) accept, approve, endorse, recommend or publicly propose to accept, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal; or

(e) accept or enter into, or publicly propose to accept or enter into, any agreement, understanding or arrangement with any Person (other than the Purchaser) in respect of an Acquisition Proposal, other than a confidentiality agreement permitted by and in accordance with the terms of the Arrangement Agreement.

The Corporation shall, and shall cause its Subsidiaries and their respective Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiations, or other activities with any Person (other than the Purchaser, AIP and their affiliates) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection with such termination shall:

(a) discontinue access to and disclosure of all information, including any confidential information, properties, facilities and Books and Records of the Corporation or any of its Subsidiaries; and

(b) promptly request, and exercise all rights it has to require (i) the return or destruction of all copies of any confidential information regarding the Corporation or any of its Subsidiaries provided to any Person other than the Purchaser, AIP, the Rollover Shareholders and their respective Representatives, and (ii) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding the Corporation or any of its Subsidiaries, to the extent that such information has not previously been returned or destroyed, using its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.

The Corporation represents and warrants that it has not waived any confidentiality, standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement, restriction or covenant in effect as of the date of the Arrangement Agreement to which the Corporation or any of its Subsidiaries is a party and the Corporation covenants and agrees that (i) the Corporation shall take all necessary actions to enforce each confidentiality, standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement, restriction or covenant to which the Corporation or any of its Subsidiaries is a party or may hereafter become a party, and (ii) neither the Corporation nor any of its Subsidiaries nor any of their Representatives on their behalf have released or will, without the prior written consent of the Purchaser (which may be withheld or delayed in the Purchaser's sole and absolute discretion), release any Person from, or waive, amend, suspend or otherwise modify such Person's obligations respecting the Corporation, or any of its Subsidiaries, under any confidentiality, standstill or similar agreement or restriction to which the Corporation or any of its Subsidiaries is a party or may hereafter become a party.

Notification of Acquisition Proposals

If the Corporation or any of its Subsidiaries or any of their respective Representatives, receives or otherwise becomes aware of any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to the Corporation or any of its Subsidiaries, the Corporation shall promptly notify the Purchaser, at first orally, and then promptly and in any event within 48 hours in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions, the identity of all Persons making the Acquisition Proposal, inquiry, proposal, offer or request, and copies of documents, material correspondence or other material received in respect of, from or on behalf of any such Person.

The Corporation shall keep the Purchaser fully informed of the status of developments and negotiations with respect to such Acquisition Proposal, inquiry, proposal, offer or request, including any changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request and shall provide to the Purchaser copies of all material correspondence if in writing or electronic form, and if not in writing or electronic form, a description of the material terms of such correspondence communication to the Corporation by or on behalf of any Person making such Acquisition Proposal, inquiry, proposal, offer or request.

Responding to an Acquisition Proposal

Notwithstanding the additional covenants regarding non-solicitation of the Arrangement Agreement, if at any time, prior to obtaining the Required Shareholder Approval, the Corporation receives an unsolicited written Acquisition Proposal, the Corporation may (i) contact the Person making such Acquisition Proposal and its Representatives solely for the purpose of clarifying the terms and conditions of such

Acquisition Proposal, and (ii) engage in or participate in discussions or negotiations with such Person regarding such Acquisition Proposal, and may provide copies of, access to or disclosure of confidential information, properties, facilities, or Books and Records of the Corporation or its Subsidiaries, if and only if, in the case of clause (ii):

(a) the Board first determines (based upon, *inter alia*, the recommendation of the Special Committee) in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes, or could reasonably be expected to constitute a Superior Proposal;

(b) the Person making the Acquisition Proposal and its Representatives were not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-disclosure, use, business purpose or similar restriction contained in any Contract entered into with the Corporation or any of its Subsidiaries;

(c) the Corporation has been, and continues to be, in compliance with the additional covenants regarding non-solicitation of the Arrangement Agreement;

(d) prior to providing any such copies, access, or disclosure, the Corporation enters into a confidentiality and standstill agreement with such Person that contains a customary standstill provision and that is otherwise on terms that are no less favourable to the Corporation than those found in the Confidentiality Agreement, and any such copies, access or disclosure provided to such Person shall have already been (or promptly be) provided to the Purchaser (by posting such information to the Data Room or otherwise); and

(e) prior to providing any such copies, access or disclosure, the Corporation provides the Purchaser with a true, complete and final executed copy of the aforementionned confidentiality and standstill agreement.

The Parties have acknowledged that the furnishing of certain competitively sensitive information to competitors of the Corporation and of its Subsidiaries would be materially prejudicial to the Corporation and its Subsidiaries and, accordingly, no such information shall be disclosed to any Person that the Special Committee, acting reasonably, determines to be a competitor of the Corporation or of any of its Subsidiaries. Notwithstanding the foregoing, such information may be disclosed on a confidential basis to external advisors and experts retained by any such competitor of the Corporation or of its Subsidiaries, who enter into agreements reasonably satisfactory to the Corporation, that such information will not be provided or communicated to the competitor, its officers, directors, financing sources or other Representatives.

Right to Match

If the Corporation receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Arrangement Resolution by the Shareholders, the Board may (based upon, *inter alia*, the recommendation of the Special Committee), subject to compliance with the terms of the Arrangement Agreement, enter into a definitive agreement with respect to such Superior Proposal or withdraw or modify the Board Recommendation, if and only if:

(a) the Person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing confidentiality, standstill, non-disclosure, use, business purpose or similar restriction with the Corporation or any of its Subsidiaries;

(b) the Corporation has been, and continues to be, in compliance with the additional covenants regarding non-solicitation;

(c) the Corporation has delivered to the Purchaser a written notice of the determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Board to enter into such definitive agreement with respect to such Superior Proposal or withdraw or modify the Board Recommendation, together with a written notice from the Board regarding the value and financial terms that the Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Superior Proposal (the "**Superior Proposal Notice**");

(d) the Corporation has provided the Purchaser a copy of the proposed definitive agreement for the Superior Proposal and all supporting materials, including any financing documents supplied to the Corporation in connection therewith;

(e) at least five full Business Days (the "**Matching Period**") have elapsed from the date that is the later of the date on which the Purchaser received the Superior Proposal Notice and the date on which the Purchaser received a copy of the proposed definitive agreement for the Superior Proposal and all supporting materials, including any financing documents supplied to the Corporation in connection therewith;

(f) during any Matching Period, the Purchaser has had the opportunity (but not the obligation) to offer to amend the Arrangement Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal;

(g) after the Matching Period, the Board (i) has determined in good faith, after consultation with the Corporation's outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Arrangement as proposed to be amended by the Purchaser) and (ii) has determined in good faith, after consultation with its outside legal counsel, that the failure by the Board to recommend that the Corporation enter into a definitive agreement with respect to such Superior Proposal or withdraw or modify the Board Recommendation would be inconsistent with its fiduciary duties; and

(h) prior to or concurrently with entering into such definitive agreement or withdraw or modify the Board Recommendation, the Corporation terminates the Arrangement Agreement following a Superior Proposal and pursuant to the terms of the Arrangement Agreement, and pays the Corporation Termination Fee.

During the Matching Period, or such longer period as the Corporation may approve in writing for such purpose: (i) the Board shall review any offer made by the Purchaser to amend the terms of the Arrangement Agreement in accordance with the right to match provisions of the Arrangement Agreement and the Arrangement in good faith in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (ii) the Corporation shall negotiate in good faith with the Purchaser to make such amendments to the terms of the Arrangement Agreement, the Plan of Arrangement or the Financing as would enable the Purchaser to proceed with the transactions contemplated by the Arrangement Agreement on such amended terms. If the Board determines (based upon, *inter alia*, the recommendation of the Special Committee) that such Acquisition Proposal would cease to be a Superior Proposal, the Corporation shall promptly so advise the Purchaser and the Corporation and the Purchaser shall amend the Arrangement Agreement to reflect such offer made by the Purchaser, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

Each successive amendment or modification to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Shareholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal for the purposes of the right to match provisions of the Arrangement Agreement, and the Purchaser shall be afforded a new full five Business Day Matching Period from the later of the date on which the Purchaser received the Superior Proposal Notice and the date on which the Purchaser received all of the materials set forth the right to match provisions of the Arrangement Agreement with respect to the new Superior Proposal from the Corporation.

The Board shall promptly reaffirm the Board Recommendation (based upon, *inter alia*, the recommendation of the Special Committee) by press release after any Acquisition Proposal which the Board has determined not to be a Superior Proposal is publicly announced or publicly disclosed or the Board determines that a proposed amendment to the terms of the Arrangement Agreement, the Plan of Arrangement or the Financing as contemplated under the right to match provisions of the Arrangement Agreement would result in an Acquisition Proposal no longer being a Superior Proposal. The Corporation shall provide the Purchaser and its outside legal counsel with a reasonable opportunity to review and comment on the form and content of any such press release and shall make all reasonable amendments to such press release as requested by the Purchaser and its counsel.

If the Corporation provides a Superior Proposal Notice to the Purchaser on a date that is less than ten Business Days before the Meeting, the Corporation shall be entitled to and shall upon request from the Purchaser, acting reasonably, postpone the Meeting to a date that is not more than 15 Business Days after the scheduled date of the Meeting.

Nothing contained in the covenants regarding non-solicitation contained in the Arrangement Agreement shall prohibit the Board (or the Special Committee) from responding through a directors' circular or otherwise as required by Law to an Acquisition Proposal that it determines is not a Superior Proposal, provided that Corporation shall provide Purchaser and its legal counsel with a reasonable opportunity to review the form and content of such circular or other disclosure; or calling or holding a meeting of Shareholders requisitioned by Shareholders in accordance with the QBCA or taking any other action with respect to an Acquisition Proposal to the extent ordered or otherwise mandated by a court of competent jurisdiction in accordance with Law.

Breach by Subsidiaries and Representatives

The Corporation has agreed to advise its Subsidiaries and its Representatives of the prohibitions set out in the additional covenants regarding non-solicitation of the Arrangement Agreement and any violation thereof by the Corporation, its Subsidiaries or their respective Representatives is deemed to be a breach of thereof by the Corporation.

Representations and Warranties

The Arrangement Agreement contains certain representations and warranties made by the Corporation to the Purchaser relating to the following: organization and qualification; corporate authorization; execution and binding obligation; governmental authorization; no conflict/non-contravention; capitalization; shareholders agreements and similar agreements; subsidiaries; securities law matters; U.S. securities law matters, financial statements; disclosure controls and internal control over financial reporting; auditor; no undisclosed liabilities; confidentiality agreements; long-term and derivative transactions; related party transactions; absence of certain changes or events; compliance with Laws; authorizations and licenses; Fairness Opinions; Formal Valuation; brokers; Board and Special Committee approval; Material Contracts; real property; personal property; intellectual property; restrictions on conduction of business;

litigation; environmental matters; employees; collective agreements; employee plans; insurance; taxes; money laundering; anti-corruption; economic sanctions and export controls; inventory; customers and suppliers; product warranties and funds available.

The Arrangement Agreement contains certain representations and warranties made by the Purchaser relating to the following: organization and qualification; corporate authorization; execution and binding obligation; governmental authorization; non-contravention; litigation; security ownership; Investment Canada Act, Financing, ownership of the Purchaser and rollover consideration.

The representations and warranties were made solely for the purposes of the Arrangement Agreement and may, in some cases, be subject to important qualifications, limitations and exceptions agreed to by the Parties.

The representations and warranties of the Corporation contained in the Arrangement Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which the Arrangement Agreement is terminated in accordance with its terms.

The representations and warranties of the Purchaser contained in the Arrangement Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which the Arrangement Agreement is terminated in accordance with its terms.

Closing Conditions

Mutual Conditions Precedent

Under the terms of the Arrangement Agreement, the Parties are not required to complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions may only be waived, in whole or in part, by the mutual consent of each of the Parties:

(a) the Arrangement Resolution shall have been approved and adopted by the Shareholders at the Meeting in accordance with the Interim Order;

(b) the Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement, and have not been set aside or modified in a manner unacceptable to either the Corporation or the Purchaser, each acting reasonably, on appeal or otherwise;

(c) each of the Key Regulatory Approvals shall have been made, given or obtained and each such Key Regulatory Approval shall be in force and not have been modified; and

(d) no Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or order (whether temporary, preliminary or permanent) in any case which is in effect and which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Corporation or the Purchaser from consummating the Arrangement or any of the other transactions contemplated in the Arrangement Agreement.

Additional Conditions Precedent to the Obligations of the Purchaser

The Purchaser is not required to complete the Arrangement unless each of the following conditions is satisfied on or before the Effective Time, which conditions are for the exclusive benefit of the Purchaser and may only be waived, in whole or in part, by the Purchaser in its sole discretion:

(a) (i) the representations and warranties of the Corporation set forth in the Arrangement Agreement shall be true and correct as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, has not had or would not have a Material Adverse Effect, (ii) the representations and warranties of the Corporation set forth in Paragraphs (1), (2), (3), (5)(a), (8) and (23) of Schedule C to the Arrangement Agreement were true and correct as of the date of the Arrangement Agreement and shall be true and correct as of the Effective Time in all material respects (and, for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored); and (iii) the representations and warranties of the Corporation set forth in Paragraph (6) of Schedule C of the Arrangement Agreement were true and correct as of the date of the Arrangement Agreement and shall be true and correct as of the Effective Time in all but de minimis respects, in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date, and the Corporation shall have delivered a certificate confirming same to the Purchaser, executed by two senior officers of the Corporation (in each case without personal liability) addressed to the Purchaser and dated the Effective Date;

(b) the Corporation shall have fulfilled or complied in all material respects with each of the covenants of the Corporation contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and has delivered a certificate confirming same to the Purchaser, executed by two senior officers of the Corporation (in each case without personal liability) addressed to the Purchaser and dated the Effective Date;

(c) there are no action or proceeding pending or threatened by any Person (other than the Purchaser) in any jurisdiction that is reasonably likely to: (i) cease trade, enjoin, prohibit, or impose any limitations, damages or conditions on, the Purchaser's ability to acquire, hold, or exercise full rights of ownership over, any Shares, including the right to vote the Shares; (ii) impose terms or conditions on completion of the Arrangement or on the ownership or operation by the Purchaser or AIP of the business or assets of the Purchaser, AIP, their affiliates and related entities, the Corporation or any of its Subsidiaries and related entities, or compel the Purchaser to dispose of or hold separate any of the business or assets of the Purchaser, its affiliates and related entities, the Corporation or any of its Subsidiaries and related entities as a result of the Arrangement; or (iii) prevent or delay the consummation of the Arrangement, or if the Arrangement is consummated, have a Material Adverse Effect;

(d) Dissent Rights have not been exercised with respect to more than 7% of the issued and outstanding Shares and the Corporation shall have delivered a certificate confirming same to the Purchaser, executed by two senior officers of the Corporation (in each case without personal liability) addressed to the Purchaser and dated the Effective Date; and

(e) since the signing of the Arrangement Agreement on April 27, 2017, there shall have not occurred a Material Adverse Effect with respect to the Corporation and its Subsidiaries.

Additional Conditions Precedent to the Obligations of the Corporation

The Corporation is not required to complete the Arrangement unless each of the following conditions is satisfied on or before the Effective Time, which conditions are for the exclusive benefit of the Corporation and may only be waived, in whole or in part, by the Corporation in its sole discretion:

(a) the representations and warranties of the Purchaser which are qualified by references to materiality and the representations and warranties set forth in the Arrangement Agreement and relating to organization and qualification, corporate authorization, execution and binding obligation and absence of conflict were true and correct as of the date of the Arrangement Agreement and are true and correct as of the Effective Time, in all respects, and all other representations and warranties of the Purchaser were true and correct as of the date of the Arrangement Agreement and are true and correct as of the Effective Time, in all material respects, in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date, except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not materially impede completion of the Arrangement, and the Purchaser have delivered a certificate confirming same to the Corporation, executed by two senior officers of the Purchaser (in each case without personal liability) addressed to the Corporation and dated the Effective Date;

(b) the Purchaser shall have fulfilled or complied in all material respects with each of the covenants of the Purchaser contained in the Arrangement Agreement to be fulfilled or complied with by them on or prior to the Effective Time and the Purchaser has delivered a certificate confirming same to the Corporation, executed by two senior officers of the Purchaser (in each case without personal liability) addressed to the Corporation and dated the Effective Date; and

(c) subject to obtaining the Final Order and the satisfaction or waiver of the other conditions precedent contained in the Arrangement Agreement in its favour (other than conditions which, by their nature, are only capable of being satisfied as of the Effective Time), the Purchaser shall have deposited or caused to be deposited with the Depositary in escrow (the terms and conditions of such escrow to be satisfactory to the Corporation and Purchaser, acting reasonably) the funds required to effect payment in full of the aggregate Consideration to be paid pursuant to the Arrangement and the Depositary has confirmed to the Corporation receipt of such funds.

Termination

The Parties have agreed that the Arrangement Agreement shall be effective from the date of the Arrangement Agreement until the earlier of the Effective Time and the termination of the Arrangement Agreement in accordance with its terms.

The Arrangement Agreement may be terminated prior to the Effective Time by:

(a) the mutual written agreement of the Parties; or

(b) either the Corporation or the Purchaser if:

(i) The Required Shareholder Approval is not obtained at the Meeting in accordance with the Interim Order; provided that a Party may not terminate the Arrangement Agreement if the failure to obtain the Required Shareholder Approval has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement;

(ii) After the date of the Arrangement Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins the Corporation or the Purchaser from consummating the Arrangement, and such Law has, if applicable, become final and non-appealable, provided that a Party may not terminate the Arrangement Agreement if the Law has been enacted, made, enforced or amended, as applicable, as a result of a breach

by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement; or

(iii) the Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate the Arrangement Agreement if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement.

(c) the Corporation if:

(i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Purchaser under the Arrangement Agreement occurs that would cause any condition relating to its representations and warranties or covenants not to be satisfied, and such breach or failure is incapable of being cured or is not cured on or prior to the Outside Date provided that the Corporation is not then in breach under the terms of the Arrangement Agreement so as to directly or indirectly cause any related to its representations and warranties or covenants not to be satisfied; or

(ii) prior to the approval by the Shareholders of the Arrangement Resolution, the Board authorizes the Corporation to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with the terms of the Arrangement Agreement) with respect to a Superior Proposal, provided the Corporation has been in compliance with the additional covenants regarding non-solicitation and that concurrent with such termination the Corporation pays the Corporation Termination Fee.

(d) the Purchaser if:

(i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Corporation under the Arrangement Agreement occurs that would cause any condition relating to its representations and warranties or covenants not to be satisfied, and such breach or failure is incapable of being cured or is not cured on or prior to the Outside Date provided that the Corporation is not then in breach under the terms of the Arrangement Agreement so as to directly or indirectly cause any related to its representations and warranties or covenants not to be satisfied; or

(ii) (A) the Board or any committee of the Board fails to unanimously recommend or withdraws, amends, modifies or qualifies, or publicly proposes or states an intention to withdraw, amend, modify or qualify, the Board Recommendation, (B) the Board or any committee of the Board accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend an Acquisition Proposal or takes no position or remains neutral with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than five Business Days (or beyond the third Business Day prior to the date of the Meeting, if sooner), (C) the Board or any committee of the Board or Directors accepts or enters into (other than a confidentiality agreement permitted by and in accordance with the terms of the Arrangement Agreement) or publicly proposes to accept or enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal, (D) the Board or any committee of the Board fails to publicly recommend or reaffirm the Board Recommendation within five Business Days after having been requested in writing by the Purchaser to do so (or in the event that the Meeting is scheduled to occur within such five Business Day period, prior to the third

Business Day prior to the date of the Meeting) (collectively, a "**Change in Recommendation**"), or (E) the Corporation breaches any of the additional covenants regarding non-solicitation of the Arrangement Agreement in any material respect;

(iii) the Corporation fails to deliver to the Purchaser, by the Outside Date, a certificate confirming that Dissent Rights have not been exercised with respect to more than 7% of the Shares, executed by two senior officers of the Corporation (in each case without personal liability) addressed to the Purchaser and dated the Effective Date; and

(iv) the occurrence of a Material Adverse Effect.

Termination Fees

Corporation Termination Fee

Further to the occurrence of any of the following events (each a "**Corporation Termination Fee Event**"), the Corporation shall pay the Purchaser a termination fee in the amount of $14,000,000 (the "**Corporation Termination Fee**"):

(a) termination by the Purchaser following a Change in Recommendation or Superior Proposal;

(b) termination by the Corporation, in order to enter into a Superior Proposal; or

(c) termination by the Corporation or the Purchaser pursuant to their right to termination the Arrangement Agreement if the Required Shareholder Approval is not obtained or if the Outside Date occurs (provided that the Purchaser is not then in breach of the Arrangement Agreement so as to cause any condition related to its representations and warranties and covenants not to be satisfied), or termination by the Purchaser pursuant to its right to terminate the Arrangement Agreement in the context of a breach of a representation and warranty by the Corporation due to willful breach or fraud if:

(i) prior to such termination, an Acquisition Proposal is made or publicly announced or otherwise publicly disclosed by any Person other than the Purchaser, AIP, the Rollover Shareholders, or any of their respective affiliates or any Person (other than the Purchaser, AIP, the Rollover Shareholders or any of their respective affiliates) has publicly announced an intention to make an Acquisition Proposal; and

(ii) within 365 days following the date of such termination, (i) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (i) above) is consummated or effected, or (ii) Canam or one or more of its Subsidiaries, directly or indirectly, in one or more transactions, enters into a contract, other than a confidentiality agreement permitted by and in accordance with the Arrangement Agreement, in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (i) above) and such Acquisition Proposal is later consummated or effected (whether or not within 365 days after such termination).

For the purpose of the foregoing, the term "**Acquisition Proposal**" has the meaning assigned to such term in the "*Glossary of Terms*" of the present Information Circular, except that references to "20% or more" shall be deemed to be references to "50% or more".

Purchaser Termination Fee

In the event of a termination of the Arrangement Agreement by the Corporation pursuant to the occurrence of the Outside Date as a result of a breach in the representations and warranties of the Purchaser, a failure by the Purchaser to perform its covenants or a failure to deposit the funds required to effect the payment in full of the Consideration to be paid pursuant to the Arrangement at the time provided under the Arrangement Agreement, and where at the time of such termination the Corporation has complied with its covenants and its representations and warranties and all the conditions precedent have otherwise been satisfied or waived (other than those conditions that by their nature cannot be satisfied other than at the Effective Time), the Purchaser shall, in lieu of any remedy to which the Corporation would otherwise be entitled, pay, or cause to be paid, within two Business Days of the date of such termination by wire transfer of immediately available funds to an account designated by the Corporation, the Purchaser Termination Fee in an amount of $14,000,000 (the "**Purchaser Termination Fee**"). In no event shall the Purchaser be required to pay to the Corporation an amount, in the aggregate, in excess of the Purchaser Termination Fee.

Purchaser Termination Fee Funding Agreement

The Purchaser has obtained a funding commitment from AIP, Placements CMI Inc. and Idmed Inc. dated the date of the Arrangement Agreement (the "**Purchaser Termination Fee Funding Agreement**") pursuant to which AIP, Placements CMI Inc. and Idmed Inc. severally (and not jointly) committed, for the benefit of the Purchaser and the Corporation, on the terms and subject to the conditions described in the Purchaser Termination Fee Funding Agreement, if the Purchaser Termination Fee becomes due and payable to the Corporation pursuant to the Arrangement Agreement, to make direct or indirect cash equity investments in the Purchaser for an aggregate amount equal to its pro rata amount of the RTF Equity Financing (as defined below) (being 83.70%, 15.86% and 0.44% for AIP, Placements CMI Inc. and Idmed Inc. respectively), to provide the Purchaser with equity financing in an aggregate amount equal to the amount of the Purchaser Termination Fee plus certain additional amounts that may become payable pursuant to the Arrangement Agreement in certain circumstances (the "**RTF Equity Financing**"), which the Purchaser must use solely to pay the Purchaser Termination Fee and such additional amounts under such circumstances, and provided that under no circumstance shall the aggregate amount of the RTF Equity Financing be in excess of $14,000,000. The Purchaser Termination Fee Funding Agreement will terminate automatically upon the earliest to occur of (i) the consummation of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement; (ii) the termination of the Arrangement Agreement under circumstances in which the Purchaser would not be obligated to pay the Purchaser Termination Fee, (iii) in the event that the Purchaser Termination Fee becomes due and payable to the Corporation pursuant to the Arrangement Agreement, the funding of the RTF Equity Financing hereunder that, in the aggregate, equals the Cap, and (iv) the assertion by the Corporation or any of its affiliates (including by its or their respective directors, officers and employees when acting in such capacities) of certain legal proceedings.

Expenses

Except as expressly otherwise provided in the Arrangement Agreement (including in connection with the Pre-Acquisition Reorganization and the Financing), all out-of-pocket third party transaction expenses incurred in connection with the Arrangement Agreement and the Plan of Arrangement and the transactions contemplated thereunder, including all costs, expenses and fees of the Corporation incurred prior to or after the Effective Time in connection with, or incidental to, the Plan of Arrangement, shall be paid by the Party incurring such expenses, whether or not the Arrangement is consummated.

Upon a termination of the Arrangement Agreement by the Purchaser further to a breach of representations and warranties or covenants by the Corporation or by either of the Purchaser or the Corporation if the Effective Time does not occur on or prior to the Outside Date due to a breach of representations and warranties or covenants by the Corporation, the Corporation shall, within two Business Days of such termination, pay or cause to be paid to the Purchaser by wire transfer of immediately available funds an expense reimbursement fee of $4,000,000. In no event shall the Corporation be required to pay the Corporation Termination Fee, on the one hand, and the expense reimbursement fee, on the other hand, in the aggregate, an amount in excess of the Corporation Termination Fee.

Injunctive Relief, Specific Performance and Remedies

The Parties are entitled to injunctive and other equitable relief to prevent breaches or threaten breaches of the Arrangement Agreement and to enforce compliance with the specific terms of the Arrangement Agreement.

Notwithstanding the foregoing and anything in the Arrangement Agreement to the contrary, the Parties have acknowledged and agreed that the Corporation shall be entitled to specific performance as a third party beneficiary of Purchaser's rights against AIP in accordance with and subject to the terms of the Equity Commitment Letter to cause the Purchaser to draw down the full proceeds of the Equity Financing pursuant to the terms and conditions of the Equity Commitment Letter and to cause the Purchaser to effect the Closing, in each case, only if:

(a) all conditions precedent have been satisfied (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver by the applicable Party in whose favour the condition is, of those conditions as of the Effective Date);

(b) the Debt Financing (or Alternative Financing) has been funded or will be funded on the date the Closing is required to have occurred;

(c) the Shares held by the Rollover Shareholders shall have been contributed directly or indirectly to the Purchaser by the Rollover Shareholders;

(d) the Purchaser fails to complete the Closing by the date the Closing is required to have occurred; and

(e) the Corporation has irrevocably confirmed in writing that if specific performance is granted and the Equity Financing and Debt Financing (or Alternative Financing) are funded, then the Closing will occur.

For the avoidance of doubt, in no event shall the Corporation be entitled to specific performance to cause the Purchaser to cause the Equity Financing to be funded if the Debt Financing (or, if Alternative Financing is being used in accordance the terms of the Arrangement Agreement, pursuant to commitments with respect thereto) has not been funded (or will not be funded at the Closing if the Equity Financing is funded at Closing). In no event shall the Corporation be entitled to directly seek the remedy of specific performance of the Arrangement Agreement against any Financing Source in its capacity as a lender, investor or arranger in connection with the Debt Financing; provided that notwithstanding the foregoing, nothing in this paragraph shall in any way limit or modify any Financing Sources' obligations to Purchaser under the Debt Commitment Letter or any obligation of any Financing Source to the Corporation following the Effective Time.

While the Corporation may pursue either a grant of specific performance to the extent provided in the Arrangement Agreement or the payment of the Purchaser Termination Fee, under no circumstances shall the Corporation be permitted or entitled to receive both (i) a grant of specific performance that permits the consummation of the transactions contemplated by the Arrangement Agreement in accordance with the terms of thereof and (ii) monetary damages in connection with the Arrangement Agreement or any termination thereof (it being understood, for the avoidance of doubt, that any such damages shall not exceed the Purchaser Termination Fee).

Amendment

The Arrangement Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, without further notice to or authorization on the part of the Shareholders, and any such amendment may, subject to the Interim Order and the Final Order, without limitation:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) modify any representation or warranty contained in the Arrangemetn Agreement or in any document delivered pursuant to the Arrangement Agreement;

(c) modify any of the covenants contained in the Arrangement Agreement and waive or modify performance of any of the obligations of the Parties; and/or

(d) modify conditions contained in the Arrangement Agreement;

provided, however, (i) that no such amendment may reduce or materially adversely affect the Consideration to be received by Shareholders under the Arrangement without their approval at the Meeting or, following the Meeting, without their approval given in the same manner as required by applicable Laws for the approval of the Arrangement as may be required by the Court; and (ii) that any amendment or modification of Section 8.1 or Section 8.3, Section 8.9, Section 8.11, Section 8.14 or Section 8.19 (or any provision of the Arrangement Agreement to the extent an amendment or modification of such provision would modify the substance of any of the foregoing provisions) shall not affect the Financing Sources or related Purchaser Related Parties without the prior written consent of the Financing Sources.

Governing Law

The Arrangement Agreement is governed by and is interpreted and enforced in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein. Under the Arrangement Agreement, each Party irrevocably attorned and submitted to the exclusive jurisdiction of the Québec courts situated in the City of Montreal and waived objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

CERTAIN LEGAL AND REGULATORY MATTERS

Steps to Implementing the Arrangement and Timing

The Arrangement will be implemented by way of a statutory plan of arrangement under the provisions of Chapter XVI - Division II of the QBCA pursuant to the terms of the Arrangement Agreement. The following procedural steps must be taken in order for the Arrangement to become effective:

(a) the Required Shareholder Approval must be obtained;

(b) the Court must grant the Final Order approving the Arrangement;

(c) all conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, must be satisfied or waived (if permitted) by the appropriate party; and

(d) the Articles of Arrangement, prepared in the form prescribed by the QBCA and signed by an authorized director or officer of the Corporation, must be filed with the Enterprise Registrar and a Certificate of Arrangement issued related thereto.

Canam will file the Articles of Arrangement with the Enterprise Registrar within five Business Days following the satisfaction or waiver (if permitted) of the conditions set forth in the Arrangement Agreement unless another time or date is agreed to by the Corporation and the Purchaser. See "*Summary of the Arrangement Agreement – Effective Date of the Arrangement*".

It is currently anticipated that the Effective Date will occur near the end of June 2017. It is not possible, however, to state with certainty when the Effective Date will occur. The Effective Date could be earlier than anticipated or could be delayed for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order, a delay in obtaining the Key Regulatory Approvals or a delay in the anticipated timing for the Marketing Period. The Arrangement must be completed on or prior to the Outside Date.

Court Approval and Completion of the Arrangement

Interim Order

An arrangement under the QBCA requires Court approval. Accordingly, on May 11, 2017, Canam obtained the Interim Order, which provides for, among other things:

- the Required Shareholder Approval;
- the Dissent Rights to registered Shareholders;
- the notice requirements with respect to the presentation of the application to the Court for the Final Order;
- the ability of Canam to adjourn or postpone the Meeting from time to time in accordance with the terms of the Arrangement Agreement without need for additional approval of the Court; and
- except as required by Law, that the Record Date for the Shareholders entitled to notice of and to vote at the Meeting will not change in respect or as a consequence of any adjournment(s) or postponement(s) of the Meeting.

A copy of the Interim Order is attached as Appendix D.

Final Order

The QBCA provides that an arrangement requires Court approval. Subject to the terms of the Arrangement Agreement, and if the Arrangement Resolution is approved by the Shareholders at the Meeting in the manner required by the Interim Order, the Corporation will make an application to the Court for the Final Order. The application for the Final Order approving the Arrangement is expected to take place before the Superior Court of Québec (Commercial Division), sitting in the district of Montreal, on June 15, 2017 in room 16.12 of the Courthouse located at 1 Notre-Dame Street East, Montreal, Québec H2Y 1B6 (or such other room or location that the Court may determine), at 8:30 a.m. (Montreal Time) (or as soon as counsel may be heard). See Appendix E for the notice of presentation of the Final Order. At the hearing, any Shareholder and any other interested party who wishes to participate or to be represented or present evidence or argument may do so, subject to filing with the Court and serving upon the Corporation a notice of appearance together with any evidence or materials that such party intends to present to the Court, in the delays and in the manner described in the Interim Order.

The Corporation has been advised by its counsel, Fasken Martineau DuMoulin LLP, that the Court has broad discretion under the QBCA when making orders with respect to plans of arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

Assuming that the Final Order is granted, the Corporation will file with the Enterprise Registrar under the QBCA the Articles of Arrangement as soon as reasonably practicable and in any event within five Business Days after the satisfaction or waiver (if permitted) of the conditions to the completion of the Arrangement to give effect to the Arrangement and the various other documents necessary to consummate the transactions contemplated under the Arrangement Agreement will be executed and delivered.

Securities Law Matters

Formal Valuation

Canam is a reporting issuer in all of the provinces of Canada and in two territories and, accordingly, is subject to applicable Securities Laws of such jurisdictions. The securities regulatory authorities in the provinces of Québec and Ontario have adopted Regulation 61-101 which regulates certain types of special transactions to ensure equality of treatment among security holders and may require enhanced disclosure, approval by a majority of security holders (excluding interested parties or related parties of interested parties), independent valuations and, in certain instances, approval and oversight of certain transactions by a special committee of independent directors. The protections afforded by Regulation 61-101 apply to, among other transactions, "business combinations" (as defined in Regulation 61-101) in which the interest of holders of equity securities may be terminated without their consent and where a "related party" (as defined in Regulation 61-101) (i) would, as a consequence of the transaction, directly or indirectly acquire the issuer or the business of the issuer, or combine with the issuer, through an amalgamation, arrangement or otherwise, whether alone or with joint actors, (ii) is a party to a "connected transaction" (as defined in Regulation 61-101) to the transaction, or (iii) is entitled to receive a consideration per equity security that is not identical in amount and form to the entitlement of the general body of holders in Canada of securities of the same class or a collateral benefit. The Arrangement is a business combination within the meaning of Regulation 61-101.

Pursuant to Regulation 61-101, a formal valuation of the Shares is required since the Arrangement is a "business combination" within the meaning of Regulation 61-101 and "interested parties", including FSTQ, Mr. Marcel Dutil, Mr. Marc Dutil and other Dutil Shareholders who are directors or officers of the Corporation, will as a consequence of the Arrangement, directly or indirectly, acquire Canam or the business of Canam, or combine with Canam, through an amalgamation, arrangement or otherwise, whether alone or with joint actors. Consequently, by an engagement letter dated February 24, 2017, the Special Committee retained Deloitte to provide the Special Committee with a formal valuation of the fair market value of the Shares in accordance with the requirements of Regulation 61-101.

Valuation

The formal valuation dated April 26, 2017 determined that, as at March 4, 2017, and subject to the scope of review, assumptions, qualifications and limitations set forth therein, the fair market value of the Shares was in the range of $10.58 to $12.42 per Share. A copy of the Formal Valuation is attached as Appendix G to this Information Circular.

To the knowledge of the directors and officers of the Corporation, after reasonable enquiry, there have been no prior valuations (as defined in Regulation 61-101) prepared in respect of Canam within the 24 months preceding the date of this Information Circular.

Minority Approval

The approval of the Arrangement Resolution will require the affirmative vote of at least two-thirds of the votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote. In addition, Regulation 61-101 requires that a business combination be subject to "minority approval" (as defined in Regulation 61-101) of every class of "affected securities" (as defined in Regulation 61-101) of the issuer, in each case voting separately as a class. Consequently, pursuant to Regulation 61-101, the approval of the Arrangement Resolution requires the affirmative vote of a majority of the votes (50% +1) cast by all Shareholders present in person or represented by proxy at the Meeting and entitled to vote other than the Rollover Shareholders who are "interested parties" (as defined in Regulation 61-101) (the "**Minority Shareholders**"). However, in light of the continuing equity interest in the Corporation of the Rollover Shareholders upon consummation of the Arrangement, the Corporation and the Purchaser have decided that Minority Shareholders shall be deemed to exclude all of the Rollover Shareholders, whether or not such Rollover Shareholder could be construed as being an "interested party" (as defined in Regulation 61-101).

To the knowledge of the directors and executive officers of Canam, the only Shareholders that are not Minority Shareholders are the Rollover Shareholders who beneficially own an aggregate of 12,327,291 Shares representing approximately 27.18% of the issued and outstanding Shares. Accordingly, to the knowledge of the directors and executive officers of Canam, after reasonable inquiry, the Shares owned by the Rollover Shareholders are the only Shares that will be excluded from the vote described above.

Stock Exchange Delisting and Reporting Issuer Status

Canam expects that the Shares will be delisted from TSX after the completion of the Arrangement. The Purchaser also intends to seek to have Canam cease to be a reporting issuer following the completion of the Arrangement under the securities legislation of each of the provinces under which it is currently a reporting issuer.

Regulatory Matters

The following is a summary of the Key Regulatory Approvals required to complete the Arrangement

Competition Act Approval

Part IX of the Competition Act requires that the parties to certain classes of transactions provide prescribed information to the Commissioner of Competition where the applicable thresholds set out in sections 109 and 110 of the Competition Act are exceeded and no exemption applies ("**Notifiable Transactions**"). Subject to certain limited exemptions, a Notifiable Transaction cannot be completed until the parties to the transaction have each submitted the information prescribed pursuant to Subsection 114(1) of the Competition Act (a "**Notification**") to the Commissioner of Competition and the applicable waiting period has expired or been terminated by the Commissioner of Competition. The waiting period is 30 calendar days after the day on which the parties to the Notifiable Transaction have both submitted their respective Notifications. The parties are entitled to complete their Notifiable Transaction upon the expiry of the 30-day period, unless the Commissioner of Competition notifies the parties, pursuant to Subsection 114(2) of the Competition Act, that the Commissioner of Competition requires additional information that is relevant to the Commissioner of Competition's assessment of the Notifiable Transaction (a "**Supplementary Information Request**"). In the event that the Commissioner of Competition provides the parties with a Supplementary Information Request, the Notifiable Transaction cannot be completed until 30 calendar days after compliance with such Supplementary Information Request, provided that there is no order issued by the Competition Tribunal in effect prohibiting completion at the relevant time. A Notifiable Transaction may be completed before the end of the applicable waiting period if the Commissioner of Competition issues an advance ruling certificate (an "**ARC**") or notifies the parties that he does not, at that time, intend to challenge the transaction by making an application under section 92 of the Competition Act (a "**No Action Letter**").

Alternatively, or in addition to filing a Notification, the parties to a Notifiable Transaction may apply to the Commissioner of Competition under Subsection 102(1) of the Competition Act for an ARC formally confirming that the Commissioner of Competition is satisfied that he does not have sufficient grounds on which to apply to the Competition Tribunal for an order under section 92 of the Competition Act to prohibit the completion of the transaction. Upon the issuance of an ARC, or, alternatively, a No Action Letter together with an appropriate waiver of the requirement to file a Notification, the parties to a Notifiable Transaction are legally entitled to complete their transaction.

Whether a merger is subject to notification under Part IX of the Competition Act, the Commissioner of Competition can apply to the Competition Tribunal for a remedial order under section 92 of the Competition Act at any time before the merger has been completed or, if completed, within one year after it was substantially completed, provided that, subject to certain exceptions, the Commissioner of Competition did not issue an ARC in respect of the merger. On application by the Commissioner of Competition under section 92 of the Competition Act, the Competition Tribunal may, where it finds that the merger prevents or lessens, or is likely to prevent or lessen, competition substantially, order that the merger not proceed or, if completed, order its dissolution or the disposition of the assets or shares acquired; in addition to, or in lieu thereof, with the consent of the person against whom the order is directed and the Commissioner of Competition, the Competition Tribunal may order a person to take any other action. The Commissioner of Competition may also seek interim relief from the Competition Tribunal under sections 100 and 104 of the Competition Act. The Competition Tribunal is prohibited from issuing a remedial order where it finds that the merger or proposed merger has brought or is likely to bring about gains in efficiency that will be greater than, and will not offset, the effects of any prevention or lessening of competition that will result or is likely to result from the merger and that the gains in efficiency would not likely be attained if the order were made.

The Arrangement is a Notifiable Transaction. The Purchaser and the Corporation have submitted a request to the Commissioner of Competition for an ARC on May 11, 2017 and anticipate submitting shortly after the date of this Information Circular Notifications in respect of the Arrangement.

HSR Approval

Under the HSR Act, certain transactions may not be completed until each party has filed a Notification and Report Form with the Antitrust Division of the U.S. Department of Justice (the "**Antitrust Division**") and with the U.S. Federal Trade Commission (the "**Trade Commission**") and applicable waiting period requirements have been satisfied. The transactions contemplated by the Arrangement Agreement are subject to the HSR Act.

The Corporation and the Purchaser filed the requisite Notification and Report Forms on May 11, 2017. The applicable waiting period will expire 30 days after such filings, unless earlier terminated by the Antitrust Division or the Trade Commission, or unless the Antitrust Division or the Trade Commission issues a request for additional information and documentary material (the "**Second Request**") prior to that time. If within the 30-day waiting period, the Antitrust Division or the Trade Commission were to issue a Second Request, the waiting period with respect to the Arrangement would be extended until 30 days following substantial compliance with the Second Request unless the Antitrust Division or the Trade Commission terminates the waiting period prior to its expiration. The expiration or termination of the waiting period does not bar the Antitrust Division or the Trade Commission from subsequently challenging the Arrangement.

Investment Canada Act Notification

Subject to limited exemptions, the direct acquisition of control of a Canadian business by a non-Canadian that exceeds the applicable financial threshold prescribed under Part IV of the Investment Canada Act (a "**Reviewable Transaction**") is subject to review by the Minister responsible for the Investment Canada Act and may not be consummated until the Minister is satisfied or is deemed to be satisfied that the transaction is likely to be of net benefit to Canada. Acquisitions of control of a Canadian business by a non-Canadian that is not a Reviewable Transaction is only subject to a notice requirement.

In regards to the Arrangement, the Parties have determined that the transaction falls below the prescribed threshold under Part IV of the Investment Canada Act and is therefore not a Reviewable Transaction. The Parties expect to file the requisite notification under the Investment Canada Act in the next few days.

Procedure for Exchange of Share Certificates by Shareholders

Enclosed with this Information Circular is a form of Letter of Transmittal which, when properly completed and duly executed and returned together with the certificate or certificates representing Shares (other than Shares held by a Rollover Shareholder or a Dissenting Shareholder) and all other required documents, will enable each Shareholder (other than a Rollover Shareholder or a Dissenting Shareholder) to obtain the Consideration that such holder is entitled to receive under the Arrangement.

The form of Letter of Transmittal contains complete instructions on how to exchange the certificate(s) representing Shares held by a registered Shareholder (other than a Rollover Shareholder or a Dissenting Shareholder) for the Consideration under the Arrangement. A Shareholder (other than a Rollover Shareholder or a Dissenting Shareholder) will not receive the Consideration under the Arrangement until after the Arrangement is completed, provided that such Shareholder has returned properly completed documents, including the Letter of Transmittal, and the certificate(s) representing his, her or its Shares to the Depositary.

A separate form of letter of transmittal will be made available for Qualifying Holdco Shareholders who have elected the Holdco Alternative. Shareholders who wish to avail themselves of the Holdco Alternative should contact the Depositary.

Only registered Shareholders (other than a Rollover Shareholder or a Dissenting Shareholder) are required to submit a Letter of Transmittal. Non-registered Shareholders (other than a Rollover Shareholder or a Dissenting Shareholder) should contact their Intermediary for instructions and assistance in depositing certificates representing his, her or its Shares and carefully follow any instructions provided by such Intermediary.

In accordance with the Plan of Arrangement, each certificate that immediately prior to the Effective Time represented outstanding Shares shall be deemed, immediately after the Effective Time, to represent only the right to receive the consideration to which the holder of such Share, Holdco Shares or Rollover Shares is entiteld to in accordance with the Plan of Arrangement, less any amounts withheld pursuant to the Plan of Arrangement. Any such certificate formerly representing Shares, Holdco Shares or Rollover Shares not duly surrendered on or before the sixth anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of Shares, Holdco Shares or Rollover Shares of any kind or nature against or in the Corporation or the Purchaser. On such date, all consideration to which such former holder of Shares, Holdco Shares or Rollover Shares was entitled shall be deemed to have been surrendered to the Purchaser or the Corporation, as applicable, and shall be paid over by the Depositary to the Purchaser or as directed by the Purchaser.

Unless otherwise specified in the Letter Transmittal, a cheque (or other form of immediately available funds) in the amount payable (less any applicable withholdings) to the former Shareholder (other than a Dissenting Shareholder) who has complied with the procedures set forth above will, as soon as practicable after the Effective Date: (i) be forwarded to the holder at the address specified in the Letter of Transmittal by insured first class mail and if no mailing address is indicated, the cheque will be mailed to the address of the holder as it appears on Canam's shareholder register as maintained by its transfer agent, Computershare Trust Company of Canada, or (ii) be made available at the offices of the Depositary for pick-up by the holder as requested by the holder in the Letter of Transmittal.

Any use of mail to transmit certificate(s) representing Shares and the Letter of Transmittal is at each Shareholder's risk. Canam recommends that such certificate(s) and other documents be delivered by hand to the Depositary and a receipt therefore be obtained or that registered mail be used (with proper acknowledgment) and appropriate insurance be obtained.

In the event any certificate which immediately prior to the Effective Time represented one or more Shares or Holdco Shares that were transferred pursuant to the Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed and who was listed immediately prior to the Effective Time as holder thereof on the share register maintained by or on behalf of the Corporation or the Qualifying Holdco, the Depositary shall issue in exchange for such lost, stolen or destroyed certificate a cheque (or other form of immediately available funds) representing the Consideration or the Holdco Consideration payment to which such holder is entitled to receive for such Shares or Holdco Shares under the Plan of Arrangement in accordance with such holder's Letter of Transmittal. When authorizing payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such payment is to be delivered shall, as a condition precedent to the delivery of such payment, give a bond satisfactory to the Purchaser and the Depositary (each acting reasonably) in such sum as the Purchaser and the Depositary may direct, or if requested by such holder and approved by the Purchaser and the Corporation, otherwise indemnify the Corporation, the Depositary and the Purchaser in a manner satisfactory to the Corporation, the Depositary and the Purchaser (each acting reasonably) against any claim that may be made against the Corporation,

the Depositary or the Purchaser with respect to the certificate alleged to have been lost, stolen or destroyed.

Holdco Alternative

The Purchaser may in its sole discretion, permit Persons ("**Qualifying Holdco Shareholders**") that (i) are resident in Canada for purposes of the Tax Act (including a partnership if all of the members of the partnership are resident in Canada); (ii) are not exempt from tax under Part I of the Tax Act; (iii) are registered owners of Shares; and (iv) elect in respect of such Shares, by notice in writing provided to the Purchaser (or the Depositary) not later than 5:00 p.m. (Montreal time) on the 10th Business Day prior to the Effective Date (the "**Holdco Election Date**"), to sell all of the issued shares of a corporation (a "**Qualifying Holdco**"), which shall not be comprised of more than two classes of shares, one class of common shares and one class of preferred shares, the terms and conditions of which shall be determined in consultation with the Purchaser, that meets the conditions described below (the "**Holdco Alternative**"):

(a) such Qualifying Holdco was incorporated under the QBCA not earlier than the date of the Arrangement Agreement, unless written consent is obtained from the Purchaser;

(b) such Qualifying Holdco is a single purpose corporation that has not carried on any business, has no employees, has not held or does not hold any assets other than Shares and a nominal amount of cash, has never entered into any transaction other than those relating to and necessary for the ownership of Shares or, with the Purchaser's consent, such other transactions as are necessary to facilitate those transactions described in the Plan of Arrangement;

(c) at the Effective Time, such Qualifying Holdco has no liabilities or obligations of any kind whatever (except to the Purchaser and the Corporation under the terms of the Holdco Alternative);

(d) at the Effective Time, such Qualifying Holdco will not have unpaid declared dividends and, prior to the Effective Time, such Qualifying Holdco shall not have paid any dividends or other distributions, other than an increase in stated capital, a stock dividend, a cash dividend financed with a daylight loan or a dividend paid through the issuance of a promissory note with a determined principal amount and any such promissory note issued in relation to the payment of any such dividend shall no longer be outstanding as of the Effective Time;

(e) such Qualifying Holdco shall have no shares outstanding other than the shares being disposed to the Purchaser by the Qualifying Holdco Shareholder, who shall be the sole beneficial owner of such shares;

(f) at all times such Qualifying Holdco shall be a resident of Canada for the purposes of the Tax Act and shall not be a resident of, and shall have no taxable presence in, any other country;

(g) such Qualifying Holdco shall have not more than three directors and three officers;

(h) the Qualifying Holdco Shareholder shall at its cost and in a timely manner prepare and file all income Tax Returns of such Qualifying Holdco in respect of the taxation year of such Qualifying Holdco ending immediately prior to the acquisition of such Qualifying Holdco by the Purchaser, subject to the Purchaser's right to approve all such Tax Returns as to form and substance;

(i) the Qualifying Holdco Shareholder shall indemnify the Corporation and the Purchaser, and any successor thereof, for any and all liabilities of the Qualifying Holdco (other than tax liabilities of

the Qualifying Holdco that arise as a result of the Qualifying Holdco disposing of the Shares after the Effective Date) in a form satisfactory to the Purchaser acting reasonably;

(j) each Qualifying Holdco Shareholder will be required to enter into a share purchase agreement and other ancillary documentation (collectively, the "**Holdco Agreement**") containing representations and warranties and covenants acceptable to the Purchaser, acting reasonably;

(k) the Qualifying Holdco Shareholder will provide Corporation and the Purchaser with copies of all documents necessary to effect the transactions contemplated herein on or before the 10th Business Day preceding the Effective Date, the completion of which will comply with applicable Laws (including Securities Laws) at or prior to the Effective Time;

(l) the entering into or implementation of the Holdco Alternative will not result in any delay in completing any other transaction contemplated by the Arrangement Agreement;

(m) access to the books and records of such Qualifying Holdco shall have been provided on or before the 10th Business Day prior to the Effective Date and the Purchaser and its outside legal counsel shall have completed their due diligence regarding the business and affairs of such Qualifying Holdco;

(n) the terms and conditions of such Holdco Alternative must be satisfactory to the Purchaser and the Corporation, acting reasonably, and must include representations and warranties which are satisfactory to the Purchaser, acting reasonably; and

(o) the Qualifying Holdco Shareholder will be required to pay all reasonable out-of-pocket expenses incurred by the Purchaser or the Corporation in connection with the Holdco Alternative, including any reasonable costs associated with any due diligence conducted by the Purchaser or the Corporation.

Any Qualifying Holdco Shareholder who elects the Holdco Alternative will be required to make full disclosure to the Purchaser of all transactions involved in such Holdco Alternative. In the event that the terms and conditions of or the transactions involved in such Holdco Alternative are not satisfactory to the Purchaser, acting reasonably, no Holdco Alternative shall be offered and the other transactions contemplated by the Arrangement Agreement shall be completed subject to the other terms and conditions hereof.

Each Qualifying Holdco Shareholder that has elected the Holdco Alternative will be required to enter into a Holdco Agreement providing for the acquisition of all issued and outstanding shares of the Qualifying Holdco in a form consistent with the foregoing. Failure of any Qualifying Holdco Shareholder to properly elect the Holdco Alternative on or prior to the Holdco Election Date or failure of any Qualifying Holdco Shareholder to properly enter into a Holdco Agreement will disentitle such Qualifying Holdco Shareholder from the Holdco Alternative.

Upon request by a Qualifying Holdco Shareholder, the Purchaser may in its sole discretion agree to waive any of the requirements described above.

Participating in the Holdco Alternative may give rise to certain Canadian federal income tax consequences for Shareholders that are not described in this Information Circular. **Shareholders who wish to avail themselves of the Holdco Alternative, should consult their own financial, tax and legal advisors before contacting the Depositary to inform them of their election.**

DISSENTING SHAREHOLDERS RIGHTS

A registered Shareholder may exercise Dissent Rights with respect to its Shares pursuant to and in the manner provided in Chapter XIV - Division I of the QBCA, as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court.

Pursuant to the Interim Order, none of the following shall be entitled to Dissent Rights: (i) Qualifying Holdco Shareholders; (ii) Qualifying Holdcos; (iii) Rollover Shareholders; and (iv) holders of Shares who have failed to exercise all the voting rights carried by the Shares held by such holder against the Arrangement Resolution.

The following description of the rights of Dissenting Shareholders is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder, and is qualified in its entirety by the provisions of Chapter XIV — Division I of the QBCA as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court, which are attached to this Information Circular as Appendix F, Appendix D and Appendix A, respectively. A Dissenting Shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of Chapter XIV — Division I of the QBCA, as modified by the Interim Order, the Plan of Arrangement and any other order of the Court. The statutory provisions covering the right to demand repurchase of shares are technical and complex. Failure to strictly comply with the provisions of Chapter XIV — Division I of the QBCA, as modified by the Interim Order, and to adhere to the procedures established therein may result in the loss of all rights thereunder.

The Court hearing the application for the Final Order has the discretion to alter the Dissent Rights described herein based on the evidence presented at such hearing.

Under the Interim Order, each registered Shareholder is entitled, in addition to any other rights the holder may have, to exercise Dissent Rights and to be paid by the Corporation the fair value of the Shares held by the holder, determined, notwithstanding anything to the contrary contained in Chapter XIV of the QBCA, as of the close of business on the day before the Arrangement Resolution was adopted. Only registered Shareholders may exercise Dissent Rights. **Persons who are beneficial owners of Shares registered in the name of an Intermediary who wish to exercise Dissent Rights should be aware that they may only do so through the registered owner of such Shares. Accordingly, a non-registered owner of Shares desiring to exercise Dissent Rights must make arrangements for the Shares beneficially owned by that holder to be registered in the name of the Shareholder prior to the time the Dissent Notice is required to be received by the Corporation or, alternatively, make arrangements for the registered holder of such Shares to exercise Dissent Rights on behalf of the holder. In such case, the Dissent Notice should specify the number of Shares. A Dissenting Shareholder may only dissent with respect to all the Shares held on behalf of any one beneficial owner and registered in the name of the Dissenting Shareholder, subject to such Dissenting Shareholder exercising all the voting rights carried by such Shares against the Arrangement Resolution. Note that Chapter XIV — Division I of the QBCA, the text of which is attached as Appendix F to this Information Circular, set forth special provisions which are required to be followed with respect to the exercise of Dissent Rights by non-registered Shareholders**.

A registered Shareholder who wishes to exercise Dissent Rights must send to Canam a Dissent Notice, which must be received by Canam at its administrative office at 270, chemin Du Tremblay, Boucherville (Québec) J4B 5X9, fax 450-641-5503, Attention: Louis Guertin, Vice President, Legal Affairs and Secretary, with a copy to Fasken Martineau DuMoulin LLP at 800 Square Victoria, Montréal (Québec) H4Z 1E9, fax 514-397-7600, Attention: Mtre Jean-Pierre Chamberland, not later than 4:30 p.m. (Montreal Time) on June 9, 2017 or not later than 4:30 p.m. (Montreal Time) on the business day that is

two Business Days immediately preceding the date that any adjourned or postponed Meeting is reconvened or held, as the case may be.

The giving of a Dissent Notice does not deprive a registered Shareholder of the right to vote at the Meeting; however, Shareholders who do not vote all of their Shares against the Arrangement Resolution shall not be entitled to exercise Dissent Rights with respect to such Shares, subject to sections 393 to 397 of the QBCA, given that Chapter XIV — Division I of the QBCA provides there is no right of partial dissent and, pursuant to the Interim Order, a registered Shareholder may not exercise Dissent Rights in respect of only a portion of such holder's Shares. A vote either in person or by proxy against the Arrangement Resolution will not by itself constitute a Dissent Notice.

It is a condition to the Purchaser's obligation to complete the Arrangement that Shareholders holding no more than 7% of the Shares shall have exercised Dissent Rights that have not been withdrawn as at the Effective Date.

Promptly after the Effective Time, the Purchaser is required to give notice (the "**Repurchase Notice**") to each Dissenting Shareholder, which Repurchase Notice shall mention the repurchase price being offered for the Shares held by all Dissenting Shareholders and an explanation of how such price was determined. Within 30 days after receiving the Repurchase Notice, each Dissenting Shareholder is required, if the Dissenting Shareholder wishes to proceed with exercising Dissent Rights, to deliver to the Purchaser a written statement:

(a) confirming that the Dissenting Shareholder wishes to exercise his, her or its Dissent Rights and have all of his, her or its Shares or Preferred Shares, as applicable, repurchased at the repurchase price indicated in the Repurchase Notice (in such case, a "**Notice of Confirmation**"); or

(b) that the Dissenting Shareholder contests the repurchase price indicated in the Repurchase Notice and demands an increase in the repurchase price offered (in such case, a "**Notice of Contestation**").

Additionally, if it has not been done previously, all certificates representing the Shares in respect of which Dissent Rights were exercised, together with the completed and executed applicable Letter(s) of Transmittal, should be delivered with the Notice of Confirmation or the Notice of Contestation, as applicable. A Dissenting Shareholder who fails to send to the Purchaser, within the required timeframe, a Notice of Confirmation or a Notice of Contestation, as the case may be, shall be deemed to have renounced his, her or its Dissent Rights and will be deemed to have participated in the Arrangement on the same basis as Shareholders who did not exercise Dissent Rights.

Upon receiving a Notice of Confirmation within the required timeframe, the Purchaser shall pay the Dissenting Shareholder, within 10 days of receiving such Notice of Confirmation, the repurchase price indicated in the Repurchase Notice for all of his, her or its Shares.

Upon receiving a Notice of Contestation within the required timeframe, the Purchaser may propose an increased repurchase price within 30 days of receiving such Notice of Contestation, which increased repurchase price must be the same for all Shares held by Dissenting Shareholders who duly submitted a Notice of Contestation. If (a) the Purchaser does not follow up on a Dissenting Shareholder's contestation within 30 days after receiving its Notice of Contestation or (b) the Dissenting Shareholder contests the increase in the repurchase price offered by the Purchaser, such Dissenting Shareholder may ask the Court to determine the increase in the repurchase price. However, any such application to the Court must be made within 90 days after receiving the Repurchase Notice. As soon as any such application is filed with the Court by any Dissenting Shareholder, the Purchaser must notify this fact (a "**Notice of Application**")

to all the other Dissenting Shareholders who are still contesting the repurchase price, or the increase in the repurchase price, offered by the Purchaser.

All Dissenting Shareholders who received the Notice of Application are bound by the judgment of the Court hearing the application as to the fair value of the Shares (which Court may entrust the appraisal of the fair value to an expert). Within 10 days after such Court judgment, the Purchaser must pay the repurchase price determined by the Court to all Dissenting Shareholders who received the Notice of Application, and pay the increase in the repurchase price to all Dissenting Shareholders who submitted a Notice of Contestation but did not contest the increase in the repurchase price offered by the Purchaser. However, if the Purchaser is unable to pay the full increase in the repurchase price because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due, the Purchaser would only be required to pay the maximum amount it may legally pay the relevant Dissenting Shareholder. In such a case, such Dissenting Shareholders remain creditors of the Purchaser for the unpaid balance of the repurchase price and are entitled to be paid as soon as the Purchaser is legally able to do so or, in the event of the liquidation of the Purchaser, are entitled to be collocated after the other creditors but by preference over the other shareholders of the Purchaser.

All Shares held by registered Shareholders who exercise their Dissent Rights in respect of such Shares will, if the holders are ultimately entitled to be paid the fair value thereof, be deemed to be transferred to the Purchaser in exchange for the right to be paid the fair value of their Shares (which fair value, notwithstanding anything to the contrary contained in Chapter XIV of the QBCA, shall be determined as of the close of business on the day before the Arrangement Resolution) and will not be entitled to any other payment or consideration (including any payment that would be payable under the Arrangement had they not exercised their Dissent Rights). If such Shareholders ultimately are not entitled, for any reason, to be paid fair value for such Shares, they shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Shares.

Registered Shareholders who are considering exercising Dissent Rights should be aware that there can be no assurance that the fair value of their Shares, as determined under Chapter XIV of the QBCA, as modified by the Interim Order, the Plan of Arrangement and any other order of the Court, will be more than or equal to the Consideration payable under the Arrangement.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by Dissenting Shareholders who seek the repurchase of their Shares. Chapter XIV — Division I of the QBCA requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. Accordingly, each Dissenting Shareholder who is considering exercising Dissent Rights should carefully consider and comply with the provisions of that section, the full text of which is set out in Appendix F to this Information Circular, as modified by the Interim Order, and consult their own legal advisor as failure to strictly comply with the provisions of the QBCA (as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court) may prejudice Dissent Rights.

INFORMATION CONCERNING CANAM

General

The Corporation is constituted by virtue of and in accordance with the provisions of the QBCA. The Corporation's head office is located at 11535, 1st Avenue, bureau 500, Saint-Georges, Québec, G5Y 7H5.

Summary Description of Business

The Corporation is involved in the design, manufacture and sale of construction products and services for the commercial, industrial, institutional, multi-residential and infrastructure construction industries. The Corporation operates 23 plants, including seven in Canada and 16 in the United States, and employed 4,644 people as at December 31, 2016. Its revenues come from a wide range of customers located primarily in North America.

The Corporation carries out its business directly or through subsidiaries. The Corporation's sector of activity is divided into three groups of products and services that are allotted to three business units: buildings, structural steel, and bridges. The activities of the Corporation are carried out in Canada directly and through the following subsidiaries: Central Steel Erectors LP, Structure Fusion Inc., St. Lawrence Erectors Inc., and TecFab International Inc.; and in the United States the following subsidiaries: Canam Steel Corporation, Central Erectors, LLC (and its subsidiary Stonebridge, Inc.), and FabSouth LLC (and its subsidiaries).

Directors and Executive Officers

The following table lists the name, municipality and province or state of residence of each director of the Corporation, his or her position and principal occupation and the year in which he or she became a director.

Name and place of residence	Position and principal occupation	Director since
Élaine Beaudoin Montreal, Québec [(2)(3)]	Corporate Director	2000
Anne-Marie Dutil Blatchford Wellesley, Massachussetts	Corporate Director	1998
Marc Dutil, C.M. St. Georges, Québec	President and Chief Executive Officer Canam Group Inc.	2002
Marcel Dutil, C.M. St. Georges, Québec	Chairman of the Board Canam Group Inc.	1972
Sean Finn St. Lambert, Québec [(2)]	Executive Vice President, Corporate Services, and Chief Legal Officer Canadian National Railway Company (rail carrier)	2010

Name and place of residence	Position and principal occupation	Director since
Guy LeBlanc Montreal, Québec [(1)]	Corporate Director	2016
Pierre Lortie, C.M. St. Lambert, Québec[(1)(3)(4)(5)]	Senior Business Advisor Dentons Canada LLP (law firm)	2004
Pierre Marcouiller Magog, Québec[(2)]	Chairman of the Board and Chief Executive Officer Camso Inc. (manufacturer of tires and tracks for off-road vehicles)	2007
Chantal Petitclerc, C.C. Montreal, Québec[(2)]	Senator (Parliament of Canada)	2015
Pierre Thabet St. Georges, Québec[(1)]	President Boa-Franc, G.P. (wood flooring manufacturer)	2006
Jean-Marie Toulouse Town of Mount Royal, Québec[(1)(3)]	President Jean-Marie Toulouse Recherche Action et Gestion Ltd. (consulting services in business strategy, governance and business startups)	2006

(1) Member of the Audit Committee.
(2) Member of the Human Resources Committee.
(3) Member of the Corporate Governance Committee.
(4) Independent Lead Director.
(5) Director of the Corporation from 1990 to 2003.

All members of the Board are Canadian residents, with the exception of Ms. Anne-Marie Dutil Blatchford, who is a resident of the United States. All of these individuals will continue in office until the Meeting. During the past five years, they have all served in their current function, or held their current position or another position within the corporation indicated opposite their name or a predecessor of that corporation, with the exception of Mr. Guy LeBlanc who, prior to January 2016, was managing partner of the Montreal, Québec, office of PricewaterhouseCoopers, and Ms. Chantal Petitclerc, who, prior to April 2016, was a speaker.

Executive Officers

The following table lists the name, municipality, province or state of residence, position and principal occupation of each executive officer of the Corporation.

Name and place of residence	**Position within the Corporation**
Marcel Dutil, C.M. St. Georges, Québec	Chairman of the Board
Marc Dutil, C.M. St. Georges, Québec	President and Chief Executive Officer
François Begin St. Simon les Mines, Québec	Vice President, Communications
John Bradley St. Julie, Québec	Vice President, Credit
Michael Burnet Boucherville, Québec	Vice President, Purchasing
Mihran Cicek Montreal, Québec	Vice President, Research and Analysis
Timothy Day Westfield, New Jersey	Senior Vice President, Manufacturing Operations
Carl Delisle St. Bruno de Montarville, Québec	Vice President, Corporate Controller
Serge Dussault St. Georges, Québec	Vice President, Canam-Structures
Robert Dutil Québec, Québec	Senior Vice President, Canam-Bridges, Canada
Louis Guertin Kirkland, Québec	Vice President, Legal Affairs and Secretary
René Guizzetti Longueuil, Québec	Vice President, and Chief Financial Officer
Joël Nadeau St. Georges, Québec	Senior Vice President, Business Operations

Name and place of residence	Position within the Corporation
François de Paul Nkombou Boucherville, Québec	Vice President Internal, Audit and Risk Management
Marc O'Connor St. Mélanie, Québec	Vice President, Project Management and Construction
Annie Paquet St. Georges, Québec	Senior Vice President, Innovation Support
Raymond Pomerleau Longueuil, Québec	Treasurer
Claude Provost St. Georges. Québec	Senior Vice President, Shared Services and Organizational Development
Jean Thibodeau Laval, Québec	Senior Vice President, Information Technology

All executive officers are Canadian residents, with the exception of Mr. Timothy Day, who is a resident of the United States. During the past five years, the executive officers have all held their current position or another position within the Corporation, with the exception of Mr. Carl Delisle, who prior to August 2013, was Senior Corporate Manager, financial reporting and financing activities, at Rona Inc., Mr. Robert Dutil, who prior to September 2015, represented the Beauce-Sud electoral division as a Member of the National Assembly of Québec, and prior to September 2012, was the Minister of Public Security for the Government of Québec, and Mr. Marc O'Connor, who held the following positions at the SNC-Lavalin Inc. Global Mining and Metallurgy Group: from January 2015 to May 2016, Vice President, Aluminum (Global) and Montreal business unit; from January 2013 to December 2014, Vice President, Project Management Organization (PMO), North America, and; prior to January 2013, Vice President and Managing Director, Montreal business unit.

As at May 3, 2017, to the knowledge of Canam, the directors and executive and officers of Canam collectively owned, directly or indirectly, 6,318,328 Shares, accounting for 13.92% of the total number of Shares.

Market Price and Transaction Volume

The Corporation's common shares are listed for trading on the TSX and are identified by the symbol "CAM".

The following table sets forth the price ranges and volume of the Corporation's common shares traded on the TSX for the last 12 months preceding the date hereof.

Month	High ($)	Low ($)	Volume
May 2016	13.54	12.37	2,281,325
June 2016	13.39	12.51	1,696,448

Month	High ($)	Low ($)	Volume
July 2016	13.27	10.44	3,429,361
August 2016	10.74	9.03	4,651,636
September 2016	10.75	9.77	2.237,373
October 2016	10.10	8.53	3,195,906
November 2016	9.86	8.41	2,431,832
December 2016	10.22	8.60	1,960,937
January 2017	9.38	8.60	1,564,495
February 2017	9.25	6.25	4,635,175
March 2017	6.72	5.57	4,070,016
April 2017	12.19	6.01	6,462,883
Total			38,617,387

Source: TSX Historical Data Access.

On April 26, 2017, the last trading day prior to the date of public announcement of the Arrangement, the closing price of the Shares on the TSX was $6.20.

Interest of Informed Persons in Material Transactions

To the knowledge of Canam, other than as disclosed in this Information Circular or in other continuous disclosure documents made available on SEDAR at www.sedar.com, no informed person (as defined in *Regulation 51-102 respecting Continuous Disclosure Obligations*) of Canam, or any associate or affiliate of any informed person, has had any material interest, direct or indirect, in any transaction, or proposed transaction, which has materially affected or would materially affect Canam or any of its Subsidiaries since the commencement of the most recently completed financial year of Canam.

Commitments to Acquire Securities of the Corporation

Except as disclosed in this Information Circular, there are no agreements, commitments or understandings to acquire securities of the Corporation by (a) the Corporation, (b) any directors or officers of the Corporation or (c) to the knowledge of the directors and officers of the Corporation, after reasonable enquiry, by any insider of the Corporation (other than a director or officer) or any associate or affiliate of such insider or any associate or affiliate of the Corporation or any person or company acting jointly or in concert with the Corporation.

Material Changes in the Affairs of the Corporation

Except as disclosed in this Information Circular, the directors and officers of Canam are not aware of any plans or proposals for material changes in the affairs of the Corporation.

Prior Sales

Except as set forth below, no Shares have been issued and sold by the Corporation during the 12-month period preceeding the date of this Information Circular.

The Corporation has not purchased Shares in the 12-month period preceeding the date of this Information Circular except for an aggregate of 1,828,101 Shares under the Corporation's normal course issuer bid through the facilities of the TSX and other makets. The Corporation has not made any purchases of Shares under a normal course issuer bid since October 31, 2016 and will not make any other purchases of Shares before the completion of the Amalgamation.

Trade Date	Shares Purchased on TSX	Shares Purchased on Other Markets[1] and Off Exchange[2]	Total per Trade Day
May 5, 2016	-	200,000	200,000
May 6, 2016	24,800	60,000	84,800
May 18, 2016	198,200	-	198,200
October 31, 2016	24,800	1,320,301	1,345,101
	247,800	1,580,301	**1,828,101**

[1] "Other Markets" include other market places, exchanges or trading platforms (e.g. NYSE, NASDAQ, OTCQX, Alpha).

[2] Purchases made off exchange, such as by private agreement pursuant to relief granted by the relevant securities regulatory authorities.

Dividends

The Corporation has paid the following dividends over the 24-month period preceding the date of this Information Circular.

	Quarter	Declaration Date	Record Date	Payment Date	Dividend Paid
2016	4	February 16, 2017	March 17, 2017	March 31, 2017	$0.04
	3	October 27, 2016	December 16, 2016	January 5, 2017	Eligible: $0.021556 Non-eligible: $0.018444
	2	August 4, 2016	September 16, 2016	September 30, 2016	$0.04
	1	April 29, 2016	June 16, 2016	June 30, 2016	Eligible: $0.039 Non-eligible: $0.001
2015	4	February 18, 2016	March 17, 2016	March 31, 2016	$0.04
	3	October 29, 2015	December 17, 2015	January 4, 2016	Eligible: $0.02417963 Non-eligible: $0.01582037
	2	August 6, 2015	September 14, 2015	September 30, 2015	$0.04
	1	April 24, 2015	June 16, 2015	June 30, 2015	$0.04

The Corporation will not declare or pay dividends or other distributions prior to the completion of the Arrangement.

Auditor

PricewaterhouseCoopers LLP are the auditors of the Corporation.

Additional Information

Shareholders can obtain copies, free of charge, of Canam's financial statements and management's discussion and analysis by writing to Louis Guertin, the Vice President, Legal Affairs and Secretary of Canam, at 270, chemin Du Tremblay, Boucherville (Québec) J4B 5X9. Additional financial information is provided in Canam's 2016 Consolidated Financial Statements and corresponding Management's Discussion and Analysis for the year ended December 31, 2016 which along with other documents and additional information relating to Canam are also available on the SEDAR website: www.sedar.com.

INFORMATION CONCERNING THE PURCHASER AND THE ROLLOVER SHAREHOLDERS

The information concerning the Purchaser and the Rollover Shareholders contained in this Information Circular has been provided by the Purchaser and the Rollover Shareholders for inclusion in this Information Circular. Although Canam has no knowledge that any statement contained herein taken from, or based on, such information and records or information provided by the Purchaser and the Rollover Shareholders are untrue or incomplete, Canam assumes no responsibility for the accuracy of the information contained in such documents, records or information or for any failure by the Purchaser or the Rollover Shareholders to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to Canam.

Purchaser

The Purchaser was incorporated under the QBCA for the purposes of completing the Arrangement and as of the date hereof, an affiliate of AIP is the registered and beneficial owner of all of the outstanding securities of the Purchaser. After Closing, all of the securities of the Purchaser will be held by an affiliate of AIP and the Rollover Shareholders. The Purchaser has not engaged in any business other than in connection with the Arrangement.

AIP

American Industrial Partners is an operationally oriented middle-market private equity firm that makes control investments in North American-based industrial businesses serving domestic and global markets. The firm has deep roots in the industrial economy and has been active in private equity investing since 1989. To date, American Industrial Partners has completed over 70 platform and add-on transactions and currently has US$4.1 billion of assets under management on behalf of leading pension, endowment and financial institutions. American Industrial Partners invests in all forms of corporate divestitures, management buyouts, recapitalizations, and going-private transactions of established businesses with leading market shares with revenues of between US$200 million to US$2 billion.

Dutil Shareholders

The individuals included in the Dutil Shareholders are members of the Dutil family and include Marcel Dutil, Chairman of the Board of the Corporation, Marc Dutil, the President and Chief Executive Officer of the Corporation, Anne-Marie Dutil Blatchford, a director of the Corporation, Hélène Dutil, Charles Dutil and Sophie Dutil Jones.

Members of the Dutil family founded Canam Steel Works in 1960 and, with the contribution of Canam employees, made it into the company it is today. Mr. Marcel Dutil, who has stewarded Canam since 1963, is now Chairman of the Board and one of the principal shareholders of Canam through Placements CMI Inc.

Mr. Marc Dutil is the President and Chief Executive Officer of Canam. Mr. Dutil joined The Canam Manac Group Inc. in 1989 where he held various positions at the Saint-Gédéon-de-Beauce, Québec, plant until 1995. In 2001, Mr. Dutil was appointed Vice President of Canam. One year later, he was named Executive Vice President of Canam and elected to its Board of Directors. In 2003, he was named President and Chief Operating Officer, and in 2012 he became President and Chief Executive Officer.

CDPQ

CDPQ is a long-term institutional investor that manages funds primarily for public and parapublic pension and insurance plans. As at December 31, 2016, CDPQ held $270.7 billion in net assets. As one of North America's leading institutional fund managers, CDPQ invests globally in major financial markets, private equity, infrastructure and real estate.

FSTQ

Created in 1983, FSTQ is a development capital fund that calls upon the solidarity and savings of Quebecers to help fulfill its mission to contribute to Québec's economic growth by creating, maintaining or protecting jobs through investments in small and medium-sized businesses in all spheres of activity. FSTQ also seeks to encourage Quebecers to save for retirement and to offer its over 600,000 shareholders-savers a reasonable return over and above the outstanding tax benefits they receive by purchasing FSTQ shares.

The largest development capital network in the province, FSTQ was created on the initiative of the FTQ, Québec's largest central labour body. Through its governance and codes of ethics, FSTQ is a socially responsible investor committed to sustainable economic development where people come first. Aside from investing capital, FSTQ is committed to supporting the growth of its partner companies by offering value-added services such as economic training. With net assets of $12.2 billion as at November 30, 2016, FSTQ has become a hub of knowledge and resources for Québec businesses and a key player in the local economy.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Fasken Martineau DuMoulin LLP, legal counsel to Canam, the following is, at the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to Shareholders who dispose of their Shares in return for the Consideration pursuant to the Arrangement and who, for the purposes of the Tax Act, and at all relevant times, hold their Shares as capital property and deal at arm's length with, and are not affiliated with, Canam, the Purchaser or any of their respective affiliates.

Shares will generally be considered to be capital property to a holder thereof provided the holder does not hold its Shares in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the provisions of the Tax Act in force as of the date hereof and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practices whether by legislative, regulatory, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

This summary is not applicable to a Shareholder: (i) that is a Rollover Shareholder; (ii) that is a "financial institution", a "restricted financial institution", a "specified financial institution", an insurer or an "authorized foreign bank", each as defined in the Tax Act; (iii) an interest in which would be a "tax

shelter investment" as defined in the Tax Act; (iv) that has elected under the functional currency rules in the Tax Act to determine its "Canadian tax results" as defined in the Tax Act in a currency other than Canadian currency; (v) that is exempt from tax under Part I of the Tax Act; or (vi) that has entered or enters into a "derivative forward agreement" as defined in the Tax Act with respect to the Shares. **Such Shareholders should consult their own tax advisors having regard to their own particular circumstances.**

This summary does not address any tax consequences of participating in the Holdco Alternative described under "Certain Legal and Regulatory Matters – Holdco Alternative". Shareholders wishing to avail themselves of this Holdco Alternative should consult their own financial, tax and legal advisors.

This summary is not exhaustive of all Canadian federal income tax considerations. It is of a general nature only and is neither intended to be, nor should it be construed to be, legal, business or tax advice or representations to any particular Shareholder. Accordingly, Shareholders should consult their own legal and tax advisors with respect to their particular circumstances.

Shareholders Resident in Canada

This portion of the summary is applicable only to a Shareholder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention, is or is deemed to be resident in Canada (a "**Resident Shareholder**"). Certain Resident Shareholders who might not otherwise be considered to hold their Shares as capital property may, in certain circumstances, be entitled to have them and all other "Canadian securities" (as defined in the Tax Act) owned by such Resident Shareholder in the taxation year in which the election is made and in all subsequent taxation years treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. **Resident Shareholders whose Shares are not capital property should consult their own tax advisors.**

Disposition of Shares

A Resident Shareholder who disposes of Shares to the Purchaser for proceeds of disposition equal to the aggregate Consideration for such Shares will realize a capital gain (or capital loss) to the extent that those proceeds of disposition exceed (or are less than) the aggregate of the Resident Shareholder's adjusted cost base in its Shares immediately before the disposition and any reasonable costs of disposition. The income tax treatment of any such capital gain or capital loss is discussed below.

Taxation of Capital Gains and Losses

A Resident Shareholder who, as described above, realizes a capital gain or a capital loss on the disposition of Shares will generally be required to include in its income for the taxation year of the disposition one-half of any such capital gain ("**taxable capital gain**") and will be required to deduct one-half of any such capital loss ("**allowable capital loss**") against taxable capital gains realized in the year in accordance with the detailed rules in the Tax Act. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and applied to reduce taxable capital gains in any of the three preceding years or carried forward and applied to reduce taxable capital gains in any subsequent year, subject to and in accordance with the detailed rules contained in the Tax Act.

If the Resident Shareholder is a corporation or a partnership or trust of which a corporation is a partner or a beneficiary, any capital loss realized on the disposition of any Shares may be reduced by the amount of certain dividends which have been received or are deemed to have been received on the Shares in accordance with detailed provisions of the Tax Act.

Dissenting Resident Shareholders

A Resident Shareholder who validly exercises Dissent Rights under the Arrangement (a "**Dissenting Resident Shareholder**") will be deemed to have transferred its Shares to the Purchaser and will be entitled to receive a payment from the Purchaser of an amount equal to the fair value of its Dissent Shares. In general, a Dissenting Resident Shareholder will realize a capital gain (or capital loss) to the extent that such payment (other than any portion thereof that is interest awarded by a court) exceeds (or is less than) the aggregate of the Dissenting Resident Shareholder's adjusted cost base in its Shares and any reasonable costs of disposition. The tax treatment of capital gains and capital losses discussed above applies to Dissenting Resident Shareholders (see "Certain Canadian Federal Income Tax Considerations - Shareholders Resident in Canada — Taxation of Capital Gains and Losses" above).

A Dissenting Resident Shareholder will be required to include in computing its income any interest awarded by a court in connection with the Arrangement.

Refundable Tax and Alternative Minimum Tax

A Resident Shareholder that, throughout the relevant taxation year, is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional 10⅔% refundable tax on its "aggregate investment income" (as defined in the Tax Act), including amounts of interest and taxable capital gains. The realization of a capital gain or capital loss by an individual (including most trusts) may affect the individual's liability for alternative minimum tax under the Tax Act. Such Resident Shareholders should consult their own tax advisors in this regard.

Shareholders Not Resident in Canada

This portion of the summary is generally applicable to a Shareholder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention, is not and is not deemed to be resident in Canada and does not use or hold and is not deemed to use or hold the Shares in a business carried on in Canada (a "**Non-Resident Shareholder**").

Disposition of Shares

A Non-Resident Shareholder will realize a capital gain (or capital loss) on the disposition of the Shares in the same manner as a Resident Shareholder (see "*Certain Canadian Federal Income Tax Considerations – Shareholders Resident in Canada – Disposition of Shares*" above).

Taxation of Capital Gains and Losses

A Non-Resident Shareholder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of the Shares as part of the Arrangement, unless the Shares constitute "taxable Canadian property" of the Non-Resident Shareholder for purposes of the Tax Act at the time of the disposition and the Non-Resident Shareholder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Shareholder is resident. Generally, the Shares will not constitute taxable Canadian property of a Non-Resident Shareholder at the time of their disposition provided that (i) the Shares were listed on a "designated stock exchange" as defined in the Tax Act (which includes TSX) at that time, and (ii) at no time during the 60-month period immediately preceding that time was it the case that both (A) the Non-Resident Shareholder, persons with whom the Non-Resident Shareholder does not deal at arm's length, a partnership in which the Non-Resident Shareholder or a non-arm's length person holds a membership interest directly or indirectly through one or more partnerships, or the Non-Resident Shareholder together with all such persons or partnerships,

owned 25% or more of the issued shares of any class of Canam, and (B) more than 50% of the fair market value of the Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties", "timber resource properties" (both as defined in the Tax Act), and options in respect of, or interests in, or for civil law, rights in, any such properties, whether or not the property exists. Notwithstanding the foregoing, Shares may be deemed to be taxable Canadian property in certain circumstances specified in the Tax Act.

Even if the Shares are taxable Canadian property of a Non-Resident Shareholder at the time of the disposition, a capital gain realized upon the disposition of such Shares may be exempt from tax under an applicable income tax treaty or convention. In the event that any capital gain realized by a Non-Resident Shareholder on the disposition of Shares as part of the Arrangement is not exempt from tax under the Tax Act by virtue of an applicable income tax treaty or convention, the tax consequences pertaining to capital gains (or capital losses) as described above under "*Certain Canadian Federal Income Tax Considerations – Shareholders Resident in Canada – Taxation of Capital Gains and Losses*" will generally apply. A **Non-Resident Shareholder who disposes of taxable Canadian property should consult its own tax advisors regarding any resulting Canadian reporting requirements.**

Dissenting Non-Resident Shareholders

A Non-Resident Shareholder who validly exercises Dissent Rights under the Arrangement (a "**Dissenting Non-Resident Shareholder**") will realize a capital gain (or capital loss) in the same manner as a Dissenting Resident Shareholder (see "Certain Canadian Federal Income Tax Considerations - Shareholders Resident in Canada - Dissenting Resident Shareholders"). The income tax treatment of capital gains and capital losses of a Dissenting Non-Resident Shareholder is discussed above (see "Certain Canadian Federal Income Tax Considerations - Shareholders Not Resident in Canada — Taxation of Capital Gains and Losses" above). Any interest awarded by a court to a Dissenting Non-Resident Shareholder in connection with the Arrangement will not be subject to Canadian withholding tax.

RISK FACTORS

In evaluating the Arrangement, Shareholders should carefully consider the following risk factors relating to Canam and to the Arrangement. The following risk factors are not a definitive list of all risk factors associated with Canam or the Arrangement.

Completion of the Arrangement is subject to several conditions that must be satisfied or waived

The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside of the control of the Corporation and the Purchaser, including receipt of the required Key Regulatory Approvals, Required Shareholder Approval and the granting of the Final Order. In addition, the completion of the Arrangement by the Purchaser is conditional on, among other things, Dissent Rights not having been exercised by the holders of more than 7% of the issued and outstanding Shares and no Material Adverse Effect having occurred since the date of the Arrangement Agreement. There can be no certainty, nor can the Corporation or the Purchaser provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. Moreover, a substantial delay in obtaining satisfactory approvals could result in the Arrangement not being completed. If the Arrangement is not completed for any reason, there are risks that the announcement of the Arrangement and the dedication of substantial resources of the Corporation to the completion thereof could have a negative impact on the Corporation's current business relationships (including with future and prospective employees, customers, distributors, suppliers and partners) and could have a material adverse effect on the current and future operations, financial condition and prospects of the Corporation. In addition, failure to

complete the Arrangement for any reason could materially negatively impact the trading price of the Shares. If the Arrangement is not completed and the Board decides to seek an alternative transaction, there can be no assurance that it will be able to find a party willing to pay consideration for the Shares that is equivalent to, or more attractive than, the Consideration payable pursuant to the Arrangement. In accordance with the terms of their irrevocable Support and Voting Agreements, the Dutil Shareholders will not be permitted to support an alternative transaction for a period of 180 days following April 27, 2017.

The Arrangement Agreement may be terminated in certain circumstances

Each of Canam and the Purchaser has the right, in certain circumstances, in addition to termination rights relating to the failure to satisfy the conditions of Closing, to terminate the Arrangement Agreement. Accordingly, there can be no certainty, nor can Canam provide any assurance, that the Arrangement Agreement will not be terminated by either of Canam or the Purchaser prior to the completion of the Arrangement. If the Arrangement Agreement is terminated, there is no guarantee that equivalent or greater purchase prices for the Shares will be available from an alternative party.

The Corporation will incur costs and may have to pay the Corporation Termination Fee and an expense reimbursement fee

Certain costs relating to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by the Corporation even if the Arrangement is not completed. If the Arrangement is not completed, the Corporation may also be required to pay the Corporation Termination Fee and an expense reimbursement fee to the Purchaser. If the Corporation is required to pay the Corporation Termination Fee under the Arrangement Agreement, the financial condition of the Corporation could be materially adversely affected.

The Corporation Termination Fee may discourage other parties from proposing a significant business transaction with the Corporation

Under the Arrangement, the Corporation is required to pay the Corporation Termination Fee in the event that the Arrangement Agreement is terminated in certain circumstances, including circumstances related to a possible alternative transaction to the Arrangement. The Corporation Termination Fee may discourage other parties from attempting to propose a business transaction, even if such a transaction could provide better value to Shareholders than the Arrangement.

While the Arrangement is pending, the Corporation is restricted from taking certain actions

The Arrangement Agreement restricts the Corporation from taking specified actions until the Arrangement is completed without the consent of the Purchaser. These restrictions may prevent the Corporation from pursuing attractive business opportunities that may arise prior to the completion of the Arrangement.

The uncertainty surrounding the Arrangement may cause the Corporation's clients to delay or defer decisions concerning the Corporation

As the Arrangement is dependent upon satisfaction of a number of conditions, its completion is uncertain. In response to that uncertainty, the Corporation's clients may delay or defer decisions concerning the Corporation. Any delay or deferral of those decisions by clients could adversely affect the business and operations of the Corporation, regardless of whether the Arrangement is ultimately completed. Similarly, uncertainty may adversely affect the Corporation's ability to attract or retain key personnel. In the event

the Arrangement Agreement is terminated, the Corporation's relationship with customers, suppliers, employees or other shareholders may be materially adversely affected. Changes in such relationships could materially adversely affect the business and operations of the Corporation.

Shareholders (other than the Rollover Shareholders) will no longer hold an interest in the Corporation following the Arrangement

Following the Arrangement, Shareholders (other than the Rollover Shareholders) will forego any future increase in value that might result from future growth and the potential achievement of the Corporation's business going forward. A number of positive developments with respect to the Corporation's business may take place after the Meeting and/or the Closing, including with respect to the Corporation's customers, suppliers and its overall business prospects. Further to the Arrangement, Shareholders (other than the Rollover Shareholders) will no longer benefit from any such positive development.

Canam directors and officers may have interests in the Arrangement that are different from those other Shareholders

In considering the recommendations of the Board to vote in favour of the Arrangement Resolution, Shareholders should be aware that certain members of the Board and management team have agreements or arrangements that provide them with interests in the Arrangement that differ from, or are in addition to, those of Shareholders (other than the Rollover Shareholders).

APPROVAL OF CIRCULAR

The Board approved the contents of this Information Circular and authorized it to be sent to each Shareholder who is eligible to receive notice of, and to vote at, the Meeting.

St. Georges, Québec
May 11, 2017

Louis Guertin
Vice President, Legal Affairs and Secretary
Canam Group Inc.

GLOSSARY OF TERMS

Unless the context otherwise requires or where otherwise provided, the following words and terms will have the meanings set forth below when read in this Information Circular. These terms are not always used herein and may not conform to the defined terms used in appendices to this Information Circular.

"**ABL Facility**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Debt Financing*".

"**Acquisition Proposal**" means, other than the transactions contemplated by the Arrangement Agreement and other than any transaction involving only the Corporation and/or one or more of its Subsidiaries or between one or more of its Subsidiaries, any offer, proposal or inquiry (written or oral) from any Person or group of Persons other than the Purchaser (or any of its affiliates or any Person acting in concert with the Purchaser or any of its affiliates) after the date of the Arrangement Agreement relating to (i) any direct or indirect sale or disposition (or any lease, license, long-term supply agreement or other arrangement having the same economic effect as a sale or disposition), in a single transaction or a series of transactions, of assets (including shares of Subsidiaries of the Corporation) representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenue of the Corporation and its Subsidiaries; (ii) any direct or indirect take-over bid, tender offer, exchange offer, treasury issuance or other transaction that, if consummated, would result in such Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities of the Corporation or any of its Subsidiaries (or securities convertible into or exchangeable for such voting or equity securities) then outstanding (assuming, if applicable, the conversion, exchange or exercise of such securities convertible into or exchangeable or exercisable for such voting or equity securities), excluding securities owned directly or indirectly by the Rollover Shareholders; (iii) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution, winding up or exclusive license involving the Corporation or any of its Subsidiaries; or (iv) any other similar transaction or series of transactions involving the Corporation or any of its Subsidiaries.

"**affiliate**" has the meaning specified in *Regulation 45-106 respecting Prospectus Exemptions* as in effect on the date of the Arrangement Agreement.

"**AIP**" means American Industrial Partner Capital Fund VI, L.P.

"**allowable capital loss**" has the meaning ascribed to it under "*Certain Canadian Federal Income Tax Considerations – Shareholders Resident in Canada - Taxation of Capital Gains and Losses*".

"**Alternative Financing**" has the meaning ascribed to it under "*Summary of the Arrangement Agreement – Covenants – Covenants Relating to Financing*".

"**AMF**" means the *Autorité des marchés financiers* (Québec).

"**Antitrust Division**" has the meaning ascribed to it under "*Certain Legal and Regulatory Matters - Regulatory Matters*".

"**ARC**" has the meaning ascribed to it under "*Certain Legal and Regulatory Matters – Regulatory Matters*" *– Competition Act Approval*".

"**Arrangement**" means an arrangement under Chapter XVI - Division II of the QBCA in accordance with the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of the Arrangement Agreement or made at the direction of the Court in the Final Order with the prior written consent of the Corporation and the Purchaser, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement in the form of Appendix C to this Information Circular dated April 27, 2017, among the Purchaser and the Corporation (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms.

"**Arrangement Resolution**" means the special resolution of the Shareholders approving the Arrangement as presented at the Meeting substantially in the form of Appendix D to this Information Circular.

"**Articles of Arrangement**" means the articles of arrangement of the Corporation in respect of the Arrangement, required by the QBCA to be sent to the Enterprise Registrar after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to the Corporation and the Purchaser, each acting reasonably.

"**Authorization**" means, with respect to any Person, any order, permit, approval, consent, waiver, license or similar authorization of any Governmental Entity, whether by expiry or termination of an applicable waiting period or otherwise, that is binding upon or applicable to such Person, or its business, assets or securities.

"**BMO Capital Markets**" means BMO Nesbitt Burns Inc.

"**BMO Capital Markets Fairness Opinion**" means the opinion of BMO Capital Markets to the effect that, as at April 26, 2017, the Consideration to be received by the Shareholders (other than the Rollover Shareholders) is fair, from a financial point of view, to such Shareholders (other than the Rollover Shareholders).

"**Board**" means the board of directors of the Corporation as constituted from time to time.

"**Bonus Entitlements**" has the meaning ascribed to it under "*The Arrangement – Interest of Certain Persons in the Arrangement – Change of Control Benefits*".

"**Bonus Shares**" has the meaning ascribed to it under "*The Arrangement – Interest of Certain Persons in the Arrangement – Change of Control Benefits*".

"**Breaching Party**" has the meaning ascribed to it under "*Summary of the Arrangement Agreement – Covenants – Notice and Cure Provisions*".

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Montreal, Québec.

"**Canam**" means Canam Group Inc.

"**CDPQ**" means Caisse de dépôt et placement du Québec.

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Enterprise Registrar in accordance with the QBCA in respect of the Articles of Arrangement.

"**Change in Recommendation**" has the meaning ascribed to it under "*Summary of the Arrangement Agreement – Termination*".

"**Closing**" means the closing of the transactions contemplated by the Arrangement Agreement.

"**Collective Agreements**" means all collective bargaining agreements or union agreements (including European national collective bargaining agreements) currently applicable to the Corporation and/or any of its Subsidiaries and all related documents, including arbitration decisions, letters or memoranda of understanding, letters of intent or other written communications with bargaining agents for any Corporation Employee which impose any obligations upon the Corporation and/or any of its Subsidiaries.

"**Competition Act**" means the *Competition Act* (Canada).

"**Competition Act Approval**" means, in respect of the transactions contemplated by the Arrangement Agreement, either: (i) the issuance of an advance ruling certificate pursuant to section 102 of the Competition Act; or (ii) both of (A) the expiry, waiver or termination of any applicable waiting periods under section 123 of the Competition Act and (B) the Purchaser shall have received written confirmation from the Commissioner of Competition or his or her representative that he or she does not, at that time, intend to make an application under Section 92 of the Competition Act in respect of the transactions contemplated by the Arrangement Agreement.

"**Confidentiality Agreement**" means the confidentiality agreement dated January 11, 2017 entered into between the Corporation and an affiliate of AIP in connection with the transactions contemplated by the Arrangement Agreement.

"**Consideration**" means $12.30 in cash per Share other than a Rollover Share, without interest.

"**Controlled**" has the meaning specified in the QBCA.

"**Contract**" means any legally binding agreement, commitment, engagement, contract, licence, obligation or undertaking (written or oral) to which the Corporation or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or affected or to which any of their respective properties or assets is subject.

"**Corporation**" means Canam Group Inc.

"**Corporation Disclosure Letter**" means the disclosure letter dated the date April 27, 2017 and delivered by the Corporation to the Purchaser contemporaneously with the execution of the Arrangement Agreement.

"**Corporation Employees**" means the employees of the Corporation or its Subsidiaries, as the case may be, including unionized, non-unionized, part time, full time, active and inactive employees.

"**Corporation Termination Fee**" has the meaning ascribed to it under "*Summary of the Arrangement Agreement – Termination Fees – Corporation Termination Fee*".

"**Corporation Termination Fee Event**" has the meaning ascribed to it under "*Summary of the Arrangement Agreement – Termination Fees – Corporation Termination Fee*".

"**Court**" means the Québec Superior Court.

"**DCF**" has the meaning ascribed to it under "*The Arrangement – Fairness Opinions and Formal Valuation – Valuation Methodologies*".

"**Debt Commitment Letter**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Debt Financing*".

"**Debt Commitment Letter Marketing Period**" has the meaning ascribed to it in "*The Arrangement – Sources of Funds for the Arrangement – Debt Financing – Conditions*".

"**Debt Facilities**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Debt Financing*".

"**Debt Financing**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Debt Financing*".

"**Deloitte**" means Deloitte LLP.

"**Deloitte Fairness Opinion**" means the opinion of Deloitte to the effect that, as at April 26, 2017, the Consideration to be received by the Shareholders is fair, from a financial point of view, to such Shareholders (other than the Rollover Shareholders).

"**Depositary**" means Computershare Trust Company of Canada, in its capacity as depositary for the Arrangement, or such other person as the Corporation and Purchaser agree to engage as depositary for the Arrangement.

"**Dissent Notice**" has the meaning ascribed to it under "*Summary – Dissent Rights*".

"**Dissent Rights**" means the rights to demand the repurchase of Shares or any other rights of dissent in respect of the Arrangement described in the Plan of Arrangement.

"**Dissenting Resident Shareholder**" has the meaning ascribed to it under "*Certain Canadian Federal Income Tax Considerations – Shareholders Resident in Canada – Dissenting Resident Shareholders*".

"**Dissenting Non-Resident Shareholder**" has the meaning ascribed to it under "*Certain Canadian Federal Income Tax Considerations – Shareholders Not Resident in Canada – Dissenting Non-Resident Shareholders*".

"**Dissenting Shareholder**" means a registered Shareholder (other than a Qualifying Holdco Shareholder, a Qualifying Holdco, a Rollover Shareholder or a holder of Shares who has failed to exercise all the voting rights carried by the Shares held by such holder against the Arrangement Resolution) that has duly exercised his, her or its Dissent Rights and has not renounced or been deemed to have renounced such exercise of Dissent Rights.

"**Dissent Shares**" means the Shares held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised.

"**Dutil Shareholders**" means, collectively, 9085-6063 Québec Inc., Placements CMI Inc., Marcel Dutil, Hélène Dutil, Idmed Inc., Marc Dutil, Charles Dutil, Sophie Dutil Jones, and Anne-Marie Dutil Blatchford (and any holding corporation controlled by such Persons).

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

"**Effective Time**" means 12:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

"**Employee Plans**" means any material health, welfare, supplemental unemployment benefit, bonus, profit sharing, option, insurance, incentive, incentive compensation, deferred compensation, share purchase, share compensation, disability, severance, termination, pension or supplemental retirement plans and other material employee or director employment, compensation or benefit plans, policies, trusts, funds, policies, arrangements, Contracts or other agreements for the benefit of directors or former directors of the Corporation or any of its Subsidiaries, Corporation Employees or former Corporation Employees, which are maintained by or binding upon the Corporation or any of its Subsidiaries or in respect of which the Corporation or any of its Subsidiaries has any actual or potential liability.

"**Enterprise Registrar**" means the enterprise registrar appointed by the Minister of Revenue of Québec.

"**Equity Commitment**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Equity Financing*".

"**Equity Commitment Letter**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Equity Financing*".

"**Equity Contribution**" has the meaning ascribed to it in "*The Arrangement – Sources of Funds for the Arrangement – Debt Financing – Conditions*".

"**Equity Financing**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Equity Financing*".

"**Fairness Opinions**" means, collectively, the BMO Capital Markets Fairness Opinion and the Deloitte Fairness Opinion.

"**Fasken Martineau**" means Fasken Martineau DuMoulin LLP.

"**Final Order**" means the final order of the Court in a form acceptable to the Corporation and Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Corporation and Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Corporation and Purchaser, each acting reasonably) on appeal.

"**Financing Sources**" means the entities that have committed to provide or otherwise entered into agreements in connection with the Debt Financing or other debt financings in connection with the transactions contemplated hereby, including the parties to the Debt Commitment Letter and any joinder agreements, credit agreements or collateral agreements (or other definitive documentation) relating thereto, together with their respective affiliates and their and their respective affiliates' former, current or future officers, directors, employees, controlling persons, agents and representatives and their respective successors and assigns.

"**Formal Valuation**" means the formal valuation of the Shares prepared by Deloitte, the preparation and content of which comply in all material respects with the requirements of MI 61-101 for a formal

valuation in respect of the transactions contemplated by the Arrangement Agreement and in the Plan of Arrangement.

"**forward-looking statements**" has the meaning ascribed to it under "*Caution on Forward-Looking Statements*".

"**FSTQ**" means the Fonds de solidarité des travailleurs du Québec (F.T.Q.).

"**GAAP**" means generally accepted accounting principles as set out in the CPA Canada Handbook – Accounting for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis.

"**GIR**" means Groupe Investissement Responsable Inc.

"**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, Crown corporation, commission, commissioner, board, bureau, commissioner, minister, cabinet, governor in council, ministry, agency or instrumentality, domestic or foreign; (ii) any subdivision, agent, commission, board or authority of any of the foregoing; (iii) any quasi-governmental or private body including any tribunal, commission, regulatory agency or self-regulatory organization exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (iv) any Securities Authority or stock exchange, including the TSX.

"**Holdco Alternative**" has the meaning ascribed to it under "*The Arrangement – Certain Legal and Regulatory Matters – Holdco Alternative*".

"**Holdco Agreement**" has the meaning ascribed to it under "*The Arrangement – Certain Legal and Regulatory Matters – Holdco Alternative*".

"**Holdco Consideration**" means, in respect of a Holdco Share other than a Rollover Share, a cash amount equal to (i)(a) the aggregate of the Consideration multiplied by the number of Shares held by such Qualifying Holdco; multiplied by (b) the value of the outstanding Holdco Shares of such Qualifying Holdco other than Rollover Shares of such Qualifying Holdco divided by the value of the outstanding Holdco Shares of such Qualifying Holdco; (ii) divided by the number of outstanding Holdco Shares (other than Rollover Shares) of such Qualifying Holdco.

"**Holdco Election Date**" has the meaning ascribed to it under "*The Arrangement – Certain Legal and Regulatory Matters – Holdco Alternative*".

"**Holdco Shares**" means shares in the capital of a Qualifying Holdco, as described in Section 2.12 of the Arrangement Agreement.

"**HSR Act**" means the *United States Hart-Scott-Rodino Antitrust Improvements Act of 1976.*

"**HSR Approval**" means the expiration or early termination of the waiting period, and any extension thereof, applicable to the completion of the transactions contemplated by the Arrangement Agreement under the HSR Act.

"**ICA**" means the *Investment Act Canada* and the regulations promulgated thereunder, as amended from time to time.

"**Information Circular**" has the meaning ascribed to it under "*Introduction*".

"**Initial Proposal**" has the meaning ascribed to it in "*The Arrangement – Background to the Arrangement*".

"**Interim Order**" means the interim order of the Court in a form acceptable to the Corporation and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as such order may be amended by the Court with the consent of the Corporation and the Purchaser, each acting reasonably.

"**Intermediary**" has the meaning ascribed to it under "*Voting Information – Non-Registered Shareholders*".

"**Key Regulatory Approvals**" means the Competition Act Approval and the HSR Approval.

"**Law**" means, with respect to any Person, any and all applicable national, federal, provincial, state, municipal or local law (statutory, civil, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law or are binding on the Person to which they purport to apply, all policies, guidelines, notices and protocols of any Governmental Entity, as amended.

"**Lenders**" means Morgan Stanley Senior Funding Inc. (acting through such of its affiliates or branches as it deems appropriate) and the other commitment parties party to the Debt Commitment Letter from time to time.

"**Letter of Transmittal**" means the letter of transmittal sent to Shareholders and Qualifying Holdco Shareholders for use in connection with the Arrangement.

"**Lien**" means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachments, option, right of first refusal or first offer (other than in respect of the agreements disclosed in Section 7 of Schedule C to the Arrangement Agreement), occupancy right, covenant, assignment, lien (statutory or otherwise), defect of title, or restriction or adverse right or claim, or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute but excluding real property servitudes and encroachments that do not, individually or in the aggregate, detract from the value of or impair the use or marketability of any real property.

"**Marketing Period**" means the first period of 20 consecutive Business Days commencing after the date of the Arrangement Agreement in which (i) the Purchaser shall have the Required Information; (ii) the conditions set forth in Section 6.1 and Section 6.2 of the Arrangement Agreement shall be satisfied or waived (other than any conditions that by their nature are to be satisfied by actions to be taken at the Effective Date or determinations to be made immediately prior to the Effective Date); and (iii) no event shall have occurred nor shall any condition exist that would cause any of the conditions set forth in Section 6.1 and Section 6.2 of the Arrangement Agreement to fail to be satisfied assuming that the Closing were to occur at any time during such 20 consecutive Business Day period; provided, that the Marketing Period shall end on any earlier date on which the Debt Financing and the Equity Financing are consummated; provided, further that (i) notwithstanding the foregoing, the Marketing Period shall not commence prior to the earlier of (A) four weeks after the date hereof and (B) the consummation of the Rollover Debt Option and (ii) (A) July 3, 2017 and July 5, 2017 shall be disregarded for purposes of calculating such 20 consecutive Business Day period and (B) such 20 consecutive Business Day period

shall be required to end on or prior to August 18, 2017. In addition, notwithstanding the foregoing, the Marketing Period shall not be deemed to have commenced if, prior to the completion of such 20 consecutive Business Day period; (i) PricewaterhouseCoopers LLP shall have withdrawn its audit opinion with respect to any financial information or financial statements included in the Required Information, in which case the Marketing Period may not commence unless and until a new unqualified audit opinion is issued with respect to the consolidated financial statements of the Corporation or the applicable periods by PricewaterhouseCoopers LLP or another independent public accounting firm of recognized national standing reasonably acceptable to the Purchaser or (ii) the Corporation shall have publicly announced any intention to, or determined that it must, restate any financial information or financial statements included in the Required Information or any such restatement is under consideration or is a possibility, in which case the Marketing Period may not commence unless and until such restatement has been completed or the Corporation has determined and announced that no such restatement is required in accordance with GAAP.

"**Matching Period**" has the meaning ascribed to it under "*Summary of the Arrangement Agreement – Additional Covenants Regarding Non-Solicitation – Right to Match*".

"**Material Adverse Effect**" means, in respect of the Corporation, any change, event, occurrence, effect or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects or circumstances is or would reasonably be expected to be material and adverse to the business, operations, results of operations, affairs, assets, properties, capitalization, condition (financial or otherwise), obligations or liabilities (contingent or otherwise) of the Corporation and its Subsidiaries, taken as a whole; except, any such change, event, occurrence, effect or circumstance resulting from or arising in connection with:

(a) any change affecting the steel components manufacturing industry as a whole;

(b) any change in global, national or regional political conditions (including the outbreak or escalation of war or acts of terrorism) or in general economic, regulatory, political or market conditions or in national or global financial or capital markets;

(c) any change in GAAP;

(d) any fluctuation in interest rates, Canadian and U.S. exchange rates or commodity prices;

(e) any adoption, proposal, implementation or change in Law, or in any interpretation of Law, by any Governmental Entity;

(f) any natural disaster;

(g) any matter which has been expressly disclosed by the Corporation in the Corporation Disclosure Letter, to the extent such matter has been disclosed;

(h) the failure by the Corporation in and of itself to meet any internal or public projections, forecasts, guidance or estimates of revenues, cash flow, or earnings or any seasonal fluctuations in the Corporation's results (it being understood that the cause underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred) ;

(i) any action taken (or omitted to be taken) by the Corporation or any of its Subsidiaries which is required to be taken (or omitted to be taken) pursuant to the Arrangement Agreement;

(j) any actions taken (or omitted to be taken) upon the request of the Purchaser;

(k) the negotiation, execution, announcement or performance of the Arrangement Agreement or the consummation of the Arrangement, including any loss or threatened loss of, or adverse change or threatened adverse change in the relationship of the Corporation or any of its Subsidiaries with any of their suppliers, clients, licensors, regulators, lessors, employees, financing sources or shareholders resulting therefrom; or

(l) any change in the market price or trading volumes of any securities of the Corporation (it being understood that the causes underlying such change in market price or trading volumes may be taken into account in determining whether a Material Adverse Effect has occurred);

provided, however, that (A) with respect to clauses (a) through to and including (f), such matter does not have a materially disproportionate effect on the Corporation and its Subsidiaries, taken as a whole, relative to other comparable companies or entities operating in the markets and the industry in which the Corporation and its Subsidiaries operate, and (B) unless expressly provided in any particular section of the Arrangement Agreement, references in certain sections of the Arrangement Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a "Material Adverse Effect" has occurred.

"**Material Contract**" means any Contract:

(a) that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect;

(b) relating directly or indirectly to indebtedness for borrowed money or to the guarantee of any liabilities or obligations of another person;

(c) restricting the incurrence of indebtedness by the Corporation or any of its Subsidiaries (including by requiring the granting of an equal and rateable Lien) or the incurrence of any Liens on any properties or assets of the Corporation or any of its Subsidiaries, or restricting the payment of dividends by the Corporation or by any of its Subsidiaries;

(d) under which the Corporation or any of its Subsidiaries is obligated to make or expects to receive payments in excess of (i) $5,000,000 on an annual basis; or (ii) $15,000,000 over the life of the Contract;

(e) that is a partnership agreement, limited liability company agreement, joint venture agreement or similar agreement or arrangement providing for the formation, creation or operation of any partnership, limited liability company or joint venture;

(f) that is a Collective Agreement;

(g) that creates an exclusive dealing arrangement or right of first offer or refusal or "most favoured nation" obligation;

(h) with a Governmental Entity and that is not otherwise required to be disclosed in accordance with paragraph (d) above;

(i) relating to any litigation or settlement thereof which does or could have actual or contingent obligations or entitlements of the Corporation or any of its Subsidiaries in excess of $1,000,000 and which have not been fully satisfied prior to the date of the Arrangement Agreement;

(j) providing for retention, severance or change in control payments;

(k) providing for the purchase, sale or exchange of, or option to purchase, sell or exchange, any property or asset where the purchase or sale price or agreed value or fair market value of such property or asset exceeds $5,000,000;

(l) that limits or restricts (i) the ability of the Corporation or any of its Subsidiaries to engage in any line of business or carry on business in any geographic area, or (ii) the scope of Persons to whom the Corporation or any of its Subsidiaries may sell products or deliver services;

(m) that requires the consent of any other party to the Contract to a change in control of the Corporation or any of its Subsidiaries;

(n) that is a lease listed in the Corporation Disclosure Letter;

(o) that is a shareholders agreement listed in the Corporation Disclosure Letter; or

(p) that is made out of the Ordinary Course and is not otherwise covered by clauses (a) to (o) above.

"**Meeting**" has the meaning ascribed to it under "*Introduction*".

"**Minority Shareholders**" has the meaning ascribed to it under "*Certain Legal and Regulatory Matters – Security Law Matters – Minority Approval*".

"**Net Cash Flows**" has the meaning ascribed to it under "*The Arrangement – Fairness Opinions and Formal Valuation – Valuation Methodologies*".

"**No Action Letter**" has the meaning ascribed to it under "*Certain Legal and Regulatory Matters – Regulatory Matters*" *– Competition Act Approval*".

"**Non-Resident Shareholder**" has the meaning ascribed to it under "*Certain Canadian Federal Income Tax Considerations – Shareholders Not Resident in Canada*".

"**Norton Rose Fulbright**" means Norton Rose Fulbright Canada LLP.

"**Notice of Application**" has the meaning ascribed to it in under "*Dissenting Shareholders Rights*".

"**Notice of Confirmation**" has the meaning ascribed to it in under "*Dissenting Shareholders Rights*".

"**Notice of Contestation**" has the meaning ascribed to it in under "*Dissenting Shareholders Rights*".

"**Notice of Meeting**" has the meaning ascribed to it under "*Introduction*".

"**Notifiable Transactions**" has the meaning ascribed to it under "*Certain Legal and Regulatory Matters – Regulatory Matters*" *– Competition Act Approval*".

"**Notification**" has the meaning ascribed to it under "*Certain Legal and Regulatory Matters – Regulatory Matters*" *– Competition Act Approval*".

"**Ordinary Course**" means, with respect to an action taken by the Corporation or one of its Subsidiaries, that such action is consistent with the past practices of the Corporation or such Subsidiary and is taken in the ordinary course of the normal day-to-day operations of the business of the Corporation or such Subsidiary.

"**Outside Date**" means September 1, 2017 or such later date as may be agreed to in writing by the Parties in accordance with the terms of the Arrangement Agreement.

"**Parties**" means the Corporation and the Purchaser, and "**Party**" means any one of them.

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" means the plan of arrangement substantially in the form of the Plan of Arrangement attached as Schedule A to the Arrangement Agreement, and any amendments or variations to such plan made in accordance with its terms, the terms of the Arrangement Agreement or made at the direction of the Court in the Final Order with the prior written consent of the Corporation and the Purchaser, each acting reasonably.

"**Pre-Acquisition Reorganization**" has the meaning ascribed to it under "*Summary of the Arrangement Agreement – Covenants – Covenants Relating to the Pre-Acquisition Reorganization*".

"**Proposed Amendments**" has the meaning ascribed to it under "*Certain Canadian Federal Income Tax Considerations*".

"**Purchaser**" means Canaveral Acquisition Inc.

"**Purchaser Shares**" means shares in the capital of the Purchaser to be issued to the Rollover Shareholders pursuant to the terms of the Rollover Agreements.

"**Purchaser Termination Fee**" has the meaning ascribed to it under "*Summary of the Arrangement Agreement – Termination Fee – Purchaser Termination Fee*".

"**Purchaser Termination Fee Funding Agreement**" has the meaning ascribed to it under "*Summary of the Arrangement Agreement – Termination Fee – Purchaser Termination Fee*".

"**QBCA**" means, collectively, the *Business Corporations Act* (Québec) and the regulations made thereunder.

"**Qualifying Holdco**" has the meaning ascribed to it under "*The Arrangement – Certain Legal and Regulatory Matters – Holdco Alternative*".

"**Qualifying Holdco Shareholder**" has the meaning ascribed to it under "*The Arrangement – Certain Legal and Regulatory Matters – Holdco Alternative*".

"**Record Date**" means the close of business on May 4, 2017.

"**Regulation 61-101**" means Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions.*

"**Regulatory Approval**" means any consent, waiver, permit, exemption, review, order, decision or approval of, or any registration or filing with, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity, in each case required in order to implement the Arrangement, including the Key Regulatory Approvals.

"**Refinancing**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Debt Financing*".

"**Representative**" means, with respect to any Person, any officer, director, employee, representative (including any financial, legal or other advisor) or agent of such Person or of any of its Subsidiaries.

"**Repurchase Notice**" has the meaning ascribed to it in under "*Dissenting Shareholders Rights*".

"**Required Information**" has the meaning ascribed to it in under "*The Arrangement – Sources of Funds for the Arrangement – Debt Financing – Conditions*".

"**Required Shareholder Approval**" has the meaning ascribed to it under "*The Arrangement – Required Shareholder Approval*".

"**Resident Shareholder**" has the meaning ascribed to it under "*Certain Canadian Federal Income Tax Considerations – Shareholders Resident in Canada*".

"**Revised Proposal**" has the meaning ascribed to it under "*The Arrangement - Background to the Arrangement*".

"**Rollover Agreements**" means, collectively, (i) the agreements to be entered into between the Purchaser and the Dutil Shareholders regarding their equity participation in the Arrangement; and (ii) the agreements between the Purchaser and CDPQ and FSTQ regarding their equity participation in the Arrangement.

"**Rollover Debt**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Debt Financing*".

"**Rollover Debt Option**" means the amendment to the agreements governing the existing indebtedness of the Corporation with the Business Development Bank of Canada and FSTQ in order to waive the "change of control" provisions triggered by the Arrangement, such that such indebtedness shall remain in place following the Arrangement.

"**Rollover Shares**" means the Shares or Holdco Shares to be transferred and assigned by a Rollover Shareholder to the Purchaser pursuant to a Rollover Agreement in exchange for Purchaser Shares as set forth in such Rollover Agreement.

"**Rollover Shareholders**" means the Dutil Shareholders, CDPQ and FSTQ.

"**RTF Equity Financing**" has the meaning ascribed to it under "*Summary of the Arrangement Agreement – Termination Fee – Purchaser Termination Fee Funding Agreement*".

"**Second Request**" has the meaning ascribed to it under "*Certain Legal and Regulatory Matters – Regulatory Matters*".

"**Securities Authority**" means the AMF and any other applicable securities commission or securities regulatory authority of a province or territory of Canada.

"**Securities Laws**" means the *Securities Act* (Québec), and the rules, regulations and published policies thereunder and any other applicable Canadian provincial and territorial securities Laws.

"**Shareholders**" means the registered or beneficial holders of the Shares, as the context requires.

"**Shares**" means the common shares in the capital of the Corporation.

"**Shares Under Discretionary Management**" means the 636,800 Shares held under discretionary management by Sipar-Eterna, a division of Eterna Investment Management Inc., for the benefit of FSTQ.

"**Special Committee**" means the special committee consisting of independent members of the Board formed in connection with the transaction contemplated by the Arrangement Agreement.

"**Stikeman Elliott**" means Stikeman Elliott LLP.

"**Subsidiary**" has the meaning ascribed thereto in Regulation 45-106 - *respecting Prospectus Exemptions* as in effect on the date of the Arrangement Agreement.

"**Superior Proposal**" means any unsolicited *bona fide* written Acquisition Proposal from an arms' length third party or arms' length third parties acting jointly to acquire not less than all of the outstanding Shares or all or substantially all of the assets of the Corporation on a consolidated basis that:

(a) complies with Securities Laws and did not result from or involve a breach of the covenants relating to non-solicitation of the Arrangement Agreement;

(b) is reasonably capable of being completed without undue delay, taking into account, all financial, legal, regulatory (including with respect to the Competition Act, the HSR Act and the ICA, to the extent applicable) and other aspects of such proposal and the Person or group of Persons making such proposal;

(c) is not subject to any financing contingency and in respect of which it has been demonstrated to the satisfaction of the Board, acting in good faith (after receipt of advice from its financial advisors and its outside counsel) that the funds necessary to complete such Acquisition Proposal are or will be available;

(d) is not subject to any due diligence and/or access conditions; and

(e) that the Board determines, in its good faith judgment, after receiving the advice of its outside legal counsel and financial advisors and after taking into account all the terms and conditions of the Acquisition Proposal, including all legal, financial, regulatory (including with respect to the Competition Act, the HSR Act and the ICA, to the extent applicable) and other aspects of such Acquisition Proposal (including with respect to the undertaking of the Purchaser to cause the Corporation's headquarters to remain in the Province of Québec so long as the Purchaser owns a majority of the outstanding Shares of the Corporation) and the Person or group of Persons making such Acquisition Proposal, represents a transaction that, taking into account the transaction terms and the risk of non-completion, would result in a transaction which is more favourable, from a financial point of view, to the Shareholders (other than the Rollover Shareholders) than the Arrangement (including any amendments to the terms and conditions of the Arrangement proposed by the Purchaser further to a Superior Proposal in accordance with the terms of the Arrangement Agreement).

"**Superior Proposal Notice**" has the meaning ascribed to it under "*Summary of the Arrangement Agreement — Additional Covenants Regarding Non-Solicitation — Right to Match*".

"**Supplementary Information Request**" has the meaning ascribed to it under "*Certain Legal and Regulatory Matters – Regulatory Matters*" *– Competition Act Approval*".

"**Support and Voting Agreements**" has the meaning ascribed to it under "*The Arrangement — Support and Voting Agreements*".

"**Supporting D&Os**" has the meaning ascribed to it under "*The Arrangement — Support and Voting Agreements*".

"**Supporting Securities**" has the meaning ascribed to it under "*The Arrangement — Support and Voting Agreements*".

"**Supporting Shareholders**" has the meaning ascribed to it under "*The Arrangement — Support and Voting Agreements*".

"**taxable capital gain**" has the meaning ascribed to it under "*Certain Canadian Federal Income Tax Considerations – Taxation of Capital Gains and Losses*".

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Tax Returns**" means any and all returns, reports, declarations, elections, notices, forms, designations, schedules, attachments, filings, and statements (including any amendments, and estimated tax returns and reports, withholding tax returns and reports, and information returns and reports) filed or required to be filed in respect of Taxes (whether in tangible, electronic or other form).

"**Taxes**" means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (i) above or this clause (ii); (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

"**Term Loan Facility**" has the meaning ascribed to it under "*The Arrangement – Sources of Funds for the Arrangement – Debt Financing*".

"**Termination Notice**" has the meaning ascribed to it under "*Summary of the Arrangement Agreement – Covenants – Notice and Cure Provisions.*

"**Terminating Party**" has the meaning ascribed to it under "*Summary of the Arrangement Agreement – Covenants – Notice and Cure Provisions.*

"**Trade Commission**" has the meaning ascribed to it under "*Certain Legal and Regulatory Matters – Regulatory Matters*".

"**Transaction Related Payments**" has the meaning ascribed to it under "*The Arrangement – Interest of Certain Persons in the Arrangement – Transaction Related Payments*".

"**TSX**" means the Toronto Stock Exchange.

CONSENT OF DELOITTE LLP

We refer to the fairness opinion dated April 26, 2017 (the "**Deloitte Fairness Opinion**") and to the formal valuation dated April 26, 2017 (the "**Formal Valuation**") annexed, respectively, as Appendix H and Appendix G to the management information circular of Canam Group Inc. dated May 11, 2017 (the "**Information Circular**") relating to the special meeting of shareholders of Canam Group Inc. to approve an arrangement under the *Business Corporations Act* (Québec) involving Canam Group Inc. and Canaveral Acquisition Inc., a company indirectly wholly-owned by American Industrial Partners Capital Fund VI, L.P.

We consent to the inclusion of the Deloitte Fairness Opinion and the Formal Valuation in the Information Circular, to the filing of the Deloitte Fairness Opinion and the Formal Valuation with the securities regulatory authority and to the inclusion of a summary of the Deloitte Fairness Opinion and the Formal Valuation in the Information Circular.

Montreal, Québec

May 11, 2017.

CONSENT OF BMO NESBITT BURNS INC.

We refer to the fairness opinion dated April 26, 2017 (the "**BMO Capital Markets Fairness Opinion**") and annexed as Appendix I to the management information circular of Canam Group Inc. dated May 11, 2017 (the "**Information Circular**") relating to the special meeting of shareholders of Canam Group Inc. to approve an arrangement under the *Business Corporations Act* (Québec) involving Canam Group Inc. and Canaveral Acquisition Inc., a company indirectly wholly-owned by American Industrial Partners Capital Fund VI, L.P.

We consent to the inclusion of the BMO Capital Markets Fairness Opinion in the Information Circular, to its filing with the securities regulatory authority and to the inclusion of a summary of the BMO Capital Markets Fairness Opinion in the Information Circular.

BMO Nesbitt Burns Inc.

Montreal, Québec

May 11, 2017.

CONSENT OF FASKEN MARTINEAU DUMOULIN LLP

We have read the management information circular (the "**Information Circular**") of Canam Group Inc. dated May 11, 2017, relating to the special meeting of shareholders of Canam Group Inc. to approve an arrangement under the *Business Corporations Act* (Québec) between Canam Group Inc. and Canaveral Acquisition Inc., a company indirectly wholly-owned by American Industrial Partners Capital Fund VI, L.P. We consent to the inclusion in the Information Circular of our opinion contained under "*Certain Canadian Federal Income Tax Considerations*" and references to our firm's name therein.

Montreal, Québec

May 11, 2017

APPENDIX A
PLAN OF ARRANGEMENT

UNDER CHAPTER XVI – DIVISION II OF THE *BUSINESS CORPORATIONS ACT* (QUÉBEC)

ARTICLE 1
INTERPRETATION

In this Plan of Arrangement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

Section 1.1 Definitions

"**AMF**" means the *Autorité des marchés financiers* (Québec).

"**Arrangement**" means the arrangement under Chapter XVI – Division II of the QBCA in accordance with the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 8.1 of the Arrangement Agreement or Article 5 hereof or made at the direction of the Court in the Final Order with the prior written consent of the Corporation and the Purchaser, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement dated April 27, 2017 among the Purchaser and the Corporation (including the schedules thereto), as it may be amended, modified or supplemented from time to time in accordance with its terms.

"**Arrangement Resolution**" means the special resolution of the Shareholders approving this Plan of Arrangement to be considered at the Meeting, substantially in the form of Schedule A to the Arrangement Agreement.

"**Articles of Arrangement**" means the articles of arrangement of the Corporation in respect of the Arrangement, required by the QBCA to be sent to the Enterprise Registrar after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to the Corporation and the Purchaser, each acting reasonably.

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Montreal, Québec.

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Enterprise Registrar in accordance with the QBCA in respect of the Articles of Arrangement.

"**Circular**" means the notice of the Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the Shareholders in connection with the Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of the Arrangement Agreement.

"**Consideration**" means $12.30 in cash per Share other than a Rollover Share, without interest.

"**Controlled**" has the meaning specified in the QBCA.

"**Corporation**" means Canam Group Inc.

"**Court**" means the Québec Superior Court.

"**Depositary**" means Computershare Investor Services Inc. in its capacity as depositary for the Arrangement, or such other person as the Corporation and the Purchaser agree to engage as depositary for the Arrangement.

"**Dissent Rights**" has the meaning specified in Section 3.1.

"**Dissenting Holder**" means a holder of Shares (other than a Qualifying Holdco or a Rollover Shareholder) who has duly exercised its Dissent Rights and has not renounced or been deemed to have renounced to such exercise of Dissent Rights, but only in respect of the Shares in respect of which Dissent Rights are validly exercised by such holder.

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

"**Effective Time**" means 12:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

"**Enterprise Registrar**" means the enterprise registrar appointed by the Minister of Revenue of Québec.

"**Family Group**" means, collectively, 9085-6063 Québec Inc., Placements CMI Inc., Marcel Dutil, Hélène Dutil, Idmed Inc., Marc Dutil, Charles Dutil, Sophie Dutil Jones and Anne-Marie Dutil Blatchford and includes any holding corporation controlled by such Persons.

"**Final Order**" means the final order of the Court in a form acceptable to the Corporation and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of the Corporation and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to the Corporation and the Purchaser, each acting reasonably) on appeal.

"**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, Crown Corporation, commission, commissioner, board, bureau, commissioner, minister, cabinet, governor in council, ministry, agency or instrumentality, domestic or foreign; (ii) any subdivision, agent, commission, board or authority of any of the foregoing; (iii) any quasi-governmental or private body including any tribunal, commission, regulatory agency or self-regulatory

organization exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (iv) any Securities Authority or stock exchange, including the TSX.

"**holder**" means, (i) in respect of the Shares, a holder of Shares whose name appears in the register of holders of Shares maintained by or on behalf of the Corporation and, where applicable, includes joint holders of Shares; and (ii) in respect of the Holdco Shares, a holder of Holdco Shares whose name appears in the register of holders of Holdco Shares maintained by or on behalf of the Qualifying Holdco and, where applicable, includes joint holders of Holdco Shares.

"**Holdco Consideration**" means, in respect of a Holdco Share other than a Rollover Share, a cash amount equal to (i)(a) the aggregate of the Consideration multiplied by the number of Shares held by such Qualifying Holdco; multiplied by (b) the value of the outstanding Holdco Shares of such Qualifying Holdco other than Rollover Shares of such Qualifying Holdco divided by the value of the outstanding Holdco Shares of such Qualifying Holdco; (ii) divided by the number of outstanding Holdco Shares (other than Rollover Shares) of such Qualifying Holdco.

"**Holdco Shares**" means shares in the capital of a Qualifying Holdco, as described in Section 2.12 of the Arrangement Agreement.

"**Institutional Rollover Shareholders**" means, collectively, Caisse de dépôt et placement du Québec and Fonds de solidarité, subject to their entering into of Rollover Agreements with the Purchaser prior to the Effective Time.

"**Interim Order**" means the interim order of the Court in a form acceptable to the Corporation and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as such order may be amended by the Court with the consent of the Corporation and the Purchaser, each acting reasonably.

"**Law**" means, with respect to any Person, any and all applicable domestic or foreign national, federal, provincial, state, municipal or local law (statutory, civil, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law or are binding on or affecting the Person to which they purport to apply, all policies, guidelines, notices and protocols of any Governmental Entity, as amended.

"**Letter of Transmittal**" means the letter of transmittal sent to Shareholders and Qualifying Holdco Shareholders for use in connection with the Arrangement.

"**Lien**" means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachments, option, right of first refusal or first offer, occupancy right, covenant, assignment, lien (statutory or otherwise), defect of title, or restriction or adverse right or

claim, or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute.

"**Meeting**" means the special meeting of Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and for any other purpose as may be set out in the Circular and agreed to in writing by the Purchaser.

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" means this plan of arrangement proposed under Chapter XVI – Division II of the QBCA, and any amendments or variations made in accordance with Section 8.1 of the Arrangement Agreement or Article 5 hereof or made at the direction of the Court in the Final Order with the consent of the Corporation and the Purchaser, each acting reasonably.

"**Purchaser**" means Acquisition Canaveral Inc.

"**Purchaser Shares**" means shares in the capital of the Purchaser to be issued to the Rollover Shareholders pursuant to the terms of the Rollover Agreements.

"**QBCA**" means, collectively, the *Business Corporations Act* (Québec) and the regulations made thereunder.

"**Qualifying Holdco**" means a corporation that meets the conditions described in Section 2.12 of the Arrangement Agreement and which holds Shares.

"**Qualifying Holdco Shareholder**" means a Person that meets the conditions described in Section 2.12 of the Arrangement Agreement and holds Holdco Shares.

"**Rollover Agreements**" means, collectively, (i) the agreements to be entered into between the Purchaser and the members of the Family Group regarding their equity participation in the Arrangement; and (ii) if, as and when entered into, the agreements between the Purchaser and the Institutional Rollover Shareholders regarding their equity participation in the Arrangement.

"**Rollover Shareholders**" means, (i) collectively, 9085-6063 Québec Inc., Placements CMI Inc., Marcel Dutil, Hélène Dutil, Idmed Inc., Marc Dutil, Charles Dutil, Sophie Dutil Jones and Anne-Marie Dutil Blatchford and includes any holding corporation controlled by the Rollover Shareholders; and (ii) as applicable, the Institutional Rollover Shareholders.

"**Rollover Shares**" means the Shares or Holdco Shares to be transferred and assigned by a Rollover Shareholder to the Purchaser pursuant to a Rollover Agreement in exchange for Purchaser Shares as set forth in such Rollover Agreement;

"**Securities Authority**" means the AMF and any other applicable securities commission or securities regulatory authority of a province or territory of Canada.

"**Shareholders**" means the registered or beneficial holders of the Shares, as the context requires.

"**Shares**" means the common shares in the capital of the Corporation.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**TSX**" means the Toronto Stock Exchange.

In addition, (i) words and phrases used herein and defined in the Arrangement Agreement and not otherwise defined herein shall have the same meaning herein as in the Arrangement Agreement unless the context otherwise requires; and (ii) words and phrases used herein and defined in the QBCA and not otherwise defined herein or in the Arrangement Agreement shall have the same meaning herein as in the QBCA unless the context otherwise requires.

Section 1.2 Certain Rules of Interpretation.

In this Plan of Arrangement, unless otherwise specified:

Section 1.3 Headings, etc.

The division of this Plan of Arrangement into articles, sections, paragraphs and subparagraphs and the insertion of headings herein are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement. The terms "this Plan of Arrangement", "hereof", "herein", "hereto", "hereunder" and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto.

Section 1.4 Currency.

All references to dollars or to $ are references to Canadian dollars.

Section 1.5 Gender and Number.

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter.

Section 1.6 Certain Phrases, etc.

The words (i)"including", "includes" and "include" mean "including (or includes or include) without limitation"; (ii)"the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of"; and (iii) unless stated otherwise, "Article" and "Section" followed by a number or letter mean and refer to the specified Article or Section of this Plan of Arrangement.

Section 1.7 Statutes.

Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

Section 1.8 Computation of Time.

For purposes of this Plan of Arrangement, a period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day.

Section 1.9 Date for Any Action.

If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

Section 1.10 Time References.

References to time are to local time, Montreal, Québec.

ARTICLE 2
THE ARRANGEMENT

Section 2.1 Arrangement Agreement

This Plan of Arrangement constitutes an arrangement as referred to in Chapter XVI - Division II of the QBCA and is made pursuant to, and is subject to the provisions of, the Arrangement Agreement.

Section 2.2 Binding Effect

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective, and be binding on the Corporation, the Purchaser, all holders and beneficial owners of Shares and Holdco Shares (including Dissenting Holders, Qualifying Holdco Shareholders and Rollover Shareholders), any agent or transfer agent therefor and the Depositary and any other Person referred to in Section 2.3 at and after the Effective Time, in the sequence and at the times set out in Section 2.3, without any further act or formality required on the part of any Person, except as expressly provided in this Plan of Arrangement.

Section 2.3 Arrangement

The following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting at the Effective Time:

(1) each outstanding Share (other than the Shares (i) held by the Dissenting Holders; (ii) held by the Qualifying Holdcos; or (iii) that are Rollover Shares) shall be transferred by the holder thereof to the Purchaser in exchange for the Consideration, the name of such holder shall be removed from the register of holders of Shares and the Purchaser shall be recorded as the holder of the Shares so transferred and shall be deemed to be the legal and beneficial owner thereof;

(2) each outstanding Holdco Share that is not a Rollover Share and that is held by a Qualifying Holdco Shareholder shall be transferred by the holder thereof to the Purchaser in exchange for the Holdco Consideration, the name of such holder shall be removed from the register of holders of Holdco Shares and the Purchaser shall be recorded as the holder of the Holdco Shares so transferred and shall be deemed to be the legal and beneficial owner thereof;

(3) each outstanding Rollover Share held by a Rollover Shareholder shall be transferred by the Rollover Shareholder to the Purchaser pursuant to its Rollover Agreement, as applicable, in exchange for the consideration set forth therein which shall consist of Purchaser Shares, the name of such Rollover Shareholder shall be removed from the register of holders of Shares or Holdco Shares and the Purchaser shall be recorded as the holder of the Shares or Holdco Shares so transferred and shall be deemed to be the legal and beneficial owner thereof;

(4) each outstanding Share held by a Dissenting Holder shall be deemed to be transferred by the holder thereof to the Purchaser and each Dissenting Holder shall cease to have any rights as a Shareholder other than the right to be paid the fair value of their Shares by the Purchaser in accordance with Article 3, the name of such Dissenting Holder shall be removed from the register of holders of Shares and the Purchaser shall be recorded as the holder of the Shares so transferred and shall be deemed to be the legal and beneficial owner thereof.

ARTICLE 3
DISSENT RIGHTS

Section 3.1 Dissent Rights

Registered holders of Shares other than Qualifying Holdcos and Rollover Shareholders may exercise the right to demand the repurchase of their Shares in connection with the Arrangement pursuant to and in the manner set forth in Chapter XIV – Division I of the QBCA ("**Dissent Rights**") as the same may be modified by the Interim Order and this Section 3.1, such modifications including the following:

(1) as a condition precedent to the exercise of Dissent Rights, a holder of Shares other than a Qualifying Holdco or a Rollover Shareholder must provide a written notice of its intent to exercise Dissent Rights in the form required by Section 376 of the QBCA, which written notice must be received by the Corporation at its registered office not later than 4:30 p.m. on the Business Day which is two Business Days immediately preceding the Meeting, subject to the particular terms of the Interim Order, and must otherwise comply with the requirements of the QBCA;

(2) the Purchaser shall be registered as transferee of all the Shares of the Dissenting Holders, in accordance with Section 2.3(4) hereof, and shall, in lieu of the Corporation, pay the offered repurchase price to all Dissenting Holders; and

(3) the Purchaser shall assume all obligations of the Corporation for the purposes of Sections 382 to 388 of the QBCA and shall be entitled to exercise all of the rights of the Corporation thereunder, in the place and stead of the Corporation.

(4) Registered holders of Shares other than Qualifying Holdcos and Rollover Shareholders who duly exercise their Dissent Rights shall be deemed to have transferred the Shares held by them and in respect of which Dissent Rights have been validly exercised to the Purchaser as provided in Section 2.3(4) and, if they:

(a) are ultimately entitled to be paid fair value for such Shares, shall be entitled to be paid the fair value of such Shares by the Purchaser which fair value notwithstanding anything to the contrary in the QBCA shall be determined as of the close of business on the day before the Arrangement Resolution was adopted and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Shares; or

(b) are ultimately not entitled, for any reason, to be paid fair value for such Shares, shall be deemed to have participated in the Arrangement on the same basis as Shareholders (other than the Rollover Shareholders) who have not exercised Dissent Rights in respect of such Shares and shall be entitled to receive the Consideration per Share to which holders of Shares who have not exercised Dissent Rights are entitled under Section 2.3(1) hereof (less any amounts withheld pursuant to Section 4.3).

Section 3.2 Recognition of Dissenting Holders

In no case shall the Corporation, the Purchaser or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the holder of those Shares in respect of which such rights are sought to be exercised.

In no case shall the Corporation, the Purchaser or any other Person be required to recognize any holder of Shares who exercises Dissent Rights as a holder of such Shares after the Effective Time.

Holders of Shares who renounce, or are deemed to renounce, their right to exercise Dissent Rights shall be deemed to have participated in the Arrangement, as of the Effective Time, and shall be entitled to receive the Consideration per Share to which Shareholders (other than Rollover Shareholders) who have not exercised Dissent Rights are entitled under Section 2.3(1) hereof (less any amounts withheld pursuant to Section 4.3).

In addition to any other restrictions under Chapter XIV – Division I of the QBCA, none of the following shall be entitled to Dissent Rights: (i) Qualifying Holdco Shareholders; (ii) Qualifiying Holdcos; (iii) Rollover Shareholders; and (iv) holders of Shares who have failed to exercise all the voting rights carried by the Shares held by such holder against the Arrangement Resolution.

ARTICLE 4
CERTIFICATES AND PAYMENTS

Section 4.1 Payment of Consideration

(1) Prior to the filing of the Articles of Arrangement, the Purchaser shall deposit or cause to be deposited with the Depositary cash in an aggregate amount sufficient to satisfy the payment obligations contemplated by Section 2.3(1) and Section 2.3(2) (calculated without reference to whether any holders of Shares have exercised Dissent Rights), such amount to be held for the purpose of such obligations and to be held by the Depositary as mandatary and nominee for, and for the benefit of, respectively, the former Shareholders and Qualifying Holdco Shareholders

(other than the Rollover Shareholders or Qualifying Holdcos), as applicable, for distribution in accordance with the provisions of this Plan of Arrangement. The funds deposited with the Depositary shall be held in an interest bearing account and any interest earned on such funds shall be for the account of the Purchaser.

(2) Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Shares or Holdco Shares that were transferred pursuant to Section 2.3(1) and Section 2.3(2) hereof, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the holder of Shares or Holdco Shares represented by such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder, as soon as practicable after the Effective Time, a cheque (or other form of immediately available funds) representing the Consideration or Holdco Consideration such holder of Shares or Holdco Shares, as applicable, is entitled to receive under the Arrangement for such Shares or Holdco Shares, as applicable, less any amounts withheld pursuant to Section 4.3, and any certificate so surrendered shall forthwith be cancelled.

(3) Upon surrender to the Purchaser of a certificate which immediately prior to the Effective Time represented outstanding Rollover Shares that were transferred pursuant to Section 2.3(3) hereof, the holder of Rollover Shares represented by such surrendered certificate shall be entitled to receive in exchange therefor, and the Purchaser shall deliver to such holder, as soon as practicable after the Effective Time, the consideration such holder of Rollover Shares is entitled to receive under the Arrangement and applicable Rollover Agreement for such Rollover Shares and any certificate so surrendered shall forthwith be cancelled.

(4) Until surrendered as contemplated by this Section 4.1, each certificate that immediately prior to the Effective Time represented outstanding Shares, Holdco Shares or Rollover Shares shall be deemed, immediately after the Effective Time, to represent only the right to receive upon such surrender, the consideration to which such holder is entitled to in accordance with Section 2.3(1), Section 2.3(2) and Section 2.3(3) in lieu of such certificate, less any amounts withheld pursuant to Section 4.3. Any such certificate formerly representing such Shares, Holdco Shares or Rollover Shares not duly surrendered on or before the sixth anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of Shares, Holdco Shares or Rollover Shares of any kind or nature against or in the Corporation or the Purchaser. On such date, all consideration to which such former holder of Shares, Holdco Shares or Rollover Shares was entitled shall be deemed to have been surrendered to the Purchaser or the Corporation, as applicable, and shall be paid over by the Depositary to the Purchaser or as directed by the Purchaser.

(5) Any payment made by way of cheque by the Depositary on behalf of the Purchaser or the Corporation, if applicable, pursuant to the Plan of Arrangement that has not been deposited or has been returned to the Depositary (or the Corporation) or that otherwise remains unclaimed, in each case, on or before the sixth anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the sixth anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the Consideration for the Shares or the Holdco Consideration for the Holdco Shares pursuant to this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Purchaser or the Corporation, as applicable, for no consideration.

(6) No holder of Shares, Holdco Shares or Rollover Shares shall be entitled to receive any consideration with respect to such Shares, Holdco Shares or Rollover Shares other than the

consideration to which such holder is entitled to in accordance with Section 2.3(1), Section 2.3(2), Section 2.3(3) or Section 2.3(4) and this Section 4.1 and, for greater certainty, no such holder of Shares, Holdco Shares or Rollover Shares shall be entitled to receive any interest, dividends, premium or other payment in connection therewith, other than any declared but unpaid dividends with a record date prior to the Effective Date. No dividends or other distributions declared or made with respect to the Shares, Holdco Shares or Rollover Shares with a record date on or after the Effective Date shall be delivered to the holder of any un-surrendered certificate which, immediately prior to the Effective Date, represented outstanding Shares, Holdco Shares or Rollover Shares.

Section 4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more Shares or Holdco Shares that were transferred pursuant to Section 2.3(1) or Section 2.3(2) shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed and who was listed immediately prior to the Effective Time as holder thereof on the share register maintained by or on behalf of the Corporation or the Qualifying Holdco, the Depositary shall issue in exchange for such lost, stolen or destroyed certificate a cheque (or other form of immediately available funds) representing the Consideration or the Holdco Consideration payment to which such holder is entitled to receive for such Shares or Holdco Shares under this Plan of Arrangement in accordance with such holder's Letter of Transmittal. When authorizing payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such payment is to be delivered shall, as a condition precedent to the delivery of such payment, give a bond satisfactory to the Purchaser and the Depositary (each acting reasonably) in such sum as the Purchaser and the Depositary may direct, or if requested by such holder and approved by the Purchaser and the Corporation, otherwise indemnify the Corporation, the Depositary and the Purchaser in a manner satisfactory to the Corporation, the Depositary and the Purchaser (each acting reasonably) against any claim that may be made against the Corporation, the Depositary or the Purchaser with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4.3 Withholding Rights

Each of the Purchaser, the Corporation, the Depositary or any other Person that makes a payment hereunder shall be entitled to deduct and withhold from the amounts otherwise payable under the Arrangement Agreement and the Arrangement (including any amounts payable pursuant to Section 2.13) such amounts as it is directed to deduct and withhold or is required to deduct and withhold with respect to such payment under the Tax Act or any provision of any Law and remit such deduction and withholding amount to the appropriate Governmental Entity. To the extent that amounts are so properly deducted and withheld and remitted to the appropriate Governmental Entity, such deducted and withheld amounts shall be treated for all purposes of this Agreement and the Arrangement as having been paid to the Person, in respect of which such deduction and withholding was made.

Section 4.4 Calculations

All aggregate amounts of cash consideration to be received under this Plan of Arrangement will be calculated to the nearest cent ($0.01). All calculations and determinations made in good faith by the Corporation, the Purchaser or the Depositary, as applicable, for the purposes of this Plan of Arrangement shall be conclusive, final, and binding on the Shareholders and the Qualifying Holdco Shareholders.

Section 4.5 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

ARTICLE 5
AMENDMENTS

Section 5.1 Amendments

(1) The Corporation and the Purchaser reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification or supplement must be (i) set out in writing; (ii) approved by the Corporation and the Purchaser in writing; (iii) filed with the Court, subject to such conditions as the Court may impose, and, if made following the Meeting, approved by the Court; and (iv) if required by the Court, communicated to the Shareholders in the manner directed by the Court.

(2) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Corporation at any time prior to the Meeting (provided that the Purchaser shall have consented thereto in writing) with or without any other prior notice or communication, and if so proposed and accepted by the Shareholders voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(3) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Meeting shall be effective only if (i) it is consented to in writing by each of the Corporation and the Purchaser (in each case, acting reasonably); and (ii) if required by the Court, approved by the Shareholders in the manner directed by the Court.

(4) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser, provided that it concerns a matter which, in the reasonable opinion of the Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any former holder of Shares or Holdco Shares.

(5) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

ARTICLE 6
FURTHER ASSURANCES

Section 6.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties and any other Person referred to in Section 2.3 shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

ARTICLE 7
PARAMOUNTCY

Section 7.1 Paramountcy

From and after the Effective Time:

(1) this Plan of Arrangement shall take precedence and priority over any and all rights related to the Shares and the Holdco Shares issued prior to the Effective Time;

(2) the rights and obligations of the Shareholders or the holders of Holdco Shares and of any transfer agent, trustee, agent or other depositary therefor in relation thereto shall be solely as provided for in this Plan of Arrangement; and

(3) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Shares, Holdco Shares or Rollover Shares shall be deemed to have been settled, compromised, released and determined without liability, except as set forth in this Plan of Arrangement.

APPENDIX B
ARRANGEMENT AGREEMENT

Please see attached.

CANAVERAL ACQUISITION INC.

and

CANAM GROUP INC.

ARRANGEMENT AGREEMENT

April 27, 2017

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ARRANGEMENT AGREEMENT

THIS AGREEMENT is made as of April 27, 2017,

AMONG:

Canaveral Acquisition Inc., a corporation existing under the *Business Corporations Act* (Québec)

(the "**Purchaser**")

- and -

Canam Group Inc., a corporation existing under the *Business Corporations Act* (Québec)

(the "**Corporation**").

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Defined Terms

As used in this Agreement, the following terms have the following meanings:

"**Acquisition Proposal**" means, other than the transactions contemplated by this Agreement and other than any transaction involving only the Corporation and/or one or more of its Subsidiaries or between one or more of its Subsidiaries, any offer, proposal or inquiry (written or oral) from any Person or group of Persons other than the Purchaser (or any of its affiliates or any Person acting in concert with the Purchaser or any of its affiliates) after the date of this Agreement relating to (i) any direct or indirect sale or disposition (or any lease, license, long-term supply agreement or other arrangement having the same economic effect as a sale or disposition), in a single transaction or a series of transactions, of assets (including shares of Subsidiaries of the Corporation) representing 20 % or more of the consolidated assets or contributing 20% or more of the consolidated revenue of the Corporation and its Subsidiaries; (ii) any direct or indirect take-over bid, tender offer, exchange offer, treasury issuance or other transaction that, if consummated, would result in such Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities of the Corporation or any of its Subsidiaries (or securities convertible into or exchangeable for such voting or equity securities) then outstanding (assuming, if applicable, the conversion, exchange or exercise of such securities convertible into or exchangeable or exercisable for such voting or equity securities), excluding securities owned directly or indirectly by the Rollover Shareholders; (iii) any plan of arrangement, merger,

amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution, winding up or exclusive license involving the Corporation or any of its Subsidiaries; or (iv) any other similar transaction or series of transactions involving the Corporation or any of its Subsidiaries.

"**affiliate**" has the meaning specified in Regulation 45-106 - *respecting Prospectus Exemptions,* as in effect on the date of this Agreement.

"**Agreement**" means this arrangement agreement among the Purchaser and the Corporation (including the Schedules hereto) as it may be amended, modified or supplemented from time to time in accordance with its terms.

"**AIP**" means American Industrial Partners Capital Fund VI, L.P.

"**Alternative Financing**" has the meaning specified in Section 4.7(3)(b).

"**AMF**" means the *Autorité des marchés financiers* (Québec).

"**Arrangement**" means an arrangement under Chapter XVI – Division II of the QBCA in accordance with the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of this Agreement or made at the direction of the Court in the Final Order with the prior written consent of the Corporation and the Purchaser, each acting reasonably.

"**Arrangement Resolution**" means the special resolution approving the Plan of Arrangement to be considered at the Meeting, substantially in the form of Schedule B.

"**Articles of Arrangement**" means the articles of arrangement of the Corporation in respect of the Arrangement, required by the QBCA to be sent to the Enterprise Registrar after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to the Corporation and the Purchaser, each acting reasonably.

"**associate**" has the meaning specified in the *Securities Act* (Québec) as in effect on the date of this Agreement.

"**Authorization**" means, with respect to any Person, any order, permit, approval, consent, waiver, license or similar authorization of any Governmental Entity, whether by expiry or termination of an applicable waiting period or otherwise, that is binding upon or applicable to such Person, or its business, assets or securities.

"**BMO Fairness Opinion**" means the opinion of BMO Nesbitt Burns Inc. to the effect that, as of the date of such opinion, the Consideration to be received by the Shareholders (other than the Rollover Shareholders) is fair, from a financial point of view, to such Shareholders (other than the Rollover Shareholders).

"**Board**" means the board of directors of the Corporation, as constituted from time to time.

"**Board Recommendation**" has the meaning specified in Section 2.4(2).

"**Bonus Shares**" has the meaning specified in Section 2.13.

"**Books and Records**" means the books and records of the Corporation and its Subsidiaries, including books of account and Tax records, whether in written or electronic form and whether retained internally or otherwise.

"**Breaching Party**" has the meaning specified in Section 4.9(3).

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Montreal, Québec.

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Enterprise Registrar in accordance with the QBCA in respect of the Articles of Arrangement.

"**Change in Recommendation**" has the meaning specified in Section 7.2(1)(d)(ii).

"**Circular**" means the notice of the Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the Shareholders in connection with the Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

"**Closing**" has the meaning specified in Section 2.7.

"**Collective Agreements**" means all collective bargaining agreements or union agreements (including European national collective bargaining agreements) currently applicable to the Corporation and/or any of its Subsidiaries and all related documents, including arbitration decisions, letters or memoranda of understanding, letters of intent or other written communications with bargaining agents for any Corporation Employee which impose any obligations upon the Corporation and/or any of its Subsidiaries.

"**Competition Act**" means the *Competition Act* (Canada).

"**Competition Act Approval**" means, in respect of the transactions contemplated by this Agreement, either: (i) the issuance of an advance ruling certificate pursuant to section 102 of the Competition Act; or (ii) both of (A) the expiry, waiver or termination of any applicable waiting periods under section 123 of the Competition Act and (B) the Purchaser shall have received a No Action Letter.

"**Confidentiality Agreement**" means the confidentiality agreement dated January 11, 2017 entered into between the Corporation and an affiliate of AIP in connection with the transactions contemplated by this Agreement.

"**Consideration**" has the meaning specified in the Plan of Arrangement.

"**Constating Documents**" means articles of incorporation, amalgamation, or continuation, as applicable, by-laws or other constating document and all amendments thereto.

"**Contract**" means any legally binding agreement, commitment, engagement, contract, license, lease, obligation or undertaking (written or oral) to which the Corporation or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or affected or to which any of their respective properties or their assets is subject.

"**Corporation**" means Canam Group Inc.

"**Corporation Disclosure Letter**" means the disclosure letter dated the date of this Agreement and delivered by the Corporation to the Purchaser contemporaneously with the execution of this Agreement.

"**Corporation Employees**" means the employees of the Corporation or its Subsidiaries, as the case may be, including unionized, non-unionized, part time, full time, active and inactive employees.

"**Corporation Filings**" means all documents publicly filed under the profile of the Corporation on the System for Electronic Document Analysis Retrieval (SEDAR) since December 31, 2014 and all other documents required to be filed by it since December 31, 2014 with any Securities Authorities or with the TSX.

"Corporation Related Party" means the Corporation, its Subsidiaries and any of their respective former, current and future affiliates, officers, directors, managers, employees, shareholders, equity holders, members, managers, partners, agents, representatives, successors or assigns.

"**Corporation Termination Fee**" has the meaning specified in Section 8.2(2).

"**Corporation Termination Fee Event**" has the meaning specified in Section 8.2(2).

"**Court**" means the Québec Superior Court.

"**Data Room**" means the material contained in the virtual data room established by the Corporation as at 7:00 p.m. on April 26, 2017, the content index of which is appended to the Corporation Disclosure Letter.

"**Debt Commitment Letter**" has the meaning specified in Section (9) of Schedule D.

"**Debt Financing**" has the meaning specified in Section (9) of Schedule D.

"**Deloitte Fairness Opinion**" means the opinion of Deloitte LLP to the effect that, as of the date of such opinion, the Consideration to be received by the Shareholders (other than the Rollover Shareholders) is fair, from a financial point of view, to such Shareholders (other than the Rollover Shareholders).

"**Depositary**" means Computershare Investor Services Inc., in its capacity as depositary for the Arrangement, or such other Person as the Corporation and the Purchaser agree to engage as depositary for the Arrangement.

"**Dissent Rights**" means the rights to demand the repurchase of Shares or any other rights of dissent in respect of the Arrangement described in the Plan of Arrangement.

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

"**Effective Time**" has the meaning specified in the Plan of Arrangement.

"**Employee Plans**" has the meaning specified in Section (34)(a) of Schedule C.

"**Enterprise Registrar**" means the enterprise registrar appointed by the Minister of Revenue of Québec.

"**Environmental Laws**" means all Laws and agreements with Governmental Entities and all other statutory requirements relating to pollution, public health and safety, noise control, pollution, wildlife or the protection or quality of the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata, and all sewer systems) or to the generation, production, installation, use, storage, treatment, transportation, release or threatened release of hazardous substances, including civil and common law responsibility for acts or omissions with respect to the environment and all Authorizations issued pursuant to such Laws, agreements or other statutory requirements.

"**Equity Commitment Letter**" has the meaning specified in Section (9) of Schedule D.

"**Equity Financing**" has the meaning specified in Section (9) of Schedule D.

"**Equity Funding Party**" has the meaning specified in Section (9) of Schedule D.

"**Exchange Act**" has the meaning specified in Section (10)(a) of Schedule C.

"**Fairness Opinions**" means, collectively, the BMO Fairness Opinion and the Deloitte Fairness Opinion.

"**Family Group**" has the meaning ascribed thereto in the Plan of Arrangement

"**Final Order**" means the final order of the Court in a form acceptable to the Corporation and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Corporation and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Corporation and the Purchaser, each acting reasonably) on appeal.

"**Financing**" has the meaning specified in Section (9) of Schedule D.

"**Financing Letters**" has the meaning specified in Section (9) of Schedule D.

"**Financing Sources**" means the entities that have committed to provide or otherwise entered into agreements in connection with the Debt Financing or other debt financings in connection with the transactions contemplated hereby, including the parties to the Debt Commitment Letter and any joinder agreements, credit agreements or collateral agreements (or other definitive documentation) relating thereto, together with their respective affiliates and their and their respective affiliates' former, current or future officers, directors, employees, controlling persons, agents and representatives and their respective successors and assigns.

"**Formal Valuation**" means the formal valuation of the Shares prepared by Deloitte LLP, the preparation and content of which comply in all material respects with the requirements of MI 61-101 for a formal valuation in respect of the transactions contemplated herein and in the Plan of Arrangement**.**

"**GAAP**" means generally accepted accounting principles as set out in the CPA Canada Handbook – Accounting for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis.

"**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, Crown Corporation, commission, commissioner, board, bureau, commissioner, minister, cabinet, governor in council, ministry, agency or instrumentality, domestic or foreign; (ii) any subdivision, agent, commission, board or authority of any of the foregoing; (iii) any quasi-governmental or private body including any tribunal, commission, regulatory agency or self-regulatory organization exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (iv) any Securities Authority or stock exchange, including the TSX.

"**Hazardous Substances**" means any residual material, waste or other substance or material that is regulated, listed, defined, designated or classified as, or otherwise determined to be, dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any Environmental Laws or which could give rise to liability under any Environmental Laws, including any mixture or solution thereof, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials.

"**Holdco Alternative**" has the meaning specified in Section 2.12(1).

"**Holdco Election Date**" has the meaning specified in Section 2.12(1).

"**HSR Act**" means the *United States Hart-Scott-Rodino Antitrust Improvements Act of 1976*.

"**HSR Approval**" means the expiration or early termination of the waiting period, and any extension thereof, applicable to the completion of the transactions contemplated by this Agreement under the HSR Act.

"**ICA**" means the *Investment Canada Act* and the regulations promulgated thereunder, as amended from time to time.

"**Indemnified Persons**" has the meaning specified in Section 8.9(1).

"**Intellectual Property**" means domestic and foreign: (i) patents, applications for patents and reissues, re-examinations, divisionals, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) integrated circuit, topographies, integrated circuit topography registrations and applications, mask works, mask work registrations and applications for mask work registrations; (v) industrial designs, industrial designation registrations and applications, designs, design registrations and design registration applications; (vi) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (vii) Software; and (viii) any other intellectual property and industrial property.

"**Interim Order**" means the interim order of the Court in a form acceptable to the Corporation and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as such order may be amended by the Court with the consent of the Corporation and the Purchaser, each acting reasonably.

"**Key Regulatory Approvals**" means the Competition Act Approval and the HSR Approval.

"**Law**" means, with respect to any Person, any and all applicable national, federal, provincial, state, municipal or local law (statutory, civil, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law or are binding on the Person to which they purport to apply, all policies, guidelines, notices and protocols of any Governmental Entity, as amended.

"**Leased Property**" has the meaning specified in Section (26)(c) of Schedule C.

"**Leases**" means the leases of the Leased Properties described in Section (26)(c) of Schedule C.

"**Lenders**" has the meaning specified in Section (9) of Schedule D.

"**Lien**" means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachments, option, right of first refusal or first offer (other than in respect of the agreements disclosed in Section (7) of Schedule C), occupancy right, covenant, assignment, lien (statutory or otherwise), defect of title, or restriction or adverse right or claim, or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute but excluding real property servitudes and encroachments that do not, individually or in the aggregate, detract from the value of or impair the use or marketability of any real property.

"**Marketing Period**" means the first period of 20 consecutive Business Days commencing after the date hereof in which (i) the Purchaser shall have the Required Information; (ii) the conditions set forth in Section 6.1 and Section 6.2 shall be satisfied or waived (other than any conditions that by their nature are to be satisfied by actions to be taken at the Effective Date or determinations to be made immediately prior to the Effective Date); and (iii) no event shall have occurred nor shall any condition exist that would cause any of the conditions set forth in Section 6.1 and Section 6.2 to fail to be satisfied assuming that the Closing were to occur at any time during such 20 consecutive Business Day period; provided, that the Marketing Period shall end on any earlier date on which the Financing is consummated; provided, further that (i) notwithstanding the foregoing, the Marketing Period shall not commence prior to the earlier of (A) four weeks after the date hereof and (B) the consummation of the Rollover Debt Option (as defined in the Debt Commitment Letter) and (ii) (A) July 3, 2017 and July 5, 2017 shall be disregarded for purposes of calculating such 20 consecutive Business Day period and (B) such 20 consecutive Business Day period shall be required to end on or prior to August 18, 2017. In addition, notwithstanding the foregoing, the Marketing Period shall not be deemed to have commenced if, prior to the completion of such 20 consecutive Business Day period; (i) PricewaterhouseCoopers LLP shall have withdrawn its audit opinion with respect to any financial information or financial statements included in the Required Information, in which case the Marketing Period may not commence unless and until a new unqualified audit opinion is issued with respect to the consolidated financial statements of the Corporation or the applicable periods by PricewaterhouseCoopers LLP or another independent public accounting firm of recognized national standing reasonably acceptable to the Purchaser or (ii) the Corporation shall have publicly announced any intention to, or determined that it must, restate any financial information or financial statements included in the Required Information or any such restatement is under consideration or is a possibility, in which case the Marketing Period may not commence unless and until such restatement has been completed or the Corporation has determined and announced that no such restatement is required in accordance with GAAP.

"**Matching Period**" has the meaning specified in Section 5.4(1)(e).

"**Material Adverse Effect**" means, in respect of the Corporation, any change, event, occurrence, effect or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects or circumstances is or would reasonably be

expected to be material and adverse to the business, operations, results of operations, affairs, assets, properties, capitalization, condition (financial or otherwise), obligations or liabilities (contingent or otherwise) of the Corporation and its Subsidiaries, taken as a whole; except, any such change, event, occurrence, effect or circumstance resulting from or arising in connection with:

(a) any change affecting the steel components manufacturing industry as a whole;

(b) any change in global, national or regional political conditions (including the outbreak or escalation of war or acts of terrorism) or in general economic, regulatory, political or market conditions or in national or global financial or capital markets;

(c) any change in GAAP;

(d) any fluctuation in interest rates, Canadian and U.S. exchange rates or commodity prices;

(e) any adoption, proposal, implementation or change in Law, or in any interpretation of Law, by any Governmental Entity;

(f) any natural disaster;

(g) any matter which has been expressly disclosed by the Corporation in the Corporation Disclosure Letter, to the extent such matter has been disclosed;

(h) the failure by the Corporation in and of itself to meet any internal or public projections, forecasts, guidance or estimates of revenues, cash flow, or earnings or any seasonal fluctuations in the Corporation's results (it being understood that the cause underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred);

(i) any action taken (or omitted to be taken) by the Corporation or any of its Subsidiaries which is required to be taken (or omitted to be taken) pursuant to this Agreement;

(j) any actions taken (or omitted to be taken) upon the request of the Purchaser;

(k) the negotiation, execution, announcement or performance of this Agreement or the consummation of the Arrangement, including any loss or threatened loss of, or adverse change or threatened adverse change in the relationship of the Corporation or any of its Subsidiaries with any of their suppliers, clients, licensors, regulators, lessors, employees, financing sources or shareholders resulting therefrom; or

(l) any change in the market price or trading volumes of any securities of the Corporation (it being understood that the causes underlying such change in market price or trading volumes may be taken into account in determining

whether a Material Adverse Effect has occurred);

provided, however, that with respect to clauses (a) through to and including (f), such matter does not have a materially disproportionate effect on the Corporation and its Subsidiaries, taken as a whole relative to other comparable companies or entities operating in the markets and in the industry in which the Corporation and its Subsidiaries operate; and unless expressly provided in any particular section of this Agreement, references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a "Material Adverse Effect" has occurred.

"**Material Contract**" means any Contract:

(a) that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect;

(b) relating directly or indirectly to indebtedness for borrowed money or to the guarantee of any liabilities or obligations of another person;

(c) restricting the incurrence of indebtedness by the Corporation or any of its Subsidiaries (including by requiring the granting of an equal and rateable Lien) or the incurrence of any Liens on any properties or assets of the Corporation or any of its Subsidiaries, or restricting the payment of dividends by the Corporation or by any of its Subsidiaries;

(d) under which the Corporation or any of its Subsidiaries is obligated to make or expects to receive payments in excess of (i) $5,000,000 on an annual basis; or (ii) $15,000,000 over the life of the Contract;

(e) that is a partnership agreement, limited liability company agreement, joint venture agreement or similar agreement or arrangement providing for the formation, creation or operation of any partnership, limited liability company or joint venture;

(f) that is a Collective Agreement;

(g) that creates an exclusive dealing arrangement or right of first offer or refusal or "most favoured nation" obligation;

(h) with a Governmental Entity and that is not otherwise required to be disclosed in accordance with paragraph (d) above;

(i) relating to any litigation or settlement thereof which does or could have actual or contingent obligations or entitlements of the Corporation or any of its Subsidiaries in excess of $1,000,000 and which have not been fully satisfied prior to the date of this Agreement;

(j) providing for retention, severance or change in control payments;

(k) providing for the purchase, sale or exchange of, or option to purchase, sell or exchange, any property or asset where the purchase or sale price or agreed value or fair market value of such property or asset exceeds $5,000,000;

(l) that limits or restricts (i) the ability of the Corporation or any of its Subsidiaries to engage in any line of business or carry on business in any geographic area, or (ii) the scope of Persons to whom the Corporation or any of its Subsidiaries may sell products or deliver services;

(m) that requires the consent of any other party to the Contract to a change in control of the Corporation or any of its Subsidiaries;

(n) that is a Lease;

(o) that is a shareholder agreement listed in Section (7) of Schedule C; or

(p) that is made out of the Ordinary Course and not otherwise covered by clauses (a) to (o) above.

"**Meeting**" means the special meeting of Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of this Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and for any other purpose as may be set out in the Circular and agreed to in writing by the Purchaser.

"**MI 61-101**" means Regulation 61-101 - *respecting Protection of Minority Shareholders in Special Transactions*.

"**Misrepresentation**" has the meaning specified in the *Securities Act* (Québec) and other Securities Laws.

"**Money Laundering Laws**" has the meaning specified in Section (37) of Schedule C.

"**No Action Letter**" means written confirmation from the Commissioner of Competition or his or her representative that he or she does not, at that time, intend to make an application under Section 92 of the Competition Act in respect of the transactions contemplated by this Agreement.

"**Officer**" means the individuals listed as officers in the Annual Information Form of the Corporation for the fiscal year ended December 31, 2016.

"OHSA" as the meaning specified in Section (32)(m) of Schedule C.

"**Ordinary Course**" means, with respect to an action taken by the Corporation or one of its Subsidiaries, that such action is consistent with the past practices of the Corporation or such Subsidiary and is taken in the ordinary course of the normal day-to-day operations of the business of the Corporation or such Subsidiary.

"**Outside Date**" means September 1, 2017 or such later date as may be agreed to in writing by the Parties.

"**Owned Intellectual Property**" means the Intellectual Property owned by the Corporation and its Subsidiaries.

"**Owned Properties**" has the meaning specified in Section (26)(a) of Schedule C.

"**Parties**" means the Corporation and the Purchaser and "**Party**" means any one of them.

"**Permitted Dividends**" means, in respect of the Shares, a dividend not in excess of $0.04 per Share per calendar quarter on a basis and on timing consistent with the Corporation's current practice with respect to dividends.

"**Permitted Liens**" means, in respect of the Corporation or any of its Subsidiaries, any one or more of the following:

(a) Liens for Taxes which are not due or delinquent;

(b) Liens imposed by law and incurred in the Ordinary Course for obligations not yet due or delinquent;

(c) inchoate or statutory Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the construction, maintenance, repair or operation of assets, provided that such Liens are related to obligations not due or delinquent, are not registered against title to any assets and in respect of which adequate holdbacks are being maintained as required by applicable Law;

(d) the right reserved to or vested in any Governmental Entity by any statutory provision or by the terms of any lease, license, franchise, grant or permit of the Corporation or any of its Subsidiaries, to terminate any such lease, license, franchise, grant or permit, or to require annual or other payments as a condition of their continuance; and

(e) Liens listed and described in Section 1.1 of the Corporation Disclosure Letter.

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" means the plan of arrangement substantially in the form of Schedule A to this Agreement, and any amendments or variations to such plan made in accordance with its terms, the terms of this Agreement or made at the direction of the Court in the Final Order with the prior written consent of the Corporation and the Purchaser, each acting reasonably.

"**Pre-Acquisition Reorganization**" has the meaning specified in Section 4.6(1).

"**Products**" has the meaning specified in Section (42)(a) of Schedule C.

"**Purchaser**" has the meaning specified in the Preamble.

"**Purchaser Related Party**" means the Purchaser, the Equity Funding Party, the Financing Sources, and any of their respective former, current and future affiliates, and any officers, directors, managers, employees, shareholders, equity holders, members, managers, partners, agents, representatives, of any of the foregoing and successors or assigns of any of the foregoing.

"**Purchaser Termination Fee**" means $14,000,000.

"**Purchaser Termination Fee Funding Agreement**" means the Purchaser Termination Fee Funding Agreement, dated as of the date hereof by and among the Purchaser, the Equity Funding Party, Placements CMI Inc., Idmed Inc. and the Corporation.

"**QBCA**" means, collectively, the *Business Corporations Act* (Québec) and the regulations made thereunder.

"**Qualifying Holdco Shareholders**" has the meaning specified in Section 2.12(1).

"**Qualifying Holdco**" has the meaning specified in Section 2.12(1).

"**Regulatory Approval**" means any consent, waiver, permit, exemption, review, order, decision or approval of, or any registration and filing with, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity, in each case required or advisable in connection with the Arrangement, including the Key Regulatory Approvals.

"**Representative**" means, with respect to any Person, any officer, director, employee, representative (including any financial, legal or other advisor) or agent of such Person or of any of its Subsidiaries.

"**Required Information**" has the meaning specified in Section 4.7(6)(b).

"**Required Shareholder Approval**" has the meaning specified in Section 2.2(b).

"**Rollover Agreement**" has the meaning ascribed thereto in the Plan of Arrangement.

"**Rollover Shareholders**" has the meaning ascribed thereto in the Plan of Arrangement.

"**Rollover Shares**" has the meaning ascribed thereto in the Plan of Arrangement.

"**Securities Authority**" means the AMF and any other applicable securities commission or securities regulatory authority of a province or territory of Canada.

"**Securities Laws**" means the *Securities Act* (Québec) and the rules, regulations and published policies thereunder and any other applicable Canadian provincial and territorial securities Laws.

"**Shareholders**" means the registered or beneficial holders of the Shares, as the context requires.

"**Shares**" means the common shares in the capital of the Corporation.

"**Software**" means computer software and programs (both source code and object code form), all proprietary rights in the computer software and programs and all documentation and other materials related to the computer software and programs.

"**Special Committee**" means the special committee consisting of independent members of the Board formed in connection with the Arrangement and the other transactions contemplated by this Agreement.

"**Subsidiary**" has the meaning specified in Regulation 45-106 - *respecting Prospectus Exemptions* as in effect on the date of this Agreement.

"**Superior Proposal**" means any unsolicited *bona fide* written Acquisition Proposal from an arms' length third party or arms' length third parties acting jointly to acquire not less than all of the outstanding Shares or all or substantially all of the assets of the Corporation on a consolidated basis that:

(a) complies with Securities Laws and did not result from or involve a breach of Article 5;

(b) is reasonably capable of being completed without undue delay, taking into account, all financial, legal, regulatory (including with respect to the Competition Act, the HSR Act and the ICA, to the extent applicable) and other aspects of such proposal and the Person or group of Persons making such proposal;

(c) is not subject to any financing contingency and in respect of which it has been demonstrated to the satisfaction of the Board, acting in good faith (after receipt of advice from its financial advisors and its outside counsel) that the funds necessary to complete such Acquisition Proposal are or will be available;

(d) is not subject to any due diligence and/or access conditions; and

(e) that the Board determines, in its good faith judgment, after receiving the advice of its outside legal counsel and financial advisors and after taking into account all the terms and conditions of the Acquisition Proposal, including all legal, financial, regulatory (including with respect to the Competition Act, the HSR Act and the ICA, to the extent applicable) and other aspects of such Acquisition Proposal (including with respect to the undertaking of the Purchaser set forth in Section 2.10) and the Person or group of Persons making such Acquisition Proposal, represents a transaction that, taking into account the transaction terms

and the risk of non-completion, would result in a transaction which is more favourable, from a financial point of view, to the Shareholders (other than the Rollover Shareholders) than the Arrangement (including any amendments to the terms and conditions of the Arrangement proposed by the Purchaser pursuant to Section 5.4(2) hereof).

"**Superior Proposal Notice**" has the meaning specified in Section 5.4(1)(c).

"**Support and Voting Agreement**" means each of the support and voting agreements dated the date hereof between (i) the Purchaser and each of the directors and Officers of the Corporation (other than the Family Group or their associates), substantially in the form of Schedule E, and (ii) the Purchaser and each member of the Family Group, substantially in the form of Schedule F.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Tax Credits**" has the meaning specified in Section (36)(g) of Schedule C.

"**Tax Returns**" means any and all returns, reports, declarations, elections, notices, forms, designations, schedules, attachments, filings, and statements (including any amendments, and estimated tax returns and reports, withholding tax returns and reports, and information returns and reports) filed or required to be filed in respect of Taxes (whether in tangible, electronic or other form).

"**Taxes**" means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (i) above or this clause (ii); (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

"**Terminating Party**" has the meaning specified in Section 4.9(3).

"**Termination Notice**" has the meaning specified in Section 4.9(3).

"**TSX**" means the Toronto Stock Exchange.

"**wilful breach**" means a material breach that is a consequence of an act or a failure to act undertaken by the breaching party with the actual knowledge that such act or failure to act would, or would be reasonably expected to, cause a breach of this Agreement.

Section 1.2 Certain Rules of Interpretation.

In this Agreement, unless otherwise specified:

(1) **Headings, etc.** The provision of a table of contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Agreement.

(2) **Currency.** All references to dollars or to $ are references to Canadian dollars. Notwithstanding the foregoing, references to dollars or to $ in Section 4.1(3) and Schedule C hereto shall be references to Canadian dollars as regards the Corporation, Canadian Subsidiaries and Canadian operations and U.S. dollars as regards the U.S. Subsidiaries and U.S. operations, such that, by way of example, the reference to an employee whose annual base salary will be in excess of $125,000 in Section 4.1(3)(s) shall be read in U.S. dollars as relates to any U.S. employee.

(3) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.

(4) **Certain Phrases and References, etc.** The words "**including**", "**includes**" and "**include**" mean "**including (or includes or include) without limitation**", and "**the aggregate of**", "**the total of**", "**the sum of**", or a phrase of similar meaning means "**the aggregate (or total or sum), without duplication, of.**" Unless stated otherwise, "**Article**", "**Section**", and "**Schedule**" followed by a number or letter mean and refer to the specified Article or Section of or Schedule to this Agreement. The term "**Agreement**" and any reference in this Agreement to this Agreement or any other agreement or document includes, and is a reference to, this Agreement or such other agreement or document as it may have been, or may from time to time be, amended, restated, replaced, supplemented or novated and includes all schedules to it. The term "**made available**" means copies of the subject materials were included in the Data Room or otherwise provided in the manner expressly set forth in the Corporation Disclosure Letter.

(5) **Capitalized Terms.** All capitalized terms used in any Schedule or in the Corporation Disclosure Letter have the meanings ascribed to them in this Agreement.

(6) **Knowledge.** Where any representation or warranty is expressly qualified by reference to the knowledge of the Corporation or its Subsidiaries, it is deemed to refer to the knowledge of Louis Guertin, Vice President, Legal Affairs and Secretary, René Guizzetti, Vice President and Chief Financial Officer, Raymond Pomerleau, Treasurer, Claude Provost, Senior Vice President, Shared Services and Organizational Development, Carl Delisle, Vice President Corporate Controller, Tim Burns, Vice President, Chief Financial Officer, and Secretary Treasurer of FabSouth LLC, and Ron W. Peppe II, Vice President,

Legal Services and Human Resources, and Secretary of Canam Steel Corporation, in their respective capacities as officers of the Corporation and not in their personal capacity, after reasonable and diligent inquiry by such individual.

(7) **Accounting Terms.** All accounting terms are to be interpreted in accordance with GAAP and all determinations of an accounting nature in respect of the Corporation required to be made shall be made in a manner consistent with GAAP.

(8) **Statutes.** Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

(9) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day.

(10) **Time References.** References to time are to local time, Montreal, Québec.

(11) **Subsidiaries.** To the extent any covenants or agreements relate, directly or indirectly, to a Subsidiary of the Corporation, each such provision shall be construed as a covenant by the Corporation to cause (to the fullest extent to which it is legally capable) such Subsidiary to perform the required action.

Section 1.3 Schedules.

(1) The schedules attached to this Agreement form an integral part of this Agreement for all purposes of it.

(2) The Corporation Disclosure Letter itself and all information contained in it is confidential information and may not be disclosed unless (i) it is required to be disclosed pursuant to Law unless such Law permits the Parties to refrain from disclosing the information for confidentiality or other purposes; or (ii) a Party needs to disclose it in order to enforce or exercise its rights under this Agreement.

ARTICLE 2
THE ARRANGEMENT

Section 2.1 Arrangement.

The Corporation and the Purchaser agree that the Arrangement will be implemented in accordance with and subject to the terms and conditions of this Agreement and the Plan of Arrangement.

Section 2.2 Interim Order.

As soon as reasonably practicable after the date of this Agreement, but in any event on or before May 19, 2017, the Corporation shall apply to the Court in a manner reasonably

acceptable to the Purchaser pursuant to Chapter XVI – Division II of the QBCA and, in cooperation with the Purchaser, prepare, file and diligently pursue an application for the Interim Order, which must provide, among other things:

(a) for the class of persons to whom notice is to be provided in respect of the Arrangement and the Meeting and for the manner in which such notice is to be provided;

(b) that the required level of approval (the "**Required Shareholder Approval**") for the Arrangement Resolution shall be:

(i) at least (and not more than) 66 $^{2}/_{3}$% of the votes cast on the Arrangement Resolution by Shareholders present in person or represented by proxy at the Meeting, each being entitled to one vote per Share; and

(ii) a simple majority of the votes cast on the Arrangement Resolution by Shareholders (other than the Rollover Shareholders for purpose of such vote) present in person or represented by proxy at the Meeting, each being entitled to one vote per Share, voting in accordance with Part 8 of MI 61-101 or any exemption therefrom;

(c) that, subject to the foregoing and in all other respects, the terms, restrictions and conditions of the Corporation's Constating Documents, including quorum requirements and all other matters, shall apply in respect of the Meeting;

(d) for the grant of the Dissent Rights to those Shareholders who are registered Shareholders as contemplated in the Plan of Arrangement;

(e) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;

(f) that the Meeting may be adjourned or postponed from time to time by the Corporation with the prior consent of the Purchaser (except in the circumstances contemplated under Section 5.4(5)) in accordance with the terms of this Agreement and without the need for additional approval of the Court;

(g) for the fixing of the record date and that the record date for the Shareholders entitled to notice of and to vote at the Meeting will not change in respect of any adjournment(s) of the Meeting, unless required by Law; and

(h) for such other matters as the Purchaser or the Corporation (each with the prior consent of the other, such consent not to be unreasonably withheld or delayed) may reasonably require.

Section 2.3 The Meeting.

The Corporation shall:

(a) convene and conduct the Meeting in accordance with the Interim Order, the

Corporation's Constating Documents and Law as soon as reasonably possible, but in any event on or before June 30, 2017, for the purpose of considering the Arrangement Resolution and for any other proper purpose as may be set out in the Circular and agreed to by the Purchaser, and not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the Meeting without the prior written consent of the Purchaser, except:

(i) in the case of an adjournment, as required for quorum purposes; or

(ii) as required or permitted under Section 4.9(3) or Section 5.4(5).

(b) subject to the terms of this Agreement and compliance by the directors and Officers of the Corporation with their fiduciary duties, use commercially reasonable efforts to solicit proxies in favour of the approval of the Arrangement Resolution and against any resolution submitted by any Shareholder that is inconsistent with the Arrangement Resolution and the completion of any of the transactions contemplated by this Agreement, including, at the Corporation's option or if so requested by the Purchaser, acting reasonably, using dealer and proxy solicitation services firms and cooperating with any Persons engaged by the Purchaser to solicit proxies in favour of the approval of the Arrangement Resolution;

(c) provide the Purchaser with copies of or access to information regarding the Meeting generated by any dealer or proxy solicitation services firm, as reasonably requested from time to time by the Purchaser;

(d) consult with the Purchaser in fixing the date of the Meeting, give notice to the Purchaser of the Meeting and allow the Representatives of the Purchaser (including its outside legal counsel) to attend the Meeting;

(e) promptly advise the Purchaser, at such times as the Purchaser may reasonably request and on a daily basis on each of the last 10 Business Days prior to the date of the Meeting, as to the aggregate tally of the proxies and voting instruction forms (for greater certainty, specifying votes "for" and votes "against" the Arrangement Resolution) received by the Corporation from the Shareholders in respect of the Arrangement Resolution;

(f) promptly advise the Purchaser of any communication (written or oral) from any Person in opposition to the Arrangement, written notice of dissent, purported exercise or withdrawal of Dissent Rights, and written communications sent by or on behalf of the Corporation to any Shareholder exercising or purporting to exercise Dissent Rights;

(g) not make any payment or settlement offer, or agree to any payment or settlement prior to the Effective Time with respect to Dissent Rights without the prior written consent of the Purchaser;

(h) not change the record date for the Shareholders entitled to vote at the Meeting in connection with any adjournment or postponement of the Meeting unless required by Law or the Court; and

(i) at the request of the Purchaser from time to time, acting reasonably, provide the Purchaser with a list (in both written and electronic form) of (i) the registered Shareholders, together with their addresses and respective holdings of Shares, all as shown on the records of the Corporation, as of a date that is not more than five Business Days prior to the date of delivery of such list; (ii) the names, addresses and holdings of all Persons having rights issued by the Corporation to acquire Shares, if any; and (iii) participants and book-based nominee registrants such as CDS & Co., CEDE & Co. and the Depositary Trust Company, and non-objecting beneficial owners of Shares, together with their addresses and respective holdings of Shares. The Corporation shall from time to time require that its registrar and transfer agent furnish the Purchaser with such additional information, including updated or additional lists of Shareholders, and lists of securities positions and other assistance as the Purchaser may reasonably request in order to be able to communicate with respect to the Arrangement with the Shareholders entitled to vote on the Arrangement Resolution.

(j) If the Meeting is to be held during a Matching Period, at the request of the Purchaser, adjourn or postpone the Meeting to a date specified by the Purchaser that is not later than 10 Business Days after the date on which the Meeting was originally scheduled and in any event to a date that is not later than five Business Days prior to the Outside Date.

Section 2.4 The Circular.

(1) The Corporation shall, as promptly as reasonably practicable, prepare and complete, in consultation with the Purchaser, the Circular together with any other documents required by Law in connection with the Meeting and the Arrangement, including obtaining the Fairness Opinions and the Formal Valuation for inclusion in the Circular, and the Corporation shall, as promptly as reasonably practicable after obtaining the Interim Order, cause the Circular and such other documents to be filed and sent to each Shareholder and other Person as required by the Interim Order and Law, in each case so as to permit the Meeting to be held by the date specified in Section 2.3(a), provided that the Purchaser shall have complied with Section 2.4(4).

(2) The Corporation shall ensure that the Circular complies in all material respects with Law, does not contain any Misrepresentation (other than in respect to any written information with respect to the Purchaser, the Financing Sources, the Equity Funding Party, the Rollover Shareholders and the Financing that is furnished in writing by or on behalf of the Purchaser for inclusion in the Circular) and provides the Shareholders with sufficient information to permit them to form a reasoned judgement concerning the matters to be placed before the Meeting. Without limiting the generality of the foregoing, the Circular must include: (i) summaries and copies of the Fairness Opinions and of the Formal Valuation; (ii) a statement that the Special Committee has received the Fairness Opinions and Formal Valuation and has, after receiving legal and financial

advice, unanimously recommended that the Board approve the Arrangement Agreement and that the Shareholders (other than the Rollover Shareholders) vote in favour of the Arrangement Resolution; (iii) a statement that the Board has received the Fairness Opinions and Formal Valuation, and has unanimously (with interested directors abstaining from voting), after receiving legal and financial advice and the recommendation of the Special Committee, determined that the Arrangement Resolution is in the best interests of the Corporation and is fair to the Shareholders (other than the Rollover Shareholders) and that the Board unanimously (with interested directors abstaining from voting) recommends that the Shareholders (other than the Rollover Shareholders) vote in favour of the Arrangement Resolution (the "**Board Recommendation**"); (iv) a statement that each director and Officer of the Corporation who owns Shares intends to vote all of such individual's Shares in favour of the Arrangement Resolution; and (v) a statement that each member of the Family Group has entered into an irrevocable Support and Voting Agreement pursuant to which, inter alia, each member of the Family Group has agreed for a period of 180 days to vote all of its Shares in favour of the Arrangement Resolution and against any resolution submitted by any Shareholder that is inconsistent therewith, and which cannot be terminated in the event of a Superior Proposal.

(3) The Corporation shall give the Purchaser and its outside legal counsel a reasonable opportunity to review and comment on drafts of the Circular and other related documents, and shall give reasonable consideration to any comments made by the Purchaser and its outside legal counsel, and agrees that all information relating solely to the Purchaser, the Financing Sources, the Equity Funding Party, the Rollover Shareholders and the Financing that is furnished in writing by or on behalf of the Purchaser for inclusion in the Circular, and any information describing the terms of the Arrangement and/or the Plan of Arrangement, must be in a form and content satisfactory to the Purchaser, acting reasonably. The Corporation shall provide the Purchaser with a final copy of the Circular prior to its mailing to the Shareholders.

(4) The Purchaser shall provide in writing all necessary information concerning the Purchaser, the Financing Sources, the Equity Funding Party, the Rollover Shareholders and the Financing that is required by Law to be included by the Corporation in the Circular or other related documents to the Corporation in writing, and shall use its commercially reasonable efforts to ensure that such information does not contain any Misrepresentation.

(5) The Purchaser hereby agrees to indemnify and save harmless Corporation, its Subsidiaries and their respective Representatives from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which Corporation, any of its Subsidiaries or any of their respective Representatives may be subject or may suffer as a result of, or arising from, any Misrepresentation or alleged Misrepresentation contained in any written information included in the Circular that was provided in writing pursuant to Section 2.4(4) by or on behalf of the Purchaser or its Representatives for inclusion in the Circular, including as a result of any order made, or any inquiry, investigation or proceeding instituted by any Securities Authority or other Governmental Entity based on such a Misrepresentation or alleged Misrepresentation.

(6) Each Party shall promptly notify the other Party if it becomes aware (in the case of the Purchaser, only in respect of information relating to the Purchaser, the Financing Sources, the Equity Funding Party, the Rollover Shareholders and the Financing) that the Circular contains a Misrepresentation, or otherwise requires an amendment or supplement. The Parties shall co-operate in the preparation of any such amendment or supplement as required or appropriate, and the Corporation shall promptly mail, file or otherwise publicly disseminate any such amendment or supplement to the Shareholders and, if required by the Court or by Law, file the same with the Securities Authorities or any other Governmental Entity as required.

Section 2.5 Final Order.

If the Interim Order is obtained and the Arrangement Resolution is passed at the Meeting as provided for in the Interim Order, the Corporation shall take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to Chapter XVI – Division II of the QBCA, as soon as reasonably practicable and in any event no later than five Business Days after the Arrangement Resolution is passed at the Meeting.

Section 2.6 Court Proceedings.

Subject to the terms of this Agreement, the Purchaser shall cooperate with, assist and consent to the Corporation seeking the Interim Order and the Final Order, including by providing the Corporation on a timely basis any information regarding the Purchaser, the Financing Sources, the Equity Funding Party, the Rollover Shareholders and the Financing as required by applicable Law to be supplied by the Purchaser in connection therewith. In connection with all Court proceedings relating to obtaining the Interim Order and the Final Order, the Corporation shall:

(a) diligently pursue, and cooperate with the Purchaser to obtain the Interim Order and the Final Order;

(b) provide the Purchaser and its outside legal counsel with a reasonable opportunity to review and comment upon drafts of all material to be filed with, or submitted to, the Court or the AMF in connection with the Arrangement, including drafts of the Interim Order and Final Order, and give reasonable and due consideration to all such comments of the Purchaser and its outside legal counsel;

(c) provide outside legal counsel to the Purchaser on a timely basis with copies of any notice of appearance, evidence or other documents served on the Corporation or its outside legal counsel in respect of the application for the Interim Order or the Final Order or any appeal from them, and any notice, written or oral, indicating the intention of any Person to appeal, or oppose the granting of, the Interim Order or the Final Order;

(d) ensure that all material filed with the Court in connection with the Arrangement is consistent in all material respects with the terms of this Agreement and the

Plan of Arrangement;

(e) not file any material with the Court in connection with the Arrangement or serve any such material, or agree to modify or amend any material so filed or served, except as contemplated by this Agreement or with the Purchaser's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed, provided the Purchaser is not required to agree or consent to any increase in or variation in the form of the consideration or other modification or amendment to such filed or served materials that expands or increases the Purchaser's obligations, or diminishes or limits the Purchaser's rights, set forth in any such filed or served materials or under this Agreement, or that would require any amendment or modification to the terms and conditions of the Support and Voting Agreements;

(f) oppose any proposal from any Person that the Final Order contain any provision inconsistent with this Agreement, and if required by the terms of the Final Order or by Law to return to Court with respect to the Final Order do so only after notice to, and in consultation and cooperation with, the Purchaser; and

(g) not unreasonably object to outside legal counsel to the Purchaser making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such counsel considers appropriate, provided the Purchaser provides copies to the Corporation of any notice of appearance, motions or other documents supporting such submissions prior to the hearing and such submissions are consistent with this Agreement and the Plan of Arrangement.

Section 2.7 Articles of Arrangement and Effective Date.

(1) The Articles of Arrangement shall implement the Plan of Arrangement. The Articles of Arrangement shall include the form of the Plan of Arrangement attached as Schedule A, as it may be amended from time to time by written agreement of the Parties hereto. The closing of the transactions contemplated hereby (the "**Closing**"), including the filing of the Articles of Arrangement with the Enterprise Registrar, shall occur as soon as reasonably practicable (and in any event not later than five Business Days) after the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of the conditions set out in Article 6 (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of those conditions as of the Effective Date), unless another time or date is agreed to in writing by the Parties. If on the date the Corporation would otherwise be required to file the Articles of Arrangement pursuant to this Section 2.7(1), a Party has delivered a Termination Notice pursuant to Section 4.9(3), the Corporation shall not file the Articles of Arrangement until the Breaching Party has cured the breaches of representations, warranties, covenants or other matters specified in the Termination Notice. Notwithstanding the immediately preceding sentence, if the Marketing Period has not ended at the time of the satisfaction or waiver (where not prohibited) of the conditions set forth in Article 6 (excluding conditions that, by their

terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is stipulated, of those conditions as of the Effective Date), then the Closing shall occur instead on the date following the satisfaction or waiver of such conditions that is the earlier to occur of (i) any Business Day before or during the Marketing Period as may be specified by the Purchaser on no less than five Business Days' prior written notice to the Corporation and (ii) five Business Days immediately following the final day of the Marketing Period (subject, in the case of each of clauses (i) and (ii), to the satisfaction or waiver (if not prohibited) of the conditions set forth in Article 6 as of the time of the Closing determined pursuant to such clauses).

(2) From and after the Effective Time, the Plan of Arrangement shall have all of the effects provided by applicable Law, including the QBCA. The Closing will take place at the offices of Stikeman Elliott LLP, 1155 René-Lévesque Boulevard West, 41th Floor, Montreal, Québec, H3B 3V2, or at such other location as may be agreed upon by the Parties.

Section 2.8 Purchaser Compensation Covenants

(1) Unless otherwise agreed in writing between the Parties, for a period of one year from the Effective Date, the Purchaser covenant and agrees, and after the Effective Time will cause the Corporation and any successor to the Corporation to covenant and agree that the Corporation Employees, unless their employment is terminated, shall be provided with compensation and benefits that are substantially similar in the aggregate to those provided to such Corporation Employees immediately prior to the Effective Time, other than with respect to the equity portion of the participation in the profit sharing plan of the Corporation.

(2) The Purchaser covenants and agrees, and after the Effective Time will cause the Corporation and any successor to the Corporation, to honour and comply in all material respects with the terms of all existing employment, indemnification, change in control, severance, termination or other compensation agreements and employment and severance obligations of the Corporation or any of its Subsidiaries and all obligations of the Corporation and its Subsidiaries under the Employee Plans.

(3) The Purchaser agrees and acknowledges that the Corporation shall institute special retention and/or transition bonus programs in connection with the Arrangement, the particulars of which have been set forth in Section 2.8(3) of the Corporation Disclosure Letter and, subject to completion of the Arrangement, the Purchaser covenants and agrees to cause the Corporation to allocate and pay out to the eligible Corporation Employees bonus amounts pursuant to the terms of such special retention and/or transition bonus programs.

(4) Notwithstanding anything in this Section 2.8 to the contrary, the terms of this Section 2.8 shall not apply to any Corporation Employee who is covered by a Collective Agreement and instead, the terms and conditions of employment of each such Corporation Employee following the Effective Time shall be governed by the terms of the applicable Collective Agreement.

(5) This Section 2.8 is intended to benefit and bind only the parties to this Agreement and nothing contained in this Section 2.8, express or implied, is intended to or shall be construed to create any beneficiary rights, benefits, or remedies in any other Person (including any Corporation Employee), to create any right of continued employment for any Person for any specified period, or to prevent Purchaser, Corporation and any successor to the Corporation to terminate or modify the Employee Plans.

Section 2.9 Payment of Consideration.

The Purchaser shall, following receipt of the Final Order and immediately prior to the filing by the Corporation of the Articles of Arrangement with the Enterprise Registrar, transfer or cause to be transferred to the Depositary sufficient funds to be held in escrow (the terms and conditions of such escrow to be satisfactory to the Corporation and the Purchaser, each acting reasonably) in order to satisfy the aggregate Consideration payable to the Shareholders (other than Rollover Shareholders) as provided for in the Plan of Arrangement.

Section 2.10 Certain Undertakings of Purchaser.

The Purchaser covenants and agrees to cause the Corporation's headquarters to remain in the Province of Québec so long as the Purchaser owns a majority of the outstanding Shares of the Corporation.

Section 2.11 Withholding Rights.

Each of the Purchaser, the Corporation, the Depositary or any other Person that makes a payment hereunder shall be entitled to deduct and withhold from the amounts otherwise payable under this Agreement and the Arrangement, such amounts as it is directed to deduct and withhold or is required to deduct and withhold with respect to such payment under the Tax Act or any provision of any Law and remit such deduction and withholding amount to the appropriate Governmental Entity. To the extent that amounts are so properly deducted and withheld, such deducted and withheld amounts shall be treated for all purposes of this Agreement and the Arrangement as having been paid to the Shareholder, in respect of which such deduction and withholding was made.

Section 2.12 Holdco Alternative

(1) The Purchaser may in its sole discretion, permit Persons ("**Qualifying Holdco Shareholders**") that (i) are resident in Canada for purposes of the Tax Act (including a partnership if all of the members of the partnership are resident in Canada); (ii) are not exempt from tax under Part I of the Tax Act; (iii) are registered owners of Shares; and (iv) elect in respect of such Shares, by notice in writing provided to the Purchaser (or the Depositary) not later than 5:00 p.m. (Montreal time) on the 10th Business Day prior to the Effective Date (the "**Holdco Election Date**"), to sell all of the issued shares of a corporation (a "**Qualifying Holdco**"), which shall not be comprised of more than two classes of shares, one class of common shares and one class of preferred shares, the terms and conditions of which shall be determined in consultation with the Purchaser, that meets the conditions described below (the "**Holdco Alternative**"):

(a) such Qualifying Holdco was incorporated under the QBCA not earlier than the date of this Agreement, unless written consent is obtained from the Purchaser;

(b) such Qualifying Holdco is a single purpose corporation that has not carried on any business, has no employees, has not held or does not hold any assets other than Shares and a nominal amount of cash, has never entered into any transaction other than those relating to and necessary for the ownership of Shares or, with the Purchaser's consent, such other transactions as are necessary to facilitate those transactions described in the Plan of Arrangement;

(c) at the Effective Time, such Qualifying Holdco has no liabilities or obligations of any kind whatever (except to the Purchaser and the Corporation under the terms of the Holdco Alternative);

(d) at the Effective Time, such Qualifying Holdco will not have unpaid declared dividends and, prior to the Effective Time, such Qualifying Holdco shall not have paid any dividends or other distributions, other than an increase in stated capital, a stock dividend, a cash dividend financed with a daylight loan or a dividend paid through the issuance of a promissory note with a determined principal amount and any such promissory note issued in relation to the payment of any such dividend shall no longer be outstanding as of the Effective Time;

(e) such Qualifying Holdco shall have no shares outstanding other than the shares being disposed to the Purchaser by the Qualifying Holdco Shareholder, who shall be the sole beneficial owner of such shares;

(f) at all times such Qualifying Holdco shall be a resident of Canada for the purposes of the Tax Act and shall not be a resident of, and shall have no taxable presence in, any other country;

(g) such Qualifying Holdco shall have not more than three directors and three officers;

(h) the Qualifying Holdco Shareholder shall at its cost and in a timely manner prepare and file all income Tax Returns of such Qualifying Holdco in respect of the taxation year of such Qualifying Holdco ending immediately prior to the acquisition of such Qualifying Holdco by the Purchaser, subject to the Purchaser's right to approve all such Tax Returns as to form and substance;

(i) the Qualifying Holdco Shareholder shall indemnify the Corporation and the Purchaser, and any successor thereof, for any and all liabilities of the Qualifying Holdco (other than tax liabilities of the Qualifying Holdco that arise as a result of the Qualifying Holdco disposing of the Shares after the Effective Date) in a form satisfactory to the Purchaser acting reasonably,

(j) each Qualifying Holdco Shareholder will be required to enter into a share purchase agreement and other ancillary documentation (collectively, the "**Holdco**

Agreements") containing representations and warranties and covenants acceptable to the Purchaser, acting reasonably;

(k) the Qualifying Holdco Shareholder will provide Corporation and the Purchaser with copies of all documents necessary to effect the transactions contemplated herein on or before the 10th Business Day preceding the Effective Date, the completion of which will comply with applicable Laws (including Securities Laws) at or prior to the Effective Time;

(l) the entering into or implementation of the Holdco Alternative will not result in any delay in completing any other transaction contemplated by this Agreement;

(m) access to the books and records of such Qualifying Holdco shall have been provided on or before the 10th Business Day prior to the Effective Date and the Purchaser and its outside legal counsel shall have completed their due diligence regarding the business and affairs of such Qualifying Holdco;

(n) the terms and conditions of such Holdco Alternative must be satisfactory to the Purchaser and the Corporation, acting reasonably, and must include representations and warranties which are satisfactory to the Purchaser, acting reasonably; and

(o) the Qualifying Holdco Shareholder will be required to pay all reasonable out-of-pocket expenses incurred by the Purchaser or the Corporation in connection with the Holdco Alternative, including any reasonable costs associated with any due diligence conducted by the Purchaser or the Corporation.

(2) Any Qualifying Holdco Shareholder who elects the Holdco Alternative will be required to make full disclosure to the Purchaser of all transactions involved in such Holdco Alternative. In the event that the terms and conditions of or the transactions involved in such Holdco Alternative are not satisfactory to the Purchaser, acting reasonably, no Holdco Alternative shall be offered and the other transactions contemplated by this Agreement shall be completed subject to the other terms and conditions hereof.

(3) Each Qualifying Holdco Shareholder that has elected the Holdco Alternative will be required to enter into a Holdco Agreement providing for the acquisition of all issued and outstanding shares of the Qualifying Holdco in a form consistent with the foregoing. Failure of any Qualifying Holdco Shareholder to properly elect the Holdco Alternative on or prior to the Holdco Election Date or failure of any Qualifying Holdco Shareholder to properly enter into a Holdco Agreement will disentitle such Qualifying Holdco Shareholder from the Holdco Alternative.

(4) Upon request by a Qualifying Holdco Shareholder, the Purchaser may in its sole discretion agree to waive any of the requirements described in Section 2.12(1).

Section 2.13 Treatment of Rights under Profit Sharing Plan.

The Corporation has a profit sharing plan which is described in the Corporation's proxy solicitation circular dated March 17, 2017 pursuant to which a portion of bonuses payable to employees and officers of the Corporation is satisfied through the purchase of Shares (the "**Bonus Shares**") by Computershare Trust Company of Canada on behalf of such employees and officers and which are normally remitted on a date that is in the fourth year following the end of the fiscal year in which the bonuses were earned. With regards to U.S. employees of the Corporation, employees receive entitlements consisting in "phantom shares" instead of Bonus Shares (the "**Bonus Entitlements**"). The remittance of Bonus Shares to Canadian employees and officers of the Corporation entitled to receive same shall be accelerated and such Bonus Shares shall be treated as Shares or Rollover Shares, as applicable, pursuant to the Plan of Arrangement. U.S. employees of the Corporation shall have their Bonus Entitlements accelerated on Closing in such a way that is permitted under applicable Laws and that complies with the requirements of Section 409A of the U.S. Internal Revenue Code and as consented to by the Purchaser (such consent not to be unreasonably withheld or delayed to the extent the above legal and tax requirements are met), with the objective of providing such U.S. employees with a cash amount per Bonus Entitlement equal to the Consideration.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of the Corporation.

(1) Except as set forth in the correspondingly numbered paragraph of the Corporation Disclosure Letter (and any other representations or warranties of the Corporation only to the extent that the relevance of such disclosed fact or item to such other representation or warranty is reasonably apparent on its face), the Corporation hereby represents and warrants to the Purchaser as set forth in Schedule C hereto and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the entering into of this Agreement and the consummation of the Arrangement.

(2) Except for the representations and warranties set forth in this Agreement, neither the Corporation nor any other Person has made, or makes any other, express or implied representation and warranty, either written or oral, on behalf of the Corporation.

(3) The representations and warranties of the Corporation contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

Section 3.2 Representations and Warranties of the Purchaser.

(1) The Purchaser hereby represents and warrants to the Corporation as set forth in Schedule D and acknowledges and agrees that the Corporation is relying upon such representations and warranties in connection with the entering into of this Agreement

and the consummation of the Arrangement.

(2) Except for the representations and warranties set forth in this Agreement, neither the Purchaser nor any other Person has made, or makes any other, express or implied representation and warranty, either written or oral, on behalf of the Purchaser.

(3) The representations and warranties of the Purchaser contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 4
COVENANTS

Section 4.1 Conduct of Business of the Corporation.

(1) The Corporation covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, the Corporation shall, and shall cause each of its Subsidiaries to, conduct business in accordance with Law and, except (i) with the express prior written consent of the Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed, (ii) as required by Law, or (iii) as required or permitted by this Agreement, in the Ordinary Course.

(2) Without limiting the generality of Section 4.1(1), from the date of this Agreement until the earlier of the Effective Time or the time that this Agreement is terminated in accordance with its terms, the Corporation shall, and shall cause each of its Subsidiaries to:

(a) use commercially reasonable efforts to (i) duly and timely file with the appropriate Governmental Entity all Tax Returns required to be filed by the Corporation or any of its Subsidiaries; (ii) pay, deduct, withhold, collect and remit to the appropriate Governmental Entity in a timely fashion all amounts required to be so paid, deducted, withheld, collected or remitted other than those being contested in good faith; and

(b) keep the Purchaser reasonably informed, on a current basis, of any events, discussions, notices or changes with respect to any Tax investigation not disclosed in the Corporation Disclosure Letter.

(3) Without limiting the generality of Section 4.1(1), the Corporation covenants and agrees that, from the date of this Agreement until the earlier of the Effective Time or the time that this Agreement is terminated in accordance with its terms, the Corporation shall use its commercially reasonable efforts, and shall cause its Subsidiaries to use their commercially reasonable efforts, to (i) preserve intact the current business organization of the Corporation and its Subsidiaries, keep available the services of the Corporation Employees, contractors and agents of the Corporation and its Subsidiaries and maintain

good relations with, and the goodwill of, suppliers, customers, dealers, landlords, licensors, partners, lessors, creditors, distributors and all other Persons having business relationships with the Corporation or any of its Subsidiaries (ii) retain possession and control of its assets and the assets of each of its Subsidiaries, and preserve the confidentiality of any confidential or proprietary information relating to the business of the Corporation; (iii) perform and comply with all of its obligations under Material Contracts; (iv) except as part of the Pre-Acquisition Reorganization; and (v) except with the prior written consent of the Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed, the Corporation shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

(a) amend its Constating Documents or, in the case of any of its Subsidiaries which is not a corporation, its similar organizational documents;

(b) split, combine or reclassify any shares of its capital stock or declare, set aside or pay any dividend or other distribution or make any payment (whether in cash, stock or property or any combination thereof), in respect of the Shares owned by any person or the securities of any Subsidiary other than Permitted Dividends and other than, in the case of any Subsidiary wholly-owned by Corporation, any dividends, distributions or payments payable to the Corporation or any other wholly-owned Subsidiary of Corporation;

(c) amend the terms of, redeem, repurchase, or otherwise acquire or offer to redeem, repurchase or otherwise acquire, any of its securities;

(d) adopt a plan of liquidation or resolution providing for the liquidation or dissolution of the Corporation or any of its Subsidiaries;

(e) enter into, or resolve to enter into, any agreement that has the effect of creating a joint venture, partnership, shareholders' agreement or similar relationship between the Corporation or any of its Subsidiaries and another person;

(f) engage in any transaction with any related parties, other than (i) transactions between the Corporation and any of its Subsidiaries or between two or more Subsidiaries or as otherwise permitted in this Agreement and (ii) product and service transactions between the Corporation or any of its Subsidiaries and Placements CMI Inc. and or its affiliates which are consistent with past practices;

(g) issue, grant, deliver, sell, pledge or otherwise encumber, or authorize the issuance, grant, delivery, sale, pledge or other encumbrance or create any derivative interest in, any securities of the Corporation or its Subsidiaries or other equity or voting interests, or any options, warrants or similar rights exercisable or exchangeable for or convertible into, or otherwise evidencing a right to acquire such securities, capital stock or other equity or voting interests, or any stock appreciation rights, phantom stock awards or other rights that are linked to the price or the value of the Shares;

(h) reorganize, merge, combine or amalgamate with any Person or acquire (by

merger, amalgamation, consolidation, acquisition of securities, assets (except as otherwise permitted by this Agreement), directly or indirectly, in one transaction or in a series of transactions, assets, securities, properties, interests or businesses;

(i) reduce the stated capital of the shares of the Corporation or any of its Subsidiaries;

(j) sell, pledge, hypothecate, lease, license, sell and lease back, mortgage, dispose of, lose the right to use, surrender or encumber or otherwise transfer, any assets, securities, properties, interests or businesses of the Corporation or any of its Subsidiaries except in the Ordinary Course or in respect of assets whose book value, individually or in the aggregate, does not exceed $1,000,000;

(k) make any capital expenditure or commitment to do so other than as budgeted in the 2017 Capex budget of the Corporation and its Subsidiaries which individually or in the aggregate exceeds $2,000,000;

(l) prepay any term indebtedness (whether in account of borrowed money or otherwise) before its scheduled maturity other than repayment of indebtedness under existing revolving credit facilities or increase, create, incur, assume or otherwise become liable for any indebtedness for borrowed money or guarantees thereof or debt securities other than (i) in connection with advances or repayments in the Ordinary Course under the Corporation's or any Subsidiary's existing credit facilities, (ii) in connection with the scheduled repayment of indebtedness pursuant to the Corporation's term loans outstanding on the date of this Agreement, (iii) indebtedness owing by one wholly-owned Subsidiary of the Corporation to the Corporation or another wholly-owned Subsidiary of the Corporation or of the Corporation to another wholly-owned Subsidiary of the Corporation or (iv) the $25,000,000 increase of the credit line with the Canadian banking syndicate; provided that any indebtedness created, incurred, refinanced, assumed or for which the Corporation or any Subsidiary becomes liable in accordance with the foregoing shall be prepayable at the Effective Time without premium, penalty or other incremental costs (including breakage costs) in excess of $100,000, in the aggregate;

(m) commence, cancel, waive, release, assign, settle, satisfy, pay, discharge or compromise any (i) claim or right, litigation, proceeding or governmental investigation relating to the assets or the business of the Corporation or any of its Subsidiaries, in excess of an aggregate amount of $1,000,000; or which would reasonably be expected to impede, prevent or delay the consummation of the transactions contemplated by this Agreement, or (ii) action, claim or proceeding brought by any present, former or purported holder of securities of the Corporation or any of its Subsidiaries in connection with the transactions contemplated by this Agreement or the Plan of Arrangement;

(n) make any loan or advance (other than advances to Corporation Employees not exceeding $500,000 in the aggregate) to, or any capital contribution or investment in, or assume, guarantee or otherwise become liable with respect to the liabilities

or obligations of, any Person (other than in respect of a liability or obligation incurred by a Subsidiary of the Corporation, provided that the incurrence of such liability or obligation by such Subsidiary does not constitute a breach of this Agreement);

(o) enter into any interest rate, currency, equity or commodity swaps, hedges, derivatives, forward sales contracts or similar financial instruments;

(p) make any bonus or profit sharing distribution or similar payment of any kind, except those set forth in Section 4.1(3)(p) of the Corporation Disclosure Letter;

(q) make any change in the Corporation's methods of accounting, except as required by concurrent changes in GAAP or pursuant to written instructions, comments or orders of a Securities Authority;

(r) grant any general increase in the rate of wages, salaries, bonuses or other remuneration of any Corporation Employees, directors, officers, contractors, consultants or other services providers of the Corporation or any of its Subsidiaries other than (i) in the Ordinary Course and in a manner and timing consistent with past practice and (ii) as may be required by the terms of a Contract disclosed in the Corporation Disclosure Letter or as otherwise disclosed in Section 2.8(3) or Section 4.1(3) of the Corporation Disclosure Letter;

(s) except as required by Law or as disclosed in Section 4.1(3)(s) of the Corporation Disclosure Letter: (i) adopt, enter into or amend any Employee Plan or Contract (other than in conjunction with entering into an employment agreement in the Ordinary Course with a new employee whose annual base salary will be in excess of $125,000 who was not employed by the Corporation or a Subsidiary on the date of this Agreement); (ii) pay any benefit to any director or officer of the Corporation or any of its Subsidiaries or to any Corporation Employee (other than in the Ordinary Course in the case of a Corporation Employee who is not a director or Officer of the Corporation); (iii) grant, accelerate, increase or otherwise amend any payment, award or other benefit payable to, or for the benefit of, any director or officer of the Corporation or any of its Subsidiaries or to any Corporation Employee (other than in the Ordinary Course or as a result of the Arrangement, in the case of a Corporation Employee who is not a director of the Corporation); (iv) terminate any officer level or management level Corporation Employee other than for cause; (v) except as disclosed in Section 2.8(3) of the Corporation Disclosure Letter and Section 4.10(2) of the Corporation Disclosure Letter, grant any rights of indemnification, retention, severance, change of control, bonus or termination pay to, or enter into any employment agreement, indemnity agreement, deferred compensation or bonus compensation agreement (or amend such existing agreement) with, any officer or director of Corporation or its Subsidiaries or to any Corporation Employee, or hire or terminate the employment (except for just cause) of any officer or director of Corporation or its Subsidiaries or any Corporation Employee; (v) make any material determination under any Employee Plan or Contract that is not in the Ordinary Course; (vi) make any loan to any director or officer of the Corporation

or its Subsidiaries or to any Corporation Employee (other than advances to Corporation Employees not exceeding $500,000 in the aggregate), or (vii) take or propose any action to effect any of the foregoing;

(t) amend or modify, or terminate or waive any right under, any Material Contract or enter into any contract or agreement that would be a Material Contract if in effect on the date hereof, or fail to enforce any material breach of any Material Contract of which it becomes aware, or materially breach or violate or be in default under any Material Contract, provided that the foregoing shall not apply in respect of any Contract with customers, dealers or suppliers relating to the supply of goods or the sale of inventory or services by the Corporation or any of its Subsidiaries, in each case, in the Ordinary Course;

(u) enter into an agreement that could result in the payment by the Corporation or any of its Subsidiaries of a finder's fee, success fee or other similar fee, provided that the foregoing shall not prohibit the Corporation from entering into an agreement with any dealer and proxy solicitation services firm for purposes of soliciting proxies in connection with the Arrangement;

(v) make any material Tax election, settle or compromise any material Tax claim exceeding $1,000,000, assessment, reassessment or liability, file any amended Tax Return, enter into any material agreement with a Governmental Entity with respect to Taxes, consent to the extension or waiver of the limitation period applicable to any material Tax matter or materially amend or change any of its methods or reporting income, deductions or accounting for income Tax purposes except as may be required by Law;

(w) take any action or fail to take any action that would, or would reasonably be expected to in the aggregate (i) cause the Tax attributes of assets of the Corporation or any of its Subsidiaries or the amount of Tax loss carry-forwards of the Corporation or any of its Subsidiaries to materially and adversely change from what is reflected in their respective Tax returns; or (ii) render such Tax loss carry-forwards unusable (in whole or in part) by any of them or any successor of the Corporation;

(x) take any action or fail to take any action which action or failure to act would, or would reasonably be expected to, result in the loss, expiration or surrender of, or the loss of any material benefit under, or reasonably be expected to cause any Governmental Entities to institute proceedings for the suspension, revocation or limitation of rights under, any material Authorizations, or fail to prosecute with commercially reasonable due diligence any pending applications to any Governmental Entities for material Authorizations;

(y) enter into, amend or modify any union recognition agreement, Collective Agreement or similar agreement with any trade union or representative body other than in the Ordinary course and upon reasonable consultation with the Purchaser;

(z) except as contemplated in Section 4.10 and except for scheduled renewals in the Ordinary Course, amend, modify or terminate any material insurance policy of the Corporation or any of its Subsidiaries in effect on the date of this Agreement, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the terminated, cancelled or lapsed policies for substantially similar premiums are in full force and effect;

(aa) grant or commit to grant a license or otherwise transfer any Intellectual Property or right in or in respect thereto except in the Ordinary Course or as required pursuant to a Contract in force as of the date hereof;

(bb) materially change its business or regulatory strategy; or

(cc) authorize, agree, resolve or otherwise commit, whether or not in writing, to do any of the foregoing.

(4) If, on or after the date of this Agreement, the Corporation declares or pays any dividend or other distribution on the Shares prior to the Effective Time (other than Permitted Dividends), the Consideration shall be reduced by the amount of such dividends or distributions.

Section 4.2 Covenants of the Corporation Regarding the Arrangement.

(1) The Corporation shall, and shall cause its Subsidiaries to, perform all obligations required or desirable to be performed by the Corporation or its Subsidiaries under this Agreement, cooperate with the Purchaser in connection therewith, and shall use its commercially reasonable efforts to perform all such other actions as may be necessary or desirable in order to consummate or make effective, as soon as reasonably practicable, the Arrangement and, without limiting the generality of the foregoing, the Corporation shall, and shall cause its Subsidiaries to:

(a) use its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities from it relating to the Arrangement;

(b) use its commercially reasonable efforts to, upon reasonable consultation with the Purchaser, oppose, lift or rescind any injunction, restraining or other order, decree, judgment or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defend, or cause to be defended, any proceedings to which it or any of its Subsidiaries is a party or brought against it or any of its Subsidiaries or any of their directors or officers challenging the Arrangement or this Agreement;

(c) use its commercially reasonable efforts to satisfy the conditions precedent set forth in Section 6.1 and Section 6.2 in this Agreement and carry out the terms of the Interim Order and Final Order applicable to it and comply promptly with all

requirements imposed by Law on it or its Subsidiaries with respect to this Agreement or the Arrangement;

(d) use its commercially reasonable efforts to obtain and maintain all third party consents, waivers, permits, exemptions, orders, approvals, agreements or amendments that are (i) necessary to be obtained under the Material Contracts in connection with the Arrangement; or (ii) required in order to maintain the Material Contracts in full force and effect following completion of the Arrangement, in each case, on terms that are satisfactory to the Purchaser, acting reasonably, and without paying, and without committing itself or the Purchaser to pay, any consideration or incur any liability or obligation without the prior written consent of the Purchaser;

(e) not take any action, or refraining from taking any commercially reasonable action, or permitting any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to prevent, delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by this Agreement;

(f) assist in obtaining the resignations and releases (in a form satisfactory to the Purchaser, acting reasonably) of each member of the Board and each member of the board of directors of the Subsidiaries to the extent required by the Purchaser, and causing them to be replaced by Persons nominated by the Purchaser effective as of the Effective Time; and

(g) use commercially reasonable efforts to cause each of the directors and officers of the Corporation (other than the members of the Family Group and their associates) to comply with and perform his or her obligations under their respective Support and Voting Agreement.

(2) The Corporation shall promptly notify the Purchaser of:

(a) any Material Adverse Effect or any change, effect, event, development, occurrence, circumstance or state of facts which could reasonably be expected to have a Material Adverse Effect;

(b) any notice or other communication from any Person alleging (i) that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person is required in connection with this Agreement or the Arrangement, or (ii) such Person is terminating or otherwise materially adversely modifying its relationship with the Corporation or any of its Subsidiaries as a result of the Arrangement or this Agreement;

(c) any notice or other communication from any bargaining agent representing Corporation Employees giving notice to bargain and as permitted by Law, copies of any proposals tabled by any such bargaining agent that, if implemented, would materially modify the terms of a Collective Agreement;

(d) any notice or other communication from a Person alleging a defect or claim in respect of any Products sold by the Corporation or its Subsidiaries which is reasonably likely to be reflective of a material recurring product defect, to lead to a product recall or to form the basis for a potential legal action;

(e) any notice or other communication from any Governmental Entity in connection with this Agreement (and, subject to Law, the Corporation shall contemporaneously provide a copy of any such written notice or communication to the Purchaser); or

(f) any filing, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting the Corporation, its Subsidiaries or their assets that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.1(30)(a) the Corporation Disclosure Letter or that relate to this Agreement or the Arrangement.

(3) The Corporation shall keep the Purchaser informed of the status of any ongoing collective bargaining negotiations with any union between the date of the Agreement and the Effective Time and provide the Purchaser with copies of all material documents tabled by either party in the course of collective bargaining negotiations, in a timely fashion during said designed period.

Section 4.3 Covenants of the Purchaser Regarding the Arrangement

(1) The Purchaser shall perform all obligations required or desirable to be performed by it under this Agreement, cooperate with the Corporation in connection therewith, and shall use its commercially reasonable efforts to perform all such other actions as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the Arrangement and, without limiting the generality of the foregoing, the Purchaser shall:

(a) use its commercially reasonable efforts to satisfy the conditions precedent set forth in Section 6.1 and Section 6.3 in this Agreement and carry out the terms of the Interim Order and Final Order applicable to it and comply promptly with all requirements imposed by Law on it with respect to this Agreement or the Arrangement;

(b) use its commercially reasonable efforts, upon reasonable consultation with the Corporation, to oppose, lift or rescind any injunction, restraining or other order, decree, judgment or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers and challenging the Arrangement or this Agreement;

(c) use its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities from it relating to the Arrangement or the transactions contemplated by this Agreement

provided that nothing in this Agreement prevents the Purchaser and all of its affiliates from conducting business in the ordinary course; and

(d) not take any action, or refrain from taking any commercially reasonable action, or permitting any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by this Agreement.

(2) The Purchaser shall promptly notify the Corporation in writing of (i) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with this Agreement or the Arrangement, or (ii) any material filings, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving the Purchaser that relate to this Agreement or the Arrangement, in the case of each of (i) and (ii) to the extent that such notice, communication, filing, action, suit, claim, investigation or proceeding would reasonably be expected to impair, impede, materially delay or prevent the Purchaser from performing its obligations under this Agreement.

Section 4.4 Regulatory Approvals.

(1) The Parties shall, as promptly as practicable, prepare and file all necessary documents, registrations, statements, petitions, filings and applications for the Regulatory Approvals, and use their commercially reasonable efforts to obtain and maintain all Regulatory Approvals.

(2) Subject to Law, the Parties shall cooperate with one another in connection with obtaining the Regulatory Approvals including providing one another with copies of all notices and information or other correspondence supplied to, filed with or received from any Governmental Entity (except for notices and information which a Party reasonably considers to be confidential or sensitive, which such Party shall provide on a "counsel only" basis). Each Party shall keep the other Parties and their respective counsel apprised of all material communications and meetings with any Governmental Entity in respect of this Agreement or the Arrangement, and will not participate in such material communications or meetings without giving the other Parties and their respective counsel the opportunity to participate therein.

(3) If any objections are asserted with respect to the transactions contemplated by this Agreement under any Law, or if any proceeding is instituted or threatened by any Governmental Entity challenging or which could lead to a challenge of any of the transactions contemplated by this Agreement as not in compliance with Law or as not satisfying any applicable legal text under a Law necessary to obtain the Regulatory Approvals, the Purchaser and the Corporation shall, and the Corporation shall cause each of its Subsidiaries to, use their commercially reasonable efforts to resolve such objection or proceeding so as to allow the Effective Time to occur prior to the Outside Date.

Section 4.5 Access to Information; Confidentiality.

(1) From the date hereof until the earlier of the Effective Time and the termination of this Agreement, subject to Law and the Confidentiality Agreement, the Corporation shall, and shall cause its Subsidiaries and their respective Representatives to, afford to the Purchaser, the Equity Funding Party, the Financing Sources and their Representatives, subject to the Confidentiality Agreement, such access as may reasonably be required at all reasonable times, including, for the purpose of facilitating business planning or for the purpose of conducting environmental studies and investigations, and to furnish such data and information as the Purchaser, the Equity Funding Party, the Financing Sources and their Representatives may reasonably request, so long as the access does not unduly interfere with the Ordinary Course conduct of the business of Corporation and provided that no sampling or other intrusive environmental investigations or studies shall be performed without the Corporation's written consent (which consent shall not be unreasonably withheld, conditioned or delayed).

(2) Neither the Purchaser nor its Representatives will contact any Corporation Employee, agent, customer, dealer, supplier, or other person having a business relationship with Corporation except after consultation with the Chief Financial Officer or Vice President, Legal Affairs and Secretary of the Corporation.

(3) This Section 4.5 shall not require the Corporation or its Subsidiaries to permit any access, or to disclose any information that in the reasonable good faith judgment of the Corporation, after consultation with outside legal counsel, is likely to result in the breach of any Contract, any violation of any Law or cause any privilege (including attorney-client privilege) that the Corporation or its Subsidiaries would be entitled to assert to be undermined with respect to such information; provided that, the Parties hereto shall cooperate in seeking to find a way to allow disclosure of such information to the extent doing so could reasonably (in the good faith belief of such disclosing Party, after consultation with counsel) be managed through the use of customary "clean-room" arrangements.

(4) Investigations made by or on behalf of the Purchaser, whether under this Section 4.5 or otherwise, will not waive, diminish the scope of, or otherwise affect any representation or warranty made by the Corporation in this Agreement.

(5) The Purchaser acknowledges that the Confidentiality Agreement shall continue to apply and that all information provided to the Purchaser, the Equity Funding Party, the Financing Sources and their Representatives under Section 4.5(1) that is non-public or proprietary in nature shall be subject to the terms of the Confidentiality Agreement. If this Agreement is terminated in accordance with its terms, the obligations of the Purchaser and the Corporation under the Confidentiality Agreement shall survive the termination of this Agreement in accordance with the terms of the Confidentiality Agreement.

Section 4.6 Pre-Acquisition Reorganization.

(1) Subject to Section 4.6(2), the Corporation agrees that, upon request of the Purchaser, the

Corporation shall use its commercially reasonable efforts, and shall cause each of its Subsidiaries to use their commercially reasonable efforts to (i) perform such reorganizations of its corporate structure, capital structure, business, operations and assets or such other transactions, including amalgamation or liquidation, as the Purchaser may request, acting reasonably (each a "**Pre-Acquisition Reorganization**"); (ii) cooperate with the Purchaser and its Representatives to determine the nature of the Pre-Acquisition Reorganizations that might be undertaken and the manner in which they would most effectively be undertaken; and (iii) cooperate with the Purchaser and its advisors to seek to obtain consents or waivers which might be required, including without limitation, from the Corporation's lenders under its existing credit facilities in connection with any Pre-Acquisition Reorganization, if any.

(2) The Corporation will not be obligated to participate in any Pre-Acquisition Reorganization under Section 4.6(1) unless the Corporation determines in good faith that such Pre-Acquisition Reorganization:

(a) can be completed prior to the Effective Date and can be reversed or unwound in the event the Arrangement is not consummated without adversely affecting the Corporation, any of its Subsidiaries or the Shareholders (other than the Rollover Shareholders);

(b) is not, in the opinion of the Corporation, after consultation with its outside legal counsel, prejudicial to the Corporation, any of its Subsidiaries or the Shareholders (other than the Rollover Shareholders);

(c) does not impair, impede, delay or prevent the Corporation or the Purchaser to consummate, and will not materially delay the consummation of, the Arrangement;

(d) does not require the Corporation to obtain the approval of any Shareholders (other than the Rollover Shareholders) or, after the mailing of the Circular, to require any amendment thereto;

(e) is effected as close as reasonably practicable prior to the Effective Time;

(f) does not require the Corporation or its Subsidiaries to take any action that could reasonably be expected to result in Taxes being imposed on any Shareholders (other than the Rollover Shareholders) incrementally greater than the Taxes or other consequences to such party in connection with the completion of the Arrangement in the absence of action being taken pursuant to this Section 4.6;

(g) does not result in any material breach by the Corporation or any of its Subsidiaries of any Material Contract or any breach by the Corporation or any of its Subsidiaries of their respective organizational documents or Law, provided that any failure to obtain consent in connection with the Pre-Acquisition Reorganization will be deemed not to constitute or result in a breach pursuant to this Section 4.6(2)(g);

(h) does not require the directors, officers, employees or agents of the Corporation or its Subsidiaries to take any action in any capacity other than as a director, officer, employee or agent; and

(i) shall not become effective unless the Purchaser has irrevocably waived or confirmed in writing the satisfaction of all conditions in its favour under Section 6.1 and Section 6.2 and shall have confirmed in writing that it is prepared to promptly and without condition (other than compliance with this Section 4.6) proceed to effect the Arrangement.

(3) The Purchaser must provide written notice to the Corporation of any proposed Pre-Acquisition Reorganization at least 10 Business Days prior to the Effective Date. Upon receipt of such notice, the Corporation and the Purchaser shall work cooperatively and use their commercially reasonable efforts to prepare prior to the Effective Time all documentation necessary and do such other acts and things as are necessary to give effect to such Pre-Acquisition Reorganization, including any amendment to this Agreement or the Plan of Arrangement.

(4) The Purchaser agrees that it will be responsible for all costs and expenses associated with any Pre-Acquisition Reorganization to be carried out at its request and shall indemnify and save harmless the Corporation and its Subsidiaries from and against any and all liabilities, losses, damages, claims, costs, expenses, interest awards, judgements and penalties suffered or incurred by any of them in connection with or as a result of any such Pre-Acquisition Reorganization (including in respect of any reversal, modification or termination of a Pre-Acquisition Reorganization and including any out of pocket costs and expenses for filing fees and external counsel and auditors which may be incurred) and that any Pre-Acquisition Reorganization will not be considered in determining whether a representation or warranty of the Corporation under this Agreement has been breached (including where any such Pre-Acquisition Reorganization requires the consent of any third party under a Contract).

(5) The Purchaser waives any breach of a representation, warranty or covenant by the Corporation, where such breach is solely a result of an action taken by the Corporation or a Subsidiary in good faith pursuant to a written request by the Purchaser in accordance with this Section 4.6.

Section 4.7 Financing

(1) The Purchaser shall have the right from time to time to amend, replace, supplement or otherwise modify or waive any of its rights under the Financing Letters or any definitive agreements with respect to the Debt Financing described in the Debt Commitment Letter and/or Alternative Financing for all or any portion of the Debt Financing described in the Debt Commitment Letter from the same and/or alternative Financing Sources; provided that any such amendment, replacement, supplement or other modification to or waiver of any provision of the Financing Letters or such definitive agreements that amends the Debt Financing described in the Debt Commitment Letter and/or Alternative Financing shall not expand upon the conditions precedent or contingencies to the funding on the Effective Date of the Debt Financing or Equity Financing as set

forth in the Financing Letters in any manner that could reasonably be expected to materially and adversely impact or delay the ability of the Purchaser to consummate the transactions contemplated by this Agreement. In such event, the terms "**Debt Commitment Letter**" and "**Equity Commitment Letter**" as used in this Agreement shall be deemed to include the new or modified Debt Commitment Letter or Equity Commitment Letter, as applicable, entered into in accordance with this Section 4.7(1); provided that in the event any portion of the Debt Financing described in the Debt Commitment Letter becomes unavailable on the terms and conditions contemplated in the Debt Commitment Letter delivered on the date hereof, Section 4.7(3), and not the first sentence of this Section 4.7(1), shall govern with respect to the terms of any replacement financing to be obtained after any portion of the Debt Financing described in the Debt Commitment Letter becomes unavailable as described therein.

(2) The Purchaser shall use its commercially reasonable efforts to take, or cause to be taken, all actions and shall use its commercially reasonable efforts to do, or cause to be done, all things necessary or advisable to:

(a) comply with all of the Purchaser's obligations under the Financing Letters;

(b) satisfy on a timely basis (or obtain a waiver of) all material terms and conditions applicable to the Purchaser set forth in the Financing Letters and that are within its control;

(c) maintain in effect the Financing Letters, negotiate and enter into definitive agreements with respect to the Debt Commitment Letter on the terms and conditions contemplated by the Debt Commitment Letter or on other terms acceptable to the Purchaser which would not be reasonably expected to materially delay or prevent the Closing; and

(d) consummate the Financing pursuant to the Financing Letters (taking into account any market flex provisions in the fee letter executed contemporaneously with the Debt Commitment Letter), provided that under no circumstances shall the Purchaser be required to, or be required to permit the Corporation or its Subsidiaries to, incur any indebtedness or sell, dispose or otherwise transfer any assets in order to satisfy any conditions in the Debt Commitment Letter or in order to arrange or obtain any Debt Financing pursuant to the Debt Commitment Letter.

(3) If any portion of the Debt Financing described in the Debt Commitment Letter becomes unavailable on the terms and conditions described above, the Purchaser shall:

(a) promptly notify the Corporation; and

(b) use its commercially reasonable efforts to obtain alternative debt financing (the "**Alternative Financing**") from alternative sources (on terms and conditions that are no less favourable to the Purchaser than the terms and conditions as set forth in the Debt Commitment Letter, taking into account any market flex provisions thereof); provided, however, that the Purchaser shall not be required

to obtain debt financing which in the Purchaser's reasonable judgment includes terms which, taken as a whole, are materially less advantageous to the Purchaser, in each case relative to those set forth in the Debt Commitment Letter (taking into account any market flex provisions in the fee letter executed contemporaneously with the Debt Commitment Letter).

Nothing in this Section 4.7(3) or any other provisions of this Agreement shall require, and in no event shall the "commercially reasonable efforts" of the Purchaser be deemed or construed to require the Purchaser to (i) seek equity financing from any source other than Equity Funding Party or in any amount in excess of that contemplated by the Equity Commitment Letter; (ii) seek or accept Financing on terms which, taken as a whole, are materially less favorable than those set forth in the Financing Letters (including the market flex provisions) provided on the date of this Agreement; (iii) waive any term or condition of this Agreement; or (iv) pay any fees in excess of those contemplated by the Financing Letters (whether to secure a waiver of any conditions contained therein or otherwise).

(4) The Purchaser shall keep the Corporation promptly apprised of material developments relating to the Debt Financing pursuant to the Debt Commitment Letter, including providing prompt notice of any breach by any party to, or termination of, any Debt Commitment Letter or any other document relating to such Debt Financing.

(5) The Purchaser shall promptly deliver to the Corporation true and complete copies of all agreements relating to any Alternative Financing and all amendments, replacements, supplements, modifications and waivers relating to the Debt Financing.

(6) Each of the Corporation and its Subsidiaries shall, and each shall use its commercially reasonable efforts to cause their affiliates and Representatives to, provide cooperation (including with respect to timeliness) in connection with the arrangement of the Debt Financing (which for purposes of this Section 4.7(6) shall be deemed to include the Alternative Financing) as may be reasonably requested by the Purchaser, all at the sole cost and expense of the Purchaser, including:

(a) participation in meetings, presentations, drafting sessions, due diligence sessions and sessions with prospective lenders, investors and ratings agencies;

(b) furnishing the Purchaser and its Financing Sources as promptly as practicable with (i) the financial statements regarding the Corporation and its Subsidiaries necessary to satisfy the conditions set forth in paragraph 4 and 5 of Exhibit D of the Debt Commitment Letter (or the analogous provision in any amendment, modification, supplement, restatement or replacement thereof permitted or required pursuant to Section 4.7) and (ii) such other pertinent financial and other information as the Purchaser, the Financing Sources and their Representatives shall reasonably request in order to consummate the Debt Financing or as is customary for the arrangement of loans contemplated by the Debt Financing (information required to be delivered pursuant to this clause (b) being referred to as the "**Required Information**");

(c) using its commercially reasonable efforts to obtain customary accountants' comfort letters, legal opinions, appraisals, surveys, certificate of location and plan, title insurance or title opinions from a firm carrying acceptable insurance coverage and other documentation and items relating to such debt financing as reasonably requested by the Purchaser and, if requested by the Purchaser, to cooperate with and assist the Purchaser in obtaining such documentation and items;

(d) assisting the Purchaser and its Financing Sources in the preparation of any customary offering documents, confidential information memoranda, lender and investor presentations, rating agency presentations, private placement memoranda, bank information memoranda (including the delivery of customary representation letters) and similar documents for the Debt Financing;

(e) cooperating with the Purchaser in connection with applications to obtain such consents, approvals or authorizations which may be reasonably necessary or desirable in connection with such Debt Financing

(f) cooperating with the marketing efforts of the Purchaser and its Financing Sources for any of the Debt Financing (including making its senior management available to participate in meetings of prospective lenders and assisting the Purchaser and its Financing Sources in the preparation of materials and financial and other information for rating agency presentations);

(g) assisting in the preparation of definitive financing documents as may be reasonably requested by the Purchaser;

(h) providing and executing such documents as may be reasonably requested by the Purchaser which are customarily provided in connection with the arrangement of the Debt Financing, including a certificate of the chief financial officer of the Corporation with respect to solvency matters, provided that no obligation of the Corporation or its Subsidiaries under any agreement, document or pledge shall be operative until the Effective Date and no personal liability shall be imposed on the officers, directors, employees or agents involved;

(i) facilitating the granting of liens and pledging of collateral (including entering into hypothecs, mortgages and leasehold mortgages and all other documentation reasonably required for any immovable or real property related financing, if reasonably requested), provided that no obligation of the Corporation or its Subsidiaries under any agreement, document or pledge shall be operative until the Effective Date;

(j) facilitating the taking of corporate and limited liability company action by the Corporation and its Subsidiaries, as applicable, required to permit the completion of the Debt Financing under the Debt Commitment Letter;

(k) using commercially reasonable efforts to obtain surveys, consents, approvals, authorizations, customary payoff letters, instruments of termination or

discharge, environmental assessments and title insurance (including by providing such affidavits and non-imputation endorsements in connection therewith) as reasonably requested by the Purchaser, provided that no obligation of the Corporation or its Subsidiaries under any agreement or document shall be operative until the Effective Date;

(l) making available, on a customary and reasonable basis and upon reasonable notice, appropriate personnel, documents and information relating to the Corporation and its Subsidiaries, in each case, as may be reasonably requested by the Purchaser, the Financing Sources and their Representatives (including to allow the Financing Sources to conduct field exams and inventory appraisals);

(m) taking all corporate action necessary to permit the consummation of the Debt Financing, including entering into one or more credit agreements or other instruments or agreements on terms reasonably satisfactory to the Purchaser in connection with the Debt Financing, to be effective no earlier than the Effective Date, to the extent direct borrowings or debt incurrence by the Corporation or its Subsidiaries is contemplated for such Debt Financing, and reasonably assisting in the negotiation thereof; and

(n) furnishing to the Purchaser at least ten days prior to the Effective Date documents or other information relating to the Corporation and its Subsidiaries required by applicable Law or bank regulatory authorities with respect to the Debt Financing under applicable "know your customer" and anti-money laundering rules and regulations, including the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act) Act of 2011* and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada). The Corporation hereby consents to the use of its and its Subsidiaries' logos in connection with the Debt Financing; provided that such logos shall be used solely in a manner that is not intended or reasonably likely to harm, disparage or otherwise adversely affect the Corporation or its Subsidiaries.

Section 4.8 Public Communications.

(1) The Parties shall cooperate in the preparation of presentations, if any, to Shareholders regarding the Arrangement. A Party must not issue any press release or make any other public statement or disclosure with respect to this Agreement or the Arrangement without the consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed), and the Corporation must not make any filing with any Governmental Entity (subject in each case to the Corporation's overriding obligation to make any disclosure or filing required by Laws or as contemplated by Section 4.3) with respect to this Agreement or the Arrangement without the consent of the Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed); provided that any Party that is required to make disclosure by Law with respect to the Arrangement or this Agreement shall use its commercially reasonable efforts to give the other Party prior oral or written notice and a reasonable opportunity for it and its outside legal counsel to review or comment on the disclosure or filing (other than with respect to confidential information of the disclosing Party contained in such disclosure

or filing). The Party making such disclosure required by Law shall give reasonable consideration to any comments made by the other Party or its outside legal counsel, and if such prior notice is not possible, shall give such notice immediately following the making of such disclosure or filing. Notwithstanding anything to the contrary herein, Corporation shall have no obligation to consult with the Purchaser prior to making any disclosure related to an Acquisition Proposal or a Change in Recommendation.

Section 4.9 Notice and Cure Provisions.

(1) Each Party shall promptly notify the other Party of the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would, or would be reasonably expected to:

(a) cause any of the representations or warranties of such Party contained in this Agreement to be untrue or inaccurate in any material respect at any time from the date of this Agreement until the earlier of the Effective Time and the time this Agreement is terminated in accordance with its terms; or

(b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party prior or at the Effective Time under this Agreement.

(2) Notification provided under this Section 4.9 will not affect the representations, warranties, covenants, agreements or obligations of the Parties (or remedies with respect thereto) or the conditions to the obligations of the Parties under this Agreement.

(3) The Purchaser may not elect to exercise its right to terminate this Agreement pursuant to Section 7.2(1)(d)(i) *[Breach of Representation or Warranty or Failure to Perform Covenant by the Corporation]* and the Corporation may not elect to exercise its right to terminate this Agreement pursuant to Section 7.2(1)(c)(i) *[Breach of Representation or Warranty or Failure to Perform Covenant by the Purchaser]*, unless the Party seeking to terminate the Agreement (the "**Terminating Party**") has delivered a written notice (a "**Termination Notice**") to the other Party (the "**Breaching Party**") specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Terminating Party asserts as the basis for termination. After delivering a Termination Notice, provided the Breaching Party is proceeding diligently to cure such matter and such matter is capable of being cured prior to the Outside Date, the Terminating Party may not exercise such termination right until the earlier of (i) the Outside Date; and (ii) if such matter has not been cured by the date that is ten Business Days following receipt of such Termination Notice by the Breaching Party, such date. If the Terminating Party delivers a Termination Notice prior to the date of the Meeting or the making of the application for the Final Order, unless the Parties agree otherwise, the Corporation shall postpone or adjourn the Meeting or delay making the application for the Final Order, or both, to the earlier of (i) five Business Days prior to the Outside Date; and (ii) the date that is ten Business Days following receipt of such Termination Notice by the Breaching Party.

Section 4.10 Insurance and Indemnification.

(1) Prior to the Effective Time, the Corporation shall purchase customary "tail" policies of directors' and officers' liability insurance providing protection no less favourable in the aggregate to the protection provided by the policies maintained by the Corporation and its Subsidiaries which are in effect immediately prior to the Effective Time and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Time and the Purchaser shall, or shall cause the Corporation and its Subsidiaries to maintain such tail policies in effect without any reduction in scope or coverage for six years from the Effective Date; provided that the Purchaser shall not be required to pay any amounts in respect of such coverage prior to the Effective Time and provided further that the cost of such policies shall not exceed 300% of the Corporation's current annual aggregate premium for policies currently maintained by the Corporation or its Subsidiaries.

(2) The Purchaser shall honour all rights to indemnification or exculpation now existing in favour of present and former employees, officers and directors of the Corporation and its Subsidiaries which are made available in the Data Room to the Purchaser prior to the date of this Agreement and acknowledges that such rights, to the extent that they are made available in the Data Room to the Purchaser prior to the date of this Agreement, shall survive the completion of the Plan of Arrangement and shall continue in full force and effect in accordance with their terms.

(3) If the Corporation or any of its Subsidiaries or any of their respective successors or assigns following the Effective Time (i) consolidates or amalgamates with or merges or liquidates into any other Person and is not a continuing or surviving corporation or entity of such consolidation, amalgamation, merger or liquidation, or (ii) transfers all or substantially all of its properties and assets to any Person, the Purchaser shall ensure that any such successor or assign (including, as applicable, any acquirer of substantially all of the properties and assets of the Corporation or its Subsidiaries) assumes all of the obligations set forth in this Section 4.10.

Section 4.11 Deliveries.

In connection with the Effective Time, Corporation shall deliver to the Purchaser: (i) a certificate of attestation for Corporation issued by the Enterprise Registrar dated within two (2) days prior to the Effective Date; (ii) a certified copy of the resolutions of the Board and the Shareholders approving the transactions contemplated hereby (in the case of the Shareholders, the Arrangement Resolution); and (iii) a certified copy of Corporation's Constating Documents.

Section 4.12 TSX De-listing

The Purchaser and the Corporation shall use their commercially reasonable efforts to cause the Shares to be delisted from the TSX promptly, with effect immediately following the acquisition by the Purchaser of the Shares pursuant to the Arrangement.

ARTICLE 5
ADDITIONAL COVENANTS REGARDING NON-SOLICITATION

Section 5.1 Non-Solicitation.

(1) Except as expressly provided in this Article 5, the Corporation shall not, and shall cause its Subsidiaries not to, directly or indirectly, through any of its Representatives or affiliates, or otherwise, and shall not permit any such Person to:

(a) solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate, (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, Books or Records of the Corporation or any of its Subsidiaries or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

(b) enter into or otherwise engage or participate in any discussions or negotiations with any Person (other than the Purchaser, the Equity Funding Party and their affiliates) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

(c) make a Change in Recommendation;

(d) accept, approve, endorse, recommend or publicly propose to accept, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for a period of no more than five Business Days following such public announcement or public disclosure will not be considered to be in violation of this Section 5.1 (or in the event that the Meeting is scheduled to occur within such five Business Day period, prior to the third Business Day prior to the date of the Meeting)); or

(e) accept or enter into, or publicly propose to accept or enter into, any agreement, understanding or arrangement with any Person (other than the Purchaser) in respect of an Acquisition Proposal**,** other than a confidentiality agreement permitted by and in accordance with Section 5.3.

(2) The Corporation shall, and shall cause its Subsidiaries and their respective Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiations, or other activities with any Person (other than the Purchaser, the Equity Funding Party and their affiliates) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection with such termination shall:

(a) discontinue access to and disclosure of all information, including any confidential information, properties, facilities and Books and Records of the

Corporation or any of its Subsidiaries; and

(b) promptly request, and exercise all rights it has to require (i) the return or destruction of all copies of any confidential information regarding the Corporation or any of its Subsidiaries provided to any Person other than the Purchaser, the Equity Funding Party, the Rollover Shareholders and their respective Representatives, and (ii) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding the Corporation or any of its Subsidiaries, to the extent that such information has not previously been returned or destroyed, using its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.

(3) The Corporation represents and warrants that it has not waived any confidentiality, standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement, restriction or covenant in effect as of the date of this Agreement to which the Corporation or any of its Subsidiaries is a party and the Corporation covenants and agrees that (i) the Corporation shall take all necessary actions to enforce each confidentiality, standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement, restriction or covenant to which the Corporation or any of its Subsidiaries is a party or may hereafter become a party in accordance with Section 5.3, and (ii) neither the Corporation nor any of its Subsidiaries nor any of their Representatives on their behalf have released or will, without the prior written consent of the Purchaser (which may be withheld or delayed in the Purchaser's sole and absolute discretion), release any Person from, or waive, amend, suspend or otherwise modify such Person's obligations respecting the Corporation, or any of its Subsidiaries, under any confidentiality, standstill or similar agreement or restriction to which the Corporation or any of its Subsidiaries is a party or may hereafter become a party in accordance with Section 5.3.

Section 5.2 Notification of Acquisition Proposals.

(1) If the Corporation or any of its Subsidiaries or any of their respective Representatives, receives or otherwise becomes aware of any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to the Corporation or any of its Subsidiaries, including but not limited to information, access, or disclosure relating to the properties, facilities and Books and Records of the Corporation or any of its Subsidiaries, the Corporation shall promptly notify the Purchaser, at first orally, and then promptly and in any event within 48 hours in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions, the identity of all Persons making the Acquisition Proposal, inquiry, proposal, offer or request, and copies of documents, material correspondence or other material received in respect of, from or on behalf of any such Person.

(2) The Corporation shall keep the Purchaser fully informed of the status of developments and negotiations with respect to such Acquisition Proposal, inquiry, proposal, offer or

request, including any changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request and shall provide to the Purchaser copies of all material correspondence if in writing or electronic form, and if not in writing or electronic form, a description of the material terms of such correspondence communication to the Corporation by or on behalf of any Person making such Acquisition Proposal, inquiry, proposal, offer or request.

Section 5.3 Responding to an Acquisition Proposal.

(1) Notwithstanding Section 5.1, if at any time, prior to obtaining the Required Shareholder Approval, the Corporation receives an unsolicited written Acquisition Proposal, the Corporation may (i) contact the Person making such Acquisition Proposal and its Representatives solely for the purpose of clarifying the terms and conditions of such Acquisition Proposal, and (ii) engage in or participate in discussions or negotiations with such Person regarding such Acquisition Proposal, and may provide copies of, access to or disclosure of confidential information, properties, facilities, or Books and Records of the Corporation or its Subsidiaries, if and only if, in the case of clause (ii):

(a) the Board first determines (based upon, inter alia, the recommendation of the Special Committee) in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes, or could reasonably be expected to constitute a Superior Proposal;

(b) the Person making the Acquisition Proposal and its Representatives were not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-disclosure, use, business purpose or similar restriction contained in any Contract entered into with the Corporation or any of its Subsidiaries;

(c) the Corporation has been, and continues to be, in compliance with its obligations under this Article 5;

(d) prior to providing any such copies, access, or disclosure, the Corporation enters into a confidentiality and standstill agreement with such Person that contains a customary standstill provision and that is otherwise on terms that are no less favourable to the Corporation than those found in the Confidentiality Agreement, and any such copies, access or disclosure provided to such Person shall have already been (or promptly be) provided to the Purchaser (by posting such information to the Data Room or otherwise); and

(e) prior to providing any such copies, access or disclosure, the Corporation provides the Purchaser with a true, complete and final executed copy of the confidentiality and standstill agreement referred to in Section 5.3(1)(d).

(2) The Parties acknowledge that the furnishing of certain competitively sensitive information to competitors of the Corporation and of its Subsidiaries would be materially prejudicial to the Corporation and its Subsidiaries and, accordingly, no such information shall be disclosed to any Person that the Special Committee, acting

reasonably, determines to be a competitor of the Corporation or of any of its Subsidiaries under Section 5.3(1). Notwithstanding the foregoing, such information may be disclosed under Section 5.3(1) on a confidential basis to external advisors and experts retained by any such competitor of the Corporation or of its Subsidiaries, who enter into agreements reasonably satisfactory to the Corporation, that such information will not be provided or communicated to the competitor, its officers, directors, financing sources or other Representatives.

Section 5.4 Right to Match.

(1) If the Corporation receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Arrangement Resolution by the Shareholders, the Board may (based upon, inter alia, the recommendation of the Special Committee), subject to compliance with Article 7 and Section 8.2, enter into a definitive agreement with respect to such Superior Proposal or withdraw or modify the Board Recommendation, if and only if:

(a) the Person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing confidentiality, standstill, non-disclosure, use, business purpose or similar restriction with the Corporation or any of its Subsidiaries;

(b) the Corporation has been, and continues to be, in compliance with its obligations under this Article 5;

(c) the Corporation has delivered to the Purchaser a written notice of the determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Board to enter into such definitive agreement with respect to such Superior Proposal or withdraw or modify the Board Recommendation, together with a written notice from the Board regarding the value and financial terms that the Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Superior Proposal (the "**Superior Proposal Notice**");

(d) the Corporation has provided the Purchaser a copy of the proposed definitive agreement for the Superior Proposal and all supporting materials, including any financing documents supplied to the Corporation in connection therewith;

(e) at least five full Business Days (the "**Matching Period**") have elapsed from the date that is the later of the date on which the Purchaser received the Superior Proposal Notice and the date on which the Purchaser received all of the materials set forth in Section 5.4(1)(d);

(f) during any Matching Period, the Purchaser has had the opportunity (but not the obligation), in accordance with Section 5.4(2), to offer to amend this Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal;

(g) after the Matching Period, the Board (i) has determined in good faith, after consultation with the Corporation's outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Arrangement as proposed to be amended by the Purchaser under Section 5.4(2)) and (ii) has determined in good faith, after consultation with its outside legal counsel, that the failure by the Board to recommend that the Corporation enter into a definitive agreement with respect to such Superior Proposal or withdraw or modify the Board Recommendation would be inconsistent with its fiduciary duties; and

(h) prior to or concurrently with entering into such definitive agreement or withdraw or modify the Board Recommendation, the Corporation terminates this Agreement pursuant to Section 7.2(1)(c)(ii) *[Superior Proposal]* and pays the Corporation Termination Fee pursuant to Section 8.2.

(2) During the Matching Period, or such longer period as the Corporation may approve in writing for such purpose: (i) the Board shall review any offer made by the Purchaser under Section 5.4(1)(f) to amend the terms of this Agreement and the Arrangement in good faith in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (ii) the Corporation shall negotiate in good faith with the Purchaser to make such amendments to the terms of this Agreement, the Plan of Arrangement or the Financing as would enable the Purchaser to proceed with the transactions contemplated by this Agreement on such amended terms. If the Board determines (based upon, inter alia, the recommendation of the Special Committee) that such Acquisition Proposal would cease to be a Superior Proposal, the Corporation shall promptly so advise the Purchaser and the Corporation and the Purchaser shall amend this Agreement to reflect such offer made by the Purchaser, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

(3) Each successive amendment or modification to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Shareholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal for the purposes of this Section 5.4, and the Purchaser shall be afforded a new full five Business Day Matching Period from the later of the date on which the Purchaser received the Superior Proposal Notice and the date on which the Purchaser received all of the materials set forth in Section 5.4(1)(d) with respect to the new Superior Proposal from the Corporation.

(4) The Board shall promptly reaffirm the Board Recommendation (based upon, inter alia, the recommendation of the Special Committee) by press release after any Acquisition Proposal which the Board has determined not to be a Superior Proposal is publicly announced or publicly disclosed or the Board determines that a proposed amendment to the terms of this Agreement, the Plan of Arrangement or the Financing as contemplated under Section 5.4(2) would result in an Acquisition Proposal no longer being a Superior Proposal. The Corporation shall provide the Purchaser and its outside legal counsel with a reasonable opportunity to review and comment on the form and content of any such

press release and shall make all reasonable amendments to such press release as requested by the Purchaser and its counsel.

(5) If the Corporation provides a Superior Proposal Notice to the Purchaser on a date that is less than ten Business Days before the Meeting, the Corporation shall be entitled to and shall upon request from the Purchaser, acting reasonably, postpone the Meeting to a date that is not more than 15 Business Days after the scheduled date of the Meeting.

(6) Nothing contained in this Article 5 shall prohibit the Board (or the Special Committee) from:

(a) responding through a directors' circular or otherwise as required by Law to an Acquisition Proposal that it determines is not a Superior Proposal, provided that Corporation shall provide Purchaser and its legal counsel with a reasonable opportunity to review the form and content of such circular or other disclosure; or

(b) calling or holding a meeting of Shareholders requisitioned by Shareholders in accordance with the QBCA or taking any other action with respect to an Acquisition Proposal to the extent ordered or otherwise mandated by a court of competent jurisdiction in accordance with Law.

Section 5.5 Breach by Subsidiaries and Representatives.

Without limiting the generality of the foregoing, the Corporation shall advise its Subsidiaries and its Representatives of the prohibitions set out in this Article 5 and any violation of the restrictions set forth in this Article 5 by the Corporation, its Subsidiaries or their respective Representatives is deemed to be a breach of this Article 5 by the Corporation.

ARTICLE 6
CONDITIONS

Section 6.1 Mutual Conditions Precedent.

The Parties are not required to complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions may only be waived, in whole or in part, by the mutual consent of each of the Parties:

(1) **Arrangement Resolution.** The Arrangement Resolution has been approved and adopted by the Shareholders at the Meeting in accordance with the Interim Order.

(2) **Interim and Final Order.** The Interim Order and the Final Order have each been obtained on terms consistent with this Agreement, and have not been set aside or modified in a manner unacceptable to either the Corporation or the Purchaser, each acting reasonably, on appeal or otherwise.

(3) **Key Regulatory Approvals**. Each of the Key Regulatory Approvals has been made, given or obtained and each such Key Regulatory Approval is in force and has not been

modified.

(4) **Illegality.** No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or order (whether temporary, preliminary or permanent) in any case which is in effect and which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Corporation or the Purchaser from consummating the Arrangement or any of the other transactions contemplated in this Agreement.

Section 6.2 Additional Conditions Precedent to the Obligations of the Purchaser.

The Purchaser is not required to complete the Arrangement unless each of the following conditions is satisfied on or before the Effective Time, which conditions are for the exclusive benefit of the Purchaser and may only be waived, in whole or in part, by the Purchaser in its sole discretion:

(1) **Representations and Warranties.** (i) The representations and warranties of the Corporation set forth in this Agreement were true and correct as of the date of this Agreement and are true and correct as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, has not had or would not have a Material Adverse Effect (and, for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored), (ii) the representations and warranties of the Corporation set forth in Paragraphs (1) *[Organization and Qualification]*, (2) *[Corporation Authorization]*, (3) *[Execution and Binding Obligation]*, (5)(a) *[No Conflict]*, (8) *[Subsidiaries]*and (23) *[Brokers]* of Schedule C were true and correct as of the date of this Agreement and are true and correct as of the Effective Time in all material respects (and, for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored) and (iii) the representations and warranties of the Corporation set forth in Paragraph (6) *[Capitalization]* of Schedule C were true and correct as of the date of this Agreement and are true and correct as of the Effective Time in all but *de minimis* respects, in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date, and the Corporation has delivered a certificate confirming same to the Purchaser, executed by two senior officers of the Corporation (in each case without personal liability) addressed to the Purchaser and dated the Effective Date.

(2) **Performance of Covenants**. The Corporation has fulfilled or complied in all material respects with each of the covenants of the Corporation contained in this Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and has delivered a certificate confirming same to the Purchaser, executed by two senior officers of the Corporation (in each case without personal liability) addressed to the Purchaser and dated the Effective Date.

(3) **No Legal Action.** There is no action or proceeding pending or threatened by any Person

(other than the Purchaser) in any jurisdiction that is reasonably likely to:

(a) cease trade, enjoin, prohibit, or impose any limitations, damages or conditions on, the Purchaser's ability to acquire, hold, or exercise full rights of ownership over, any Shares, including the right to vote the Shares;

(b) impose terms or conditions on completion of the Arrangement or on the ownership or operation by the Purchaser or the Equity Funding Party of the business or assets of the Purchaser, the Equity Funding Party, their affiliates and related entities, the Corporation or any of its Subsidiaries and related entities, or compel the Purchaser to dispose of or hold separate any of the business or assets of the Purchaser, its affiliates and related entities, the Corporation or any of its Subsidiaries and related entities as a result of the Arrangement; or

(c) prevent or delay the consummation of the Arrangement, or if the Arrangement is consummated, have a Material Adverse Effect.

(4) **Dissent Rights.** Dissent Rights have not been exercised with respect to more than 7% of the issued and outstanding Shares and the Corporation shall have delivered a certificate confirming same to the Purchaser, executed by two senior officers of the Corporation (in each case without personal liability) addressed to the Purchaser and dated the Effective Date.

(5) **Material Adverse Effect.** Since the date of this Agreement, there shall have not occurred a Material Adverse Effect with respect to the Corporation and its Subsidiaries.

Section 6.3 Additional Conditions Precedent to the Obligations of the Corporation.

The Corporation is not required to complete the Arrangement unless each of the following conditions is satisfied on or before the Effective Time, which conditions are for the exclusive benefit of the Corporation and may only be waived, in whole or in part, by the Corporation in its sole discretion:

(1) **Representations and Warranties.** The representations and warranties of the Purchaser which are qualified by references to materiality and the representations and warranties set forth in Paragraphs *(1) [Organization and Qualification]*, (2) *[Corporate Authorization]*, (3) *[Execution and Binding Obligation]* and (5)(a) *[No Conflict]* of Schedule D were true and correct as of the date of this Agreement and are true and correct as of the Effective Time, in all respects, and all other representations and warranties of the Purchaser were true and correct as of the date of this Agreement and are true and correct as of the Effective Time, in all material respects, in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date, except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not materially impede completion of the Arrangement, and the Purchaser have delivered a certificate confirming same to the Corporation, executed by two senior officers of the Purchaser (in each case without personal liability) addressed to the Corporation and dated the Effective Date.

(2) **Performance of Covenants.** The Purchaser has fulfilled or complied in all material respects with each of the covenants of the Purchaser contained in this Agreement to be fulfilled or complied with by them on or prior to the Effective Time, and the Purchaser has delivered a certificate confirming same to the Corporation, executed by two senior officers of the Purchaser (in each case without personal liability) addressed to the Corporation and dated the Effective Date.

(3) **Deposit of Consideration.** Subject to obtaining the Final Order and the satisfaction or waiver of the other conditions precedent contained herein in its favour (other than conditions which, by their nature, are only capable of being satisfied as of the Effective Time), the Purchaser has deposited or caused to be deposited with the Depositary in escrow (the terms and conditions of such escrow to be satisfactory to the Corporation and Purchaser, acting reasonably) in accordance with Section 2.9 the funds required to effect payment in full of the aggregate Consideration to be paid pursuant to the Arrangement and the Depositary has confirmed to the Corporation receipt of such funds.

Section 6.4 Satisfaction of Conditions.

The conditions precedent set out in Section 6.1, Section 6.2 and Section 6.3 will be conclusively deemed to have been satisfied, waived or released when the Certificate of Arrangement is issued by the Enterprise Registrar.

ARTICLE 7
TERM AND TERMINATION

Section 7.1 Term.

This Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms.

Section 7.2 Termination.

(1) This Agreement may be terminated prior to the Effective Time by:

(a) the mutual written agreement of the Parties; or

(b) either the Corporation, on the one hand, or the Purchaser, on the other hand, if:

(i) **No Required Shareholder Approval.** The Required Shareholder Approval is not obtained at the Meeting in accordance with the Interim Order; provided that a Party may not terminate this Agreement pursuant to this Section 7.2(1)(b)(i) *[No Required Shareholder Approval]* if the failure to obtain the Required Shareholder Approval has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement;

(ii) **Illegality.** After the date of this Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins the Corporation or the Purchaser from consummating the Arrangement, and such Law has, if applicable, become final and non-appealable, provided that a Party may not terminate this Agreement pursuant to this Section 7.2(1)(b)(ii) *[Illegality]* if the Law has been enacted, made, enforced or amended, as applicable, as a result of a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement; or

(iii) **Occurrence of Outside Date.** The Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate this Agreement pursuant to this Section 7.2(1)(b)(iii) *[Occurrence of Outside Date]* if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement.

(c) the Corporation if:

(i) **Breach of Representation or Warranty or Failure to Perform Covenant by the Purchaser.** A breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Purchaser under this Agreement occurs that would cause any condition in Section 6.3(1) *[Purchaser Representations and Warranties Condition]* or Section 6.3(2) *[Purchaser Covenants Condition]* not to be satisfied, and such breach or failure is incapable of being cured or is not cured on or prior to the Outside Date in accordance with the terms of Section 4.9(3) provided that the Corporation is not then in breach of this Agreement so as to directly or indirectly cause any condition in Section 6.2(1) *[Corporation Representations and Warranties Condition]* or Section 6.2(2) *[Corporation Covenants Condition]* not to be satisfied; or

(ii) **Superior Proposal.** Prior to the approval by the Shareholders of the Arrangement Resolution, the Board authorizes the Corporation to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 5.3) with respect to a Superior Proposal, provided the Corporation has been in compliance with Article 5 and that concurrent with such termination the Corporation pays the Corporation Termination Fee in accordance with Section 8.2.

(d) the Purchaser if:

(i) **Breach of Representation or Warranty or Failure to Perform Covenant by the Corporation.** A breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Corporation under this Agreement occurs that would cause any condition in

Section 6.2(1) *[Corporation Representations and Warranties Condition]* or Section 6.2(2) *[Corporation Covenants Condition]* not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Outside Date or is not cured in accordance with the terms of Section 4.9(3); provided that the Purchaser is not then in breach of this Agreement so as to directly or indirectly cause any condition in Section 6.3(1) *[Purchaser Representations and Warranties]* or Section 6.3(2) *[Purchaser Covenants Condition]* not to be satisfied;

(ii) **Change in Recommendation or Superior Proposal.** (A) the Board or any committee of the Board fails to unanimously recommend or withdraws, amends, modifies or qualifies, or publicly proposes or states an intention to withdraw, amend, modify or qualify, the Board Recommendation, (B) the Board or any committee of the Board accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend an Acquisition Proposal or takes no position or remains neutral with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than five Business Days (or beyond the third Business Day prior to the date of the Meeting, if sooner), (C) the Board or any committee of the Board accepts or enters into (other than a confidentiality agreement permitted by and in accordance with Section 5.3) or publicly proposes to accept or enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal, (D) the Board or any committee of the Board fails to publicly recommend or reaffirm the Board Recommendation within five Business Days after having been requested in writing by the Purchaser to do so (or in the event that the Meeting is scheduled to occur within such five Business Day period, prior to the third Business Day prior to the date of the Meeting) (collectively, a "**Change in Recommendation**"), or (E) the Corporation breaches Article 5 in any material respect;

(iii) **Dissent Rights.** The condition set forth in Section 6.2(4)*[Dissent Rights]* is not capable of being satisfied by the Outside Date; or

(iv) **Material Adverse Effect.** There has occurred a Material Adverse Effect.

Section 7.3 Effect of Termination/Survival.

If this Agreement is terminated pursuant to Section 7.1 or Section 7.2, this Agreement shall become void and of no further force or effect without liability of any Party (or any shareholder or Representative of such Party) to any other Party to this Agreement, except that: (i) in the event of termination under Section 7.1 as a result of the Effective Time occurring, Section 4.10 shall survive for a period of six years following such termination; and (ii) in the event of termination under Section 7.2, Section 4.6(4), Section 4.6(5), this Section 7.3 and Section 8.2 through to and including Section 8.19 shall survive, and provided further that, subject to Section 8.3, no Party shall be relieved of any liability for any wilful breach by it of this Agreement.

ARTICLE 8
GENERAL PROVISIONS

Section 8.1 Amendments.

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, without further notice to or authorization on the part of the Shareholders, and any such amendment may, subject to the Interim Order and the Final Order, without limitation:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) modify any representation or warranty contained in this Agreement or in any document delivered pursuant to this Agreement;

(c) modify any of the covenants contained in this Agreement and waive or modify performance of any of the obligations of the Parties; and/or

(d) modify conditions contained in this Agreement;

provided, however, (i) that no such amendment may reduce or materially adversely affect the Consideration to be received by Shareholders under the Arrangement without their approval at the Meeting or, following the Meeting, without their approval given in the same manner as required by applicable Laws for the approval of the Arrangement as may be required by the Court, and (ii) that any amendment or modification of this Section 8.1 or Section 8.3, Section 8.9, Section 8.11, Section 8.14 or Section 8.19 (or any provision of this Agreement to the extent an amendment or modification of such provision would modify the substance of any of the foregoing provisions) shall not affect the Financing Sources or related Purchaser Related Parties without the prior written consent of the Financing Sources.

Section 8.2 Termination Fees.

(1) Upon the occurrence of a Corporation Termination Fee Event, the Corporation shall pay the Purchaser the Corporation Termination Fee in accordance with Section 8.2(3).

(2) For the purposes of this Agreement, "**Corporation Termination Fee**" means $14,000,000, and "**Corporation Termination Fee Event**" means the termination of this Agreement:

(a) by the Purchaser, pursuant to Section 7.2(1)(d)(ii) *[Change in Recommendation or Superior Proposal]*;

(b) by the Corporation, pursuant to Section 7.2(1)(c)(ii) *[To enter into a Superior Proposal]*; or

(c) by the Corporation or the Purchaser pursuant to Section 7.2(1)(b)(i) *[No Required Shareholder Approval]*, or Section 7.2(1)(b)(iii) *[Occurrence of Outside Date]* (provided that the Purchaser is not then in breach of this Agreement so as to cause any condition in Section 6.3(1) [*Purchaser Representations and Warranties*] or

Section 6.3(2) [*Purchaser Performance of Covenants*], as applicable, not to be satisfied), or by the Purchaser pursuant to Section 7.2(1)(d)(i) *[Breach of Representations and Warranties or Covenants by Corporation]* (due to a wilful breach or fraud), if:

(i) prior to such termination, an Acquisition Proposal is made or publicly announced or otherwise publicly disclosed by any Person (other than the Purchaser, the Equity Funding Party, the Rollover Shareholders or any of their respective affiliates) or any Person (other than the Purchaser, the Equity Funding Party, the Rollover Shareholders or any of their respective affiliates) shall have publicly announced an intention to make an Acquisition Proposal; and

(ii) within 365 days following the date of such termination, (i) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (i) above) is consummated or effected, or (ii) the Corporation or one or more of its Subsidiaries, directly or indirectly, in one or more transactions, enters into a contract, other than a confidentiality agreement permitted by and in accordance with Section 5.3, in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (i) above) and such Acquisition Proposal is later consummated or effected (whether or not within 365 days after such termination); and

for the purpose of Section 8.2(2)(c), the term "Acquisition Proposal" shall have the meaning assigned to such term in Section 1.1, except that references to 20% or more shall be deemed to be references to 50% or more.

(3) The Corporation Termination Fee shall be paid by the Corporation to the Purchaser as follows, by wire transfer of immediately available funds, if a Corporation Termination Fee Event occurs due to:

(a) a termination of this Agreement described in Section 8.2(2)(a), within two Business Days of the occurrence of such Corporation Termination Fee Event;

(b) a termination of this Agreement described in Section 8.2(2)(b), prior to or simultaneously with the occurrence of such Corporation Termination Fee Event; and

(c) a termination of this Agreement described in Section 8.2(2)(c), on or prior to the earlier of the consummation of the Acquisition Proposal or the entering into of the contract referred to in Section 8.2(2)(c).

(4) In the event of a termination of this Agreement by the Corporation pursuant to Section 7.2(1)(b)(iii) *[Occurrence of Outside Date]* as a result of the conditions in Section 6.3 not being satisfied by the Purchaser and where at the time of such termination the condition set forth in Section 6.1 and Section 6.2 have been satisfied or waived (other than those conditions that by their nature cannot be satisfied other than at the Effective Time), the Purchaser shall, in lieu of any remedy to which the Corporation would otherwise be entitled under Section 8.8, pay, or cause to be paid, within two Business Days of the date of such termination by wire transfer of immediately available funds to an account designated by the Corporation, the Purchaser Termination Fee. In no event shall the Purchaser be required to pay to the Corporation an amount, in the aggregate, in excess of the Purchaser Termination Fee.

(5) Each of the Parties hereto acknowledges that the agreements contained in this Section 8.2 are an integral part of the transactions contemplated in this Agreement and that, without these agreements, the other Party would not enter into this Agreement; accordingly, if the Corporation or the Purchaser, as the case may be, fails to timely pay any amount due pursuant to this Section 8.2 and, in order to obtain the payment, the Purchaser or the Corporation, as the case may be, commences a suit which results in a judgment against the other Party for the payment set forth in this this Section 8.2, such paying Party shall pay the other Party its reasonable and documented costs and expenses (including reasonable and documented attorneys' fees) in connection with such suit, together with interest on such amount, at the prime rate of a Canadian chartered bank in effect on the date such payment was required to be made to and including the date on which such payment was actually received.

Section 8.3 Liquidated Damages

(1) Each Party acknowledges that all of the payment amounts set out in Section 8.2 are payments of liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, reputational damage, and out-of-pocket expenditures, which the Party entitled to such damages will suffer or incur as a result of the event giving rise to such payment and the resultant termination of this Agreement and are not penalties. Each Party irrevocably waives any right that it may have to raise as a defence that any such liquidated damages are excessive or punitive, including under article 1623 of the *Civil Code of Québec*. The Purchaser agrees that the payment of the Corporation Termination Fee pursuant to Section 8.2(3) in the manner provided therein is the sole and exclusive remedy of the Purchaser in respect of the event giving rise to such payment.

(2) Notwithstanding anything to the contrary in this Agreement, in the event the Purchaser fails to effect the Closing (including due to the fact that the Debt Financing is not available to the Purchaser) or otherwise breaches this Agreement or fails to perform hereunder, then, except for an order of specific performance as and only to the extent expressly permitted by Section 8.8, and other than as set forth in the Purchaser Termination Fee Funding Agreement, any Corporation Related Party's sole and exclusive remedy (whether at Law, in equity, in contract, in extra contractual, in tort or otherwise) against any Purchaser Related Party in respect of this Agreement, any

contract or agreement executed in connection herewith (including the Debt Commitment Letter, the Equity Commitment Letter and the Purchaser Termination Fee Funding Agreement) and the transactions contemplated hereby and thereby shall be to terminate this Agreement in accordance with Section 7.2 and collect, if due, the Purchaser Termination Fee in accordance with the terms of the Purchaser Termination Fee Funding Agreement, and, upon payment of such amount in accordance with Section 8.2(4), except in connection with an order of specific performance as and only to the extent expressly permitted by Section 8.8:

(a) no Purchaser Related Party shall have any further liability or obligation relating to or arising out of this Agreement, any contract or agreement executed in connection herewith (including the Debt Commitment Letter, the Equity Commitment Letter and the Purchaser Termination Fee Funding Agreement) or any of the transactions contemplated hereby or thereby;

(b) no Corporation Related Party shall be entitled to bring or maintain any claim or action against any Purchaser Related Party arising out of or in connection with this Agreement, any contract or agreement executed in connection herewith (including the Debt Commitment Letter, the Equity Commitment Letter and the Purchaser Termination Fee Funding Agreement) or any of the transactions contemplated hereby or thereby (or the abandonment or termination thereof) or any matters forming the basis for such termination; and

(c) the Corporation shall use commercially reasonable efforts to cause any legal proceedings pending in connection with this Agreement, any contract or agreement executed in connection herewith (including the Debt Commitment Letter, the Equity Commitment Letter and the Purchaser Termination Fee Funding Agreement) or any of the transactions contemplated hereby or thereby, to the extent maintained by any Corporation Related Party against any Purchaser Related Party to be dismissed with prejudice promptly following the payment of any such amounts.

(3) For the avoidance of doubt, the amounts any Corporation Related Party is entitled to collect from the Purchaser, if due, that are specified in Section 8.2(4), are intended (and acknowledged by each Corporation Related Party) to serve as a cap on the maximum aggregate liability of the Purchaser and any Purchaser Related Party under this Agreement in the event the Purchaser fails to effect the Closing in accordance with Section 2.7 of this Agreement or otherwise breaches this Agreement or fail to perform hereunder and under no circumstances shall the Corporation be entitled to collect the Purchaser Termination Fee on more than one occasion.

Section 8.4 Expenses and Expense Reimbursement.

(1) Except as expressly otherwise provided in this Agreement, all out-of-pocket third party transaction expenses incurred in connection with this Agreement and the Plan of Arrangement and the transactions contemplated hereunder and thereunder, including all costs, expenses and fees of the Corporation incurred prior to or after the Effective Time in connection with, or incidental to, the Plan of Arrangement, shall be paid by the

Party incurring such expenses, whether or not the Arrangement is consummated.

(2) In addition to the rights of the Purchaser under Section 8.2, if this Agreement is terminated by the Purchaser pursuant to Section 7.2(1)(d)(i) *[Breach of Representations and Warranties or Covenants by Corporation]* or pursuant to Section 7.2(1)(b)(iii) *[Occurrence of Outside Date]* as a result of the condition in Section 6.2(1) *[Representations and Warranties by Corporation Condition]* or Section 6.2(2) *[Covenants by Corporation Condition]*, as applicable, not being satisfied, the Corporation shall, within two Business Days of such termination, pay or cause to be paid to the Purchaser by wire transfer of immediately available funds an expense reimbursement fee of $4,000,000. In no event shall the Corporation be required to pay under Section 8.2(1), on the one hand, and this Section 8.4(2), on the other hand, in the aggregate, an amount in excess of the Corporation Termination Fee.

Section 8.5 Notices.

(1) Any notice, or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier, facsimile or electronic mail (provided confirmation of receipt is acknowledged by return electronic mail from the recipient) and addressed:

(a) to the Purchaser at:

Canaveral Acquisition Inc.
1155 René-Lévesque Blvd. West, 41st floor
Montreal, Québec, H3B 3V2

Attention: Paul J. Bamatter
Facsimile: 212-627-2372
Email: paul@americanindustrial.com

with a copy to:

Stikeman Elliott LLP
1155 René-Lévesque Blvd. West, 41st floor
Montreal, Québec, H3B 3V2

Attention: Sidney M. Horn and Robert Carelli
Facsimile: 514-397-3416 and 514-397-5418
Email: smhorn@stikeman.com and rcarelli@stikeman.com

and to:

Stein Monast LLP
70, Dalhousie Street
Suite 300
Québec, Québec, G1K 4B2

Attention: Jacques Cossette-Lessage
Facsimile: 418-523-5391
Email: jacques.cossette-lesage@steinmonast.ca

(b) to the Corporation at:

Canam Group Inc.
270, Chemin du Tremblay
Boucherville, Québec, J4B 5X9

Attention: Pierre Lortie, Chair of the Special Committee and Louis Guertin Vice President, Legal Affairs and Secretary
Facsimile: (450) 641-5503
Email: pierre.lortie@dentons.com
louis.guertin@groupecanam.com

with a copy to:

Norton Rose Fulbright Canada LLP
1 Place Ville Marie, Suite 2500
Montreal, Québec H3B 1R1

Attention: Paul Raymond and Steve Malas
Facsimile: (514) 286-5474
Email: paul.raymond@nortonrosefulbright.com
steve.malas@nortonrosefulbright.com

And to:

Fasken Martineau DuMoulin LLP
800 Place Victoria
Suite 3700
Montreal, Québec, H4Z 1E9

Attention: Jean-Pierre Chamberland and Marie-Josée Neveu
Facsimile: 514-397-7600
Email: jchamberland@fasken.com
mneveu@fasken.com

(2) Any notice or other communication is deemed to be given and received (i) if sent by personal delivery or same day courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (ii) if sent by overnight courier, on the next Business Day, (iii) if sent by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile or (iv) if sent by electronic mail, upon confirmation of receipt by the recipient if it is a Business Day and confirmation was received prior to 5:00 p.m. (local time in place of delivery or receipt) and otherwise on the next Business Day). A Party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice or other communication must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed. Sending a copy of a notice or other communication to a Party's outside legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to outside legal counsel does not invalidate delivery of that notice or other communication to a Party.

Section 8.6 Time of the Essence.

Time is of the essence in this Agreement. The mere lapse of time in the performance of the terms of this Agreement by any Party will have the effect of putting such Party in default in accordance with Articles 1594 to 1600 of the *Civil Code of Québec*.

Section 8.7 Further Assurances.

Subject to the provisions of this Agreement, the Parties will, from time to time, do all acts and things and execute and deliver all such further documents and instruments, as the other Party may, either before the Effective Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement and, in the event the Arrangement becomes effective, to document or evidence any of the transactions or events set out in the Plan of Arrangement.

Section 8.8 Injunctive Relief.

(1) Subject to Section 8.8(2), the Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Subject to Section 8.8(2), it is accordingly agreed that the Parties shall be entitled to specific performance of the terms of this Agreement and an injunction or injunctions and other equitable relief to prevent breaches or threatened breaches of this Agreement, and to enforce compliance with the terms of this Agreement without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief hereby being waived.

(2) Notwithstanding anything in this Agreement to the contrary, the Parties hereby acknowledge and agree that the Corporation shall be entitled to specific performance as a third party beneficiary of Purchaser's rights against the Equity Funding Party in

accordance with and subject to the terms of the Equity Commitment Letter to cause the Purchaser to draw down the full proceeds of the Equity Financing pursuant to the terms and conditions of the Equity Commitment Letter and to cause the Purchaser to effect the Closing in accordance with Section 2.7, in each case, only if:

(a) all conditions in Section 6.1 and Section 6.2 have been satisfied (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver by the applicable Party in whose favour the condition is, of those conditions as of the Effective Date);

(b) the Debt Financing (or Alternative Financing in accordance with Section 4.7) has been funded or will be funded on the date the Closing is required to have occurred pursuant to Section 2.7;

(c) the Shares held by the Rollover Shareholders shall have been contributed directly or indirectly to the Purchaser by the Rollover Shareholders;

(d) the Purchaser fails to complete the Closing by the date the Closing is required to have occurred pursuant to Section 2.7; and

(e) the Corporation has irrevocably confirmed in writing that if specific performance is granted and the Equity Financing and Debt Financing (or Alternative Financing in accordance with Section 4.7(1)) are funded, then the Closing will occur.

For the avoidance of doubt, in no event shall the Corporation be entitled to specific performance to cause the Purchaser to cause the Equity Financing to be funded if the Debt Financing (or, if Alternative Financing is being used in accordance with Section 4.7(1), pursuant to commitments with respect thereto) has not been funded (or will not be funded at the Closing if the Equity Financing is funded at the Closing). In no event shall the Company be entitled to directly seek the remedy of specific performance of this Agreement against any Financing Source in its capacity as a lender, investor or arranger in connection with the Debt Financing; provided that notwithstanding the foregoing, nothing in this Section 8.8 shall in any way limit or modify any Financing Sources' obligations to Purchaser under the Debt Commitment Letter or any obligation of any Financing Source to the Corporation following the Closing Date.

(3) While the Corporation may pursue either a grant of specific performance under Section 8.8(2) to the extent provided therein or the payment of the Purchaser Termination Fee under Section 8.2(4), under no circumstances shall the Corporation be permitted or entitled to receive both (i) a grant of specific performance that permits the consummation of the transactions contemplated by this Agreement in accordance with the terms of this Agreement and (ii) monetary damages in connection with this Agreement or any termination of this Agreement (it being understood, for the avoidance of doubt, that any such damages shall not exceed the Purchaser Termination Fee).

Section 8.9 Third Party Beneficiaries.

(1) Except as provided in Section 4.6 and Section 4.10 and which, without limiting their terms, are intended as stipulations for the irrevocable benefit of, and shall be enforceable by, the third Persons mentioned in such provisions (such third Persons referred to in this Section 8.9 as the "**Indemnified Persons**"), the Corporation and the Purchaser intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties and that no Person, other than the Parties, shall be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum, provided, however, that Section 8.3, Section 8.8(2), this Section 8.9 and Section 8.19 shall enure to the benefit of and be directly enforceable by each Purchaser Related Party (including, for the avoidance of doubt, any Financing Source) and Section 8.1, Section 8.11 and Section 8.14 shall enure to the benefit of and be directly enforceable by the Financing Sources.

(2) Despite the foregoing, the Parties acknowledge to each of the Indemnified Persons their direct rights against the applicable Party under Section 4.6 and Section 4.10 respectively of this Agreement, which are intended for the benefit of, and shall be enforceable by, each Indemnified Person, and for such purpose, the Corporation or the Purchaser, as applicable, confirms that it is acting as trustee on their behalf, agrees to enforce such provisions on their behalf and that such provisions shall be binding on the Purchaser and its successors. The Parties reserve their right to vary or rescind the rights at any time and in any way whatsoever, if any, granted by or under this Agreement to any Person who is not a Party, without notice to or consent of that Person, including any Indemnified Person, provided, however, that notwithstanding anything to the contrary contained herein, none of Section 8.1, Section 8.3, Section 8.8(2), this Section 8.9, Section 8.11, Section 8.14 or Section 8.19 (or any provision of this Agreement to the extent a modification, waiver, or termination of such provision would modify the substance of such Sections) may be modified, waived or terminated in any manner adverse to the Financing Sources or related Purchaser Related Parties in any material respect without the prior written consent of the Financing Sources.

Section 8.10 Waiver.

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

Section 8.11 Entire Agreement.

This Agreement, together with the Corporation Disclosure Letter, the Confidentiality Agreement and the Purchaser Termination Fee Funding Agreement, constitutes the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or

other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by a Party without the prior written consent of the other Parties; provided the Purchaser may assign as collateral security or grant an hypothec or other security interest on any or all of its rights under this Agreement or any related documents to any Financing Source (or any agent or hypothecary representative acting on behalf of any Financing Source).

Section 8.12 Successors and Assigns.

(1) This Agreement becomes effective only when executed by the Corporation and the Purchaser. After that time, it will be binding upon and enure to the benefit of the Corporation, the Purchaser and their respective successors and permitted assigns.

(2) Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by any Party without the prior written consent of the other Party, except that the Purchaser may assign all or any portion of its rights and obligations under this Agreement to any of its affiliates, but none of any such assignments shall (i) relieve the Purchaser of its obligations hereunder, (ii) impair, delay or prevent the satisfaction of any other conditions set forth in Article 6, or (iii) impair, delay or prevent the consummation of the transactions contemplated by this Agreement.

Section 8.13 Severability.

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 8.14 Governing Law.

(1) This Agreement will be governed by, interpreted and enforced in accordance with the Laws of the Province of Québec and the federal Laws of Canada applicable therein.

(2) Each Party irrevocably attorns and submits to the exclusive jurisdiction of the Québec courts situated in the City of Montreal and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

(3) Notwithstanding anything in Section 8.14(1) and Section 8.14(2) to the contrary, with respect to any action or proceeding of any kind or description (whether in law or in equity and whether based on contract, tort or otherwise) involving any Financing Source arising out of or relating to this Agreement or the agreements delivered in connection herewith or any of the transactions contemplated hereby or thereby, the Debt Financing or the Debt Commitment Letter or the performance of services thereunder, each of the

Parties agrees that (i) such action or proceeding shall be (x) exclusively governed by, and construed in accordance with, the internal laws of the State of New York and without reference to the choice-of-law principles that would result in the applicable of the laws of a different jurisdiction and (y) subject to the exclusive jurisdiction of the federal or New York state courts located in the Borough of Manhattan within the city of New York; and (ii) they shall not bring or permit any of their respective affiliates to bring any action or proceeding referred to in this Section 8.14(3), or voluntarily support any other Person in bringing any such action or proceeding, in any other courts. Each Party hereto irrevocably waives, to the fullest extent that it effectively do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding. EACH PARTY HERETO IRREVOCABLY WAIVES (SUBJECT TO APPLICABLE LAW) TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY OF THEM AGAINST ANY FINANCING SOURCE ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, OR ANY OTHER AGREEMENT EXECUTED IN CONNECTION THEREWITH OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN. IN CONNECTION WITH ANY DISPUTE HEREUNDER, OR ARISING OUT OF OR RELATING TO THE DEBT FINANCING, EACH PARTY HERETO IRREVOCABLY WAIVES ANY CLAIM TO PUNITIVE, EXEMPLARY OR SPECULATIVE DAMAGES OR ANY OTHER TYPE OF DAMAGES THAT ARE NOT REASONABLY FORESEEABLE, IN EACH CASE, FROM ANY FINANCING SOURCE.

Section 8.15 Rules of Construction.

The Parties to this Agreement waive the application of any Law or rule of construction providing that ambiguities in any agreement or other document shall be construed against the party drafting such agreement or other document.

Section 8.16 No Liability.

No director or officer of the Purchaser shall have any personal liability whatsoever to the Corporation under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of the Purchaser. No director or officer of the Corporation or any of its Subsidiaries shall have any personal liability whatsoever to the Purchaser under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of the Corporation or any of its Subsidiaries.

Section 8.17 Language.

The Parties expressly acknowledge that they have requested that this Agreement and all ancillary and related documents thereto be drafted in the English language only. *Les parties aux présentes reconnaissent avoir exigé que la présente entente et tous les documents qui y sont accessoires soient rédigés en anglais seulement.*

Section 8.18 Counterparts.

This Agreement may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together shall be deemed to constitute one and the

same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

Section 8.19 Non-Recourse

Without limiting any other provision in this Agreement and other than as set forth in the Purchaser Termination Fee Funding Agreement:

(1) this Agreement may only be enforced against, and any claims or causes of action that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement, may only be made against the parties hereto, and no Purchaser Related Party or Corporation Related Party who is not a party to this Agreement shall have any liability for any obligations or liabilities of the parties hereto or for any claim (whether in tort, contract or otherwise) based on, in respect of, or by reason of, the transactions contemplated hereby or in respect of any oral representations made or alleged to be made in connection herewith;

(2) in no event shall the parties hereto or any of their respective affiliates, and each party hereto agrees not to and to cause their affiliates not to, seek to enforce this Agreement against, make any claims for breach of this Agreement against, or seek to recover monetary damages from, any Purchaser Related Party or Corporation Related Party, as applicable (other than the Purchaser or the Corporation, as applicable, in each such case, only pursuant to the terms of this Agreement); and

(3) in no event shall the Corporation or any of its affiliates, and the Corporation agrees not to and to cause its affiliates not to, seek to enforce the Debt Financing against, make any claims for breach of the Debt Financing against, or seek to recover monetary damages from, or otherwise sue, the Purchaser Related Parties (other than the Purchaser and, in each such case, only pursuant to the terms of this Agreement) for any reason, including without limitation in connection with the Debt Financing or the obligations of the Financing Sources thereunder.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the Parties have executed this Arrangement Agreement.

CANAM GROUP INC.

Per: *(signed) Pierre Lortie*

Name: Pierre Lortie
Title: Chair of the Special Committee

CANAVERAL ACQUISITION INC.

Per: *(signed) Paul J. Bamatter*

Name: Paul J. Bamatter
Title: Senior Vice President

SCHEDULE A

PLAN OF ARRANGEMENT

[Intentionally Omitted - Refer to Appendix A of the Information Circular]

SCHEDULE B

ARRANGEMENT RESOLUTION

[Intentionally Omitted - Refer to Appendix C of the Information Circular]

SCHEDULE C

REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

(1) **Organization and Qualification.**

The Corporation and each of its Subsidiaries is a corporation or other entity duly incorporated or organized, as applicable, validly existing and in good standing under the laws of the jurisdiction of its incorporation, amalgamation, organization or formation, as applicable, and has all requisite corporate power and authority to own, lease and operate its assets and properties and conduct its business as now owned and conducted. The Corporation and each of its Subsidiaries is duly qualified, licensed or registered to carry on business and is in good standing in each jurisdiction in which the character of its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities makes such qualification, licensing or registration necessary, and has all Authorizations required to own, lease and operate its properties and assets and to conduct its business as now owned and conducted, except for those Authorizations, the absence of which do not have and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(2) **Corporate Authorization.**

The Corporation has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution and delivery and performance by the Corporation of this Agreement and the consummation of the Arrangement and the other transactions contemplated by this Agreement have been duly authorized by all necessary corporate action on the part of the Corporation and no other corporate proceedings on the part of the Corporation are necessary to authorize this Agreement or the consummation of the Arrangement and the other transactions contemplated hereby other than approval by the Shareholders in the manner required by the Interim Order and Law and approval by the Court.

(3) **Execution and Binding Obligation.**

This Agreement has been duly executed and delivered by the Corporation, and constitutes a legal, valid and binding agreement of the Corporation enforceable against it in accordance with its terms subject only to any limitation on enforcement under Laws relating to (i) bankruptcy, winding-up, insolvency, reorganization, arrangement or other Law affecting the enforcement of creditors' rights generally and (ii) the discretion that a court may exercise in the granting of extraordinary remedies such as specific performance and injunction**.**

(4) **Governmental Authorization.**

The execution, delivery and performance by the Corporation of this Agreement and the consummation by the Corporation of the Arrangement and the other transactions contemplated hereby do not require any Authorization or other action by or in respect of, or filing, recording, registering or publication with, or notification to, any Governmental Entity by the Corporation or by any of its Subsidiaries other than: (i) the Interim Order and any approvals required by the Interim Order; (ii) the Final Order; (iii) filings with the Enterprise Registrar under the QBCA; (iv) the Key Regulatory Approvals; (v) compliance with Securities Laws and stock exchange

rules and policies; and (vi) any consents, waivers, approvals, actions or filings or notifications the absence of which would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(5) **No Conflict/ Non-Contravention.**

The execution, delivery and performance by the Corporation of this Agreement and the consummation of the Arrangement and the other transactions contemplated hereby do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):

(a) contravene, conflict with, or result in any violation or breach of the Constating Documents or the organizational documents of any of its Subsidiaries;

(b) assuming compliance with the matters referred to in Section (4) above, contravene, conflict with or result in a violation or breach of any Law;

(c) other than as disclosed in Section 3.1(5)(c) of the Corporation Disclosure Letter, allow any Person to exercise any rights, require any consent or other action by any Person, or constitute a default under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which the Corporation or any of its Subsidiaries are entitled (including by triggering any rights of first refusal or first offer, change in control provision or other restriction or limitation) under any Material Contract (other than in respect of subparagraph (n) of the definition of Material Contract) or any material Authorization to which the Corporation or any of its Subsidiaries is a party or by which the Corporation or any of its Subsidiaries is bound; or

(d) result in the creation or imposition of any Lien upon any of the Corporation's assets or the assets of any of its Subsidiaries;

with such exceptions, in the case of paragraphs (a) through (d), as would not be reasonably expected to individually or in the aggregate have a Material Adverse Effect.

(6) **Capitalization.**

(a) The authorized share capital of the Corporation consists of an unlimited number of Shares, an unlimited number of Class "D" shares without par value, an unlimited number of Class "E" shares without par value and an unlimited number of Class "F" shares without par value. As of the date hereof, an aggregate of 45,361,766 Shares are issued and outstanding and no Class "D", "E" or "F" shares are issued and outstanding.

(b) All outstanding Shares have been duly authorized and validly issued, are fully paid and non-assessable. No Shares have been issued in violation of any Law or any pre-emptive or similar rights applicable to them.

(c) Other than as disclosed in Section 3.1(6)(c) of the Corporation Disclosure Letter,

there are no issued, outstanding or authorized options, warrants, calls, conversion privileges, pre-emptive, redemption, repurchase, stock appreciation or other rights, or any other agreements, arrangements, instruments or commitments of any kind that obligate the Corporation or any of its Subsidiaries to, directly or indirectly, issue or sell any securities of the Corporation or any of its Subsidiaries, or any obligations convertible or exchangeable into or exercisable for, or give any Person a right to subscribe for or acquire, any securities of the Corporation or any of its Subsidiaries, or the value of which is based on the value of the securities of the Corporation or any of its Subsidiaries.

(d) There are no issued, outstanding or authorized:

(i) obligations to repurchase, redeem or otherwise acquire any securities of the Corporation or any of its Subsidiaries, or qualify securities for public distribution in Canada or elsewhere, or with respect to the voting or disposition of any securities of the Corporation or any of its Subsidiaries; or

(ii) notes, bonds, debentures or other evidences of indebtedness or any other agreements, arrangements, instruments or commitments of any kind that give any Person, directly or indirectly, the right to vote with Shareholders on any matter.

(e) All dividends or distributions on securities of the Corporation that have been declared or authorized have been paid in full.

(7) **Shareholders' and Similar Agreement.**

Other than as disclosed in Section 3.1(7) of the Corporation Disclosure Letter, neither the Corporation nor any of its Subsidiaries is subject to, or affected by, any unanimous shareholders agreement and is not a party to any shareholder, pooling, voting or other similar arrangement or agreement relating to the ownership or voting of any of the securities of the Corporation or any of its Subsidiaries or pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in the Corporation or any of its Subsidiaries and the Corporation has not adopted a shareholder rights plan or any other similar plan or agreement.

(8) **Subsidiaries.**

(a) Section 3.1(8)(a) of the Corporation Disclosure Letter sets forth a complete and accurate list as of the date of this Agreement of all Persons in which the Corporations owns or controls, directly or indirectly, any equity or proprietary interest indicating: (i) its name; (ii) the number, type and principal amount, as applicable, of its outstanding equity securities or other equity interests and a list of registered holders of capital stock or other equity interests (other than in respect of Subsidiaries which are not wholly-held by the Corporation and for which it is not in possession of a complete list of registered holders); and (iii) its jurisdiction of incorporation, organization or formation.

(b) Each Subsidiary is a corporation, partnership, trust or limited partnership, as the case may be, duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, organization or formation, as the case may be, and has all requisite corporate, trust or partnership power and authority, as the case may be, to own, lease and operate its properties and assets and to carry on its business as now being conducted, except where the failure to be so organized, validly existing, qualified or in good standing, or to have such power or authority, would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) The Corporation is, directly or indirectly, the registered and beneficial owner of all of the outstanding common shares or other equity interests of each of its Subsidiaries, free and clear of any Liens, except for Permitted Liens, and all such shares or other equity interests so owned by the Corporation have been duly authorized and validly issued, as fully paid and non-assessable, as the case may be, and no such shares or other equity interests have been issued in violation of any Law or any pre-emptive or similar rights. Except for the shares or other equity interests owned by the Corporation in any Subsidiary, the Corporation does not own, beneficially or of record, any equity interests of any kind in any other Person.

(9) **Securities Law Matters.**

(a) The Corporation is a "reporting issuer" under Securities Laws in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and in the North West Territories and the Yukon and is not on the list of reporting issuers in default under the Securities Laws of these provinces and territories. The Shares are listed and posted for trading on the TSX.

(b) The Corporation has not taken any action to cease to be a reporting issuer in any province or territory nor has the Corporation received notification from any Securities Authority seeking to revoke the reporting issuer status of the Corporation. No delisting, suspension of trading or cease trade or other order or restriction with respect to any securities of the Corporation is pending, in effect, has been threatened, or is expected to be implemented or undertaken, and, to the knowledge of the Corporation, the Corporation is not subject to any formal or informal audit, review, comment, enquiry, investigation or other proceeding relating to any such order or restriction by any Securities Authority or the TSX. There are no outstanding or unresolved comments in comment letters from any Securities Authority with respect to any of the Corporation Filings.

(c) The Corporation has timely filed or furnished all material forms, reports, schedules, statements and other documents required to be filed or furnished under Laws with any Governmental Entity. The documents comprising the Corporation Filings complied as filed in all material respects with Securities Law and did not, as of the date filed (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such filing), contain any

Misrepresentation.

(d) The Corporation has not filed any confidential material change report (which at the date of this Agreement remains confidential) or any other confidential filings (including redacted filings) filed to or furnished with, as applicable, any Securities Authority.

(10) **U.S. Securities Law Matters.**

(a) The Corporation does not have, nor is it required to have, any class of securities registered under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor is the Corporation subject to any reporting obligation (whether active or suspended) pursuant to Section 15(d) of the Exchange Act.

(b) The Corporation is not, and has never been, subject to any requirement to register any class of its equity securities pursuant to Section 12(g) of the Exchange Act, is not an investment company registered or required to be registered under the Investment Company Act of 1940 of the United States of America, as amended, and is a "foreign private issuer" (as such term is defined in Rule 3b-4 under the Exchange Act.

(11) **Financial Statements.**

(a) The audited consolidated financial statements and the consolidated interim financial statements of the Corporation (including, in each case, the notes or schedules thereto and the auditor's report thereon) included in the Corporation Filings (i) were prepared in accordance with GAAP, (ii) complied as to form in all material respects with applicable accounting and Law requirements in Canada, and (iii) fairly present in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), consolidated financial position, results of operations or financial performance and cash flows of the Corporation and its Subsidiaries as of their respective dates and the consolidated financial position, results of operations or financial performance and cash flows of the Corporation and its Subsidiaries for the respective periods covered by such financial statements (except as may be expressly indicated in the notes to such financial statements).

(b) The Corporation does not intend to correct or restate, nor, to the knowledge of the Corporation, is there any basis for any correction or restatement of, any aspect of any of the financial statements referred to in this Section 3.1(11).

(c) Other than as disclosed in Section 3.1(11)(c) of the Corporation Disclosure Letter, for surety bonds in the Ordinary Course and for operating leases the value of which are not material, there are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of the Corporation or any of its Subsidiaries with unconsolidated entities or other Persons.

(d) Other than as disclosed in Section 3.1(11)(d) of the Corporation Disclosure Letter, the financial books, records and accounts of the Corporation and each of its Subsidiaries (i) have been maintained, in all material respects, in accordance with GAAP, (ii) accurately and fairly reflect all the material transactions, acquisitions and dispositions of the Corporation and its Subsidiaries, and (iii) accurately and fairly reflect the basis for the Corporation's financial statements.

(12) **Disclosure Controls and Internal Control over Financial Reporting.**

(a) The Corporation has established and maintains a system of disclosure controls and procedures (as such term is defined in Regulation 52-109 *respecting Certification of Disclosure in Issuers' Annual and Interim Filings*) that are designed to provide reasonable assurance that: (i) material information relating to the Corporation is made known to the Corporation's management, including its chief financial officer and chief executive officer, particularly during the periods in which the Corporation's interim filings and annual filings (as such terms are defined in Regulation 52-109 *respecting Certification of Disclosure in Issuers' Annual and Interim Filings*) are being prepared; and (ii) information required to be disclosed by the Corporation in such annual or interim filings or other reports filed or submitted by it under Securities Laws, is recorded, processed, summarized and reported within the time periods specified in Securities Laws.

(b) The Corporation has established and maintains a system of internal control over financial reporting (as such term is defined in Regulation 52-109 *respecting Certification of Disclosure in Issuers' Annual and Interim Filings*) that is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

(c) To the knowledge of the Corporation, none of the Corporation, any of its Subsidiaries or any director, officer, employee, auditor, accountant or other Representative of the Corporation or any of its Subsidiaries has received or otherwise obtained knowledge of any complaint, allegation, assertion, or claim, whether written or oral, regarding accounting, internal accounting controls or auditing matters, including any complaint, allegation, assertion, or claim that the Corporation or any of its Subsidiaries has engaged in questionable accounting or auditing practices, or any expression of concern from its employees regarding questionable accounting or auditing matters.

(13) **Auditor.**

PricewaterhouseCoopers LLP is and was, during the periods covered by its reports included in the Corporation Filings, independent within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés* du Québec and in accordance with applicable Securities Laws; there has not been any reportable event (within the meaning of Regulation 51-102 *respecting Continuous Disclosure Obligations*) with such auditors with respect to audits of Corporation and its Subsidiaries.

(14) **No Undisclosed Liabilities.**

(a) Other than as disclosed in Section 3.1(14)(a) and Section 3.1(36)(b) of the Corporation Disclosure Letter, there are no liabilities or obligations of the Corporation or any of its Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, other than liabilities or obligations: (i) disclosed in the Corporation Filings; (ii) incurred in the Ordinary Course since December 31, 2016; or (iii) incurred in connection with this Agreement.

(b) The principal amount of all indebtedness for borrowed money of the Corporation and its Subsidiaries, including capital leases, is disclosed in Section 3.1(14)(b) of the Corporation Disclosure Letter.

(15) **Confidentiality Agreements.**

The Corporation has not waived the standstill or other provisions of any confidentiality or standstill agreements with Persons entered into at any time during the period from December 31, 2013 until the date of this Agreement.

(16) **Long-Term and Derivative Transactions.**

Neither the Corporation nor any of its Subsidiaries have any material obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions or currency options or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions, except in the Ordinary Course.

(17) **Related Party Transactions.**

Other than as disclosed in Section 3.1(17) of the Corporation Disclosure Letter, neither the Corporation nor any of its Subsidiaries is indebted to any director, Officer, employee or agent of, or independent contractor to, the Corporation or any of its Subsidiaries or any of their respective affiliates or associates (except for amounts due in the Ordinary Course as salaries, bonuses and director's fees or the reimbursement of Ordinary Course expenses). There are no Contracts (other than employment arrangements) with, or advances, loans, guarantees, liabilities or other obligations to, on behalf or for the benefit of, any shareholder, Officer or director of the Corporation or any of its Subsidiaries, or any of their respective affiliates or associates.

(18) **Absence of Certain Changes or Events.**

Since December 31, 2016, except as disclosed in the Corporation Filings and other than the transactions contemplated in this Agreement, the business of the Corporation and its Subsidiaries has been conducted in the Ordinary Course and there has not been any event,

circumstance or occurrence which has had, or is reasonably likely to give rise to, a Material Adverse Effect.

(19) **Compliance with Laws.**

The Corporation and each of its Subsidiaries is, and since December 31, 2014 has been, in compliance in all material respects with Law. Since December 31, 2014, neither the Corporation nor any of its Subsidiaries is, or has been, to the knowledge of the Corporation, under any investigation with respect to, is or has been charged or, to the knowledge of the Corporation, threatened to be charged with, or has received notice of, any material violation or potential violation of any Law or disqualification by a Governmental Entity.

(20) **Authorizations and Licenses.**

(a) The Corporation and each of its Subsidiaries own, possess or have obtained all Authorizations that are required by Law in connection with the operation of the business of the Corporation or any of its Subsidiaries as presently conducted, or in connection with the current ownership, operation or use of the assets of the Corporation or any of its Subsidiaries, except as would not, individually or in the aggregate, have a Material Adverse Effect.

(b) The Corporation and each of its Subsidiaries, as applicable, lawfully holds, owns or uses, and has complied with, all such Authorizations except as would not, individually or in the aggregate, have a Material Adverse Effect. Each Authorization is valid and in full force and effect in accordance with its terms, and is renewable by its terms or in the Ordinary Course, except as would not, individually or in the aggregate, have a Material Adverse Effect.

(c) No action, investigation or proceeding is pending or, to the knowledge of the Corporation, threatened in respect of or regarding any such Authorization and none of the Corporation, its Subsidiaries or any of their respective Representatives has received notice, whether written or oral, of revocation, non-renewal or material amendments of any such Authorization, or of the intention of any Person to revoke, refuse to renew or materially amend any such Authorization.

(21) **Fairness Opinions.**

The Board and the Special Committee have received the Fairness Opinions (true and complete copies of which have been made available to the Purchaser) and the Fairness Opinions has not been withdrawn or modified.

(22) **Formal Valuation.**

The Board and the Special Committee have received the Formal Valuation (a true and complete copy of which has been made available to the Purchaser) and the Formal Valuation has not been withdrawn or modified.

(23) **Brokers.**

Except for the engagement letter between the Corporation and each of BMO Nesbitt Burns Inc. and Deloitte LLP and the fees payable under or in connection with such engagements, no investment banker, broker, finder, financial advisor or other intermediary has been retained by or is authorized to act on behalf of the Corporation or any of its Subsidiaries, or any of their respective officers, directors or employees, or is entitled to any fee, commission or other payment from the Corporation or any of its Subsidiaries, or any of their respective officers, directors or employees, in connection with the Agreement or any other transaction contemplated by this Agreement.

(24) **Board and Special Committee Approval.**

(a) The Special Committee, after consultation with its financial advisors and outside legal counsel, has unanimously recommended that the Board approve the Arrangement and that the Shareholders (other than the Rollover Shareholders) vote in favour of the Arrangement Resolution.

(b) The Board, having received the unanimous recommendation of the Special Committee and after consultation with its financial advisors and outside legal counsel, has unanimously (with interested directors abstaining from voting): (i) determined that the Arrangement Resolution is in the best interests of the Corporation and fair to the Shareholders (other than the Rollover Shareholders); (ii) resolved to unanimously (excluding any director not entitled to vote) recommend that the Shareholders (other than the Rollover Shareholders) vote in favour of the Arrangement Resolution; and (iii) authorized the entering into of this Agreement and the performance by the Corporation of its obligations under this Agreement, and no action has been taken to amend, or supersede such determinations, resolutions, or authorizations.

(c) Each of the directors and Officers of the Corporation who owns Shares has advised the Corporation, and the Corporation believes, that they intend to vote or cause to be voted all Shares beneficially held by them in favour of the Arrangement Resolution and the Corporation shall make a statement to that effect in the Corporation Circular.

(25) **Material Contracts.**

(a) Section 3.1(25)(a) of the Corporation Disclosure Letter sets out a complete and accurate list of all Material Contracts. True and complete copies of the Material Contracts other than Leases have been disclosed in the Data Room and no such Material Contract has, since such disclosure, been modified, rescinded or

terminated.

(b) Each Material Contract other than Leases is legal, valid, binding and in full force and effect and is enforceable by the Corporation or a Subsidiary, as applicable, in accordance with its terms, subject only to any limitation on enforcement under Law relating to (i) bankruptcy, winding-up, insolvency, arrangement, reorganization or other Law of general application affecting the enforcement of creditors' rights and (ii) the discretion that a court may exercise in the granting of extraordinary remedies such as specific performance and injunction.

(c) The Corporation and its Subsidiaries have performed in all material respects all respective obligations required to be performed by them to date under the Material Contracts other than Leases and neither the Corporation nor any of its Subsidiaries is in material breach or default under any Material Contract other than Leases, nor, to the knowledge of the Corporation, does there exist any condition that with the passage of time or the giving of notice or both would result in such a material breach or default.

(d) None of the Corporation or any of its Subsidiaries knows of, or has received any notice of any breach or default under nor, to the knowledge of the Corporation, does there exist any condition which with the passage of time or the giving of notice or both would result in such a breach or default which is continuing under, any such Material Contract by any other party to a Material Contract.

(e) The Corporation has not received any notice that any party to a Material Contract other than Leases intends to cancel, terminate or otherwise modify or not renew its relationship with the Corporation or any of its Subsidiaries, and, to the knowledge of the Corporation, no such action has been threatened.

(26) **Real Property.**

(a) Section 3.1(26)(a) of the Corporation Disclosure Letter sets out a complete and accurate list of all real and immoveable property owned by the Corporation and/or its Subsidiaries (each such property disclosed, or required to be disclosed, in Section 3.1(26)(a) of the Corporation Disclosure Letter, an "**Owned Property**"), in each case by reference to their municipal addresses.

(b) Other than as disclosed in Section 3.1(26)(b) of the Corporation Disclosure Letter, (i) the Corporation or one of its Subsidiaries has valid, good and marketable title to the Owned Properties and leasehold title to the Leased Properties free and clear of all Liens except for Permitted Liens, (ii) there are no options or rights of first refusal to purchase the Owned Properties or any portion thereof or interest therein, and (iii) neither the Corporation nor any of its Subsidiaries is the owner of, or is bound by or subject to any agreement or option to own, any real or immoveable property other than the Owned Properties.

(c) Section 3.1(26)(c) of the Corporation Disclosure Letter sets out a complete and accurate list of all real and immoveable property leased, subleased, licensed

and/or (other than the Owned Properties and apartments leased on a short-term basis for employees in connection with specific construction projects) occupied by the Corporation and/or its Subsidiaries (each such property disclosed, or required to be disclosed, in Section 3.1(26)(c) of the Corporation Disclosure Letter, a "**Leased Property**"), in each case by reference to their municipal addresses.

(d) True and complete copies of the Leases have been disclosed in the Data Room and no Lease has been modified, rescinded or terminated since such disclosure.

(e) Other than as disclosed in Section 3.1(26)(e) of the Corporation Disclosure Letter, neither the Corporation nor any of its Subsidiaries is a party to, or under any agreement to become a party to, any lease, licence or occupancy agreement with respect to real or immoveable property other than the Leases in respect of the Leased Properties.

(f) Each Lease creates a good and valid leasehold estate in the Leased Properties thereby demised and is in full force and effect without amendment.

(g) With respect to each Lease (i) all rents and additional rents due have been paid, (ii) no waiver, indulgence or postponement of the lessee's obligations has been granted by the lessor, (iii) there exists no event of default or event, occurrence, condition or act (including the transactions contemplated herein) which, to the knowledge of the Corporation, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default under the Lease, and (iv) to the knowledge of the Corporation, all of the covenants to be performed by any other party under the Lease have been performed in all material respects.

(h) Except as disclosed in Section 3.1(26)(h) of the Corporation Disclosure Letter, none of the Leases has been assigned, and none of the Leased Properties or Owned Properties has been leased, subleased or sublicensed by the Corporation or any of its Subsidiaries, to any Person.

(i) Except as disclosed in Section 3.1(26)(i) of the Corporation Disclosure Letter, none of the Leased Properties or Owned Properties or the buildings and/or fixtures thereon, nor their use, operation or maintenance for the purpose of carrying on the business of the Corporation in the Ordinary Course violates in any material respect any restrictive covenant binding upon the Corporation or any material provision of any Law.

(27) **Personal Property.**

The Corporation and its Subsidiaries have valid, good and marketable title to all material personal or movable property of any kind or nature which the Corporation or any of its Subsidiaries purports to own, free and clear of all Liens (other than Permitted Liens, liens relating to indebtedness for borrowed money that is disclosed in Section 3.1(14)(b) of the Corporation Disclosure Letter and liens in favour of surety companies), except as would not,

individually or in the aggregate, have a Material Adverse Effect. The Corporation and its Subsidiaries, as lessees, have the right under valid and subsisting leases to use, possess and control all personal or movable property leased by and material to the Corporation or any of its Subsidiaries as used, possessed and controlled by the Corporation or its Subsidiaries, as applicable, except as would not, individually or in the aggregate, have a Material Adverse Effect.

(28) **Intellectual Property.**

(a) Section 3.1(28)(a) of the Corporation Disclosure Letter sets out a list of all domestic and foreign patents, patent applications, trade-marks, trade-mark applications, registered copyrights and registered domain names owned by the Corporation and its Subsidiaries which each have been registered or applied for or have been properly maintained and renewed by the Corporation and its Subsidiaries in accordance with Law.

(b) Section 3.1(28)(b) of the Corporation Disclosure Letter sets out a list of all unregistered Intellectual Property that is owned by the Corporation and that is material to the operation of the Corporation and its Subsidiaries.

(c) Section 3.1(28)(c) of the Corporation Disclosure Schedule sets out a list of all licences pursuant to which the Corporation or its Subsidiaries are granted rights to use the Intellectual Property of a third party.

(d) All Intellectual Property used by the Corporation and its Subsidiaries in the carrying on of their business is owned by or licensed to the Corporation and its Subsidiaries. Other than as disclosed in Section 3.1(28)(d) of the Corporation Disclosure Letter, the Corporation and its Subsidiaries exclusively own all right, title and interest in and to the Owned Intellectual Property, free and clear of all Liens, other than Permitted Liens, and the Corporation and its Subsidiaries have the right to use all the Intellectual Property used by them in the carrying on of their business as presently conducted.

(e) Other than as disclosed in Section 3.1(28)(e) of the Corporation Disclosure Letter, the Corporation and its Subsidiaries are not party to or bound by any Contract that limits their ability to use, sell, transfer, assign or convey any of the Owned Intellectual Property. Other than as disclosed in Section 3.1(28)(e) of the Corporation Disclosure Letter, the Corporation and its Subsidiaries have not granted to any person any right, license or permission to use all or any portion of, or otherwise encumbered any of their rights in, or to, any of the Intellectual Property owned by, licensed to or used by the Corporation and its Subsidiaries. No royalties, fees or other compensation are payable by the Corporation or its Subsidiaries to any Person in respect of the use of any Intellectual Property in carrying on their business other than the fees payable pursuant to the licences disclosed in Section 3.1(28)(e) of the Corporation Disclosure Letter.

(f) To the knowledge of the Corporation, the Corporation and its Subsidiaries have not infringed, misappropriated or otherwise violated or are infringing or

misappropriating upon or otherwise violating the Intellectual Property of any Person. No claims have been asserted or, to the knowledge of the Corporation, are threatened by any Person alleging that the conduct of the Corporation and its Subsidiaries' business, including the use of the Intellectual Property owned by, licensed to or used by the Corporation and its Subsidiaries, infringes upon or otherwise violates any of their Intellectual Property rights.

(g) All licenses relating to any Intellectual Property owned, licensed to or used by the Corporation and its Subsidiaries are in full force and effect and no default exists on the part of the Corporation or any of its Subsidiaries or, to the knowledge of the Corporation, on the part of any other parties thereto.

(h) The Intellectual Property owned by or licensed to the Corporation and its Subsidiaries or which the Corporation and its Subsidiaries otherwise have the right to use constitutes all Intellectual Property necessary for the conduct of the business of the Corporation and its Subsidiaries as presently conducted.

(i) To the knowledge of the Corporation, no Person has infringed, misappropriated or otherwise violated or, to the knowledge of the Corporation, no Person is currently infringing, misappropriating or otherwise violating any of the Intellectual Property owned by, licensed to or used by the Corporation and its Subsidiaries.

(j) No current and former employees, Officers, directors, consultants, agents or contractors of each of the Corporation and its Subsidiaries have any right, title or interest in or to any Intellectual Property owned, used or held by the Corporation and its Subsidiaries in the carrying on of their business, and, to the knowledge of the Corporation, no such individual is in violation of any term of any employment or consulting or similar contract, proprietary information and inventions agreement, non-competition agreement, or any other contract or agreement relating to the relationship of any such individual with the Corporation of any of its Subsidiaries which relates to the Intellectual Property of the Corporation or its Subsidiaries. All such employees, Officers, directors, consultants, agents and contractors retained by the Corporation or its Subsidiaries to develop Intellectual Property or otherwise involved in the development of Intellectual Property for the Corporation or its Subsidiaries have assigned in writing all of their rights in any such Intellectual Property and have waived in writing any moral rights.

(k) None of the Owned Intellectual Property has been substantially developed with the assistance or use of any funding from third parties or third party agencies, including, but not limited to, funding from any Governmental Entity, resulting in the grant of rights to the latter in its Owned Intellectual Property.

(29) **Restrictions on Conduct of Business.**

Neither the Corporation nor any of its Subsidiaries is a party to or bound by any non-competition agreement, any non-solicitation agreement, or any other agreement, obligation, judgment, injunction, order, writ or decree which purports to: (i) limit in any material respect the manner or the localities in which all or any portion of the business Corporation or its Subsidiaries are conducted; (ii) limit any business practice of the Corporation or of any of its Subsidiaries in any material respect; or (iii) restrict any acquisition or disposition of any property by the Corporation or by any of its Subsidiaries in any material respect. Neither the Corporation nor any of its Subsidiaries or any of their respective properties or assets is subject to any outstanding judgment, order, writ, injunction or decree that would have or would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect or that would or would be reasonably expected to prevent or delay the consummation of the Arrangement or the transactions contemplated hereby.

(30) **Litigation.**

(a) Other than as disclosed in Section 3.1(30)(a) of the Corporation Disclosure Letter, there are no claims, actions, suits, arbitrations, inquiries, investigations or proceedings in effect or ongoing or, to the knowledge of the Corporation, pending or threatened against or relating to the Corporation or any of its Subsidiaries, the business of the Corporation or any of its Subsidiaries or affecting any of their respective current or former properties or assets, by or before any Governmental Entity that, if determined adverse to the interests of the Corporation or its Subsidiaries, would have, or could reasonably be expected to result in criminal sanction, have or would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect, would or would be reasonably expected to prevent, hinder or delay the consummation of the Arrangement, or materially affect the Purchaser's ability to own or operate the business of the Corporation, nor, to the knowledge of the Corporation, are there any events or circumstances which could reasonably be expected to give rise to any such claim, action, proceeding or investigation.

(b) There is no material award outstanding against the Corporation or any of its Subsidiaries. Neither the Corporation nor any of its Subsidiaries is subject to any outstanding order, writ, injunction or decree which has had or is reasonably likely to have a Material Adverse Effect or which would prevent or delay the consummation of the Arrangement.

(c) There is no bankruptcy, liquidation, winding-up or other similar proceeding (other than the voluntary liquidation/winding-up of certain Subsidiaries) pending or in progress, or, to the knowledge of the Corporation, threatened against or relating to the Corporation or any of its Subsidiaries before any Governmental Entity.

(31) **Environmental Matters.**

(a) The Corporation and each of the Subsidiaries are and in the last five years have

been, in compliance in all material respects with all Environmental Laws.

(b) Other than as disclosed in Section 3.1(31)(b) of the Corporation Disclosure Letter or except as has been fully complied with, settled or resolved, no written notice, claim, order, complaint or penalty has been received by the Corporation or any of its Subsidiaries alleging that the Corporation or any of its Subsidiaries is or was in violation of, or has or had any liability or potential liability under, any material Environmental Law. There are no judicial, administrative or other actions, suits or proceedings pending or, to the knowledge of the Corporation, threatened against the Corporation or any of its Subsidiaries which allege a violation of, or any liability or potential liability under, any Environmental Laws. To the knowledge of the Corporation, there are no facts or circumstances that reasonably could be expected to give rise to any such written notice, claim, order, complaint, penalty, action, suit or proceeding.

(c) The Corporation and each of its Subsidiaries has obtained all Authorizations required pursuant to Environmental Laws to lawfully conduct, operate or occupy its business, activities and the Owned and Leased Properties in the manner it currently conducts, operates or occupies such business, activities and Owned and Leased Properties, and to own its assets, and each such Authorization is valid and in full force and effect in accordance with its terms and is renewable by its terms or in the Ordinary Course.

(d) The Corporation has made available in the Data Room all reports and material documents which are in the possession, available to or under the control of the Corporation or its Subsidiaries relating to the environmental matters affecting the Corporation, its Subsidiaries, their business, operations or any immovable or real property currently or formerly owned, leased or used by any of the Corporation or its Subsidiaries or over which any of them has or had charge, management or control (including the Owned and Leased Properties). To the knowledge of the Corporation, there are no other reports or material documents relating to environmental matters affecting the Corporation or any of its Subsidiaries, their business, operations or any immovable or real property currently or formerly owned, leased or used by any of the Corporation or its Subsidiaries or over which any of them has or had charge, management or control (including the Owned and Leased Properties) which have not been made available to the Purchaser whether by reason of confidentiality restrictions or otherwise.

(e) Other than as disclosed in Section 3.1(31)(e) of the Corporation Disclosure Letter, there are no Hazardous Substances located on, at, in or under any of the immovable or real properties currently or formerly owned, leased or used by any of the Corporation or its Subsidiaries or over which any of them has or had charge, management or control (including the Owned and Leased Properties), in violation of or in excess of applicable limits pursuant to Environmental Laws.

(f) Neither the Corporation nor any of its Subsidiaries has, either expressly or by operation of Law, assumed responsibility for or agreed to indemnify or hold

harmless any Person for any liability or obligation arising under Environmental Law.

(g) None of the Owned or Leased Properties has ever been used by the Corporation or any of the Subsidiaries or, to the knowledge of the Corporation, by any other Person, as a waste disposal site or as a licensed landfill.

(h) Other than as disclosed in Section 3.1(31)(e) of the Corporation Disclosure Letter, to the knowledge of the Corporation, there are no Hazardous Substances located on, at, in or under any property adjacent to any of the Owned or Leased Properties in violation of or in excess of applicable limits pursuant to Environmental Law.

(i) None of the Corporation or its Subsidiaries has transported, removed or disposed of any waste to a location outside of Canada or the United States of America or to a location no duly authorized to receive such waste.

(j) Other than as disclosed in Section 3.1(31)(j) and Section 3.1(31)(e) of the Corporation Disclosure Letter, the Corporation and its Subsidiaries has not been required by any Governmental Entity to (i) alter any of the Owned or Leased Properties in a material way in order to be in compliance with Environmental Laws, or (ii) perform any environmental closure, decommissioning, rehabilitation, restoration or post-remedial investigations, on, about, or in connection with any immovable or real property (including the Owned and Leased Properties).

(k) The Corporation has in place environmental management policies which include a corporate environmental policy, an informal employee training program in Canada and the United States and a spill response plan and the Corporation is complying, in all material respects, with all such policies, programs and plans.

(32) **Employees.**

(a) Section 3.1(32)(a) of the Corporation Disclosure Letter sets out (without names or employee numbers) a true and complete list of the Corporation Employees with an annual salary in excess of $150,000, including the respective corporate entity (Corporation or specific Subsidiary) to which they provide their services, their respective location, hire date and cumulative length of service, position, compensation (including annual vacation entitlement in days), eligibility to participate in profit-sharing plans (and grants received under these plans, if any, and entitlements as to percentage of salary) current status (active or non-active) as well as a list of all former Corporation Employees to whom the Corporation currently has any material obligations indicating the nature and the value of such obligations.

(b) Section 3.1(32)(b) of the Corporation Disclosure Letter contains a correct and complete list of each independent contractor engaged by the Corporation or any of its Subsidiaries, with an aggregate annual fees in excess of $150,000, including

their consulting fees, any other forms of compensation or benefits to which they are entitled and whether they are subject to a written Contract. Current and complete copies of all such independent contractor Contracts have been disclosed in the Data Room. Each independent contractor of the Corporation or any of its Subsidiaries has been properly classified as an independent contractor and neither the Corporation nor any Subsidiary has received any notice from any Governmental Entity disputing such classification nor are there any pending or, to the knowledge of the Corporation, threatened notices from any Person disputing such classification.

(c) There are no outstanding, pending, threatened claims, complaints, investigations or orders relating to the employment of any personnel agency employees.

(d) Section 3.1(32)(d) of the Corporation Disclosure Letter contains a list of all written Contracts in relation to the Corporation Employees considered members of senior management or key employees of the Corporation or its Subsidiaries (copies of which Contracts were provided to the Purchaser by the Corporation).

(e) Other than as disclosed in Section 3.1(32)(e) of the Corporation Disclosure Letter, neither the Corporation nor any of its Subsidiaries is subject to any claim for wrongful dismissal, constructive dismissal or any other claim, complaint or litigation relating to employment, discrimination or termination of employment of any current or former Corporation Employee or relating to any failure to hire a candidate for employment.

(f) There is no order pursuant to any Law requiring the reinstatement of any former Corporation Employee or requiring the taking of any action or the refraining from taking any action, in respect of any current or former Corporation Employee.

(g) To the knowledge of the Corporation, no Corporation Employee has indicated to the Corporation or its Subsidiaries that he or she intends to resign, retire or terminate his or her employment with the Corporation or any of its Subsidiaries as a result of the transactions contemplated by this Agreement or otherwise.

(h) Other than as disclosed in Section 3.1(32)(e), the Corporation and its Subsidiaries are in material compliance with all terms and conditions of employment and Laws respecting employment and labour, including pay equity, wages, hours of work, overtime pay, human rights and occupational health and safety, workers' compensation, termination of employment, French language and there are no outstanding claims, complaints, investigations or orders under any such Law and, to the knowledge of the Corporation, there is no basis for such claim.

(i) Other than as disclosed in Section 3.1(32)(i) of the Corporation Disclosure Letter, no Corporation Employee has any agreement as to length of notice or severance payment required to terminate his or her employment, other than such as results from Law from the employment of an employee without an agreement as to notice or severance.

(j) All amounts due and owing or accrued due but not yet owing for all salary, wages, overtime, vacation pay, sick days with pay, bonuses, commissions, or other incentive payments, pension benefits or other employee benefits have either been paid or are properly accrued and accurately reflected in the Books and Records.

(k) Other than as disclosed in Section 3.1(32)(k) and Section 3.1(32)(i) of the Corporation Disclosure Letter, there are no change of control payments, golden parachutes, termination or severance payments, retention payments, Contracts or other agreements with current or former Corporation Employees, any director, Officer, contractor, consultant or other service provider of the Corporation or any of its Subsidiaries providing for cash or other compensation or benefits upon the consummation of, or relating to, the Arrangement, including a change of control of the Corporation or of any of its Subsidiaries.

(l) There are no outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workplace safety and insurance legislation and neither the Corporation nor any Subsidiary has been reassessed in any material respect under such legislation during the past three years and, to the knowledge of the Corporation, no audit of the Corporation or any Subsidiary is currently being performed pursuant to any applicable workplace safety and insurance legislation. As of the date of this Agreement, there are no claims or potential claims which may materially adversely affect the Corporation or any Subsidiary's accident cost experience.

(m) The Corporation has disclosed in the Data Room all orders and material inspection reports under applicable occupational health and safety legislation ("**OHSA**"). There are no charges pending under OHSA. The Corporation has complied in all material respects with any orders issued under OHSA and there are no appeals of any orders under OHSA currently outstanding.

To the knowledge of the Corporation, no current or former Corporation Employee is or has been, during his or her employment with the Corporation or any of its Subsidiaries, an illegal or undocumented worker. The Corporation and its Subsidiaries are in compliance with all terms and conditions of any work permits and Labour Market Impact Assessments received in respect of the engagement of foreign workers. To the knowledge of the Corporation, all current and former Corporation Employees, independent contractors, and consultants have and had all work permits, visas, authorizations or status, as the case may be, required to perform work or provide services in Canada or in the United States. No audit by any Governmental Authority is being conducted, or to the knowledge of the Corporation pending, in respect of any foreign workers and no such prior audit has resulted in the revocation of any work permit or Labour Market Impact Assessment. Section 3.1(32)(a) of the Corporation Disclosure Letter discloses in respect of each Corporation Employee who is employed pursuant to a work permit the expiry date of such work permit and whether the Corporation or any of its Subsidiaries has made any attempts to renew such

work permit.

(n) As of the date hereof, to the knowledge of the Corporation, none of the Corporation Employees is in violation of any non-competition, non-solicitation, non-disclosure or any similar agreement with any third party.

(33) **Collective Agreements**.

(a) Section 3.1(33)(a) of the Corporation Disclosure Letter sets forth a complete list of all Collective Agreements currently applicable to the Corporation and/or any of its Subsidiaries and all Collective Agreements currently being negotiated, and true, correct and complete copies, except for documents which do not materially modify any terms or conditions, of same have been disclosed in the Data Room. The Corporation and its Subsidiaries are in compliance in all respects with the terms and conditions of such Collective Agreements. True and complete copies of any Collective Agreements have been disclosed in the Data Room. Neither the Corporation nor any of its Subsidiaries has any unresolved grievances, notice of default or statement of offence or material pending proceedings outstanding under any Collective Agreement or decree.

(b) Other than as disclosed in Section 3.1(33)(b) of the Corporation Disclosure letter, no Collective Agreement is currently being negotiated in respect of Corporation Employees.

(c) There are no outstanding labour tribunal proceedings of any kind, including any proceedings which could result in certification of a trade union as bargaining agent for any Corporation Employees not already covered by a Collective Agreement or any written or oral agreements or course of conduct which modify the terms of the Collective Agreements**.** No trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the Corporation Employees by way of certification, interim certification, voluntary recognition, or succession rights, or, to the knowledge of the Corporation, has applied or threatened to apply to be certified as the bargaining agent of the Corporation Employees.

(d) To the knowledge of the Corporation, there are no threatened or pending union organizing activities involving any of the Corporation Employees. There is no labour strike, dispute, work slowdown or stoppage pending or involving or, to the knowledge of the Corporation, threatened against the Corporation or any of its Subsidiaries and no such event has occurred within the last five years.

(e) No unfair labour practice complaint, grievance or arbitration proceeding is pending or, to the knowledge of the Corporation, threatened against the Corporation or any of its Subsidiaries.

(f) Other than as disclosed in Section 3.1(33)(f) of the Corporation Disclosure Letter, none of the Corporation or any of its Subsidiaries has engaged in any lay-off activities of any current or former Corporation Employees within the past two

years that would violate or in any way subject the Corporation or any of its Subsidiaries to the group termination or lay-off requirements of the applicable provincial employment standards Law or other a Law.

(g) There are no outstanding material labour tribunal proceedings of any kind or other event of any nature whatsoever, including any proceedings which could result in certification, interim certification, voluntary recognition, or succession rights of a trade union, council of trade unions, employee bargaining agencies, affiliated bargaining agent or any other Person as bargaining agent for any Corporation Employees not already covered by a Collective Agreement.

(h) To the knowledge of the Corporation, no trade union has applied to have the Corporation or any of its Subsidiaries declared a common, related or successor employer pursuant to the *Labour Relations Act* (Ontario), the *Labour Code* (Québec) or any similar legislation in any jurisdiction in which the Corporation or any of its Subsidiaries carries on business.

(34) **Employee Plans**.

(a) Section 3.1(34)(a) of the Corporation Disclosure Letter lists and describes all material health, welfare, supplemental unemployment benefit, bonus, profit sharing, option, insurance, incentive, incentive compensation, deferred compensation, share purchase, share compensation, disability, severance, termination, pension or supplemental retirement plans and other material employee or director employment, compensation or benefit plans, policies, trusts, funds, policies, arrangements, Contracts or other agreements for the benefit of directors or former directors of the Corporation or any of its Subsidiaries, Corporation Employees or former Corporation Employees, which are maintained by or binding upon the Corporation or any of its Subsidiaries or in respect of which the Corporation or any of its Subsidiaries has any actual or potential liability (collectively, the "**Employee Plans**"), in each case listed under the relevant corporate entity (Corporation or specific Subsidiary).

(b) The Corporation has made available in the Data Room true, correct and complete copies of all the Employee Plans as amended, together with all material related documentation including funding and investment management agreements, summary plan descriptions, the most recent actuarial reports (including, for greater certainty, actuarial valuations in respect of any multi-employer pension plan), financial statements, assets statements, material opinions and memoranda (whether externally or internally prepared) and material correspondence with regulatory authorities or other relevant Persons. No changes have occurred or, to the knowledge of the Corporation, are expected to occur which would materially affect the information contained in the actuarial reports, financial statements or assets statements required to be provided to the Purchaser pursuant to this provision.

(c) Other than as disclosed in Section 3.1(34)(c) of the Corporation Disclosure Letter, each Employee Plan is and has been established, registered, qualified and, in all

material respects, administered in accordance with Law, and in accordance with their terms, the terms of the material documents that support such Employee Plan and the terms of agreements between the Corporation and/or any of its Subsidiaries, as the case may be, and the Corporation Employees, including former employees who are members of, or beneficiaries under, the Employee Plan. Other than as disclosed in Section 3.1(34)(c) of the Corporation Disclosure Letter, to the knowledge of the Corporation, no fact or circumstance exists which could adversely affect the registered status of any such Employee Plan. Neither the Corporation, its Subsidiaries nor, to the knowledge of the Corporation, any of their respective agents or delegates, has breached any fiduciary obligation with respect to the administration or investment of any Employee Plan.

(d) All current obligations of the Corporation or any of its Subsidiaries regarding the Employee Plans have been satisfied in all material respects. Other than as disclosed in Section 3.1(34)(d) of the Corporation Disclosure Letter, all contributions, premiums or taxes required to be made or paid by the Corporation or any of its Subsidiaries, as the case may be, under the terms of each Employee Plan or by Law in respect of the Employee Plans have been made in a timely fashion in accordance with Law in all material respects and in accordance with the terms of the applicable Employee Plan. No currently outstanding notice of underfunding, non-compliance, failure to be in good standing or otherwise has been received by the Corporation or any of its Subsidiaries from any applicable Governmental Entity in respect of any Employee Plan that is a pension or retirement plan.

(e) No Employee Plan, no administrator of any material Employee Plan, and no member of any body which administers any material Employee Plan, nor the Corporation nor any of its Subsidiaries is subject to any pending investigation, examination, action, clam (including claims for income taxes, interest, penalties, fines or excise taxes) or other proceeding initiated by any Person (other than routine claims for benefits) and, to the knowledge of the Corporation, there exists no state of facts which after notice or lapse of time or both would reasonably be expected to give rise to any such investigation, examination or other proceeding, action or claim or to affect the registration or qualification of any Employee Plan required to be registered or qualified.

(f) To the knowledge of the Corporation, no event has occurred regarding any Employee Plan that would entitle any Person (without the consent of the Corporation) to wind-up or terminate any Employee Plan, in whole or in part, or which could reasonably be expected to adversely affect the tax status thereof.

(g) To the knowledge of the Corporation, the Corporation has not received any payments of surplus out of any Employee Plan and there have been no improper withdrawals or transfers of assets from any Employee Plan.

(h) Other than as disclosed in Section 3.1(34)(c) of the Corporation Disclosure Letter, there are no unfunded liabilities in respect of any Employee Plan that is a registered pension plan (as defined under the Tax Act), including going concern

unfunded liabilities, solvency deficiencies or wind-up deficiencies where applicable.

(i) No insurance policy or any other agreement affecting any Employee Plan requires or permits a retroactive increase in contributions, premiums or other payments due under such insurance policy or agreement. The level of insurance reserves under each insured Employee Plan is reasonable and sufficient to provide for all incurred but unreported claims.

(j) Other than as disclosed in Section 3.1(34)(j) of the Corporation Disclosure Letter, none of the Employee Plans (other than pension plans) and none of the Collective Agreements provide for retiree or post-termination benefits or for benefits to retired or terminated employees or to the beneficiaries or dependants of retired or terminated employees, except as required by Law.

(k) No provision of any Employee Plan, in any way limits, impairs, modifies or otherwise affects the right of the Corporation or any of its Subsidiaries to unilaterally amend or terminate any Employee Plan, and no commitments to improve or otherwise amend any Employee Plan have been made.

(l) None of the Employee Plans enjoy any special tax status under Law, nor have any advance tax rulings been sought or received in respect of any Employee Plan. For the avoidance of doubt, other than the multiemployer plans in which Stonebridge, Inc. participates and the Stonebridge, Inc. Cash Balance Plan, all Employee Plans that are intended to be qualified under Internal Revenue Code Section 401(a) are so-qualified, and no act, omission or event has occurred or is expected to occur that would cause any such Employee Plan to lose its qualified status under Internal Revenue Code Section 401(a). To the knowledge of the Corporation, all Employee Plans that Stonebridge, Inc. sponsors, administers, has an obligation to fund, or with respect to which Stonebridge, Inc. may have any liability (contingent or otherwise) and that are intended to be qualified under Internal Revenue Code Section 401(a) are so-qualified, and no act, omission or event has occurred or is expected to occur that would cause any such Employee Plan to lose its qualified status under Internal Revenue Code Section 401(a).

(m) Other than as disclosed in Section 3.1(34)(m) of the Corporation Disclosure Letter, all employee data necessary to administer each Employee Plan in accordance with its terms and conditions and Law is in possession of the Corporation or one of its Subsidiaries and such data is complete, correct, and in a form which is sufficient for the proper administration of each Employee Plan.

(n) Other than as disclosed in Section 3.1(34)(n) of the Corporation Disclosure Letter, Each Employee Plan that is a funded plan is fully funded on both a going concern and solvency basis pursuant to the actuarial assumptions and methodology utilized in the most recent actuarial valuation for that Employee Plan. With respect to each Employee Plan that is a registered pension plan: (i) the Corporation may take contribution holidays under or withdraw surplus from the Employee Plan, subject only to approvals required by Laws; (ii) the Employee

Plan has received a transfer of assets from or been merged with another registered pension plan; (iii) the Employee Plan has not been subject to a partial wind-up in respect of which surplus assets relating to the partial wind-up group were not dealt with at the time of partial wind-up; (iv) no surplus assets have been withdrawn, other than proper payments of benefits to eligible beneficiaries, refunds of over-contributions and permitted payments of reasonable expenses incurred by or in respect of the Employee Plan; and (v) no conditions have been imposed by any Person and no undertakings or commitments have been given to any employee, union or any other Person concerning the use of assets relating to the Employee Plan or any related funding medium.

(o) With respect to any Employee Plan that is a multi-employer pension plan, no current or former employee, Officer or director of the Corporation or any of its Subsidiaries is or was ever a member of the administrative body of any such Employee Plan.

(p) Other than as disclosed in Section 3.1(34)(p) of the Corporation Disclosure Letter, No Employee Plan is a multi-employer pension plan with participants who are resident in Québec.

(35) **Insurance.**

(a) Each of the Corporation and its Subsidiaries is and has been continuously since December 31, 2013 insured by reputable third party insurers with reasonable and prudent policies appropriate for the size and nature of the business of the Corporation and its Subsidiaries and their respective assets, including a sufficient level of insurance necessary to comply with the terms and conditions of its Authorizations and the Material Contracts.

(b) Section 3.1(35)(b) of the Corporation Disclosure Letter contains a correct and complete list of insurance policies which are maintained by the Corporation setting out, in respect of each policy, the type of policy, the name of insurer, the coverage allowance, the expiration date, the annual premium. The Corporation has made available in the Data Room, true, correct and complete copies of all such policies and bonds in effect on the date of this Agreement (including copies of all written amendments, supplements and other modifications thereto or waivers of rights thereunder), and the most recent inspection reports received from insurance underwriters.

(c) The third party insurance policies of the Corporation and its Subsidiaries are in full force and effect in accordance with their terms, and, to the knowledge of the Corporation, the Corporation and its Subsidiaries are not in default under the terms of any such policy. Other than as disclosed in Section 3.1(35)(c) of the Corporation Disclosure Letter, to the knowledge of the Corporation, there has not been any proposed, contemplated or threatened termination of, or material premium increase with respect to, any of such policies.

(d) Other than as disclosed in Section 3.1(35)(d) of the Corporation Disclosure Letter,

the limits contained within such policies have not been exhausted or significantly diminished and no further premiums or payments will be due following the Effective Time with respect to periods of time occurring prior to the Effective Time.

(e) Other than as disclosed in Section 3.1(35)(e) of the Corporation Disclosure Letter, the Corporation has made available in the Data Room a complete and accurate claims history for the Corporation and any of its Subsidiaries during the past three years including with respect to insurance obtained but not currently maintained, together with a statement of the aggregate amount of claims paid out, and claims pending.

(f) Other than as disclosed in Section 3.1(35)(f) of the Corporation Disclosure Letter, there is no material claim pending under any insurance policy that has been denied, rejected, questioned or disputed by any insurer or as to which any insurer has made any reservation of rights or refused to cover all or any portion of such claims. All material proceedings covered by any of the insurance policies have been properly reported to and accepted by the applicable insurer.

(g) To the knowledge of the Corporation, the Corporation is not in default with respect to any of the provisions contained in the insurance policies and has not failed to give any notice or to present any claim under any insurance policy in a due and timely fashion.

(h) To the knowledge of the Corporation, there are no circumstances in respect of which any Person could make a claim under any insurance policy. There has not been any adverse change in the relationship of the Corporation or any of its Subsidiaries with their insurers, the availability of coverage, or in the premiums payable pursuant to the insurance policies.

(36) **Taxes.**

(a) Other than as disclosed in Section 3.1(36)(a) of the Corporation Disclosure Letter, all material Tax Returns required by Law to be filed with any Governmental Entity by, or on behalf of, the Corporation and each of its Subsidiaries have been filed when due in accordance with Law (taking into account any applicable extensions), and all such material Tax Returns are, or were at the time of filing, true and complete in all material respects.

(b) Other than as disclosed in Section 3.1(36)(b) of the Corporation Disclosure Letter, the Corporation and each of its Subsidiaries have paid, or have collected, withheld and remitted to the appropriate Governmental Entity all material Taxes due and payable on a timely basis, other than those Taxes being contested in good faith and in respect of which adequate reserves have been recorded in the Books and Records, and where payment is not yet due, have established in accordance with GAAP an adequate accrual for all Taxes through the end of the last period for which the Corporation and each of its Subsidiaries ordinarily record items on their Books and Records and such Taxes will be remitted when

due.

(c) Other than as disclosed in Section 3.1(36)(c) of the Corporation Disclosure Letter, there are no currently effective material elections, agreements or waivers extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of any material Taxes, or of the filing of any material Tax Return or any payment of material Taxes, by the Corporation or any of its Subsidiaries.

(d) No claim has been made by any Governmental Entity in a jurisdiction where the Corporation or its Subsidiaries does not file Tax Returns that the Corporation or such Subsidiary (as applicable) is or may be subject to material Tax by that jurisdiction.

(e) Neither the Corporation nor any of its Subsidiaries is liable for any material Taxes of any other Person, other than the Corporation and the Subsidiaries, pursuant to any provision of applicable Law or any Tax sharing agreement, Tax indemnification agreement or other similar agreement or provision.

(f) There are no Liens for Taxes on the assets of the Corporation and each of its Subsidiaries, other than Permitted Liens.

(g) All scientific research and experimental development investment tax credits and all other tax credits ("**Tax Credits**") were claimed by the Corporation and each of its Subsidiaries in accordance with the Tax Act and any other applicable Tax Law and the Corporation and each of its Subsidiaries satisfied at all times the relevant criteria and conditions entitling them to such Tax Credits. All refunds of Tax Credits received or, to the knowledge of the Corporation, receivable by the Corporation and each of its Subsidiaries in any fiscal year were claimed in accordance with the Tax Act and any other applicable Tax Law and, at all relevant times, the Corporation and each of its Subsidiaries that claimed refunds of Tax Credits satisfied, to the knowledge of the Corporation, the relevant criteria and conditions entitling them to claim such a refund.

(h) Other than as disclosed in Section 3.1(36)(h) of the Corporation Disclosure Letter, there are no deficiencies, litigation, claims, actions, suits, audits, proceedings, investigations, proposed adjustments or other action now pending or, to the knowledge of the Corporation and each of its Subsidiaries, threatened against the Corporation or any of its Subsidiaries in respect of any material Tax or material Tax Credit.

(i) The Corporation and each of its Subsidiaries are in compliance, in all material respects, with section 247 of the Tax Act and any comparable provision of Law, including any documentation and recordkeeping requirements thereunder.

(37) **Money Laundering.**

The operations of the Corporation and each of its Subsidiaries are and have been conducted at all times in compliance with money laundering Laws and any related or similar Laws relating to money laundering (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or Governmental Entity involving the Corporation or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Corporation, threatened.

(38) **Anti-Corruption.**

Neither the Corporation nor any of its Subsidiaries, nor to the knowledge of the Corporation, any of their respective Representatives has: (i) used or is using any corporate funds for any illegal contributions, gifts, entertainment or other expenses relating to political activity that would be illegal; (ii) used or is using any corporate funds for any direct or indirect illegal payments to any foreign or domestic governmental officers or employees; (iii) violated or is violating any provision of the *Corruption of Foreign Public Officials Act* (Canada) or the United States Foreign Corrupt Practices Act of 1977 or any Law of similar effect; (iv) has established or maintained, or is maintaining, any illegal fund of corporate monies or other properties; or (v) made any bribe, illegal rebate, illegal payoff, influence payment, kickback or other illegal payment of any nature.

(39) **Economic Sanctions and Export Controls.**

The Corporation and its Subsidiaries are, and has been since December 31, 2013, in compliance with economic sanctions, anti-terrorism, customs and export and technology transfer control laws, including those contained in the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada), the *Freezing Assets of Corrupt Foreign Officials Act*, the *Criminal Code* (Canada), the *Export and Import Permits Act* (Canada), the *Defence Production Act (*Canada) and the *Customs Act* (Canada), including any regulations or orders issued under the foregoing, and similar applicable economic sanctions, anti-terrorism, customs and export and technology transfer control Laws of other jurisdictions legally binding upon the Corporation and its Subsidiaries. The Corporation and its Subsidiaries have instituted and maintain policies and procedures designed to ensure continued compliance with such Laws. Since December 31, 2013, there has been no material suit, action, third party investigation for which the Corporation or any of its Subsidiaries have received written notice, litigation or proceeding by or before any Governmental Authority involving the Corporation or any of its Subsidiaries or, to the knowledge of the Corporation, any of their respective Representatives with respect to such legislation.

(40) **Inventory.**

(a) The Corporation's and its Subsidiaries' inventory of products consists of items that are usable and saleable and work-in-progress, subject to any reserves reflected in the most recent financial statements of the Corporation, in each case, in the Ordinary Course or as otherwise would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(b) The Corporation and its Subsidiaries own their inventory free and clear of any Lien other than (i) those described in the financial statements of the Corporation, (ii) those that do not, individually or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by Corporation or any of its Subsidiaries, and (iii) Permitted Liens.

(c) As of the date of Corporation's audited consolidated financial statements of the Corporation for the year ended December 31, 2016 (including in each case, the notes thereto and related management's discussion and analysis), the values at which such inventory is carried on such financial statements are in accordance with GAAP.

(41) **Customers and Suppliers.**

Section 3.1(41) of the Corporation Disclosure Letter is a true and correct list setting forth the ten largest customers and the ten largest suppliers of the Corporation by dollar amount as at the date of the audited consolidated financial statements of the Corporation for the year ended December 31, 2016. The Corporation and its Subsidiaries have no reason to believe that the benefits of any relationship with any of their major customers or suppliers will not continue after the Closing in substantially the same manner as prior to the date of this Agreement.

(42) **Product Warranties.**

(a) Other than warranties granted by the Corporation and its Subsidiaries in the Ordinary Course to their respective customers, there are no liabilities or obligations, including product liability, product warranty or service warranty liabilities and obligations, in respect of any products manufactured, sold, distributed, provided, shipped or licensed (the "**Products**") or services provided by the Corporation in connection with the business prior to the Effective Date, and, to the knowledge of the Corporation, there are not matters, facts, circumstances or events in existence which will give rise to such liabilities or obligations after the Effective Date.

(b) To the knowledge of the Corporation (i) each Product manufactured, sold, distributed, provided, shipped or licensed, or service rendered, by the Corporation or any of its Subsidiaries has been in material conformity with all applicable contractual commitments and warranties, (ii) there is no material design, manufacturing or other defects, latent or otherwise, with respect to any Products and (iii) each Product that has been manufactured, sold, distributed, provided, shipped or licensed prior to Closing contains all warnings required by Law and such warnings are in accordance with reasonable industry practice.

(c) To the knowledge of the Corporation, there is no pattern or series of claims against the Corporation or any of its Subsidiaries which could reasonably be expected to result in a generalized Product recall relating to the its Products, regardless of whether such Product recall is formal, informal, voluntary or involuntary.

(43) **Funds Available.**

The Corporation has sufficient funds available to pay the Corporation Termination Fee.

SCHEDULE D

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

(1) **Organization and Qualification.**

The Purchaser is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has all requisite power and authority to own, lease and operate its assets and properties and conduct its business as now owned and conducted.

(2) **Corporate Authorization.**

The Purchaser has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance by the Purchaser of its obligations under this Agreement and the consummation of the Arrangement and the other transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Purchaser and no other corporate proceedings on the part of the Purchaser are necessary to authorize this Agreement or the consummation of the Arrangement and the other transactions contemplated hereby.

(3) **Execution and Binding Obligation.**

This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding agreement of the Purchaser enforceable the Purchaser in accordance with its terms subject only to any limitation on enforcement under Laws relating to (i) bankruptcy, winding-up, insolvency, reorganization, arrangement or other Law affecting the enforcement of creditors' rights generally and (ii) the discretion that a court may exercise in the granting of extraordinary remedies such as specific performance and injunction.

(4) **Governmental Authorization.**

The execution, delivery and performance by the Purchaser of its obligations under this Agreement and the consummation by the Purchaser of the Arrangement and the transactions contemplated hereby do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity by the Purchaser other than: (i) the Interim Order and any approvals required by the Interim Order; (ii) the Final Order; (iii) filings with the Enterprise Registrar under the QBCA; (iv) the Key Regulatory Approvals; (v) compliance with Securities Laws and stock exchange rules and policies; and (vi) any consents, waivers, approvals, actions or filings or notifications the absence of which would not, individually or in the aggregate, materially impede the ability of the Purchaser to consummate the Arrangement and the transactions contemplated hereby.

(5) **Non-Contravention.**

The execution, delivery and performance by the Purchaser of its obligations under this Agreement and the consummation of the Arrangement and the transactions contemplated

hereby do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):

(a) contravene, conflict with, or result in any violation or breach of the organizational documents of the Purchaser; or

(b) assuming compliance with the matters referred to in Section (4) above, contravene, conflict with or result in a violation or breach of Law except as would not, individually or in the aggregate, materially impede the ability of the Purchaser to consummate the Arrangement and the transactions contemplated hereby.

(6) **Litigation.**

There are no claims, actions, suits, arbitrations, inquiries, investigations or proceedings pending, or, to the knowledge of the Purchaser threatened, against or relating to the Purchaser before any Governmental Entity nor is the Purchaser subject to any outstanding judgment, order, writ, injunction or decree that, either individually or in the aggregate, is reasonably likely to prevent or materially delay consummation of the Arrangement or the transactions contemplated hereby.

(7) **Security Ownership.**

Neither the Purchaser, nor any of its affiliates, owns or exercises control or direction over any securities of the Corporation.

(8) **Investment Canada Act**

Purchaser is a WTO-Investor or Canadian within the meaning of the *Investment Canada Act*.

(9) **Financing.**

Prior to the execution and delivery of this Agreement, the Purchaser has delivered to the Corporation true and complete copies of (i) an executed commitment letter dated the date hereof (the "**Equity Commitment Letter**") from AIP (the "**Equity Funding Party**") to provide equity financing in an aggregate amount set forth therein and subject to the terms and conditions set forth therein (the "**Equity Financing**"), (ii) an executed commitment letter dated the date hereof (the "**Debt Commitment Letter**", and, together with the Equity Commitment Letter, the "**Financing Letters**") evidencing the availability of the Debt Financing (as defined below) by Morgan Stanley Senior Funding, Inc. (acting through such of its affiliates or branches as it deems appropriate) and the other commitment parties party thereto from time to time (collectively, the "**Lenders**") to provide debt financing in an aggregate amount set forth therein and subject to the terms and conditions set forth therein (the "**Debt Financing**", and together with the financing referred to in clause (i), the "**Financing**"), and no such amendment or modification is contemplated as of the date hereof other than as permitted by Section 4.7. Each of the Financing Letters is in full force and effect and is a legal, valid and binding obligation of the Purchaser, the Equity Funding Party and, to the knowledge of the Purchaser, the Lenders

(as applicable), subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or principles of equity (whether considered in a proceeding in equity or at law), and; as of the date hereof, no event occurred which, with or without notice, lapse of time or both, would constitute a default or breach on the part of the Purchaser or the Equity Funding Party under the Financing Letters. The commitments described in the Financing Letters are not subject to any condition precedent other than the conditions expressly set forth therein. As of the date hereof, assuming the accuracy of the representations and warranties set forth in Schedule C to the extent necessary to satisfy the condition in Section 6.2(1) and performance by Corporation of its obligations under this Agreement, the Purchaser has no reason to believe that it will be unable to satisfy on a timely basis any term or condition of closing of the Financing to be satisfied by it contained in the Financing Letters for the Financing to be available on the Effective Date and is not aware of any fact, occurrence or condition that may cause such Financing to terminate or be ineffective or any of the terms or conditions of closing of such Financing not being capable of being met. Assuming the Financing is funded in accordance with the Financing Letters, the rollover of the Shares held by the Rollover Shareholders, the accuracy of the representations and warranties set forth in Schedule C to the extent necessary to satisfy the condition in Section 6.2(1) and performance by Corporation of its obligations under this Agreement, the net proceeds of the Financing, together with the available cash of Corporation, will in the aggregate be sufficient for the Purchaser to pay the aggregate Consideration to be paid pursuant to the Arrangement to the Shareholders (other than the Rollover Shareholders), all related fees and expenses on the Effective Date and any other amount to be paid by the Purchaser under this Agreement in connection with this consummation of the transaction contemplated by this Agreement and the Plan of Arrangement.

(10) **Ownership of the Purchaser.**

As of the date hereof, an affiliate of AIP is the registered and beneficial owner of all of the outstanding securities of the Purchaser.

(11) **Rollover Consideration.**

The transfer of the Rollover Shares will be made at fair market value, being $12.30 per Rollover Share, and the parties to the Rollover Agreement will agree that the consideration received in exchange has an equivalent fair market value.

SCHEDULE E

FORM OF SUPPORT AND VOTING AGREEMENT (DIRECTORS AND OFFICERS)

See attached.

April 27, 2017

Canaveral Acquisition Inc.
1155 René-Lévesque Blvd. West, 41st floor
Montreal (Quebec) H3B 3V2

Dear Sirs/Mesdames:

Re: Support and Voting Agreement

The undersigned understands that Acquisition Canaveral Inc. (the "**Purchaser**") and Canam Group Inc. (the "**Corporation**") wish to enter into an arrangement agreement dated as of the date hereof (the "**Arrangement Agreement**") contemplating an arrangement (the "**Arrangement**") of the Corporation under Chapter XVI – Division II of the *Business Corporations Act* (Québec), the result of which shall be the acquisition by the Purchaser of all the outstanding common shares (the "**Shares**") of the Corporation. The undersigned is the beneficial owner of the securities set forth on the signature page hereof (collectively, the "**Holder Securities**").

All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Arrangement Agreement.

The undersigned hereby irrevocably agrees, in his or her capacity as shareholder and not in his or her capacity as an officer or director of the Corporation, from the date hereof until the date the Arrangement Agreement is terminated in accordance with its terms:

(a) at any meeting of shareholders of the Corporation held to consider the Arrangement or any adjournment or postponement thereof, to exercise or cause to be exercised all voting rights attached to Shares comprising the Holder Securities, and to other voting securities of the Corporation, directly or indirectly acquired by or issued to the undersigned after the date hereof (i) in favour of the Arrangement and any other matters which are necessary for the consummation of the Arrangement; and (ii) against any proposed action or agreement which could impede, interfere with or delay, or in any way adversely affect the completion of the Arrangement and any other transactions contemplated by the Arrangement Agreement, including any transaction involving the acquisition by any other party of Shares, other voting securities of the Corporation or assets of the Corporation;

(b) if requested by the Purchaser, acting reasonably, to deliver or cause to be delivered to the Corporation duly executed proxies or voting instruction forms voting in favour of the Arrangement;

(c) not to, directly or indirectly, exercise or cause to be exercised any rights of appraisal, rights of dissent or rights to demand the repurchase of the Holder

Securities in connection with the Arrangement or otherwise oppose in any manner the treatment of any Holder Securities pursuant to the Arrangement;

(d) except in the undersigned's capacity as director or officer of the Corporation to the extent permitted by the Arrangement Agreement, not to take any action which could impede, interfere with or delay, or in any way adversely affect the completion of the Arrangement and any other transactions contemplated by the Arrangement Agreement;

(e) except as contemplated by the Arrangement Agreement (including, for greater certainty, pursuant to the Holdco Alternative), not to, directly or indirectly, acquire or seek to acquire Shares or other voting securities of the Corporation, or sell, assign, transfer, dispose of, hypothecate, alienate, grant a security interest in, encumber or tender to offer, transfer any economic interest (directly or indirectly) or otherwise convey any of the Holder Securities, in each case without the Purchaser's prior written consent; and

(f) except in the undersigned's capacity as director or officer of the Corporation to the extent permitted by the Arrangement Agreement, not to, directly or indirectly, make or participate in or take any action that may reasonably be expected to result in or facilitate an Acquisition Proposal, or engage in any discussion, negotiation or inquiries that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal.

The undersigned hereby represents and warrants that:

(a) he or she is the sole and unconditional owner of the Holder Securities, with good and valid title thereto, free and clear of all liens, and has the sole right to sell and vote all of the Holder Securities;

(b) except for the Purchaser pursuant to the terms of the Arrangement Agreement, no person has any written or oral agreement, warrant or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming such, for the purchase, acquisition or transfer from the undersigned of any of the Holder Securities or any interest therein or right thereto; and

(c) the only securities of the Corporation beneficially owned, directly or indirectly, by the undersigned on the date hereof are the Holder Securities.

For greater certainty, the undersigned shall be permitted to avail itself of the Holdco Alternative as contemplated by, and subject to the terms and conditions of, the Arrangement Agreement. The obligations set forth in this letter agreement shall apply *mutatis mutandis* to, and be enforceable against, the applicable Qualifying Holdco and the undersigned on a solidary basis.

This letter agreement shall be governed by, construed and enforced in accordance with, the laws of the Province of Québec and the federal laws of Canada applicable therein.

This letter agreement may be executed and delivered in multiple counterparts (including by facsimile, email or other electronic means), each of which shall be deemed an original, and such counterparts together shall constitute one and the same agreement.

The Parties expressly acknowledge that they have requested that this letter agreement and all ancillary and related documents thereto be drafted in the English language only. *Les parties aux présentes reconnaissent avoir exigé que la présente lettre entente et tous les documents qui y sont accessoires soient rédigés en anglais seulement*.

[*Remainder of page intentionally left blank*]

Please confirm your agreement with the foregoing by signing and returning a copy of this letter agreement to the undersigned.

Yours truly,

_____
Signature

_____
Name

Number and type of securities:_____

_____

Accepted and agreed this 27th day of April, 2017

Canaveral Acquisition Inc.

Per: _____
Name:
Title:

SCHEDULE F

FORM OF SUPPORT AND VOTING AGREEMENT (FAMILY GROUP)

See attached.

April 27, 2017

Canaveral Acquisition Inc.
1155 René-Lévesque Blvd. West, 41st floor
Montreal (Quebec) H3B 3V2

Dear Sirs/Mesdames:

Re: Support and Voting Agreement

The undersigned understands that Acquisition Canaveral Inc. (the "**Purchaser**") and Canam Group Inc. (the "**Corporation**") wish to enter into an arrangement agreement dated as of the date hereof (the "**Arrangement Agreement**") contemplating an arrangement (the "**Arrangement**") of the Corporation under Chapter XVI – Division II of the *Business Corporations Act* (Québec), the result of which shall be the acquisition by the Purchaser of all the outstanding common shares (the "**Shares**") of the Corporation. The undersigned is the beneficial owner of the securities set forth on the signature page hereof (collectively, the "**Holder Securities**").

All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Arrangement Agreement.

The undersigned hereby irrevocably agrees, in the undersigned's capacity as shareholder and not, if applicable, in the undersigned's capacity as an officer or director of the Corporation, from the date hereof until the earliest of: (i) 11:59 (Montreal Time) on the date that is 180 days following the date hereof, (ii) the Closing, and (iii) the mutual agreement of the undersigned and the Purchaser in writing:

(a) at any meeting of shareholders of the Corporation held to consider the Arrangement or any adjournment or postponement thereof, to exercise or cause to be exercised all voting rights attached to Shares comprising the Holder Securities, and to other voting securities of the Corporation, directly or indirectly acquired by or issued to the undersigned after the date hereof (i) in favour of the Arrangement and any other matters which are necessary for the consummation of the Arrangement; and (ii) against any proposed action or agreement which could impede, interfere with or delay, or in any way adversely affect the completion of the Arrangement and any other transactions contemplated by the Arrangement Agreement, including any transaction involving the acquisition by any other party of Shares, other voting securities of the Corporation or assets of the Corporation;

(b) if requested by the Purchaser, acting reasonably, to deliver or cause to be delivered to the Corporation duly executed proxies or voting instruction forms voting in favour of the Arrangement;

(c) not to, directly or indirectly, exercise or cause to be exercised any rights of appraisal, rights of dissent or rights to demand the repurchase of the Holder Securities in connection with the Arrangement or otherwise oppose in any manner the treatment of any Holder Securities pursuant to the Arrangement;

(d) except in the undersigned's capacity as director or officer of the Corporation to the extent permitted by the Arrangement Agreement, if applicable, not to take any action which could impede, interfere with or delay, or in any way adversely affect the completion of the Arrangement and any other transactions contemplated by the Arrangement Agreement;

(e) except as contemplated by the Arrangement Agreement (including, for greater certainty, pursuant to the Holdco Alternative), not to, directly or indirectly, acquire or seek to acquire Shares or other voting securities of the Corporation, or sell, assign, transfer, dispose of, hypothecate, alienate, grant a security interest in, encumber or tender to offer, transfer any economic interest (directly or indirectly) or otherwise convey any of the Holder Securities, in each case without the Purchaser's prior written consent;

(f) except in the undersigned's capacity as director or officer of the Corporation to the extent permitted by the Arrangement Agreement, if applicable, not to, directly or indirectly, make or participate in or take any action that may reasonably be expected to result in or facilitate an Acquisition Proposal, or engage in any discussion, negotiation or inquiries that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal; and

(g) to transfer and assign as provided for in the Plan of Arrangement _____ Holder Securities directly or indirectly to the Purchaser in consideration for the payment by the Purchaser, directly or indirectly, to the undersigned of the consideration described in the Plan of Arrangement.

The undersigned hereby represents and warrants that:

(a) if not a natural person, the undersigned is a corporation or other entity validly existing under the laws of the jurisdiction of the undersigned's incorporation;

(b) the undersigned has the requisite power and authority to enter into and perform the undersigned's obligations under this letter agreement;

(c) this letter agreement has been duly executed and delivered by the undersigned, and constitutes a legal, valid and binding agreement of the undersigned enforceable against the undersigned in accordance with its terms subject only to any limitation on enforcement under Laws relating to (i) bankruptcy, winding-up, insolvency, reorganization, arrangement or other Law affecting the enforcement of creditors' rights generally and (ii) the discretion that a court may exercise in the granting of extraordinary remedies such as specific performance and injunction;

(d) neither the execution and delivery of this letter agreement by the undersigned, nor the compliance by the undersigned with any of the provisions hereof will:

i. result in any breach of, or constitute a default (or an event which with notice or lapse of time or both would become a default) (or give rise to any third party right of termination, cancellation, material modification, acceleration, purchase or right of first refusal), if not a natural person, under any term or provision of any constating or governing documents, by-laws or resolutions of the undersigned, or under any of the terms, conditions or provisions of any note, loan agreement, bond, mortgage, indenture, contract, license, agreement, lease, permit or other instrument or obligation to which the undersigned is a party or by which the undersigned or any of the undersigned's properties or assets (including the Holder Securities) may be bound;

ii. require on the part of the undersigned any filing with (other than pursuant to the requirements of applicable securities legislation (which filings the undersigned will undertake)) or permit, authorization, consent or approval of, any Governmental Entity or any other Person; or

iii. subject to compliance with any approval contemplated by the Arrangement Agreement and Laws, violate or conflict with any judgement, order, notice, decree, statute, law, ordinance, rule or regulation applicable to the undersigned or any of its properties or assets.

(e) there is no private or governmental action, suit, proceeding, claim, arbitration or investigation pending before any Governmental Entity, or, to the knowledge of the undersigned, threatened against the undersigned or any of the undersigned's properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the undersigned's ability to consummate the transactions contemplated in this letter agreement. There is no order of any Governmental Entity against the undersigned that could prevent, enjoin, alter or materially delay any of the transactions contemplated in this letter agreement, or that could reasonably be expected to have an adverse effect on the undersigned's ability to consummate the transactions contemplated by this letter agreement;

(f) none of the Holder Securities held by the undersigned is the subject of any commitment, undertaking or agreement, the terms of which would affect in any way the ability of the undersigned to perform the undersigned's obligations with respect to its Holder Securities as set out in this letter agreement;

(a) the undersigned is the sole and unconditional owner of the Holder Securities, with good and valid title thereto, free and clear of all liens, and has the sole right to sell and vote all of the Holder Securities;

(b) except for the Purchaser pursuant to the terms of the Arrangement Agreement, no person has any written or oral agreement, warrant or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming such,

for the purchase, acquisition or transfer from the undersigned of any of the Holder Securities or any interest therein or right thereto; and

(c) the only securities of the Corporation beneficially owned, directly or indirectly, by the undersigned on the date hereof are the Holder Securities.

For greater certainty, the undersigned shall be permitted to avail itself of the Holdco Alternative as contemplated by, and subject to the terms and conditions of, the Arrangement Agreement. The obligations set forth in this letter agreement shall apply *mutatis mutandis* to, and be enforceable against, the applicable Qualifying Holdco and the undersigned on a solidary basis.

This letter agreement shall be governed by, construed and enforced in accordance with, the laws of the Province of Québec and the federal laws of Canada applicable therein.

This letter agreement may be executed and delivered in multiple counterparts (including by facsimile, email or other electronic means), each of which shall be deemed an original, and such counterparts together shall constitute one and the same agreement.

The Parties expressly acknowledge that they have requested that this letter agreement and all ancillary and related documents thereto be drafted in the English language only. *Les parties aux présentes reconnaissent avoir exigé que la présente lettre entente et tous les documents qui y sont accessoires soient rédigés en anglais seulement*.

[*Remainder of page intentionally left blank*]

Please confirm your agreement with the foregoing by signing and returning a copy of this letter agreement to the undersigned.

Yours truly,

_____
Signature

_____
Name

Number and type of securities:_____

_____

Accepted and agreed this 27th day of April, 2017

Canaveral Acquisition Inc.

Per: _____
Name:
Title:

APPENDIX C
ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

(1) The arrangement (the "**Arrangement**") pursuant to Chapter XVI – Division II of the Business Corporations Act (Québec) (the "**QBCA**") of Canam Group Inc. (the "**Corporation**"), as more particularly described and set forth in the management information circular of the Corporation (the "**Circular**") dated May 11, 2017 accompanying the notice of this meeting, and as the Arrangement may be amended, modified or supplemented in accordance with the arrangement agreement dated April 27, 2017, between Canaveral Acquisition Inc. and the Corporation (as it may from time to time be amended, modified or supplemented, the "**Arrangement Agreement**"), is hereby authorized, approved and adopted.

(2) The plan of arrangement of the Corporation (as it may be amended, modified or supplemented in accordance with its terms and the terms of the Arrangement Agreement, the "**Plan of Arrangement**"), the full text of which is set out in Appendix A to the Circular, is hereby authorized, approved and adopted.

(3) The Arrangement Agreement and related transactions, the actions of the directors of the Corporation in approving the Arrangement Agreement, the actions of the directors and officers of the Corporation in executing and delivering the Arrangement Agreement and any amendments, modifications or supplements thereto and the Corporation's application for an interim order from the Québec Superior Court are hereby ratified and approved.

(4) The Corporation is hereby authorized to apply for a final order from the Québec Superior Court to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement.

(5) Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders of the Corporation or that the Arrangement has been approved by the Québec Superior Court, the directors of the Corporation are hereby authorized and empowered to, without notice to or approval of the shareholders of the Corporation, (i) amend, modify or supplement the Arrangement Agreement or the Plan Arrangement to the extent permitted thereby and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.

(6) Any officer or director of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver for filing with the Enterprise Registrar under the QBCA articles of arrangement and such other documents as may be necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.

(7) Any officer or director of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

APPENDIX D
INTERIM ORDER

Please see attached.

SUPERIOR COURT

(Commercial Division)

C A N A D A

PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

No.: 500-11-052556-178

DATE : May 11, 2017

IN THE PRESENCE OF THE HONOURABLE MARTIN CASTONGUAY, S.C.J.

IN THE MATTER OF THE PROPOSED ARRANGEMENT BY CANAM GROUP INC. UNDER SECTION 414 OF THE BUSINESS CORPORATIONS ACT (QUÉBEC) CQLR, c. S-31.1 ("QBCA")

CANAM GROUP INC.

Applicant

and

CANAVERAL ACQUISITION INC.

Impleaded Party

INTERIM ORDER[1]

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[1] **ON READING** Canam Group Inc. (the "**Applicant**")'s Application for an Interim and a Final Order pursuant to the Business Corporations Act (Québec), CQLR, c.

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1 Capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Information Circular (Exhibi P-2).

JC 00C9

S-31.1 (the "**QBCA**"), the exhibits and the affidavit of Louis Guertin filed in support thereof (the "**Application**");

[2] **GIVEN** that this Court is satisfied that the Autorité des marchés financiers (the "**AMF**") has been duly served with the Application;

[3] **GIVEN** the provisions of the QBCA;

[4] **GIVEN** the representations of counsel for the Applicant;

[5] **GIVEN** that this Court is satisfied, at the present time, that the proposed transaction is an "arrangement" within the meaning of Section 415 of the QBCA;

[6] **GIVEN** that this Court is satisfied, at the present time, that it is impracticable or too onerous in the circumstances for the Applicant to effect the arrangement proposed under any other provision of the QBCA;

[7] **GIVEN** that this Court is satisfied, at the present time, that the Applicant is not insolvent and meets the requirements set out in Section 414 of the QBCA;

[8] **GIVEN** that this Court is satisfied, at the present time, that the arrangement is put forward in good faith and, in all likelihood, for a valid business purpose;

FOR THESE REASONS, THE COURT:

[9] **GRANTS** the Interim Order sought in the Application;

[10] **DISPENSES** the Applicant of the obligation, if any, to notify any person other than the AMF with respect to the Interim Order;

[11] **ORDERS** that all holders (the "**Shareholders**") of common shares in the capital of the Applicant (the "**Shares**") be deemed parties, as Impleaded Parties, to the present proceedings and be bound by the terms of any Order rendered herein;

The Meeting

[12] **ORDERS** that the Applicant may convene, hold and conduct a special meeting of shareholders (the "**Meeting**") on June 13, 2017, commencing at 11:00 am (Montréal time) at the following location: the Georgesville Convention Center, located at 300, 118e Rue, Saint-Georges, Québec, Canada, at which time the Shareholders will be asked, among other things, to consider and, if thought appropriate, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**") substantially in the form set forth in Appendix C of the Information Circular (Exhibit P-2) to, among other things, authorize, approve and adopt the Arrangement, and to transact such other business as may properly come before the Meeting, the whole in accordance with the terms, restrictions and conditions of the Articles and By-Laws of the Applicant, the QBCA, and this Interim Order, provided that to the extent there is any inconsistency between this

Interim Order and the terms, restrictions and conditions of the Articles and By-Laws of the Applicant or the QBCA, this Interim Order shall govern;

[13] **ORDERS** that in respect of the vote on the Arrangement Resolution or any matter determined by the chairman of the Meeting (the "**Chair of the Meeting**") to be related to the Arrangement, each registered holder of Shares shall be entitled to cast one vote in respect of each such Share held;

[14] **ORDERS** that, on the basis that each registered holder of Shares be entitled to cast one vote in respect of each such Share (i) one Shareholder present in person or represented by proxy holding or representing not less than one Share constitutes a quorum for the purpose of electing the Chair of the Meeting, if necessary, or adjourning the Meeting, and (ii) with respect to all other matters, one or more Shareholders present in person or represented by proxy holding or representing Shares conferring more than 10% of the maximum number of votes that may be cast at the Meeting constitute a quorum;

[15] **ORDERS** that the only persons entitled to attend, be heard or vote at the Meeting (as it may be adjourned or postponed) shall be the registered Shareholders at the close of business on May 4, 2017 (the "**Record Date**"), their proxy holders, and the directors and advisors of the Applicant, provided however that such other persons having the permission of the Chair of the Meeting shall also be entitled to attend and be heard at the Meeting;

[16] **ORDERS** that for the purpose of the vote on the Arrangement Resolution, or any other vote taken by ballot at the Meeting, any spoiled ballots, illegible ballots and defective ballots shall be deemed not to be votes cast by Shareholders and further **ORDERS** that proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution;

[17] **ORDERS** that the Applicant, if it deems it advisable, but subject to the terms of the Arrangement Agreement entered into with the Purchaser, be authorized to adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present), without the necessity of first convening the Meeting or first obtaining any vote of Shareholders respecting the adjournment or postponement; further **ORDERS** that notice of any such adjournment or postponement shall be given by press release, newspaper advertisement or by mail, as determined to be the most appropriate method of communication by the Applicant; further **ORDERS** that any adjournment or postponement of the Meeting will not change the Record Date for Shareholders entitled to notice of, and to vote at, the Meeting and further **ORDERS** that any subsequent reconvening of the Meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent reconvening of the Meeting;

[18] **ORDERS** that the Applicant may amend, modify and/or supplement the Plan of Arrangement at any time and from time to time in accordance with the terms of the Plan of Arrangement, provided that any such amendment, modification and/or supplement is not adverse to the economic interest of any Shareholder and that:

a) any such amendment, modification and/or supplement made before or at the Meeting, shall be communicated in writing to the Shareholders and to the AMF as soon as possible and in any event prior to or at the Meeting;

b) any such amendment, modification and/or supplement made after the Meeting and before the hearing of the Application for a Final Order (as defined below) shall be approved by this Court and subject to such terms and conditions this Court may deem appropriate and required in the circumstances; and

c) any such amendment, modification and/or supplement made after the Final Order hearing shall be approved by this Court and subject to such terms and conditions this Court may deem appropriate and required in the circumstances, unless it is non-material and concerns a matter which is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement;

[19] **ORDERS** that the Applicant is authorized to use proxies at the Meeting; that the Applicant is authorized, at its expense, to solicit proxies on behalf of its management, directly or through its officers, directors and employees, and through such agents or representatives as it may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine; and that the Applicant may waive, in its discretion, the time limits for the deposit of proxies by the Shareholders if it considers it advisable to do so;

[20] **ORDERS** that the registered Shareholders at close of business (Montreal time) on the Record Date or their proxyholders shall be the only persons entitled to vote at the Meeting (as it may be adjourned or postponed);

[21] **ORDERS** that, to be effective, the Arrangement Resolution, with or without variation, must be approved by the affirmative vote: (i) at least (and not more than) 66 2/3% of the votes cast on the Arrangement Resolution by Shareholders present in person or represented by proxy at the Meeting and entitled to vote at the Meeting, each being entitled to one vote per Share; and (ii) simple majority of the votes cast on the Arrangement Resolution by Shareholders (other than the Rollover Shareholders for purpose of such vote and any other Shareholder excluded pursuant to Regulation 61-101) present in person or represented by proxy at the Meeting and entitled to vote at the Meeting, each being entitled to one vote per Share; and further **ORDERS** that such vote shall be sufficient to authorize and direct the Applicant to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of

Arrangement on a basis consistent with what has been disclosed to the Shareholders in the Notice Materials (as this term is defined below);

The Notice Materials

[22] **ORDERS** that the Applicant shall give notice of the Meeting, and that service of the Application for a Final Order (as defined below) shall be made by mailing or delivering, in the manner hereinafter described and to the persons hereinafter specified, a copy of this Interim Order, together with the following documents, with such non-material amendments thereto as Applicant may deem to be necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order (collectively, the "**Notice Materials**"):

a) the Notice of Meeting substantially in the same form as contained in Exhibit P-2;

b) the Information Circular substantially in the same form as contained in Exhibit P-2;

c) a Form of Proxy substantially in the same form as contained in Exhibit P 3, which shall be finalized by inserting the relevant dates and other information;

d) a Letter of Transmittal substantially in the same form as contained in Exhibit P-4, which shall be finalized by inserting the relevant dates and other information;

e) a notice substantially in the form of the draft filed as Exhibit P-2 (Appendix E of the Information Circular) providing, among other things, the date, time and room where the Application for a Final Order will be heard, and that a copy of the Interim Order can be found on the System for Electronic Document Analysis and Retrieval at www.sedar.com (the "**Notice of Presentation**");

[23] **ORDERS** that the Notice Materials shall be distributed:

a) to the registered Shareholders by mailing the same to such persons in accordance with the QBCA and the Applicant's by-laws at least twenty-one (21) days prior to the date of the Meeting;

b) to the non-registered Shareholders, in compliance with Regulation 54-101 – respecting Communication with Beneficial Owners of Securities of a Reporting Issuer;

c) to the Applicant's directors and auditors, by delivering same at least twenty-one (21) days prior to the date of the Meeting in person or by recognized courier service or by email; and

d) to the AMF, by delivering same at least twenty-one (21) days prior to the date of the Meeting in person or by recognized courier service;

[24] **ORDERS** that a copy of the Interim Order be posted on SEDAR (www.sedar.com) at the same time the Notice Materials are mailed;

[25] **ORDERS** that the Record Date for the determination of Shareholders entitled to receive the Notice Materials and to attend and be heard at the Meeting and vote on the Arrangement Resolution shall be the close of business (Montréal time) on May 4, 2017;

[26] **ORDERS** that the Applicant may make, in accordance with this Interim Order, such additions, amendments or revision to the Notice Materials as it determines to be appropriate (the "**Additional Materials**"), which shall be distributed to the persons entitled to receive the Notice Materials pursuant to this Interim Order by the method and in the time determined by the Applicant to be most practicable in the circumstances;

[27] **DECLARES** that the mailing or delivery of the Notice Materials and any Additional Materials in accordance with this Interim Order as set out above constitutes good and sufficient notice of the Meeting upon all persons, and that no other form of service of the Notice Materials and any Additional Materials or any portion thereof, or of the Application need be made, or notice given or other material served in respect of the Meeting to any persons;

[28] **ORDERS** that the Notice Materials and any Additional Materials shall be deemed, for the purposes of the present proceedings, to have been received and served upon:

a) in the case of distribution by mail, three (3) business days after delivery thereof to the post office;

b) in the case of delivery in person or by courier, upon receipt thereof at the intended recipient's address; and

c) in the case of delivery by facsimile transmission or by e-mail, on the day of transmission;

[29] **DECLARES** that the accidental failure or omission to give notice of the Meeting to, or the non-receipt of such notice by, one or more of the persons specified in the Interim Order shall not invalidate any resolution passed at the Meeting or the proceedings herein, and shall not constitute a breach of the Interim Order or defect in the calling of the Meeting, provided that if any such failure or omission is brought to the attention of the Applicant, it shall use reasonable efforts to rectify such failure or omission by the method and in the time it determines to be most reasonably practicable in the circumstances;

Dissent Right

[30] **ORDERS**, pursuant to Subsection 416, al 2(5) of the QBCA, that the registered holders of Shares of the Applicant (other than the Qualifying Holdco Shareholders, Qualifying Holdcos, Rollover Shareholders and holders of Shares who have failed to exercise all the voting rights carried by the Shares held by such holder against the Arrangement Resolution) shall be entitled to exercise the right to demand the repurchase of their Shares (the "**Dissent Right**"), and that Sections 377 to 388 of the QBCA (subject to the terms of this Interim Order) shall apply mutatis mutandis to the exercise of such Dissent Right subject to the modifications set out on the Interim Order to be rendered herein and the Plan of Arrangement;

[31] **ORDERS** that in accordance with the Dissent Right set forth in the Plan of Arrangement, any registered Shareholder who wishes to exercise a Dissent Right must send to Canam a written notice (the "**Dissent Notice**"), which Dissent Notice must be received by Canam at its administrative office at 270, chemin Du Tremblay, Boucherville (Québec) J4B 5X9, fax 450 641 5503, Attention: Louis Guertin, Vice President, Legal Affairs and Secretary, with a copy to Fasken Martineau DuMoulin LLP at 800 Square Victoria, Montréal (Québec) H4Z 1E9, fax 514 397-7600, Attention: Mtre Jean-Pierre Chamberland, not later than 4:30 p.m. (Montreal Time) on June 9, 2017 or not later than 4:30 p.m. (Montreal Time) on the business day that is two Business Days immediately preceding the date that any adjourned or postponed Meeting is reconvened or held, as the case may be;

[32] **DECLARES** that a Shareholder who has submitted a Dissent Notice (a "**Dissenting Shareholder**") and who fails to exercise all the voting rights carried by the Shares held by such holder against the Arrangement Resolution shall no longer be considered as having exercised its Dissent Right, and that a vote against the Arrangement Resolution shall not constitute a Dissent Notice;

[33] **ORDERS** that any Dissenting Shareholder having duly exercised Dissent Rights and wishing to apply to a Court to fix a fair value for the Shares held by such holder must apply to the Superior Court of Québec;

[34] **DECLARES** that (i) Qualifying Holdco Shareholders; (ii) Qualifying Holdcos; (iii) Rollover Shareholders; and (iv) holders of Shares who have failed to exercise all the voting rights carried by the Shares held by such holder against the Arrangement Resolution shall not have any Dissent Right;

[35] **ORDERS** that as at the time set forth in Section 2.3(4) of the Plan of Arrangement, each outstanding Share held by a Dissenting Shareholder shall be deemed to be transferred by the holder thereof to the Purchaser and each Dissenting Shareholder shall cease to have any rights as a Shareholder other than the right to be paid the fair value of their Shares by the Purchaser in accordance with Article 3 of the Plan of Arrangement, the name of such Dissenting Shareholder shall be removed from the register of holders of Shares and the Purchaser shall be recorded as the holder of the Shares so transferred

and shall be deemed to be the legal and beneficial owner thereof and further **ORDERS** that the Purchaser shall assume all obligations of the Corporation for the purposes of Sections 382 to 388 of the QBCA and shall be entitled to exercise all of the rights of the Corporation thereunder, in the place and stead of the Corporation;

The Final Order Hearing

[36] **ORDERS** that subject to the approval by the Shareholders of the Arrangement Resolution in the manner set forth in this Interim Order, the Applicant may apply for this Court to sanction the Arrangement by way of a final judgment (the "**Application for a Final Order**");

[37] **ORDERS** that the Application for a Final Order be presented on June 15, 2017 before the Superior Court of Québec, sitting in the Commercial Division in and for the district of Montréal at the Montréal Courthouse, located at 1 Notre-Dame Street East in Montréal, Québec, Room 16.12 at 8:30 a.m. or so soon thereafter as counsel may be heard, or at any other date this Court may see fit (the "**Final Hearing**");

[38] **ORDERS** that the mailing or delivery of the Notice Materials constitutes good and sufficient service of the Application and good and sufficient notice of presentation of the Application for a Final Order to all persons, whether those persons reside within Québec or in another jurisdiction

[39] **ORDERS** that the only persons entitled to appear and be heard at the Final Hearing shall be the Applicant, the Purchaser and any person that:

a) files an answer (notice of appearance) with this Court's registry and serve same on the Applicant's counsel, c/o Mtre Alain Riendeau, Fasken Martineau DuMoulin LLP, Stock Exchange Tower, 800 Place Victoria, Suite 3700, Montreal, Québec H4Z 1E9, email: ariendeau@fasken.com, no later than 4:30 p.m. (Montreal time) on June 9, 2017; and

b) if such an answer (notice of appearance) is with a view to contesting the Application for a Final Order, such answer (notice of appearance) must provide a summary of the grounds of contestation and be served on the Applicant's counsel (at the above address and facsimile number), no later than 4:30 p.m. on June 9, 2017;

[40] **ALLOWS** the Applicant to file any further evidence it deems appropriate, by way of supplementary affidavits or otherwise, in connection with the Application for a Final Order;

Miscellaneous

[41] **DECLARES** that the Applicant shall be entitled to seek leave to vary this Interim Order upon such terms and such notice as this Court deems just;

[42] **ORDERS** provisional execution of this Interim Order notwithstanding any appeal therefrom and without the necessity of furnishing any security;

[43] **THE WHOLE** without costs.

The honorable Martin Castonguay, S.C.J.

Mtres Alain Riendeau and Brandon Farber
Fasken Martineau DuMoulin LLP
Attorneys for Applicant

Date(s) of hearing: May 11, 2017

APPENDIX E
NOTICE OF PRESENTATION OF THE FINAL ORDER

TAKE NOTICE that the present *Application for an interim and a Final Order* will be presented for adjudication of the final order sought therein to the Superior Court of Québec, sitting in the Commercial Division, in and for the district of Montreal at the Montreal Courthouse, located at 1 Notre-Dame Street East, Montreal, Québec, **Room 16.12**, on **June 15, 2017** at **8:30** a.m. (Montreal time), as shall be determined by the judge adjudicating the Interim Order, of the Montreal Courthouse.

Pursuant to the Interim Order issued by the Superior Court of Québec on May 11, 2017, if you wish to make representations before the Court, you are required to file an answer (notice of appearance) at the Office of the Clerk of the Superior Court of the District of Montreal no later than 4:30 p.m. (Montreal time) on June 9, 2017 and to serve Mtres. Alain Riendeau and Brandon Farber of Fasken Martineau DuMoulin LLP, counsel for the Petitioner, a copy of this form within the same time limit at the following address:

Stock Exchange Tower
800 Place Victoria, Suite 3700
Montreal, Québec H4Z 1E9
ariendeau@fasken.com
bfarber@fasken.com

If you wish to contest the issuance by the Court of the Final Order, you are required, pursuant to the terms of the Interim Order, to file an answer (notice of appearance), which provides a summary of the grounds of contestation, at the Office of the Clerk of the Superior Court of the District of Montreal no later than later than 4:30 p.m. (Montreal time) on June 9, 2017 and serve such appearance to Mtres. Alain Riendeau and Brandon Farber of Fasken Martineau DuMoulin LLP, counsel for the Petitioner, within the same time limit, at the above-mentioned address.

TAKE FURTHER NOTICE that, if you do not file an answer (notice of appearance) within the above-mentioned time limits, you will not be entitled to contest the Application for a Final Order or make representations before the Court, and the Petitioner may be granted a judgment without further notice or extension.

If you wish to make representations or contest the issuance by the Court of the Final Order, it is important that you take action within the time limits indicated, either by retaining the services of an attorney who will represent you and act in your name, or by doing so yourself.

DO GOVERN YOURSELVES ACCORDINGLY.

(signed) Fasken Martineau DuMoulin LLP

Fasken Martineau DuMoulin LLP
Attorneys for Canam Group Inc.
Mtre. Alain Riendeau
Phone number: +1 514 397 7678
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APPENDIX F
CHAPTER XIV - DIVISION I

"**CHAPTER XIV**

RIGHT TO DEMAND REPURCHASE OF SHARES

DIVISION I

GENERAL PROVISIONS

§ 1. — *Conditions giving rise to right*

372. The adoption of any of the resolutions listed below confers on a shareholder the right to demand that the corporation repurchase all of the person's shares if the person exercised all the voting rights carried by those shares against the resolution:

(1) an ordinary resolution authorizing the corporation to carry out a squeeze-out transaction;

(2) a special resolution authorizing an amendment to the articles to add, change or remove a restriction on the corporation's business activity or on the transfer of the corporation's shares;

(3) a special resolution authorizing an alienation of corporation property if, as a result of the alienation, the corporation is unable to retain a significant part of its business activity;

(4) a special resolution authorizing the corporation to permit the alienation of property of its subsidiary;

(5) a special resolution approving an amalgamation agreement;

(6) a special resolution authorizing the continuance of the corporation under the laws of a jurisdiction other than Québec; or

(7) a resolution by which consent to the dissolution of the corporation is withdrawn if, as a result of the alienation of property begun during the liquidation of the corporation, the corporation is unable to retain a significant part of its business activity.

The adoption of a resolution referred to in any of subparagraphs 3 to 7 of the first paragraph confers on a shareholder whose shares do not carry voting rights the right to demand that the corporation repurchase all of the person's shares.

373. The adoption of a special resolution described in section 191 confers on a shareholder holding shares of the class or series specified in that section the right to demand that the corporation repurchase all of the person's shares of that class or series. That right is subject to the shareholder having exercised all the person's available voting rights against the adoption and approval of the special resolution.

That right also exists if all the shares held by the shareholders are of the same class; in that case, the right is subject to the shareholder having exercised all of the person's available voting rights against the adoption of the special resolution.

373.1. Despite section 93, non fully paid shares also confer the right to demand a repurchase.

374. The right to demand a repurchase conferred by the adoption of a resolution is subject to the corporation carrying out the action approved by the resolution.

375. A notice of a shareholders meeting at which a special resolution that could confer the right to demand a repurchase may be adopted must mention that fact.

The action approved by the resolution is not invalidated solely because of the absence of such a mention in the notice of meeting.

Moreover, if the meeting is called to adopt a resolution described in section 191 or in any of subparagraphs 3 to 7 of the first paragraph of section 372, the corporation notifies the shareholders whose shares do not carry voting rights of the possible adoption of a resolution that could give rise to the right to demand a repurchase of shares.

§ 2. — *Conditions for exercise of right and terms of repurchase*

I. — *Prior notices*

376. Shareholders intending to exercise the right to demand the repurchase of their shares must so inform the corporation; otherwise, they are deemed to renounce their right, subject to Division II.

To inform the corporation of the intention to exercise the right to demand the repurchase of shares, a shareholder must send a notice to the corporation before the shareholders meeting or advise the chair of the meeting during the meeting. In the case of a shareholder described in the second paragraph of section 372 none of whose shares carry voting rights, the notice must be sent to the corporation not later than 48 hours before the shareholders meeting.

377. As soon as a corporation takes the action approved by a resolution giving rise to the right to demand a repurchase of shares, it must give notice to all shareholders who informed the corporation of their intention to exercise that right.

The repurchase notice must mention the repurchase price offered by the corporation for the shares held by each shareholder and explain how the price was determined.

If the corporation is unable to pay the full redemption price offered because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due, the repurchase notice must mention that fact and indicate the maximum amount of the price offered the corporation will legally be able to pay.

378. The repurchase price is the fair value of the shares as of the close of the offices of the corporation on the day before the resolution conferring the right to demand a repurchase is adopted.

When the action approved by the resolution is taken following a take-over bid with respect to all the shares of a class of shares issued by a corporation that is a reporting issuer and the bid is closed within 120 days before the resolution is adopted, the repurchase price may be determined to be the fair value of the shares on the day before the take-over bid closed if the offeror informed the shareholders, on making the take-over bid, that the action would be submitted to shareholder authorization or approval.

379. The repurchase price of all shares of the same class or series must be the same, regardless of the shareholder holding them.

However, in the case of a shareholder holding non-fully paid shares, the corporation must subtract the unpaid portion of the shares from the repurchase price offered or, if it cannot pay the full repurchase price offered, the maximum amount that it can legally pay for those shares.

The repurchase notice must mention the subtraction and show the amount that can be paid to the shareholder.

380. Within 30 days after receiving a repurchase notice, shareholders must confirm to the corporation that they wish to exercise their right to demand a repurchase. Otherwise, they are deemed to have renounced their right.

The confirmation may not be limited to only part of the repurchasable shares. It does not affect a shareholder's right to demand an increase in the repurchase price offered.

II. — *Payment of repurchase price*

381. A corporation must pay the offered repurchase price to all shareholders who confirmed their decision to exercise their right to demand the repurchase of their shares within 10 days after such confirmation.

However, a corporation that is unable to pay the full repurchase price offered because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due is only required to pay the maximum amount it may legally pay the shareholders. In that case, the shareholders remain creditors of the corporation for the unpaid balance of the repurchase price and are entitled to be paid as soon as the corporation is legally able to do so or, in the event of the liquidation of the corporation, are entitled to be collocated after the other creditors but by preference over the other shareholders.

III. — *Increase in repurchase price*

382. To contest a corporation's appraisal of the fair value of their shares, shareholders must notify the corporation within the time given to confirm their decision to exercise their right to demand a repurchase.

Such contestation is a confirmation of a shareholder's decision to exercise the right to demand a repurchase.

383. A corporation may increase the repurchase price offered within 30 days after receiving a notice of contestation.

The increase in the repurchase price of the shares of the same class or series must be the same, regardless the shareholder holding them.

384. If a corporation does not follow up on a shareholder's contestation within 30 days after receiving a notice of contestation, the shareholder may ask the court to determine the increase in the repurchase price. The same applies when a shareholder contests the increase in the repurchase price offered by the corporation.

The shareholder must, however, make the application within 90 days after receiving the repurchase notice.

385. As soon as an application is filed under section 384, it must be notified by the corporation to all the other shareholders who are still contesting the appraisal of the fair value of their shares or the increase in the repurchase price offered by the corporation.

386. All shareholders to whom the corporation notified the application are bound by the court judgment.

387. The court may entrust the appraisal of the fair value of the shares to an expert.

388. The corporation must, without delay, pay the increase in the repurchase price to all shareholders who did not contest the increase offered. It must pay the increase determined by the court to all shareholders who, under section 386, are bound by the court judgment, within 10 days after the judgment.

However, a corporation that is unable to pay the full increase in the repurchase price because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due is only required to pay the maximum amount it may legally pay the shareholders. In such a case, the shareholders remain creditors of the corporation for the unpaid balance of the repurchase price and are entitled to be paid as soon as the corporation is legally able to do so or, in the event of the liquidation of the corporation, are entitled to be collocated after the other creditors but by preference over the other shareholders."

APPENDIX G
FORMAL VALUATION

Please see attached.

Deloitte.

Canam Group Inc.
Formal Valuation Report

Deloitte LLP
1190 avenue des
Canadiens-de-Montréal
Suite 500
Montreal QC H3B 0M7
Canada

Tel.: 514-393-7115
Fax: 514-390-4114
www.deloitte.ca

April 26, 2017

Canam Group Inc.
270, chemin Du Tremblay
Boucherville QC J4B 5X9

Attention: Mr. Pierre Lortie, Chairman of the Special Committee of Independent Directors of the Board of Directors of Canam Group Inc.

Subject: Formal valuation of all of the issued and outstanding common shares of Canam Group Inc.

Dear Madams, Sirs:

You have asked us as professional business valuators, acting independently and objectively, to provide you with a formal valuation ("Formal Valuation") as at March 4, 2017 (the "Valuation Date"), of all of the issued and outstanding common shares (the "Shares"), considered together, of Canam Group Inc. ("Canam" or the "Company") in conformity with Regulation 61-101 respecting protection of minority security holders in special transactions (Quebec) and Multilateral Instrument (together "MI 61-101").

The Company will, via an arrangement agreement (the "Arrangement"), enter into a series of transactions that will result in an acquisition by Canaveral Acquisition Inc. (the "Purchaser"), a company indirectly wholly-owned by American Industrial Partners Capital Fund VI, L.P. ("AIP"), of all the outstanding Shares of Canam, except those held or controlled by 9085-6063 Québec inc., Placements CMI Inc., Ismed Inc. and certain members of the Dutil family (and any holding corporation controlled by such members) (the "Family Group" and, as rollover shareholders, the "Rollover Shareholders") (other than 700,114 Shares which will be sold by the Dutil Family) (the "Proposed Transaction").

In addition, we understand that Caisse de dépôt et placement du Québec ("Caisse") and the Fonds de solidarité FTQ ("Fonds") are expected to participate in the Proposed Transaction as equity investors, including by rolling all or part of their Shares, and as such, Caisse and Fonds would also form part of the Rollover Shareholders with the Family Group.

Proposed Transaction

Below is our understanding of the Proposed Transaction:

- On February 15, 2017, Placements CMI Inc. presented to the Board of Directors of Canam an offer from the Family Group to privatize Canam in collaboration with AIP.
- The Dutil family is offering to purchase all the outstanding Shares the Family Group does not collectively and currently own for a price per share of $11.55, payable in cash.
- The Family Group will be collaborating with AIP in order to finance the Proposed Transaction.
- AIP is a private equity firm specializing in investments in turnarounds; leveraged buyouts; management buyouts; corporate divestitures, PIPES, structured preferred equity investments; recapitalizations; equity bridging transactions; strategic add-on acquisitions; going-private transactions; debt with warrants; carve-outs; international expansion; re-financings; project management and finance; public equity and Canadian income trust offerings in middle-market and mature companies.

Following discussions and negotiations, the Family Group submitted a revised proposal on April 13, 2017 reaffirming its intention to privatize the Corporation (in collaboration with AIP) at a revised price of $12.30 per Share payable in cash.

In addition, as per the draft Arrangement Agreement dated April 27, 2017, here are the details of the share capital of Canam:

- The authorized share capital of the Corporation consists of an unlimited number of Shares, an unlimited number of Class "D" shares without par value, an unlimited number of Class "E" shares without par value, and an unlimited number of Class "F" shares without par value.
- As of the date hereof, an aggregate of 45,361,766 Shares are issued and outstanding, and no Class "D", "E" or "F" shares are issued and outstanding.
- All outstanding Shares have been duly authorized and validly issued, are fully paid and non-assessable.

Purpose

We understand that the Special Committee requires the Formal Valuation to assist it in discharging its fiduciary duties in determining whether the Proposed Transaction is in the best interests of Canam and is fair to its shareholders other than Rollover Shareholders, and to assist the Court that will review the Arrangement, and the Formal Valuation is to be included as part of an information circular to be issued to Canam shareholders in respect of the Proposed Transaction.

Engagement

Deloitte LLP ("Deloitte") was formally engaged through the engagement agreement between Canam Group Inc. and Deloitte (the "Engagement Agreement") dated February 24, 2017 to prepare a Formal Valuation.

Independence

Independence of the valuator with respect to the Formal Valuation is set out in Part 6.1 (Independence and Qualifications of Valuator) of MI 61-101. We have reviewed Part 6.1 of MI 61-101 and we are not aware of any Deloitte assignments or other matters which would be in contravention to the independence requirements of Part 6.1 of MI 61-101.

The terms of the Engagement Agreement provide that Deloitte is to be paid a fee for the Formal Valuation based on time spent. In addition, Deloitte is to be reimbursed for its reasonable out-of-pocket expenses. No part of Deloitte's fee is contingent upon the conclusions reached in the Formal Valuation or any action or event contemplated in the Valuation and Deloitte does not otherwise have a financial interest in the completion of the Proposed Transaction. The principal valuator and other staff involved in the preparation of the Valuation acted independently and objectively in completing this engagement.

Based on the foregoing, the Special Committee is satisfied that upon retaining the services of Deloitte and as of the date of this Formal Valuation, Deloitte is qualified and competent to provide the services under its engagement agreement and independent within the meaning of Regulation 61-101. Deloitte has not provided any financial advisory, audit or soliciting dealer services involving Canam in the past two years other than the services provided in the context of the Arrangement and certain other tax and other advisory services to one of Canam's operating affiliates (8384037 Canada Inc.), which are not considered material. There are no understandings, agreements or commitments between Deloitte and Canam, the Purchaser or any of their respective associated or affiliated entities with respect to any future business dealings, nor has Deloitte been engaged to act as financial advisor to any of the aforementioned parties in connection with the Arrangement.

However, Deloitte, being a full-service accounting firm, may from time to time and in the ordinary course of its practice, be requested to provide accounting or other financial advisory services to such parties regarding other matters.

Credentials of Deloitte

Deloitte is one of the world's largest and most reputable professional services organizations with approximately 200,000 people in over 150 countries. In Canada, Deloitte is one of the country's leading professional services firms and provides audit, tax, financial advisory, and consulting services through more than 8,000 people in 56 offices.

Deloitte's professionals have significant experience in providing advisory services for various purposes, including fairness opinions, mergers and acquisitions, corporate finance, business valuations, litigation matters, and corporate income tax, among other things.

As a global market leader with over 125 dedicated valuation professionals in Canada and over 1,500 valuation professionals globally, Deloitte has a leading valuation practice with international delivery capabilities, deep financial and accounting acumen, and robust industry experience. Our valuation services group includes finance professionals, many of whom have earned professional designations, including Chartered Professional Accountant (CPA), Chartered Business Valuator (CBV), Chartered Financial Analyst (CFA), Chartered Accountant (CA), and Accredited Senior Appraiser (ASA).

Prior valuations

Management of Canam (the "Management") has represented to Deloitte that they are not aware of any prior valuation (as defined in MI 61-101) relating to Canam of any of its material assets or liabilities in the preceding 24 months.

Definition of value

Our Formal Valuation has been prepared in accordance with the Practice Standard No. 110 of the Canadian Institute of Chartered Business Valuators.

For the purpose of our Formal Valuation, we have been guided by the concept of FMV as defined in MI 61-101. FMV is defined as the "monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act".

For the purpose of determining FMV, no downward adjustment shall be made to reflect the liquidity of the Shares or the effect of the Proposed Transaction, and no adjustment shall be made to reflect the fact that the shares being disposed form a minority interest in Canam.

Restrictions and qualifications

We reserve the right to review all calculations included or referred to in our report and, if we consider it necessary, to revise our FMV in the light of any information existing at the Formal Valuation Date which becomes known to us after the date of this report.

In preparing our Formal Valuation, we have considered the views of Management regarding future events with respect to Canam and the industry and economies in which it operates, which, by their nature, cannot be fully substantiated and will likely not occur exactly as forecasted. By its nature, the budgeted and forecasted information provided by Management will not occur as projected and unanticipated events and circumstances may occur that may materially alter our analyses and conclusions. We have not undertaken any review of whether the future oriented data provided comply with existing standards, such as those issued by CPA Canada.

Currency of report

Unless otherwise noted, all amounts shown in this report and attached schedules are expressed in Canadian dollars. Translation of values expressed in other currencies, if any, have been made at the rate of exchange prevailing as at the Formal Valuation Date.

Formal Valuation conclusion

Based on the scope of our review (Appendix A), assumptions (Appendix B), and our research, analysis and experience, the FMV as at March 4, 2017 of the Shares of Canam was in the range of $479.9M and $563.2M. Considering the number of outstanding Shares, 45,361,766 at the Valuation Date, the FMV of the Shares would range from $10.58 to $12.42 per Share (midpoint 11.44$ per Share – Schedule 6).

Our FMV value is based on the information supplied to us and is subject to restrictions, limitations and the major assumptions outlined herein. The accompanying report, including schedules and appendices, is an integral part of this Formal Valuation and provides a summary of our findings and the methodology leading to our value conclusion.

Yours very truly,

Deloitte LLP

Deloitte LLP

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Terminology

AIP	American Industrial Partners Capital Fund VI, L.P.
BEV	Business enterprise value
BIM	Building Information Modeling
BoC	Bank of Canada
BU	Business Unit
CAGR	Compound annual growth rate
Canam or Company	Canam Group Inc.
CAPEX	Capital expenditures
CAPM	Capital asset pricing model
CBC	Conference Board of Canada
CF	Cash flows
Comparables or GPC	Guideline public companies
COGS	Cost of goods sold
CAD or C$	Canadian dollars
DCF	Discounted cash flow
Deloitte	Deloitte LLP and affiliated entities
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortization
EIU	Economist Intelligence Unit
EV	Enterprise value
Family Group	Placements CMI Inc. together with certain members of the Dutil family and any holding corporation controlled by such members
FCFE	Free cash flow to equity
FCFF	Free cash flow to the firm
FMV	Fair market value

FY	Financial/fiscal year
K	Thousand
LTM	Last twelve months
M	Million
Management	Refers to the management team of Canam Group Inc.
MI 61-101	Regulation 61-101 respecting protection of minority security holders in special transactions (Quebec) and Multilateral Instrument
NA	Not available
NTM	Next twelve months
NWC	Non-cash working capital
PP&E	Property, plant and equipment
PPI	Producer Price Index
PTM	Precedent Transaction Multiple
Purchaser	Canaveral Acquisition Inc.
Report or Formal Valuation	This Formal Valuation report
Rollover Shareholders	Family Group, Caisse de dépôt et placement du Québec and the Fonds de solidarité FTQ
SG&A	Selling, general and administrative expenses
Shareholders	All holders of Shares of Canam
Shares	Common shares in the capital of the Company
Special Committee or Client	Special committee of independent directors of the Board of Directors of Canam
TV	Terminal value
USD or US$	American dollars
Valuation Date	March 4, 2017
WACC	Weighted average cost of capital
WIP	Costs and estimated profits in excess of billings and Billings in excess of costs and estimated profits

1 Nature and history of the business[1]

1.1 Overview of operations

Canam designs, fabricates, and markets a vast portfolio of steel products and steel construction products, including, but not limited to, joists, roof trusses, beams, columns, steel deck, purlins, girts, etc. Canam also designs and fabricates structural steel products for bridges, as well as for major construction projects and buildings. In conjunction and as a complement to its steel products, Canam designs and fabricates specialized construction product systems under a range of trademarks (Murox building systems, Econox fold-away and portable buildings, Hambro concrete floor systems, United Steel Deck steel deck products, and Goodco Z-Tech structural bearings and expansion joints). The Company also offers installation services for steel structures and components, as well as virtual design and construction services, BIM services, and structural steel detailing services. Alongside its steel products operations, Canam offers design services for wood structures, and distributes specialized construction products for wood structures. The company's operations are divided into three business units: 1) Buildings, 2) Structural Steel, and 3) Bridges.

Each year, Canam takes part on average in 10,000 building, structural steel and bridge projects. As of the beginning of 2017, the Company operated 23 plants across North America and employed 4,650 people in Canada, the United States, Romania, and India.

1.1.1. Buildings

Steel joists (key components that support the roof and floor structures of commercial and industrial buildings) and decks (corrugated sheet metal supported by joists and used to support a concrete slab or the insulating membrane of a roof structure) are the main steel products sold by Canam Buildings. These products are sold under the Canam name throughout North America, mainly to structural steel fabricators. After securing a contract for a project, a general contractor will usually select a structural steel fabricator, which will then turn to Canam or another supplier to purchase the required steel joists and deck. In certain cases, Canam can sell directly to the end client (e.g., real estate developer, store chain, etc.) and thus assume the role of steel contractor for an entire project. Canam also offers other construction products under the Buildings business unit, such as Hambro and Murox.

Canam estimates having an 18.3% market share in the North American steel joist market in 2016 and operates seven of the approximated 30 plants serving the market. The Company faces many competitors in the United States, though only Nucor and Steel Dynamics are fully integrated. At a high level, the trend is towards consolidation in the industry, where smaller players either are acquired or exit the market. In Canada, Vulcraft Canada is a competitor, seeing as it is (to the Company's knowledge) the only other company serving the country from coast to coast. With regard to steel deck, Canam estimated having a 17.5% market share for North America in 2016. For multiple reasons (requirements for harsh weather conditions, Canadian Building Code, metric system, etc.), the sale of steel joists and steel deck fabricated in the United States to Canada is limited.

Throughout our report, we will commonly refer to the Buildings business unit as being composed of "Buildings Canada" and "Buildings USA".

[1] From the Company website, its 2016 Annual Information Form, and its 2016 Annual Report.

1.1.2. Structural Steel

FabSouth fabricates and installs structural steel products, which are mainly intended for the commercial, industrial, and institutional construction markets. Canam also participates in structural steel projects in the capacity of fabricator for third parties under the name Canam-Structures or to support FabSouth. Structural steel products are fabricated at plants located in Quebec, Florida, North Carolina, Georgia, and Washington State. As with joists and decks, the cost of transporting the products has a major impact on price, and thus the location of plants is key. Given Canam has plants located in Eastern Canada and the United States as well as in the Northwestern United States, the Company is positioned to be a LEED supplier. Projects undertaken by Canam are generally located within a 1,100-kilometer radius from the fabrication plant, though shipping over greater distances remains possible. Canada is however somewhat of an exception to the rule, given its proximity to rail transportation.

With over 3,000 structural steel fabricators in North America, the market is considered to be strongly fragmented. As for FabSouth, given the nature of the projects on which it bids, it tends to compete with more mid to small-sized companies.

Throughout our report, we will commonly refer to the Structural Steel business unit as “Heavy” and will present FabSouth distinctly.

1.1.3. Bridges

Canam fabricates and sells girders (specialized, oversized products that require complex fabrication, typically for highway, railway, and forestry bridges made of steel) and orthotropic steel decks (lighter and more versatile than conventional decks) under the Canam-Bridges name, as well as structural bearings and expansion joints (for highway and airport infrastructures, buildings, and bridges) under the Goodco Z-tech name. Steel girders are fabricated in plants in Quebec, New Hampshire, and Maryland, while structural bearings and expansion joints are fabricated in Quebec. Canam-Bridges serves the North American market. In the case of steel girders, all fabrication plants have direct access to rail roads, allowing to take advantage of less expensive rail transportation (as opposed to roads). Canam-Bridges serves general contractors, governments, rail and forestry companies and estimates that a significant number of bridges in North America will need to undergo rehabilitation or replacement in upcoming years.

Throughout our report, we will commonly refer to the Bridges business unit as being composed of “Bridges Canada” and “Bridges USA”.

1.1.4. Other operational activities

Installation of Structures and Other Steel Components

The Company provides installation services for structures and other steel components to Canadian customers through its wholly owned subsidiaries, St. Lawrence Erectors and Central Steel Erectors, and to customers in the United States through Central Erectors and Stonebridge. Acquired in June 2016, Stonebridge specializes in the erection of structural steel components for complex commercial, institutional, and industrial projects and had previously collaborated with Canam on several projects. These companies execute various mandates for customers in the private and public sectors, and also provide support on projects awarded to the Company. These mandates include, among others, bridges, office and commercial buildings, and sports complexes.

Throughout our report, we will commonly refer to these activities as “Erection”.

1.2 Key developments

Bridges USA

Management took the decision in 2016 to review its approach to the U.S. Bridge market. The Company will honor its ongoing contracts and finish the projects presently under construction. Looking back, Canam was not able to get a price that rewarded the Company for the inherent risk associated with these complex projects into its proposals to clients. Management is reviewing all of its US activities in the Bridge division, taking into consideration all options that would enable the Company to meet its profitability objectives.

Restructuration of Heavy

Alongside the reorganization of its U.S. Bridge division, Management also announced that Canam would no longer be pursuing large and complex "one of a kind" projects through its Heavy division. Though these projects are often prestigious in nature, Management has come to the conclusion that such contracts are less desirable from a financial standpoint. This decision will also result in Canam moving further away from the role of structural steel contractor. Management will focus on projects that present a reasonable level of risk.

Strategic initiative

Moving forward, Canam's objective will be to position itself earlier in the value chain in order to offer greater added value. Management has already began to pursue a more selective approach in Canada. Management has also identified the need to position Canam closer to players in the industry that are in a position to create work for the Company. Many smaller competitors closed down after the 2008 recession, allowing Canam to take the market leader position in the Canadian Buildings market.

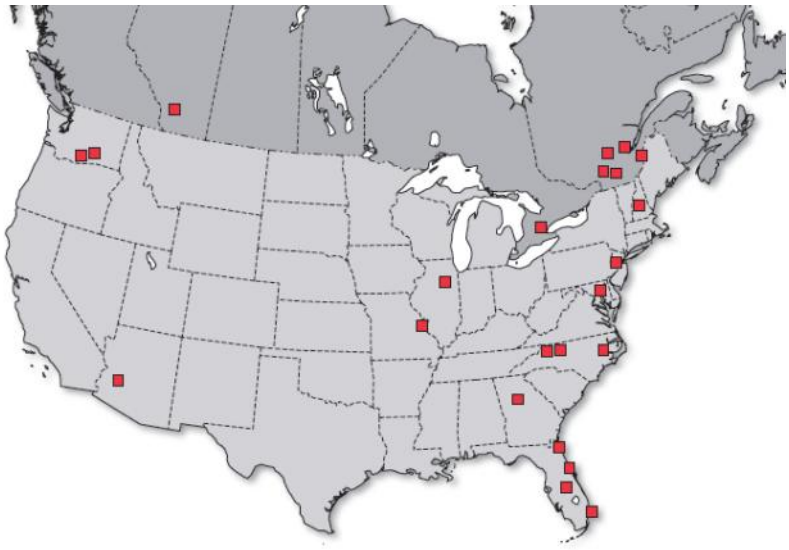
1.3 Main customers

The overall top 5 customers for 2016 were different than 2015, with the exception of one, and a similar observation can be made in prior years. This reflects the project specific nature of the business and limited economic dependence. On a year-to-year basis, however, we observe that the five largest clients account for, on average, approximately 21% of annual revenues.

1.4 Facilities & Production

As it can be observed on the map[2], Canam operates a total of 23 facilities on both the East and West Coasts in Canada and the United States. Considering that shipping costs are a major component in the overall project pricing, this layout of plants allows the Company to access both national markets, while minimizing the distance of transportation of its products.

[2] The map has been extracted from the 2016 annual report.



Canam Group	6 plants	Quebec (4), Ontario, Alberta
TecFab	1 plant	Quebec
Canam Steel Corp	7 plants	Arizona, New Hampshire, Florida, Illinois, Maryland, New Jersey, Missouri
FabSouth	9 plants	Florida (3), North Carolina (3), Washington State (2), Georgia

In order to favour a better working environment for its workers as well as to save costs and improve inventory management, Canam is currently implementing two main initiatives. The first is to invest in Lean manufacturing with the goal of making production operations more efficient. The second is to implement best practices tailored to each of the product groups. The Company also continues to rely on its BuildMaster approach.

Management has noted that as the market for steel intensifies in activity, the price of steel rises. However, when market activities are slower, the Company can become boxed in between customers that have higher leverage in negotiations, given lighter overall market demand, and steel producers that can keep upward pressure on prices.

1.5 Contingencies, lawsuits and claims

The Company is a party to a number of lawsuits. Canam has provisions of $19M recorded on its balance sheet as at Valuation Date.

2 Review of operating results and financial position

2.1 Review of financial results

In the following section, an historical and forecasted results analysis is presented on a consolidated basis for Canam. However, even if not explicitly disclosed in the Report due to the sensitive nature of the information, we analyzed the historical and forecasted growth, margins, and other financial operational data on a business unit basis in addition to the work done on a combined basis.

2.1.1. Analysis of historical & forecasted revenues

Historical 2010-2016

Revenues of Canam are correlated with macroeconomic indicators such as the GDP growth of both the United States and Canada, and the non-residential construction across Canada and the United States (see Section 3.2.6.).

Revenues have consistently increased from $732.7M in 2010 to $1,856.9M in 2016. The average growth for the last seven years is 17.1%. We also note that the historical revenue growth observed is generally higher for Canam than for GPCs, except for year 2010. The historical revenue growth is due to both organic growth and several acquisitions.

The low growth rate observed in 2012 (3% of growth between 2011 and 2012) was attributable to a decrease in the revenues of the business unit Bridges Canada; the product mix for this business unit was not optimal and, at that time, Canam had made bids that were less favourable in terms of margin in order to amortize the fixed costs of its plants.

In 2015, the Company experienced a high growth in revenues, 30% between 2014 and 2015. A set of factors contributed to this growth:

- Increase in the revenues from Buildings USA due to a higher level of activity in the non-residential construction sector in the United States. Indeed, the aggregate growth rate of non-residential construction was 28.0% between 2005 and 2015 (see Sections 3.2.5 and 3.2.6 for link between revenues of Buildings and non-residential construction growth).
- Increase in the revenues of Heavy is due to the progression of significant projects.
- Increase in revenues of FabSouth due to the development of new markets, such as theme parks and multistory condominium buildings.

As for the Bridges division, the recent financial information is marked by the production of superstructure components for the Champlain Bridge and the new Île-des-Soeurs Bridge, both in Montreal. These projects are the type of project upon which Management intends to establish its strategy as they represent projects where Canam was able to position itself early in the process and add value to the project.

FabSouth continues its growth, with almost 14% of increase in revenues in 2016.

The acquisition of Stonebridge on June 1, 2016 also allowed the Erection division to increase significantly its revenues between 2015 and 2016.

Actual results 2017 and forecast 2017-2021

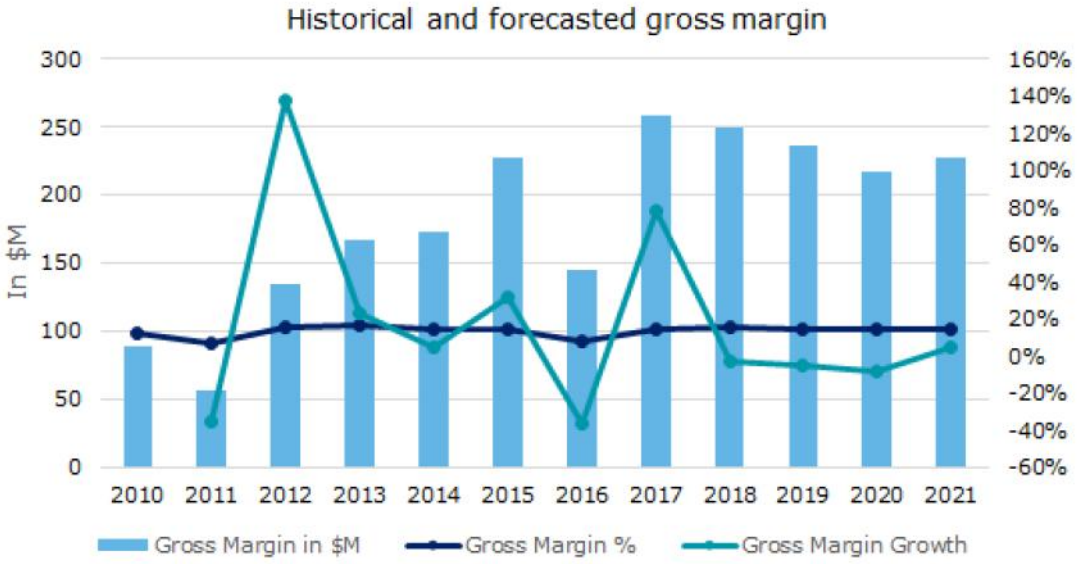
The revenues for the two-month period ended March 4, 2017 amounted to $314.1M, compared to $320.2M for the same period last year and compared to $294.9M budgeted.

For the forecasted period, the following highlights are key in the understanding of the projected revenues:

- A soft market in Western Canada as a result of the slowdown in the energy sector.
- In light of the weak financial performance of the Bridges USA and Heavy segments, Management:
  - is reviewing all of its US activities in the Bridge division, taking into consideration all options that would enable the Company to meet its profitability objectives;
  - has decided to restructure the Heavy division with a strategic focus on smaller projects, aiming for more manageable contracts.
- Revenues of Erection are expected to increase notably due to the fact that the division will show a full year of Stonebridge revenues.

As such, the expected revenues show a decrease; the 2017 revenues are expected to decrease by 5.2%, in comparison with 2016, and revenues will continue to do so until 2021. This is attributable to the cyclical nature of the construction business (refer to Section 3 *Economic conditions and industry overview* for more details) and to other elements discussed previously.

2.1.2. Analysis of historical and forecasted gross margin



Historical 2010-2016

Canam participated in the execution of large-scale infrastructure projects, particularly in the Bridges and Heavy business units, for which contract prices are based on a certain number of assumptions and are subject to projection and fulfillment risks. Given the scale of these projects, should the planning assumptions used proved incorrect, revenues could be lower, costs could be higher, and a loss may be incurred. Losses are mitigated through projects and products diversification over time, but, on an annual basis, certain projects or divisions can have an over-weighted impact on Canam's results.

When looking at the historical performance of the Company, the gross margin reached its lowest point in 2011 (6.7%) due to Heavy and Bridges USA business units, which are also the same business units that contributed to the decrease in gross margin between 2015 (14.3%) and 2016 (7.9%). Nonetheless, we note that except for these two financial years, the gross margin of the business has remained stable at around 14.5%, even though the contributions of each business unit had different ups and downs over the years.

Buildings have also been in a position to offer a growing gross margin over the last five years, which was motivated by a positive economic environment in the residential and non-residential construction in the Canada and United States.

On the opposite side, Bridges USA's and Heavy's financial performances have been negatively impacted by certain projects with a higher than expected cost structure which, as explained earlier, can have an adverse effect on gross margin.

FabSouth has shown a relatively stable gross margin over the years. In 2016, the business unit continued to profit from the high level of non-residential construction activity in the United Stated.

In 2016, Canam had to incur a one-time provision for cost overruns on a project in the US, and also had to reallocate resources to the project which affected the profitability of other projects (in the Heavy

business unit). As outlined by Management, there were considerable efforts put in place to fabricate highly complex parts and Canam had to subcontract to several fabricators in order to maintain an accelerated rate of erection due to a very tight initial time schedule.

As for the Bridges USA business unit, provisions were recorded for future projected losses on two specifics projects. Given that other major projects also posed sizeable challenges, Management undertook an in-depth review of the Bridges USA and Heavy operations (discussed Section 1.2).

Actual results 2017 and forecast 2017-2021

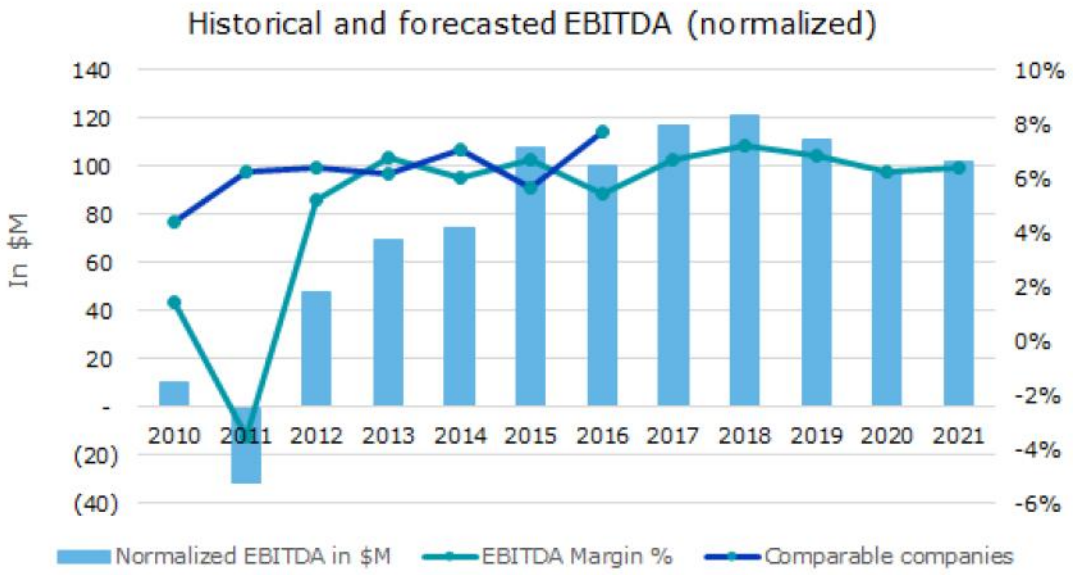
The actual gross margin after the first two months of 2017 declined from 14.8% in 2016 to 9.3%, or decreasing from $47.5M to $29.2M.

For the forecasted period between 2017 and 2021, the gross margin is expected to remain stable at 14.5%, which is slightly higher than the average historical gross margin of 12.5%. However, when calculating the average gross margin excluding the years 2011 and 2016, which are considered to be outliers due to specific circumstances explained above, the average increases to 14.5%.

Key elements affecting the forecasted gross margin include:

- Competition in the steel joists and steel deck activities in Canada and cyclicality and seasonality of joist and deck demand.
- Between 2016 and 2017, a significant increase in forecasted gross margin ($113.3M or 6.9%); a large portion of this increase is due to the negative impact of Heavy and US bridge projects and the one-time provision taken by the Company in 2016. Afterwards, the gross margin is expected to decrease until 2021, where an economic upturn is forecasted to happen (please refer to Section 3).

2.1.3. Analysis of historical and forecasted EBITDA margin



Historical 2010-2016

Historical EBITDA margin from 2010-2016 averaged 4%; the highest EBITDA margin reached was 7.1% in 2013 and the lowest point was (3.1)% in 2011.

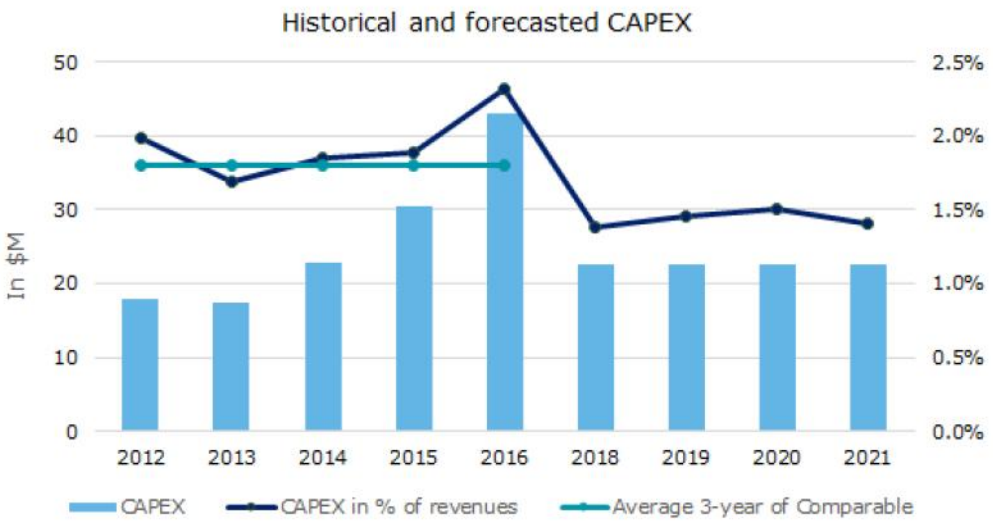
The EBITDA reached its lowest point in 2011, in line with the gross margin, as explained previously. In 2016, Canam had an EBITDA margin of 1.1% (normalized EBITDA 2016: 5.5%) due to the negative impact of Heavy and US bridge projects and to one-time provisions as discussed at Section 2.1.2.

Actual 2017 and forecast 2017-2021

For the two months ended March 4, 2017, in terms of EBITDA during the stub period, there is a shortfall of $10.3M versus the budget for the period. Based on discussions with Management, this gap is temporary and could be reversed by year-end such that the 2017 budget remains Management's best estimate for the 2017 forecasted results.

For the forecasted EBITDA margin, we notice an average EBITDA margin of 6.5% for the period from 2017 to 2021. Given that the average historical EBITDA margin between 2010 and 2016 is at 4.2% (average 2014 to 2016: 6.2%), the forecasted EBITDA margin is higher than previous results. The increase in EBITDA margin is considered achievable by Management due to changes in strategy in some divisions. The average historical EBITDA margin of Comparables is 6.6% (adjusted average over the last three years) (Schedule 4). As such, the forecasted EBITDA margin of Canam of 6.5% is in line with the historical average of GPCs. The GPCs' average historical EBITDA margin for the last ten years is 6.9%.

2.1.4. Analysis of historical and forecasted CAPEX



Historical 2012-2016

CAPEX incurred by Canam have approximated 2% of revenue historically, which is consistent with its peer group (1.8% – average of three years).

In 2016, where the highest level of CAPEX was observed, Canam invested more than $15M in the Quebec City plant to remodel a production line and expand the plant by 70,000 square feet. Without this investment, CAPEX would have been $28M, which represents 1.51% of the 2016 revenues.

Actual CAPEX 2017 and forecast 2017-2021

The forecasted CAPEX are set at approximately $23M per year, which is equivalent to 1.5% of annual revenues, except for year 2017 where a higher level of investment is budgeted (CAPEX budgeted at $49.5M for 2017). For the two months ended March 4, 2017, $2.3M of CAPEX have been incurred.

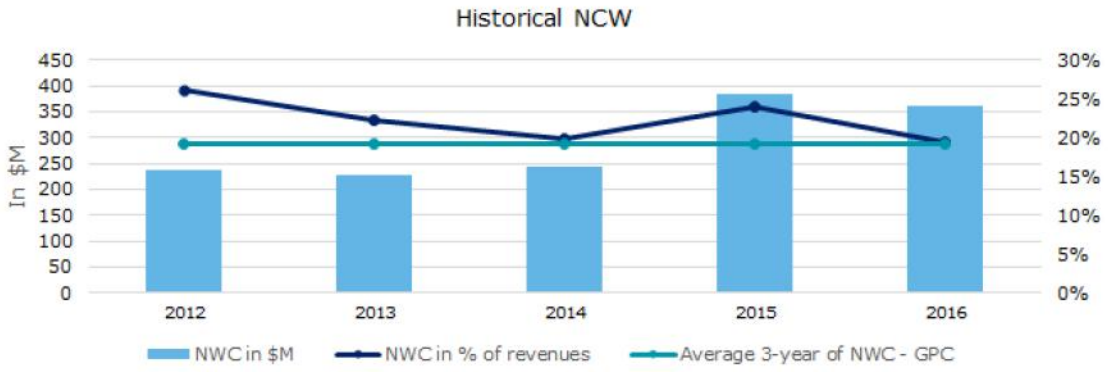
The $23M CAPEX forecasted for the subsequent years are slightly lower than Canam's historical average as well as historical investments observed for Comparables.

When we look at the Comparables (Schedule 4), we note the following:

- Steel producers have CAPEX of approximately 2.5% of their revenues. Two of the five Comparables included in Steel producers have a ratio under 2% (1.6% and 1.8%).
- Distributors of steel products have a CAPEX to revenues ratio of approximately 1% of revenues. Three of the four Comparables included in Distributors have ratios either equal or less than 1%.

Canam is not a steel producer but a manufacturer of steel products and steel construction products. Steel producers are more capital intensive, given the nature of their business. Compared to distributors, Canam is more capital intensive due to its manufacturing operations. As such, the CAPEX to revenues ratio of Canam is between the ratio of Steel producers and the ratio of Distributors.

2.1.5. Analysis of historical and forecasted NWC



Historical 2012-2016

Average historical NWC over the last five years represents approximately 22.3% of revenues, and therefore Canam showed a relatively steady NWC over the last five years.

The yearly variances are caused by changes in level of estimated profits in excess of billings, which is directly influenced by the outstanding projects at the end of the year.

The average NWC (3-year) in terms of revenues for selected Comparables for the last three years is 19.2%. Two of the identified Comparables (United States Steel Corporation and AK Steel Holding Corporation) show a lower NWC ratio of 7.3% and 11.9%, respectively. But if we look at their LTM NWC to revenue, they are respectively 19.7% and 16.3%, which is much higher than the 3-year average. When excluding these two Comparables, the average for the last five years reaches 20.8%, which is in line with Canam.

Forecast 2017-2021

The forecasted NWC is equivalent to 21.7% of forecasted revenues, which is in line with both Comparables and the historical NWC.

2.2 Review of financial position

As presented in Schedules 1 and 3, we have summarized the reported financial position of the Company as at December 2012 to 2016 and as at the Valuation Date.

3 Economic conditions and industry overview

3.1 Review of the economy

3.1.1. Economic Data[3]

	Historical						Forecasts					Average		
Canada Economic Data	2011	2012	2013	2014	2015	2016	2017E	2018E	2019E	2020E	2021E	Historical	Forecasts	Average 2011-2021
GDP (Real % Change)	3.1%	1.7%	2.5%	2.6%	0.9%	1.4%	2.0%	2.0%	1.1%	1.9%	2.0%	2.1%	1.8%	1.9%
Gross fixed investment (% real change pa) - [Y]	4.6%	4.9%	1.3%	0.9%	-4.6%	-3.2%	0.5%	1.6%	0.4%	1.9%	2.3%	0.7%	1.3%	1.0%
Consumer prices (% change pa; av) - [Y]	2.9%	1.5%	0.9%	1.9%	1.1%	1.4%	2.1%	2.0%	1.3%	1.8%	1.9%	1.6%	1.8%	1.7%
USA Economic Data	2011	2012	2013	2014	2015	2016	2017E	2018E	2019E	2020E	2021E	Historical	Forecasts	Average 2011-2021
GDP (Real % Change)	1.6%	2.2%	1.7%	2.4%	2.6%	1.6%	2.3%	2.1%	1.0%	2.0%	2.0%	2.0%	1.9%	2.0%
Gross fixed investment (% real change pa) - [Y]	6.3%	9.8%	5.0%	5.5%	4.0%	0.7%	2.6%	3.7%	0.8%	-1.3%	2.2%	5.2%	1.6%	3.6%
Consumer prices (% change pa; av) - [Y]	3.1%	2.1%	1.5%	1.6%	0.1%	1.3%	2.5%	2.1%	1.3%	1.7%	1.9%	1.6%	1.9%	1.7%
USD to CAD Average Exchange Rate	0.99	1.00	1.03	1.10	1.28	1.33	1.31	1.30	1.29	1.26	1.22	1.12	1.28	1.19
Producer Price Index - Iron & Steel	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017			Average
2007 = 100	100	123	92	111	126	120	113	115	97	93	102.06			108

3.1.2. Canadian economic outlook[4]

The general government deficit, which includes provincial governments, will widen in 2017 as government spending on infrastructure and green technology rises and receipts from energy extraction remain low. The deficit will narrow in 2018, before widening again as the economy weakens again in 2019. The BoC will leave its policy rate unchanged until 2018. By waiting until after the Federal Reserve (the U.S. central bank) resumes its monetary tightening, the currency will remain weak. The path of eventual rate increases will be slow, as household debt is at record highs. Consumer price inflation will accelerate to 2% a year in 2017-2018 as commodity prices rise and slack gradually disappears from the labour market. Inflationary pressure will ease in 2019 in line with the weakening of the economy, before gradually re-emerging in 2020-2021. The economy will build momentum in 2017-2018 as business investment recovers and the government increases its spending. The outlook will darken in 2019, when it is expected that the United States will enter a recession. The CAD has lost value against the USD in the past two years, but significant appreciation is unlikely in 2017-2018. The Federal Reserve will lift its policy rate by 50 basis points in 2017, but the BoC will remain on hold. Stronger increases in commodity prices in 2020-2021 will enable some appreciation. These expected conditions, if they come to fruition, may tend to moderate the business challenges faced by the Company in Canada in the coming years and support Management's assumptions for forecasted growth.

Infrastructure specific

- **2017-2018:** The federal government moves ahead with $60B (US$45B) in new infrastructure spending over ten years. The funds will be divided between transport projects, social infrastructure like public housing, and green programs.

[3] EIU Country Forecasts: Canada – February 2017.
[4] EIU Country Forecasts: Canada – February 2017.

- **2019-2021:** After years of uncertainty, pipelines that are to carry crude oil from Alberta's tar sands come on stream, removing the supply bottleneck to local oil production. It may be favourable to the residential and non-residential construction outlook for this region in the coming years, from which Canam could benefit.

3.1.3. The United States economic outlook[5]

The Federal Reserve is expected to increase the policy interest rate twice in 2017 and twice again in 2018. Bond yields will remain relatively low, however keeping a lid on commercial borrowing costs. The EIU's economic growth forecasted remains unchanged following the election. It is not likely that President Trump will increase public spending significantly, but if he does, a faster pace of monetary tightening to offset the impact of this would be expected. Average annual real GDP is set to grow at 2.2% in 2017-2018, supported by firm consumer spending, stronger business investment as the pressure on the energy sector fades, and steady government outlays. A recession is forecasted for 2019 as the business cycle comes to an end, but this will be mild compared with the financial crisis of 2008-2009, as debt levels are modest. The economy will recover quickly in 2020-2021. The USD will be well supported by the relative strength of the economic outlook and loose monetary policy elsewhere. The broad-based dollar index is expected to stay close to current levels, before a cycle of dollar weakness from 2019, the U.S. economy's forecasted entry into a mild recession. These expected conditions with regard to public spending, if they come to fruition, may tend to improve the business environment faced by the Company in the United States.

Infrastructure specific

- **2017-2018:** The president pushes for an increase in public spending on infrastructure, but will face opposition from small government conservatives within the Republican Party, and his spending pledges are only partially met.
- **2019-2021:** The government increases state spending on infrastructure to counteract a broader slowdown in economic growth, but the increase is insufficient to resolve the backlog of necessary repairs and improvements.

3.2 Review of the industry

3.2.1. Steel & building materials outlook[6]

The year 2016 ended with an overall U.S. construction activity measured in square footage of construction starts up 4% compared to the same reporting period of 2015. Market share for structural steel increased 1%, from 48% to 49%, according to data provided by Dodge Analytics, maintaining a historical level of around 50%.

While several media outlets have been trumpeting a major increase in building construction activity in 2016, it is important to recognize that they are looking at construction spending. Construction spending increased by nearly 10%, but square footage increased by only 4%. This is important to take into account as structural steel demand is more closely tied to square footage than project dollars. In other words, the increase in construction spending could be the results of increased material costs and not directly correlated to an increase in structural steel spending. Consequently, when looking at economic and industry data, we tend to look at different metrics than increased statistics in terms of dollars, but rather in terms of units or square footage.

[5] EIU Country Forecasts: USA – March 2017.
[6] American Institute of Steel Construction – February 2017, Construction Statistics; CanData Forecaster January 2017 – By ConstructConnect.

The year 2016 yielded a similar number of projects with a slightly larger average square footage and a significantly higher cost per square foot. This is explained as growth continues to be focused in major urban areas with high building costs.

The year 2017 seems to be perceived in a favourable light by the industry as a whole, as underlined by upward trends in the Dodge Momentum Index (12-month leading indicator of construction spending for non-residential building), the Architectural Billing Index (leading economic indicator for non-residential construction activity), and the American Institute of Steel Construction Business Optimism Barometer, as well as the slight increase in structural steel market share. However, more traditional economic indicators such as real GDP growth remain at average to low historical levels. Please refer to Section 3.2.6 for the analysis of the correlation between the economic conditions and Canam's operating statistics.

3.2.2. Canadian residential construction outlook[7]

Favourable credit conditions will continue to support residential construction in the short term, with the industry experiencing a slight growth of 1% in housing starts for 2016[8]. However, weaker housing starts are expected to lead to a slight contraction in 2017.

Of particular note to the industry in the short term are economic conditions in Alberta. The province's economy, which has been battered by the plunge in oil prices, was dealt another blow in 2016 by the wildfires that tore through the Fort McMurray area. The economic weakness has led to a significant decline in Alberta's housing starts. The fires brought a halt to residential construction activity in the stricken areas. As a result, housing starts declined by nearly 35% this year[9]. However, after any such disaster, there needs to be reconstruction. Overall, the CBC estimates that $5.3B will be re-invested into Alberta's economy over the next three years as a result of the fire damage.

The growing concern among households about their finances is not surprising given the record-high debt levels (as measured by the debt-to-disposable-income ratio). Mortgage rates remain relatively low, however the average 5-year rate was close to 4.7% in 2016[10] and the debt-to-service ratio was flat at around 14% for the first half of 2016. This said, mortgage rate increases are expected. The CBC expects the average 5-year rate to rise to 5.7% by the end of 2020. This will challenge Canadian budgets and make purchasing or maintaining a home tougher going forward.

With the share of people in older age cohorts rising significantly in relation to the working age population, the CBC saw changes in the types of housing units most in demand. An example of this change in demand is among seniors, who tend to move into multi-unit condominiums as they age. Since 2010, housing starts in the multiple segment have outpaced the number of starts in the single-detached market by as much as 50%.

[7] Conference Board of Canada – Summer 2016 Industrial Outlook - Residential construction industry.
[8] Statistics Canada.
[9] Statistics Canada.
[10] RateHub.

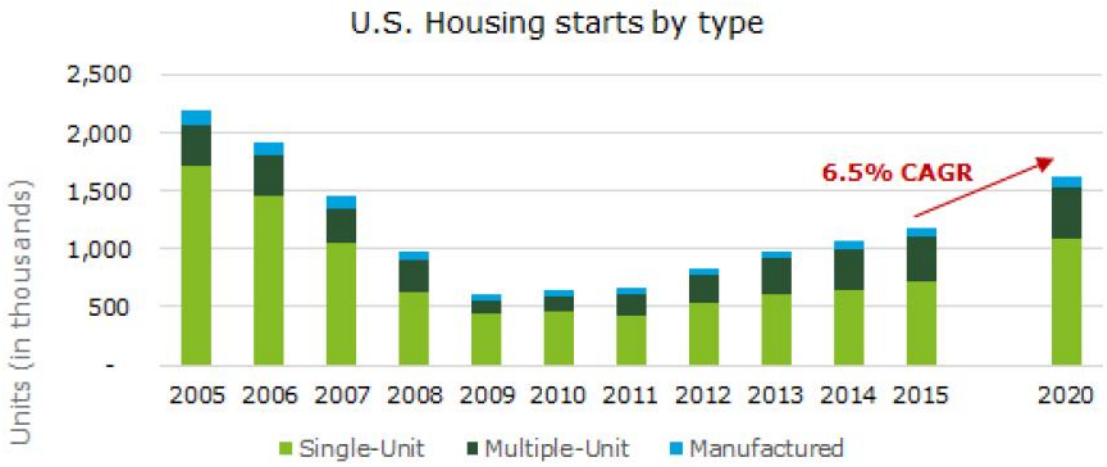
3.2.3. Canadian non-residential construction outlook[11]

The value of the Canadian non-residential construction market is forecasted to reach approximately $59B in 2016 and grow to $67B by 2020.[12]

Results of CBC's Business Confidence Survey show that, in the first half of 2016, the share of firms that expected to increase their capital investment expenditures was at its lowest point since 2009 (52%). Statistics Canada's Annual Capital and Repair Expenditures Survey, which found investment intentions for 2016, were down 5%.

In the office segment, the combination of high vacancy rates and millennials accounting for a growing share of the workforce has changed the way people work. The trend today is toward more people working remotely. This has resulted in falling demand for office space, excess work space, and declining office building permits, all of which suggest a weaker future for the office construction segment. It will affect the number of offices that are built, as companies will be able to reduce their office space as more employees make their offices at home.

3.2.4. U.S. residential construction outlook[13]

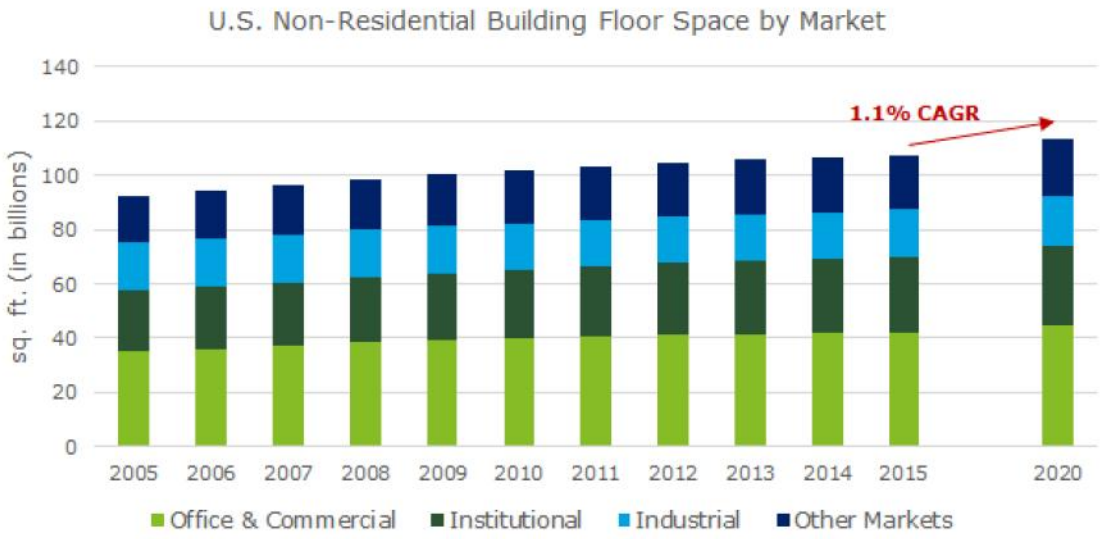


U.S. housing starts are forecasted to total 1.6M units in 2020, representing an annual growth of 6.5% from 1.2M units in 2015. Builders will benefit from strengthening consumer finances and decreasing unemployment, which will help reduce the stock of excess housing and support new starts. Population growth and household creation will also support gains. Multiple-unit conventional housing starts are forecasted to rise 1.8% annually to 435K units in 2020. The number of starts in 2020 is expected to surpass the activity of the 2005-2015 period by a substantial margin.

From 2009 through 2016, the federal funds rate remained at decade lows due to the severity of the 2007-2009 recession and its aftermath. Mortgage rates fell to a decade trough in 2012, and remained at relatively low levels (3.9% average) for 2016.[14]

[11] Conference Board of Canada – Summer 2016 Industrial Outlook – Non-residential construction industry.
[12] MarketLine.
[13] Freedonia May 2016 Focus Report: U.S. Housing industry.
[14] CIQ.

3.2.5. U.S. non-residential construction outlook[15]



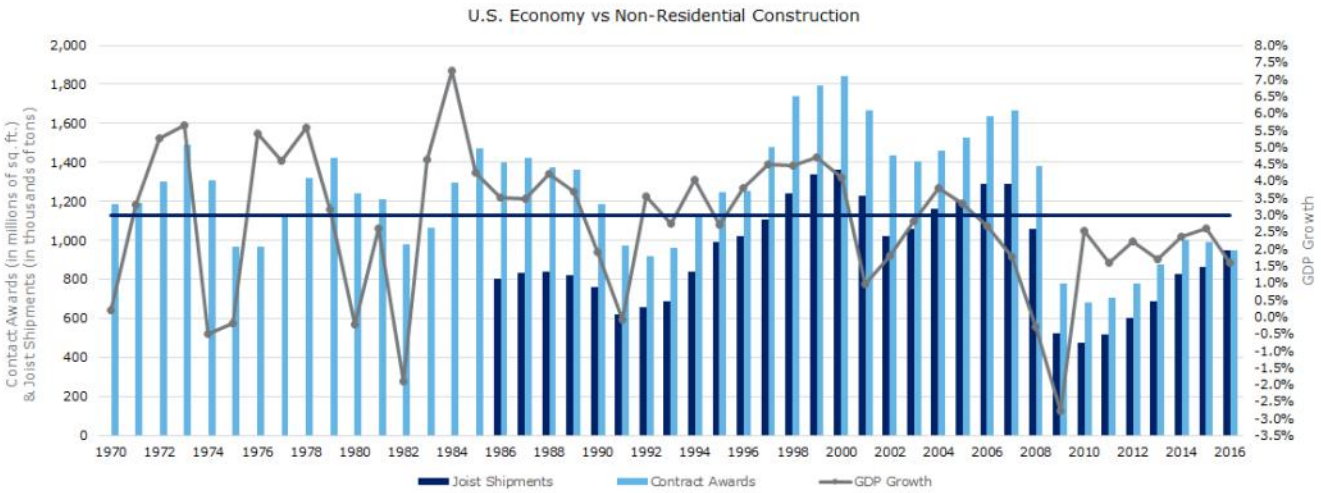
U.S. expenditures on non-residential building construction are forecasted to total $500B in 2020, representing annual growth of 4.9% from $394B in 2015. Over the forecasted period, a modest increase in overall economic activity will support construction as businesses expand their workforces and invest in new and improved structures.

U.S. non-residential building floor space is forecast to amount to 114B square feet in 2020, representing an annual growth of 1.1%. Floor space grew at an average annual pace of 1.5% for the 2005-2015 interval. Respectively, office & commercial is expected to grow by a CAGR of 1.3% from 2015 to 2020, institutional by 1.1%, industrial by 0.04%, and other markets (public safety, recreation, etc.) by 1.2%.

Government spending levels play a significant role in driving non-residential building construction activity. In the end of 2015, former President Obama signed the Fixing America's Surface Transportation (FAST) Act, reauthorizing surface transportation programs up to US$305B through fiscal year 2020.

[15] Freedonia May 2016 Focus Report: U.S. non-residential building construction industry.

3.2.6. CANAM non-residential construction demand vs GDP



In Canam's case in particular, when charting GDP growth compared to contract awards and joist shipments, we observe a positive correlation between GDP and the Company's level of activity. U.S. market movements tend to be mirrored subsequently in Canada. When GDP is in the 1%-3% range, Management observes little growth level for the non residential construction market. However, in periods where GDP growth was over 3%, market could sometimes increase by as much as 15%-20%. The reverse logic also hold true however, as it was the case in 2009 when the overall market demand declined by over 50%. At the time, demand for joists hovered close to 1.5M tons which, in 2010, decreased to 470K tons. The market has never completely returned back to 2007 levels, and Management estimates the 2018 demand for joists to be approximately 950K tons. Overall, Management estimates the business cycle for this industry to be approximately seven years.

4 Valuation approach

There are two basic approaches to determining FMV:

4.1 The going concern approach

The going-concern approach assumes a continuing business enterprise with a potential for economic future earnings. The generally accepted approaches for determining FMV under the going concern approach are:

1. The capitalized or discounted cash flow ("DCF") approaches;
2. The market approach; and
3. The adjusted net asset approach.

4.2 The liquidation approach

A liquidation value would be used if the business is not viable as a going-concern or the return on the assets on a going-concern basis is not adequate.

The above approaches to valuation are discussed in detail in Appendix C.

4.3 Valuation approach selected

Discounted cash flow approach

Based on our review of the business operations of the Company and our discussions with Management, we have considered the DCF approach to value to be the most appropriate approach in estimating the FMV of the shares of the Company for the following reasons:

- The DCF under the income approach can be the most demanding of the approaches, because of the myriad of decisions involved in estimating anticipated economic benefits. These benefits may include earnings, cost savings, tax deductions, and disposal proceeds. Considerations may include the nature of the benefit and the historical and expected performance of the entity; the related industries and the relevant economic sectors.
- Theoretically, the DCF approach is typically used when reasonably prepared projections are available, which is the case for the Company.
- The DCF approach allows us to explicitly reflect, within the valuation, the expected future growth and volatility in the Company's sales and operating profit.
- The DCF approach is considered to be appropriate when valuing a business where significant fluctuations in the future earnings or discretionary cash flows are expected or where the historical/current operating results of the company are not considered to be representative of the future earnings capacity of the company. Given that the Management's decision of reviewing all of its US activities in the Bridge division and restructuring the Heavy division would have an impact on the future cash flow, it was deemed relevant to use the DCF method, which would allow us to reflect in our Valuation the expected volatility of these variables over the forecasted period.

Market approach

- To corroborate the reasonability of our findings under a DCF approach to value, we also referred to a market approach, whereby we considered value indications observable from GPCs as well as M&A transactions. GPC data are presented in Schedules 7 and 8.

- In regard of this analysis, we also reviewed information and forecasts from analyst reports, analyzed stock price volatility over time, and reviewed relevant studies and documentation in order to determine the control premium.

Adjusted net assets approach

- As a secondary approach to corroborate the FMV determined under the DCF approach, we considered the adjusted net assets approach as presented in Schedule 3.

5 Valuation of Canam – DCF approach

5.1 Overview of the DCF methodology

In order to determine the FMV of Canam, we used a BEV approach with subsequent adjustments for debt, redundant assets, and other long-term operating liabilities to arrive at the value of operating equity.

In the DCF method, the value of a business interest is estimated based on expected FCFF discounted to its present value at a rate of return commensurate with the risk associated with realizing that cash flow. FCFFs, also known as debt-free cash flows, are those cash flows potentially available for payment to equity holders (in the form of dividends) and debt investors (in the form of principal and interest) after funding the continuing operations of the business enterprise and making necessary capital investments. FCFF is computed as follows:

	Debt-Free Net Income
+	Depreciation and Amortization
–	Capital Expenditures
–/+	Increase/Decrease in Working Capital
=	Free Cash Flow to the Firm

FCFF is ordinarily composed of two components: (1) an estimate of the expected periodic cash flows for a discrete forecast period extending until normalized, or stable-growth, operations can be expected, and (2) a terminal cash flow reflective of normalized cash flow at a long-term growth rate.

The projected cash flows of the discrete forecast period and a terminal value reflecting cash flows beyond the discrete forecast period are discounted to their present values. The sum of the present values of the cash flows during the discrete forecast period and the terminal value yields the estimated value from this method.

The discount rate used in a DCF analysis is typically an estimate of WACC, which reflects the aggregate of expected rates of return on investments in an enterprise's debt and equity.

5.2 Estimated after-tax discretionary cash flow

In estimating the value of a business or business interest, the most common measure of economic benefit is net cash flow, also referred to as "free cash flow." Net cash flow can be the FCFE holders or to all long-term stakeholders of the firm (FCFF). In the present Valuation. The free cash flow to all long-term stakeholders represents an income measure before payments to any capital holders, whether debt or equity. FCFF does not reflect the interest expense on debt or changes in debt principal, and income taxes are calculated on earnings before interest charges.

We have reviewed the projected operating results, and related adjustments thereto, as prepared by Management. Our valuation estimate has necessarily been based on projections, which, in turn, were based on certain assumptions. Some assumptions will not materialize as unanticipated events and circumstances may occur subsequent to the date of this report. Management may also choose a different course of action for the project during the projection period. Therefore, the actual results achieved during

the projection period will vary from the projections and the variations may be material. The variations in our valuation calculations noted herein may also be material. We caution the reader in this regard.

As discussed in Section 2, we considered the reasonableness of Management's projections in light of Management's statements and other Company data regarding the outlook for the Company and industry. We analyzed and compared Management's projections to the Company's historical financial performance and the outlook for the industry, especially companies engaged in the same or similar lines of business.

In addition to the work done on projections provided by Management, we reviewed all significant projects considered in the WIP as at the Valuation Date. We also reviewed historical margins realized on major projects per business unit by comparing the bid margin and the actual margin achieved for the selected projects.

On Schedule 6, we have summarized the estimated after-tax discretionary cash flow of the Company for the five years ending December 31, 2021 on the basis of Management's projected EBIT, adjusted for the following items:

- **Depreciation expense:** We have added back the expected depreciation expense as such amounts are considered to be non-cash items.
- **Income taxes:** We have deducted income taxes of 33% based on combined statutory income tax rates, which have been estimated by Management and based on relative taxable income. In estimating the income taxes during the forecast period, we have also considered the deductibility of depreciation/capital cost allowance for income tax purposes.
- **NWC investment:** Management assumed the amount of NWC required to support the growth in sales and related income to be approximately 21.7% of revenues, which is based on average historical NWC and Management's estimate.
- **Sustaining CAPEX:** Management estimated the amount of CAPEX to be approximately $47.2M in F2017 and stabilize at approximately $23M (sustaining CAPEX) for F2018 and beyond.
- **Cash flow from investment properties:** We have excluded the amount of cash flow from investment properties since the investment properties are considered as redundant assets which are separately valued below.
- **Cost savings benefits from the transaction:** Management assumed the pre-tax savings costs to be a public company at $2.5M (pre-tax), growing at a rate of 2% annually.
- **Non-controlling interests:** We have excluded the non-controlling interest cash flows based on the projections provided by Management. Cash flow from non-controlling interests is related to Stonebridge, TecFab and Structure Fusion. The Company is planning to have acquired the remaining shares of Stonebridge in 2021, thus only the cash flow from TecFab and Structure Fusion are included as adjustment in the terminal value calculation.

5.3 Weighted average cost of capital

The magnitude of the discount rate applied to the projected cash flows is related to the perceived risk of the investment and current capital costs. The discount rate utilized in our DCF analysis represents an estimate of the Company's WACC, which represents a weighted average of the after-tax cost of debt and after-tax cost of equity. The weighting is based on a company's target debt-equity ratio, measured at market. We determined the WACC for the Company to be in the range of 9.3% to 10.3% on the basis of the following parameters:

- an after-tax cost of debt in the order of 3.0%;
- an after-tax cost of equity in the range of 12.7% to 14.2%; and
- a market debt ratio of 35.0% debt and 65.0% equity.

Each of these components is discussed below.

After-tax cost of debt

- The after-tax cost of debt represents a company's effective, long-run borrowing rate reflecting the prevailing credit market. The weighted average borrowing rate of the Company was 3.5% (pre-tax), with a weighted average duration of 7.3 years. We noted that the borrowing rate of long-term debts varies from 2.92% to 6.36%, depending on different terms and conditions. We consider that the yield on the long-term corporate bond is a more appropriate indicator for the pre-tax cost of debt from a market participant perspective, which is also consistent with generally accepted valuation practices.
- We reviewed the credit ratings of the GPCs using the Bloomberg database, where available. Credit ratings assigned to the GPCs range from A- by S&P or Baa1 by Moody's to B by S&P or B3 by Moody's, with most at or around BB rating. Based on our review of the credit ratings of the GPCs and the actual borrowing rate of Canam, we have determined that the yield on 20-year BBB-rated USD U.S. Corporate Bond as at the Valuation Date, which was 4.5%, would be a best estimate of pre-tax cost of debt for the Company. Considering its prevailing income tax rate of 33%, we determined the Company's after-tax cost of debt to be in the order of 3.0%.

After-tax cost of equity

- The Company's cost of equity was estimated based on the application of the CAPM. The CAPM measures the estimated return required by investors given a particular risk profile. The model is expressed arithmetically by the following equation:

$$k_e = r_f + (\beta \times rp_m) + rp_s + rp_c$$

  Where:

  – k_e = Required Rate of Return for Equity.

  – r_f = Risk-Free Rate.

  – β = Beta is a measure of systematic risk, which represents the covariance of the expected rate of return on an equity investment with the rate of return on the market.

  – rpm = Market Equity Risk Premium is the extra return that the overall stock market stock has historically provided over the risk-free rate as compensation for market risk.

  – rp_s = Small Stock Premium accounts for the additional risk inherent in the returns of small company stocks versus large companies.

  – rp_c = Company-Specific Risk Premium is intended to compensate investors for company-specific factors not otherwise captured in the previous non-diversifiable risk premium.

Each of these components is discussed below.

Risk-free rate

- Risk-free rate represents the return associated with a very low risk, long-term investment. We have selected the long-term Canadian government bond rate, which is 2.41% as at Valuation Date, to estimate the risk-free rate because the duration of a long-term government bond is reflective of the long-term duration of the underlying cash flows of the Company.

Beta

- The beta adjustment is intended to reflect the relative risk of the subject company's industry relative to the entire equity market.
- The selected beta was estimated from the median of unlevered equity betas of GPCs by comparing the monthly returns of each stock to those of the S&P 500 for the 60-month period preceding the Valuation Date. The unlevered beta was re-levered using the Company's marginal tax rate and selected capital structure, yielding a levered beta from 1.26 to 1.40.

Market equity risk premium

- A market equity risk premium ("ERP") is the extra return that the overall stock market has historically provided over the risk-free rate as compensation for market risk. We have selected a ERP which adjusts for historical anomalies, such as effects of high historical volatility and historical price/earnings expansion.
- We selected an ERP of 5.8% as at the Valuation Date, based on studies conducted by Dr. Aswath Damodaran (ERP monthly calculation).

Unsystematic risk premium

- Small stock premiums are ordinarily calculated by taking the long-term average returns for stocks that have been stratified into deciles by market capitalization and subtracting from the returns the long-term rate of return of large company stocks.
- The value of the Company's equity based on its actual capital structure was considered in selecting the small stock premium.
- The specific equity risk premium was determined on the basis of a judgmental assessment of the risks associated with an investment in Canam. We have considered a specific risk premium, which reflects the following factors specific to Canam :

Strengths of the Company

- The Company has been operating since 1960 and currently has a well-established position in the Canadian residential and non-residential market relative to its competition.
- The Company is a leader in the Canadian market and well known in the steel structure and construction industry.
- The development and use of the BuildMaster approach has reduced build time and increased competitive advantage for the Company.
- The Company had good record of historical revenues growth resulting from organic growth and acquisitions.
- The Company has about 10,000 projects per year with no economic dependency to its clients, thereby no customer concentration risk.
- The Company had an adjusted operating asset of approximately $718.5M, excluding net debts, as at the Valuation Date (Schedule 3).
- The Company has 23 plants across North America which allow Canam to reduce the transportation costs and stay competitive in the market.

Risks of the Company

- Compared to some competitors with integrated operations, the Company has less flexibility in pricing strategy and maintaining gross margin, therefore its profitability is more vulnerable to unfavourable market and economic condition.

- The uncertainties related to the restructuring of Heavy in the coming years.
- The uncertainties related to certain ongoing claims.
- The Company expects an increase in competition in the near future.
- Actual results, after two months, are behind Management's 2017 budget.

We have determined the after-tax cost of equity to be in the range of 12.7% to 14.2%, which represents a combined risk-free rate and market equity risk premium in the order of approximately 9.8% to 10.6%, plus an unsystematic risk premium composed of small capitalization risk premium and Company-specific risk premium in the range of 2.9% to 3.7%.

Market debt ratio

- The Company's debt-to-capital ratio varied from 22% to 51% over the past five years, with an average debt ratio of 34.7%.
- After considering debt ratios within the industry for GPCs, together with our analysis of the debt capacity of the Company, we have assumed a weighting of 35.0% debt and 65.0% equity.

Summary

- Based on the foregoing, we determined the WACC for the Company to be in the range of 9.3% to 10.3%. Detail calculations are presented in Schedule 5.

5.4 Net present value of cash flow and terminal value

- As summarized on Schedule 6, we have calculated the net present value of the pre-debt after tax future cash flows of the Company for the fiscal years subsequent to the Valuation Date using a WACC in the range of 9.3% to 10.3% (midpoint 9.8%) as determined above.
- In estimating the terminal value, we have utilized the capitalized cash flow approach and:
  - Estimated the maintainable after-tax cash flow to be approximately $54.6M, based on historical results, projected operating results, and discussions with Management. The maintainable after-tax cash flow is based on a normalized long-term EBITDA margin of 7.0%;
  - Estimated the amount of NWC required to support the growth in sales and related income to be approximately 21.7% of sales, based on the assumed future sales growth of 2% annually;
  - Estimated the amount of sustaining CAPEX to be approximately $23M annually;
  - Eliminated cash flows attributable to non-controlling interests related to TecFab and Structure Fusion; and
  - Capitalized adjusted after-tax cash flow using capitalization rates of 7.8%, which is consistent with the WACC as determined above, after providing for future growth of 2% based on the inflation rate.

5.5 Redundant assets and non-operating assets

- Redundant assets are not required in the day-to-day operations of the business, and, therefore do not influence the going-concern value of the net operating assets otherwise determined above.
- We have considered the following assets to be redundant/non-operating assets in our Valuation:
  - $11M receivable in relation to the future settlement for the ongoing claims of the Company plus $4.1M related to amounts receivable from associates and joint ventures, a $2.0M note receivable from Placements CMI Inc. and $700K from other related parties;

- Investment properties and other non-operating assets were estimated at $43.8M as at the Valuation Date. Management determined the FMV of investment properties by discounting expected cash flows over five years and the terminal value of these investment properties;[16]
- The investments in private and public entities totaling $10.3M;
- The interests in joint ventures and associates, for a total of $37.7M, are composed mainly of an investment in an entity which holds a vacant land and other investments in private companies;
- A $2.0M note receivable from Placements CMI Inc. (classified as other non-current asset);
- The future tax benefits ($37,2M):
  - Deferred tax assets have been recognized in connection with the non-capital loss of the U.S. subsidiaries (C$91.2M). As at the Valuation Date, Management has confirmed that there are no additional significant losses for the two-month period ended March 4, 2017 that should be taken into consideration Their FMV has to consider the estimated timing of future utilization of the non-capital loss. As at the Valuation Date, Management has no visibility on the restrictions associated to the utilization of those losses following a potential change in control. In order to reflect the impact on the future utilization of the non-capital loss and uncertainties, the tax benefits have been discounted by 50% (FMV tax benefits considered for NOLs are $19M).
  - FMV of tax benefits of $18.2M has been recognized in connection with the one-time deductible provision taken on projects.
- Aggregately, the FMV of redundant and non-operating assets was estimated to be approximately $127.5M as at the Valuation Date.

[16] In estimating the FMV of the real estate holdings of the Company, we have not considered potential income taxes or other disposition costs since we understand that Management intends to operate the property based on its current use for the foreseeable future.

5.6 Valuation conclusion as per DCF

On the basis of the scope of our review (Appendix A), research, analysis, and experience, the FMV, as at the Valuation Date, of all of the issued and outstanding Shares, considered together, of the Company was in the range of $479.9M to $563.2M based on a DCF approach, representing $10.58 to $12.42 per Share (Schedule 6).

	DCF approach	
	Low	High
Indicated Business Enterprise Value	661,200	744,500
Plus: Cash and Equivalents	6,954	6,954
Plus: Redundant and non-operating assets	127,491	127,491
Indicated Value of Invested Capital	795,645	878,945
Less: Total Debt	(315,759)	(315,759)
Indicated FMV of Equity	**479,886**	**563,186**
Fair Market Value of Equity (Rounded)	**$479,900**	**$563,200**
Number of shares	45,361,766	45,361,766
Price per share	$10.58	$12.42

6 Reasonableness of our income approach

6.1 Market approach

In order to assess the reasonableness of the valuation conclusions determined for Canam, we have considered alternative valuation methods based on pricing parameters implied by the market value of shares of selected GPCs and the valuation factors implied by selected transactions involving the sale of similar companies. The application of the selected multiples to the corresponding measure of financial performance for the subject company produces estimates of value at the marketable minority level.

We recognize the limitations in directly applying public company multiples and transaction references in the context of Canam due to the different geographic areas served, as well as differences in the size, nature, and diversification of their operations.

Notwithstanding the above, we believe it is relevant to consider implied GPC trading multiples and transaction references in assessing the overall conclusions for the Shares.

GPC approach

GPC identification and selection

- In order to identify GPCs that are similar to the Company, we performed a search focusing on standard industrial classification (SIC) codes, business description, and industry affiliation using resources such as Capital IQ, SEC filings (i.e., 10-Ks and 10-Qs); and published materials including, for example, articles, press releases, and analyst reports. We also considered factors including, but not limited to, the products sold, services rendered, geographic location, size, financial performance, growth, capital investment, and capital structure.
- Companies, shown in Schedule 8, are considered to be most comparable to Canam, based on the screen criteria discussed above.

Determination of GPC multiples

- In developing our analysis, we computed valuation multiples based on the relationships between the market values of the GPCs and various measures of their financial performance. For the purpose of our analysis, we have focused on the EV/EBITDA multiple as we deemed it to be the most relevant multiple.
- For each GPC, we computed the market capitalization by applying the quoted price per share at the Valuation Date to the number of fully diluted weighted average outstanding shares. We then added the latest book value of the interest-bearing debt, preferred stock, and the minority interest available to the market capitalization and deducted the cash to arrive at the business enterprise value (BEV) for the entity. Finally, we calculated valuation EBITDA multiples based on the operating results of the GPCs for the last 12 months to December 31, 2016. Our analysis is summarized on Schedule 7. In addition, we reviewed forward multiples for 2017 and 2018 based on consensus estimates.

- Given the history and nature of the Company and the information collected for GPCs, we considered the following EBITDA multiples to be most applicable for our analysis (refer to Schedule 7 for details):

	BEV / 2016 EBITDA	BEV / 2017 EBITDA	BEV / 2018 EBITDA
Range of Multiples	6.7x -10.7x	5.2x -9.5x	4.2x -8.5x
Average	8.6x	7.6x	6.8x
Median	8.2x	7.9x	7.3x

- As shown above, BEV/LTM EBITDA multiples range from 6.7x to 10.7x with a median of 8.2x. The 2017 and 2018 median forward BEV/EBITDA multiples are respectively 7.9x and 7.3x, lower than LTM, due to the anticipation of growth for the GPCs.

PTM approach

PTM identification and selection

In order to identify transactions involving target companies that are similar to the Company, we have considered the transactions in the Steel, Building Products, and Construction & Engineering industries.

We initially considered transactions announced or closed on or after January 2012 and prior to the Valuation Date, and financial data (e.g., acquisition price, financial information of the target company), when necessary, were available. We then removed any transactions involving target companies that were not comparable to the Company due to clear differences in size or business description.

After adjusting the initial list of transactions, we selected the following transactions:

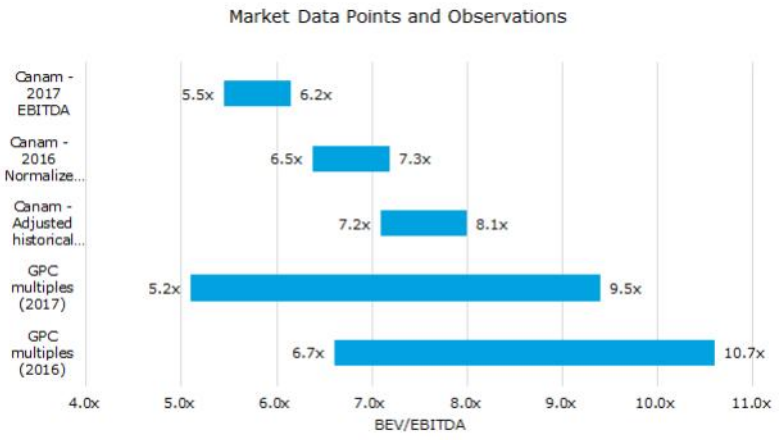
Announced Date	Close Date	Target	Buyer	% Sought	BEV / EBITDA	Equity Premium 1 Day	Equity Premium 5 Day	Equity Premium 30 Day
11/10/2014	2015-05-20	Vicwest Inc	Kingspan Group plc	100.0%	22.8x	19.4%	20.4%	23.9%
5/12/2014	2014-05-29	Schuff International, Inc. (nka:DBM Global Inc.)	HC2 Holdings, Inc.	59.5%	5.6x	10.5%	15.7%	15.6%
2/6/2013	2013-04-12	Metals USA Holdings Corp.	Reliance Steel & Aluminum Co.	100.0%	8.5x	14.4%	17.1%	13.6%
8/6/2012	2012-10-26	US Home Systems Inc.	THD At-Home Services, Inc.	100.0%	8.7x	38.0%	38.0%	22.7%
6/22/2014	2014-08-22	WaterFurnace Renewable Energy, Inc.	NIBE Industrier AB (publ)	100.0%	16.2x	20.4%	21.3%	35.5%
			High		22.8x	38.0%	38.0%	35.5%
			Mean		12.3x	20.5%	22.5%	22.3%
			Median		8.7x	19.4%	20.4%	22.7%
			Low		5.6x	10.5%	15.7%	13.6%

We note that our selected transactions show a BEV/EBITDA multiple range from 5.6x to 22.8x. The median being 8.7x which falls within the range of multiples from our GPC as presented above. In terms of product offering, the first three are closer to Canam as the last two are in the building construction business but with different product types. We note that Metals USA is in the primary steel industry and was acquired by Reliance that is part of our GPC. Metal USA was acquired at a BEV/EBITDA of 8.5x.

Conclusion – market approach

Selected valuation factors for publicly traded shares are compared in the table below to the corresponding factors implied by the value range for Canam.

- The implied EBITDA multiples based on DCF calculation ranges from 6.5x to 7.3x of the normalized 2016 EBITDA and from 7.2x to 8.1x of the adjusted historical EBITDA. They are generally in the range of the GPC trading multiples. In assessing the reasonableness of our implied range of EBITDA multiple, we have considered the following factors:



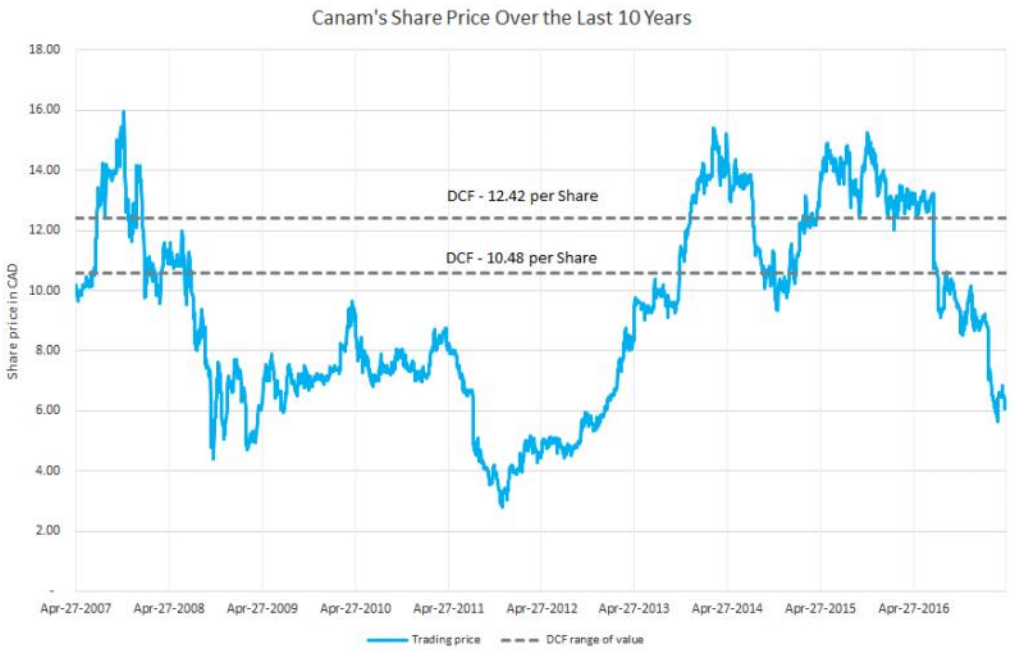
  - There are no perfect GPCs in terms of size, growth projections, and operations with certain of the GPCs identified are fully integrated (steel producers):
    - the smaller size in terms of total assets of and revenues generated relative to the GPCs;
    - the lower profit margin achieved by Canam relative to the GPCs;
    - the Company is expected to have a lower revenues growth rate than the GPCs. Between 2017 and 2020, Canam is expecting its revenues to decline by approximately 12%. Consensus estimate for our GPC show a 3-year CAGR ranging from 3.02% to 8.6% for revenues;
  - A control premium that could range from 20% to 30% should be applied to the GPCs, which is based on trades of minority holdings of shares. In order to assess the control premium, we reviewed the following:
    - FactSet Mergerstat LLC ("Mergerstat") reports information on control premiums based on a quarterly study. This study includes transactions of publicly traded companies that are valued at $1M or more. The acquisitions in the study occur in a wide spectrum of industries and only include transactions in which the purchaser acquires a majority or all of the shares of a company. Mergerstat excludes all highly contested bids and attempts to identify the unaffected non-controlling stock price.
    - According to Control Premium Study for the third quarter of 2016, the median and average control premiums for the trailing 12 months in the Construction industry was 10.6% and 23.7%, respectively.
    - Mergerstat Review 2016 indicated that the median premium offered for 153 transactions of $500M or more was 25.2%.
  - Results to date show that Canam is behind its 2017 budget for EBITDA by $10.3M. Although Management believes that the gap could be filed, this represents a risk.

- Most of our GPCs are U.S. companies with a trading price increased significantly in November 2016 following the election of President Trump. This increase is not reflected in the operating results of the GPCs and the industry forecast does not support the extent of the price increase experienced by the U.S. GPCs. Given Canam's lesser exposure to the U.S. market, we would not expect Canam's multiple to have the same increase;
- The EV/EBITDA multiple of GPCs did not consider the specific risk factors to Canam's operations such as:
  - the restructuring of certain of its activities in the coming year; and
  - the implementation of Vulcraft's facilities in the Canadian market.

Based on the foregoing, we are of the view that the public company trading multiples and transaction references above generally support the overall conclusions for Canam.

6.2 Historical Canam Share's price

In order to assess the reasonableness of the FMV range based on the DCF approach, we compared the FMV per equity share of Canam prior to the Proposed Transaction (over the last ten years) to its implied FMV per equity share based on the DCF approach. The FMV range of Canam's Shares is in the high range of historical trading prices.



- The consideration of $12.30 per Share represents a premium of 89.2% over the closing price per share on the Toronto Stock Exchange (the "TSX") on March 3, 2017, the last trading day corresponding to the Valuation Date of this Formal Valuation. The consideration also represents a premium of 34.4% over the last six months ended March 3, 2017.

- The consideration of $12.30 per Share represents a premium of 98.4% over the closing price per share on April 26, 2017, the trading day corresponding to the date when this Formal Valuation report is issued and a premium of 91.1% over the average price per Share, over the 20-business day period ended on April 26, 2017.

6.3 Adjusted net asset

The adjusted net asset approach to valuation under a going concern concept involves the adjustment of the reported net book value of the assets and liabilities of a company to their respective FMV estimates.

As summarized in Schedule 3, we have estimated the adjusted net assets owned by the Company as at the Valuation Date to be approximately $537.2M and we have considered and/or assumed the following:

- The FMV of the reported goodwill and intangibles of the Company was approximated by their net book value. We understand that Canam's goodwill impairment test was completed during FY2016 and that there was no goodwill impairment loss.
- The FMV of the redundant assets was estimated to be $127.5M and the FMV of the operating assets and liabilities of the Company was assumed to be approximated by their reported net book value, other than as disclosed in this report and in Schedule 3.
    - Pursuant to the terms of our engagement, we have not undertaken a formal appraisal of the real estate and capital assets of the Company. Alternatively, based on discussions with Management, we have assumed that the FMV of such assets would be approximated by their reported net book value.
    - However, we reviewed the reasonableness of Management's assumptions with regard to redundant assets.

Conclusion – Adjusted net asset approach

Based on the adjusted net asset approach, as at the Valuation Date, the FMV of the Shares of the Company was $537.2M, or $11.84 per Share. The conclusion as per the adjusted net asset approach results in a value per share in our DCF calculation range, our primarily approach and then support the overall conclusions for Canam.

	Adjusted net asset
Indicated Business Enterprise Value	718,524
Plus: Cash and Equivalents	6,954
Plus: Redundant and non-operating assets	127,491
Indicated Value of Invested Capital	852,969
Less: Total Debt	(315,759)
Indicated FMV of Equity	**537,210**
Fair Market Value of Equity (Rounded)	**$537,200**
Number of shares	45,361,766
Price per share	$11.84

7 Valuation conclusions

7.1 Valuations conclusions

On the basis of the scope of our review (Appendix A), restrictions, limitations and assumptions (Appendix B), research, analysis, and experience, the FMV, as at the Valuation Date, of all of the issued and outstanding Shares, considered together, of the Company was in the range of $479.9M to $563.2M.

Considering the number of outstanding Shares, 45,361,766 as at the Valuation Date, the FMV of the Shares would range from $10.58 to $12.42 per Share (Section 5.6).

Schedule 1: Balance Sheet and Historical Results

(in thousands of CAD)

	As of					
ASSETS	2012-12-31	2013-12-31	2014-12-31	2015-12-31	2016-12-31	2017-03-04
Current Assets						
Cash and Cash Equivalents	$6,787	$4,690	$8,261	$7,050	$13,567	$6,954
Accounts Receivable	273,383	217,004	276,691	320,517	318,149	291,933
Inventories	113,217	110,993	156,990	166,833	144,601	155,668
Cost and estimated profits in excess of billing	-	82,977	126,590	194,298	259,363	291,585
Other Current Assets	3,162	4,026	6,965	4,803	5,250	5,194
Total Current Assets	396,549	419,690	575,497	693,501	740,930	751,334
Net Property, Plant & Equipment	284,022	293,856	308,362	348,391	374,849	371,026
Non-Current Assets						
Intangible Assets	9,563	9,760	10,811	11,500	16,300	15,815
Goodwill	38,088	41,417	45,097	56,023	56,285	56,100
Investments	6,036	4,699	4,593	6,173	9,936	10,273
Interests in a joint venture and associates	44,316	41,390	40,919	39,370	37,823	37,725
Deferred tax assets	7,897	11,957	10,128	4,007	33,410	32,968
Other Non-Current Assets	17,656	10,971	7,428	5,564	3,782	3,819
Total Non-Current Assets	123,556	120,194	118,976	122,637	157,536	156,698
TOTAL ASSETS	**$804,127**	**$833,740**	**$1,002,835**	**$1,164,529**	**$1,273,315**	**$1,279,058**
LIABILITIES & SHAREHOLDERS' EQUITY						
Current Liabilities						
Accounts Payable	148,202	146,040	183,937	223,580	280,476	286,219
Billings in excess of costs and estimated profits	-	39,869	74,366	73,465	87,066	89,062
Current tax liabilities	6,942	8,119	4,943	4,156	6,476	890
Current portion of balance of purchase price of busine	8,988	-	-	1,282	646	646
Current portion of long-term debt	10,382	13,000	17,659	43,083	25,204	24,724
Convertible debentures		-	67,137			
Total Current Liabilities	174,514	207,028	348,042	345,566	399,868	401,541
Non-Current Liabilities						
Long-Term Debt	175,605	124,025	175,585	164,356	284,446	290,172
Deferred Tax Liabilities	8,629	9,922	7,477	8,897	6,148	6,443
Provisions	2,156	6,816	7,417	19,485	11,131	11,084
Balance of purchase price of business	-	-	-	650	1,442	1,438
Convertible debentures	63,446	65,442	-	-	-	-
Other Liabilities	17,592	8,849	7,090	1,208	2,560	2,198
Total Non-Current Liabilities	267,428	215,054	197,569	194,596	305,727	311,335
Total Liabilities	441,942	422,082	545,611	540,162	705,595	712,876
Shareholders' Equity						
Share capital	168,529	168,057	168,162	239,777	229,035	229,268
Retained earnings	197,148	230,717	252,386	294,458	256,277	255,682
Other equity items	(3,492)	12,884	36,640	90,090	77,033	75,863
Non-Controlling Interest	-	-	36	42	5,375	5,369
Total Shareholders' Equity	362,185	411,658	457,224	624,367	567,720	566,182
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**$804,127**	**$833,740**	**$1,002,835**	**$1,164,529**	**$1,273,315**	**$1,279,058**

(in millions of CAD)

Income Statement	2010	2011	2012	2013	2014	2015	2016
Revenues	**732.7**	**881.0**	**907.8**	**1,029.1**	**1,232.8**	**1,606.9**	**1,856.9**
Cost of Sales	641.6	821.8	770.3	860.2	1,056.9	1,377.1	1,709.4
Gross Margin	**91.1**	**59.2**	**137.5**	**168.9**	**175.9**	**229.8**	**147.5**
Gross Margin %	**12.4%**	**6.7%**	**15.1%**	**16.4%**	**14.3%**	**14.3%**	**7.9%**
SG&A including Profit Sharing and adjustments	62.5	74.1	64.8	73.8	77.5	94.6	106.8
Non-recurring Items to be excluded	0.1	(0.2)	0.1	(0.0)	0.1	--	--
Operating Earnings	**28.5**	**(14.7)**	**72.6**	**95.1**	**98.3**	**135.2**	**40.7**
Corporate Management Fees	14.1	13.4	21.4	21.2	20.4	25.1	21.5
Other (gain) loss (Exchange)	(0.0)	(1.0)	(0.1)	0.5	(0.5)	(1.6)	(2.0)
EBITDA	**14.4**	**(27.1)**	**51.3**	**73.4**	**78.4**	**111.7**	**21.2**
EBITDA Margin %	**2.0%**	**(3.1%)**	**5.7%**	**7.1%**	**6.4%**	**7.0%**	**1.1%**
Normalization adjustment	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	81.0
Normalized EBITDA	**12.4**	**(29.1)**	**49.3**	**71.4**	**76.4**	**109.7**	**102.2**
EBITDA Margin %	**1.7%**	**(3.3%)**	**5.4%**	**6.9%**	**6.2%**	**6.8%**	**5.5%**
Depreciation & Amortization	18.2	20.3	22.4	23.7	24.9	28.6	34.0
EBIT	**(5.8)**	**(49.4)**	**26.9**	**47.7**	**51.5**	**81.1**	**68.2**

Schedule 2: Forecasted Results

(in millions of CAD)

Income Statement	2017	2018	2019	2020	2021
Revenues	**1,759.9**	**1,675.8**	**1,625.8**	**1,552.8**	**1,609.6**
Cost of Sales	1,499.2	1,424.0	1,386.5	1,333.4	1,380.2
Gross Margin	**260.8**	**251.8**	**239.3**	**219.5**	**229.4**
Gross Margin %	**14.8%**	**15.0%**	**14.7%**	**14.1%**	**14.3%**
SG&A including Profit Sharing and adjustments	113.8	106.3	102.4	97.4	101.4
Operating Earnings	**146.9**	**145.4**	**136.9**	**122.1**	**128.0**
Corporate Management Fees	27.8	22.6	23.6	23.0	23.6
EBITDA	**119.2**	**122.9**	**113.3**	**99.1**	**104.5**
EBITDA Margin %	**6.8%**	**7.3%**	**7.0%**	**6.4%**	**6.5%**
Normalized EBITDA	**119.2**	**122.9**	**113.3**	**99.1**	**104.5**
EBITDA Margin %	**6.8%**	**7.3%**	**7.0%**	**6.4%**	**6.5%**
Depreciation & Amortization	35.3	34.8	31.6	30.8	30.2
EBIT	**83.9**	**88.1**	**81.7**	**68.3**	**74.3**

Schedule 3: Adjusted Net Assets and Redundant and Non-Operating Assets

(in thousands of CAD)

	As of March 4, 2017		
	Book Value	Redundant & non-operating assets	
ASSETS			
Current Assets			
Cash and Cash Equivalents	$6,954		
Accounts Receivable	291,933	17,795	(1) (2)
Inventories	155,668		(3)
Cost and estimated profits in excess of billing	291,585		
Other Current Assets	5,194		(4)
Total Current Assets	751,334	17,795	
Net Property, Plant & Equipment	371,026	43,815	(5)
Non-Current Assets			
Intangible Assets	15,815		
Goodwill	56,100		
Investments	10,273	10,273	(6)
Interests in a joint venture and associates	37,725	37,725	(7)
Deferred tax assets	32,968	37,273	(8)
Other Non-Current Assets	3,819	2,000	(1)
Total Non-Current Assets	156,698	87,270	
TOTAL ASSETS	**$1,279,058**	**$148,880**	

	As of March 4, 2017		
	Book Value	Redundant & non-operating assets	
LIABILITIES & SHAREHOLDERS' EQUITY			
Current Liabilities			
Debt in Current Liabilities	-		
Accounts Payable	278,112		
Provisions	8,107	8,107	(9)
Billings in excess of costs and estimated profits	89,062		
Current tax liabilities	890		
Current portion of balance of purchase price of business	646		(10)
Current portion of long-term debt	24,724		
Convertible debentures			
Total Current Liabilities	401,541	8,107	
Non-Current Liabilities			
Long-Term Debt	290,172		
Deferred Tax Liabilities	6,443		
Provisions	11,084	11,084	(9)
Balance of purchase price of business	1,438		(10)
Other Liabilities	2,198	2,198	(11)
Total Non-Current Liabilities	311,335	13,282	
Total Liabilities	712,876	21,389	
Total Shareholders' Equity	566,182	-	
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**$1,279,058**	**$21,389**	
		$127,491	
Adjustments as discussed in the notes	(28,972)		
Adjusted book value	**$537,210**		
The adjusted book value is composed of:			
Operating assets	718,524		
Net debt	(308,805)		
Redundant & non-operating assets	127,491		
Adjusted book value	**$537,210**		

NOTES:

(1) Includes accounts receivable from Placements CMI Inc. The balance includes the current portion of $2.0M of the note receivable from Placements CMI Inc. and $0.7M related to other receivables from related parties. The long-term portion of $2M of this note receivable is recognized in the long-term receivables and other assets. Placements CMI is a corporation indirectly controlled by the Chairman of the Board of the Corporation, which holds 11.46% of the Corporation's common shares as at December 31, 2016. The note receivable is repayable in quarterly installments of $500K since March 31, 2015, maturing in December 2018, and bearing interest at 5.81%.

The balance also includes $4M related to joint ventures and associates which are not considered as operating assets.

The current portion of the accounts receivable from Placement CMI Inc. and other ($2.7M) and the accounts receivable from joint ventures ($4M) are considered as non-operating assets.

(2) The estimated potential settlement amount for specific project claims has been discussed with Management. An amount equivalent to $11M has been considered as an increase of accounts receivable as at the Valuation Date which consider the uncertainties surrending the quantification of the claims. These claims are also considered as non-operational assets due to the fact that the potential cash flow is not considered NWC projections from Management.

(3) Inventories consisting of raw materials are valued at the lower of cost and net realizable value. Due to the nature of inventory, we assumed the the FMV of inventory is close to its book value as at Valuation Date.

(4) Other current assets mainly include prepaid expenses.

(5) Includes land in the amount of $1,145 as at December 31, 2016 related to investment properties. The FMV of investment properties approximates $17.8M as at March 4, 2017 based on Management's estimates. Management determined the FMV by discounting expected cash flows over five years and the final value of investment properties with a 5% discount rate. The investment properties are considered as redundant assets and presented at their net book value. The redundant assets also includes adjustments related to potential strategic initiatives.

(6) Investments in private and public entities. In 2016, the Company did not record any loss on decline in value of an investment that it still holds.

(7) The Corporation has interests in a joint venture and associates, which when considered separately are not significant, in the amount of $37.7M as at March 4, 2017, and that exerted a negative contribution in the amount of $1,219 on net income (loss). In 2016, the Company did not record any loss on decline in value of an investment that it still holds. The interests in joint ventures and associates, for a total of $37.7M, are composed mainly of an investment in an entity which holds a vacant land and other investments in private companies.

(8) As at March 4, 2017, the U.S. subsidiary has an available non-capital loss of $91,218. This loss may be applied against future years' taxable income. An amount of $19,539 expires in 2031, an amount of $12,933 expires in 2032 and an amount of $58,746 expires in 2036. Deferred tax assets of $38,027 have been recognized in connection with this loss in 2016. Considering the impact of a potential change of control, there would be limits affecting the annual utilization of this loss (impacted the present value of the non-capital loss). In order to reflect the impact on the future utilization of the non-capital loss and the uncertainties, 50% of the deferred tax assets have been considered ($19.0M considered as FMV of NOL's).

The deferred tax also considers futur tax benefits of the amount of $18.3M related to provisions take on project and loss on tax shield $(17.3)M related to accelerated tax depreciation since it is share deal.

Redundant assets $37,3M includes future tax benefits related to NOL's, $19M, and provision $18,3M and operating assets included loss on tax shield $(17.3)M related to accelerated tax depreciation.

(9) Provisions are related to litigations and claims. The amounts recorded for provisions correspond to best estimate assumptions made by management. An amount of $8.1M is also considered in the current liabilities, for a total of $19.3M.

(10) Balance of purchase price for Dessin Cadmax ($0.6M) and TecFab ($0.2M). The balance purchase price for Stonebridge as shown on the financial statements has been reversed ($1.2M).

(11) The other long-term liabilities are related to the provision for creditors claim agreement.

Schedule 4: Ratios of Comparables

	Total Assets			REVENUES					EBITDA MARGIN		CAPEX/REVENUES		NWC/REVENUES		DEBT-TO-CAPITAL		DEBT/EBITDA	
	Currency	March 4, 2017 ($M)	LTM ($M)	LTM Growth	3Y Hist. CAGR	5Y Hist. CAGR	1Y Est. Growth	2Y Est. CAGR	LTM	3Y Avg.	LTM	3Y Avg.	LTM	3Y Avg.	LTM	5Y Avg.	LTM	3Y Avg.
Steel producers (average)				**-6.2%**	**-5.8%**	**-6.0%**	**14.3%**	**7.6%**	**9.7%**	**8.0%**	**3.1%**	**2.5%**	**22.9%**	**15.4%**	**28.3%**	**43.1%**	**3.7x**	**3.5x**
Nucor Corporation	USD	15,224	16,208	-1.4%	-5.2%	-4.1%	22.1%	9.5%	13.3%	10.4%	3.7%	3.1%	25.4%	16.1%	18.1%	22.2%	2.1x	2.5x
Steel Dynamics, Inc.	USD	6,424	7,777	2.4%	1.8%	-0.6%	20.9%	9.0%	14.9%	11.0%	2.5%	1.8%	28.5%	18.3%	21.0%	34.8%	2.0x	3.2x
Commercial Metals Company	USD	3,132	4,661	-8.5%	-11.2%	-10.8%	6.4%	6.8%	6.5%	6.3%	4.1%	2.8%	24.6%	23.4%	30.4%	39.0%	3.5x	3.6x
United States Steel Corporation	USD	9,160	10,261	-11.3%	-16.2%	-12.4%	19.6%	10.3%	3.8%	4.2%	3.0%	3.3%	19.7%	7.3%	31.2%	52.3%	7.9x	NMF
AK Steel Holding Corporation	USD	4,036	5,883	-12.1%	1.8%	-1.9%	2.7%	2.5%	10.2%	7.7%	2.2%	1.6%	16.3%	11.9%	40.9%	67.3%	3.0x	4.8x
Distributors (average)				**-11.2%**	**-5.3%**	**-3.2%**	**14.8%**	**9.8%**	**5.6%**	**5.2%**	**1.0%**	**1.0%**	**25.8%**	**22.9%**	**37.4%**	**47.0%**	**4.4x**	**4.9x**
Russel Metals Inc.	CAD	1,509	2,579	-17.1%	-6.8%	-0.9%	17.9%	13.8%	4.8%	5.0%	0.6%	1.0%	31.7%	25.6%	16.6%	22.1%	2.7x	2.9x
Olympic Steel, Inc.	USD	556	1,055	-10.2%	-5.8%	-3.5%	17.9%	10.9%	2.3%	2.0%	0.6%	0.6%	24.6%	22.4%	38.6%	49.2%	6.9x	7.7x
Ryerson Holding Corporation	USD	1,559	2,860	-9.7%	-6.2%	-9.6%	12.1%	8.1%	6.2%	5.2%	0.8%	0.7%	23.3%	21.1%	70.5%	89.3%	5.5x	6.6x
Reliance Steel & Aluminum Co.	USD	7,411	8,613	-7.9%	-2.3%	1.2%	11.4%	6.6%	9.3%	8.7%	1.8%	1.8%	23.6%	22.5%	23.8%	27.2%	2.4x	2.5x
Average				-8.7%	-5.5%	-4.6%	14.6%	8.7%	7.7%	6.6%	2.0%	1.8%	24.4%	19.2%	32.9%	45.1%	4.0x	4.2x
Canam Group Inc.*	CAD	1,273	1,857	15.6%	21.8%	16.1%	-5.2%	-5.0%	5.5%	6.2%	2.3%	2.0%	18.4%	22.5%	50.7%	36.1%	18.1x	7.8x

** Canam LTM EBITDA margin was calculated based on normalized EBITDA as presented on Schedule 1.*

Schedule 5: Weighted Average Cost of Capital

Ticker	Guideline Companies:	Total Book Value of Debt (1)	Total Book Value of Preferred (1)	Total Market Value of Equity (2)	Total Market Value of Capital	Debt to Capital	Equity to Capital	Historical Effective Tax Rate	Levered Equity Beta (3)	Historical Debt to Capital (4)	Unlevered Equity Beta	
IQ874645	**Canam Group Inc.**	**$ 231**	**$ -**	**$ 220**	**$ 450**	**51.2%**	**48.8%**	**33.0%**	**0.95**	**36%**	**0.69**	
IQ184945	Nucor Corporation	$ 4,418	$ -	$ 19,973	$ 24,391	18.1%	81.9%	27.9%	1.21	22%	1.01	
IQ34768	Steel Dynamics, Inc.	$ 2,357	$ -	$ 8,763	$ 11,120	21.2%	78.8%	37.2%	1.34	34%	1.01	
IQ262639	Commercial Metals Company	$ 1,064	$ -	$ 2,322	$ 3,386	31.4%	68.6%	30.3%	1.38	39%	0.95	
IQ314896	United States Steel Corporation	$ 3,031	$ -	$ 6,578	$ 9,609	31.5%	68.5%	35.0% (5)	1.71	51%	1.02	
NYSE:AKS	AK Steel Holding Corporation	$ 1,817	$ -	$ 2,625	$ 4,442	40.9%	59.1%	35.0% (5)	1.94	67%	0.84	(7)
IQ378719	Russel Metals Inc.	$ 246	$ -	$ 1,243	$ 1,489	16.5%	83.5%	30.3%	1.10	22%	0.92	
NasdaqGS:ZEUS	Olympic Steel, Inc.	$ 166	$ -	$ 257	$ 424	39.3%	60.7%	35.0% (5)	1.54	48%	0.96	
NYSE:RYI	Ryerson Holding Corporation	$ 964	$ -	$ 416	$ 1,379	69.9%	30.1%	35.0% (5)	1.60	89%	0.26	(7)
NYSE:RS	Reliance Steel & Aluminum Co.	$ 1,929	$ -	$ 6,165	$ 8,094	23.8%	76.2%	31.1%	1.22	27%	0.98	
					Average	**27.9%**	**74.0%**	**32.4%**	**1.36**	**34.7%**	**0.98**	
					Median	**27.6%**	**76.2%**	**31.1%**	**1.34**	**34.2%**	**0.98**	
					Adjusted average	**25.8%**	**74.8%**	**32.3%**	**1.34**	**34.0%**	**0.98**	
					Selected		**65.0%**			**35.0%**	**0.98**	

	Low	High	
Unlevered Equity Beta	0.93	1.03	Unlevered Equity Beta = Levered Equity Beta / [1 + (1 - Tax Rate) x Debt-to-Equity]
Debt-to-Equity	53.8%	53.8%	
Selected Subject Tax Rate	33.0%	33.0%	Weighted average tax rate based on Canadian statutory tax rate based on the Company's Financial Statements as at December 31, 2016 and U.S. combined federal and state tax rate
Relevered Equity Beta	**1.26**	**1.40**	Levered Equity Beta = Unlevered Equity Beta x [1 + (1 - Tax Rate) x Debt-to-Equity]
Risk-free Rate	2.4%	2.4%	Long-term Bank of Canada Bond Yields as of the Valuation Date. Source: Bank of Canada
Equity Risk Premium	5.8%	5.8%	Source: Damodaran Equity Risk Premium by month calculation for March 2017.
Levered Equity Beta	1.26	1.40	
Cost of Equity Capital	**9.8%**	**10.6%**	Cost of Equity Capital = Risk-free Rate + [Equity Beta x Equity Risk Premium].
Unsystematic Risk Premiums	2.9%	3.7%	Size Premium & Company-Specific Risk (6)
Subject's Cost of Equity Capital	**12.7%**	**14.2%**	
Subject's Estimated Pre-Tax Cost of Debt Capital	4.5%	4.5%	BFV BBB rated 20 year Canadian Composite yield as at the Valuation Date / USD U.S. Corporate BBB BVAL Yield Curve
Tax Rate	33.0%	33.0%	
After-Tax Cost of Debt	**3.0%**	**3.0%**	
Debt-to-Capital	35.0%	35.0%	
Equity-to-Capital	65.0%	65.0%	
Weighted Average Cost of Capital	**9.3%**	**10.3%**	WACC = [(Debt-to-Capital x Cost of Debt x (1 - Tax Rate)] + [Equity-to-Capital X Cost of Equity Capital]
Weighted Average Cost of Capital (Rounded)	**9.3%**	**10.3%**	
Average	**9.8%**		

Notes:

(1) Book value of debt used as an approximation of market value. For purposes of calculating capital structure preferred equity, if any, was added to equity at book value.
(2) Represents current stock price times common shares outstanding.
(3) Bloomberg beta based on 5-Year historical Weekly.
(4) Based on 5-Year Avg. Debt-to-market value of invested capital as at Valuation Date
(5) Tax rates manually adjusted to reflect effective long-term tax rates.
(6) Company-specific risks include the risk associated with Canam's asset portfolio compared to peers, its relative size, the realization of the distinctive material benefits from the transaction, uncertainties surrouding claims, the recuperation of the shortfall after two months of operating results in 2017 and the finalization of the purchase of Stonebridge impacting the forecasted cash flows. The complete list of risks of Canam are presented in the detailed report.
(7) GPC's data considered as outlier and excluded from the average and median calculations.

Source: Capital IQ, Duff & Phelps, Bloomberg

Schedule 6: Discounted Cash Flow

(in thousands of CAD)

Fiscal Year		10 months 2017	Fiscal Year Ended December 31, 2018	2019	2020	2021	Terminal Period	
Total Revenue		1,445,872	1,675,771	1,625,827	1,552,833	1,609,566	$1,641,758	(1)
% Growth			*-4.8%*	*-3.0%*	*-4.5%*	*3.7%*	*2.0%*	(2)
Cost of Goods Sold		(1,214,344)	(1,424,013)	(1,386,515)	(1,333,360)	(1,380,151)	(1,403,170)	(1)
Gross Profit		231,528	251,758	239,312	219,473	229,415	238,587	
Gross Margin		*16.0%*	*15.0%*	*14.7%*	*14.1%*	*14.3%*	*14.5%*	
Operating Expenses								
SG&A expenses incl. Profit sharing		(91,936)	(106,345)	(102,434)	(97,381)	(101,404)		(1)
Corporate management fees		(27,778)	(22,555)	(23,621)	(23,006)	(23,554)		(1) (10)
Total Operating Expenses		(119,714)	(128,899)	(126,055)	(120,387)	(124,957)		(1)
EBITDA		111,814	122,858	113,258	99,086	104,458	114,923	
EBITDA Margin		*7.7%*	*7.3%*	*7.0%*	*6.4%*	*6.5%*	*7.00%*	(11)
Depreciation		(29,217)	(34,804)	(31,598)	(30,834)	(30,167)	(22,950)	(3)
EBIT		82,597	88,054	81,660	68,252	74,291	91,973	
EBIT Margin		*5.7%*	*5.3%*	*5.0%*	*4.4%*	*4.6%*	*5.6%*	
Income Taxes	33.0%	(27,257)	(29,058)	(26,948)	(22,523)	(24,516)	(30,351)	(4)
Net Operating Profit After Tax		55,340	58,996	54,712	45,729	49,775	61,622	
Plus: Depreciation		29,217	34,804	31,598	30,834	30,167	22,950	(3)
Less: Capital Expenditures		(47,244)	(22,500)	(22,500)	(22,500)	(22,500)	(22,950)	(1) (10)
Less: Incremental Net Working Capital		(12,964)	24,578	2,805	17,462	(13,020)	(6,987)	(5)
Less: Cash flow from investment properties		(1,501)	(1,527)	(1,552)	(1,578)	(1,605)	(1,637)	(6)
Plus: Cost savings benefits from the transaction		1,675	1,709	1,743	1,778	1,813	1,849	(12)
Less: Non-controlling interests		(276)	(316)	(4,487)	(4,499)	(5,811)	(255)	(7)
Net Available Cash Flow		24,247	95,745	62,318	67,225	38,819	54,593	
Periods Discounting		0.414	1.327	2.327	3.327	4.327		(8)
Present Value Factor	9.8%	0.962	0.883	0.804	0.733	0.667		(9)
Present Value of Cash Flow		**23,327**	**84,571**	**50,132**	**49,253**	**25,903**		

Present Value of Discrete Cash Flows	233,186	
Present Value of Terminal Year Value	467,021	
Present Value of Cash Flows	700,207	
Indicated Business Enterprise Value (Rounded)	**$700,200**	
Less: Debt, net of cash	308,805	
Plus: Redundant assets	127,491	
Implied Equity FMV	**$518,886**	
Value per share	$11.44	
Implied Equity FMV - Low	$479,886	10.58$ per share
Implied Equity FMV - High	$563,186	12.42$ per share

Terminal Value Calculation		
Normalized Cash Flows	54,593	
Capitalization Rate Calculation:		
Cost of Capital	9.8%	
Terminal Cash Flow Growth Rate	2.0%	(2)
Capitalization Factor	12.8x	
Terminal Value	699,904	
Present Value Factor	0.667	

Implied BEV Multiples	
2016 Normalized EBITDA	6.7x
2017 EBITDA	5.9x

NOTES:

(1) Forecasts through 2021 provided by Management. The 10-month forecast of 2017 was based on the 2017 budget less actual operating results for the 2 months ended March 4, 2017, as presented in the interim financial
(2) Terminal period growth rate based on historical and projected consumer price inflation, historical and projected economic indicators, and projected industry growth.
(3) Depreciation calculated by Management over the forecast period.
(4) Effective tax rate was provided by Management, based on blended federal and state corporate tax rates applicable to the Company.
(5) Based on Management's assumption of the debt-free cash-free net working capital required over the forecast period.
(6) Projections of cash flow from investment properties through 2021 provided by Management.
(7) Projections through 2021 provided by Management. Cash flow from non-controlling interests is related to Stonebridge and TecFab. The Company will acquire 100% of Stonebridge in 2021, thus only the cash flow from TecFab is included in the terminal value calculation.
(8) Assumes mid-period discounting.
(9) Refer to Exhibit WACC for discount rate calculation.
(10) Represents the full-year amount for 2017 less the 2-month actual amount.
(11) The EBITDA margin in the terminal value calculation is based on the normalized historical EBITDA margin.
(12) Cost savings as a consequence of the transaction, including the economy of costs to be a public company, estimated at $2.5M annually and growing at a rate of 2% ($1.7M after tax).

Schedule 7: Market approach – GPC multiples

	BEV / 2016 EBITDA	BEV / 2017 EBITDA	BEV / 2018 EBITD
Nucor Corporation	10.7x	8.1x	7.4x
Steel Dynamics, Inc.	9.0x	7.2x	6.8x
Commercial Metals Company	10.4x	9.5x	7.3x
United States Steel Corporation	nmf	6.6x	6.6x
Ak Steel Holding Corporation	7.3x	7.9x	7.6x
Russel Metals Inc.	6.9x	8.5x	7.4x
Olympic Steel, Inc.	6.7x	5.2x	4.2x
Ryerson Holding Corporation	7.3x	6.4x	5.5x
Reliance Steel & Aluminum Co.	10.1x	9.0x	8.5x
SUMMARY OF OBSERVED MULTIPLES			
Range of Multiples	6.7x -10.7x	5.2x -9.5x	4.2x -8.5x
Average	8.6x	7.6x	6.8x
Median	8.2x	7.9x	7.3x

Schedule 8: Description of GPCs

Company Name	Business Description
Nucor Corporation	Nucor Corporation manufactures and sells steel and steel products in the United States and internationally.
Steel Dynamics, Inc.	Steel Dynamics, Inc., together with its subsidiaries, engages in the steel products manufacturing and metals recycling businesses in the United States and internationally.
Commercial Metals Company	Commercial Metals Company manufactures, recycles, and markets steel and metal products, and related materials and services in the United States and internationally.
United States Steel Corporation	United States Steel Corporation produces and sells flat-rolled and tubular steel products primarily in North America and Europe.
AK Steel Holding Corporation	AK Steel Holding Corporation, through its subsidiary, AK Steel Corporation, produces flat-rolled carbon, stainless, and electrical steels and tubular products in the United States and internationally.
Russel Metals Inc.	Russel Metals Inc. processes and distributes steel and other metal products in North America.
Olympic Steel, Inc.	Olympic Steel, Inc. processes and distributes metal products in the United States and internationally.
Ryerson Holding Corporation	Ryerson Holding Corporation, together with its subsidiaries, processes and distributes industrial metals in the United States, Mexico, Canada, China, and Brazil.
Reliance Steel & Aluminum Co.	Reliance Steel & Aluminum Co. operates as a metals service center company.

Appendix A – Scope of Review

In providing our valuation of the Company, we have reviewed and considered the following:

1. Audited financial statements of the Company for the years ended December 31, 2010 to 2016;
2. Annual Information Form, Management's Discussion and Analysis and Annual reports for fiscal years 2010 to 2016;
3. Unaudited internal financial statements, including income statements and partial balance sheets presented by business units of the Company, for the years ended December 31, 2010 to 2016;
4. Interim financial statements for the two months ended March 4, 2017 and ended April 1, 2017;
5. Presentation to the Board of Directors prepared by Management entitled "Résultats financiers" for the fiscal years ended December 31, 2012 to 2016;
6. Projected financial information for the Company, as prepared by Management, for the years ending December 31, 2017 to 2021;
7. Presentation to the Board of Directors entitled "Canam Group – 2017 Budget" dated December 7, 2016;
8. Financial statements of the Company's investments in joint ventures and affiliated companies for their respective 12-month period ended in 2016, including 9203-046 Québec Inc., Alta Industriel Ltée, Aviation CMP Inc., GIPZ, Nico Métal Inc., and Steel Plus Network;
9. Financial statements of the Company's investments in joint ventures and affiliated companies for their respective 12-month period ended in 2015, including Canamétal SAS, Broccolini Limited Partnership, and Stonebridge;
10. The documents related to the acquisition of Stonebridge;
11. The 2017 CAPEX Executive summary;
12. The corporate income tax returns of the following companies:
    - Groupe Canam Inc. for the years ended December 31, 2012 to 2015;
    - Canam Steel Corporation for the years ended December 31, 2013 to 2015.
13. The Articles of Incorporation and related amendments of the Company;
14. The organizational chart of the Company dated January 11, 2017;
15. Summary of potential settlements;
16. Letter from Placements CMI Inc. offering to acquire all common shares that are not directly or indirectly owned by the Dutil family, dated February 15, 2017, as well as the revised letter dated April 13, 2017;
17. Arrangement Agreement between the Purchaser and Canam dated April 27, 2017;
18. Other financial information as provided by Management and/or as contained in our files;
19. Historical equity research and analyst coverage of the Company, as well as of the selected GPCs, with a focus on FY 2016 reports and those available early in FY 2017 ;
20. Industry research reports, as well as other data, for residential and non-residential construction, including:
    - The CBC, Residential Construction and Non-Residential Construction industry outlooks, Winter 2017, Summer 2016 and Winter 2014

  - Freedonia Focus Reports, U.S. Collection, Housing and Non-residential Building construction, May 2016
  - Plunkett Analytics, U.S. Heavy Construction, Including Civil Engineering-Construction, Major Construction Projects, Land Subdivision, Infrastructure, Utilities, Highways and Bridges Industry, January 2017
  - Statistics Canada, Housing starts by province, January 2017
  - Capital IQ
    - U.S. Homeowner Housing Units Vacancy rate, historical rates
    - U.S. 30-year Fixed Mortgage rates, historical rates
  - RateHub, 5-year Fixed Canadian Mortgage rate, historical rates;

21. Industry research reports for the steel industry, as well as other data, including:
  - American Iron & Steel Institute, Profile 2016
  - Dun & Bradstreet First Research, Steel Production Industry Profile, January 2017
  - Federal Reserve Bank of St. Louis, Producer Price Index by Commodity for Metals and Metal Products: Iron and Steel;
22. High level economic environment reports and data from The EIU, including:
  - Canada Country Forecast, February 2017
  - USA Country Forecast, March 2017; and
23. A letter of representation obtained from management of the Company wherein they confirmed certain representations and warranties made to us, including a general representation that they have no information or knowledge of any facts or material information not specifically noted in this report which, in their view, would reasonably be expected to affect the valuation conclusions expressed herein.

In addition, we have:

- discussed with Management the current operations and the future prospects facing the Company in order to enhance our understanding of the business and its identifiable assets:
  - Marc Dutil, CEO, Canam Group Inc.;
  - René Guizzetti, Vice President and CFO;
  - Mihran Cicek, Vice President research analysis;
  - Louis Guertin, Vice President, Legal Affairs and Secretary;
  - Kurt Langsenkamp, President of FabSouth;
  - Tim Day, Senior Vice President, Manufacturing Operations;
  - Claude Provost, Vice President, Human Resources and Shared Services;
  - Carl Delisle, Vice President, Corporate Controller;
  - Pierre-Luc Chicoine, Controller, Canam-Heavy;
  - Joel Nadeau, Vice President, Business Operation; and
  - Raymond Pomerleau, Treasurer.

- discussed with BMO's financial advisors.

Deloitte has not attempted to verify independently the completeness and accuracy of the information relied upon in preparing the Valuation.

Appendix B – Restrictions, Limitations and Major Assumptions

This valuation is not intended for general circulation or publication, nor is it to be reproduced or used for any purpose other than that outlined above without the express prior written consent of Deloitte in each specific instance. Deloitte does not assume any responsibility or liability for losses incurred by any party as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.

In accordance with the Engagement Agreement, this Valuation has been provided in order to fulfil the fiduciary duty of the independent corporate governance committee and assure that the Proposed Transaction is in the best interest of the shareholders, in conformity with OSC MI 61-101 – *Respecting Protection of Minority Security Holders in Special Transactions*.

Deloitte has relied upon the completeness, accuracy, and fair presentation of all the financial and other information, data, advice, opinions or representations obtained by it from senior management of the Company and its consultants and advisors (collectively, the "Information"). The Valuation is conditional upon the completeness, accuracy, and fair presentation of such Information. Except as expressly described herein, Deloitte has not attempted to verify independently the completeness, accuracy or fair presentation of the Information.

The Company has represented and warranted to Deloitte that, other than as specifically disclosed to us in writing or as contemplated in published financial statements, all information concerning the Company provided to us, directly or indirectly, orally or in writing, by the Company and/or its agents and advisors in connection with our engagement hereunder:

- was in the case of all historical financial information concerning the Company, at the date of preparation, presented completely and fairly in all material respects; and
- was with respect to any portion of the projections: (a) prepared on a basis reasonably consistent with accounting policies, (b) prepared using reasonable assumptions, and (c) the senior officers of the Company have no reason to believe are misleading in any material respect.

No opinion, counsel, or interpretation is intended in matters that require legal or other appropriate professional advice. It is assumed that such opinion, counsel, or interpretations have been or will be obtained from the appropriate professional sources. To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations, and policies, Deloitte assumes no responsibility therefore, and assumes, in connection with such matters, other than as specifically disclosed to us, that:

- the title to all such assets, properties, or business interests purportedly owned by the Company is good and marketable, and there are no adverse interests, encumbrances, engineering, environmental, zoning, planning or related issues associated with these interests, and that the subject assets, properties, or business interests are free and clear of any and all liens, encumbrances or encroachments;

- there is full compliance with all applicable federal, local, provincial, and national regulations and laws, as well as the policies of all applicable regulators, and that all required licences, rights, consents, or legislative or administrative authority from any federal, local, provincial or national government, private entity, regulatory agency or organization have been or can be obtained or renewed for the operation of the businesses of the Company; and
- there are no material legal proceedings regarding the business, assets, or affairs of the Company other than as disclosed to us.

We have relied upon management's representation that all assets and liabilities (actual or contingent) attributed to the Company have been fully disclosed to us.

The valuation is rendered on the basis of securities markets, economic, financial, and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the Company and any of its subsidiaries and affiliates as they were reflected in the Information and as they have been represented to Deloitte in discussions with management of the Company. In the analyses and in preparing the valuation, Deloitte made numerous assumptions with respect to industry performance, general business, and economic conditions and other matters, many of which are beyond the control of Deloitte, including inflation and exchange rates.

The valuation is rendered as of March 4, 2017 and Deloitte disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the valuation, which may come or be brought to Deloitte's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the valuation after the date hereof, Deloitte reserves the right to change, modify or withdraw the valuation.

Deloitte believes that the valuation must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the valuation. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

The valuation is not to be construed as a recommendation to the Potential Buyer, the Company, or the Shareholders to support or reject the Proposed Transaction. Deloitte has not been retained to comment on the investment or strategic merit of the Proposed Transaction, or future operations of the Company. Future business conditions are subject to change and are beyond the control of Deloitte and the parties involved in the Proposed Transaction.

In arriving at our value conclusion, we have relied upon the following additional major assumptions:

1. All assets, liabilities, revenues, and expenses of the Company were recorded, in accordance with generally accepted accounting principles, in its financial statements for the five years ended December 31 and for the two months ended March 4, 2017.
2. All liabilities of the Company had been recorded in the accounts of the Company. There were no material undisclosed contingent liabilities, contractual obligations, or substantial commitments or litigation pending or threatened, other than as disclosed in the Data Room provided by Management.
    - The provision of $19.2M related to litigation and claims represents Management's best estimate as of the Valuation Date. Nothing has occurred or is pending to the present date which could materially impact this estimate.

- As of the Valuation Date, Management confirms, in relation to litigation and claims, that potential settlement amounts have been identified for specific projects as indicated in the document "Tableau BMO.réclamations.mise à jour.18.04.17.clean.doc". An amount of $11M was considered and included in the non-operating receivables as at the Valuation Date.

3. The Company had no material unusual or non-recurring expense or revenue items during the period reviewed other than as noted herein.
4. There were no significant non-arm's length transactions during the period under review, other than as noted in the financial statements and/or discussed in this Report.
5. The financial forecast received on March 30, 2017 and considered in this Report was prepared by Management and is based on reasonable assumptions reflecting the best of our knowledge. This forecast represents the Management's current best estimate of the most probable results. All information for a reasoned evaluation of the forecast has been disclosed to you and no specific events are expected to occur or are pending, and no facts have been discovered to date that would have a material effect on this forecast.
6. At the Valuation Date, the Company had no material contingent liabilities, known environmental issues, unusual contractual obligations, litigation pending or threatened, or substantial commitments other than as disclosed in this report.
7. The FMV of the assets and liabilities of the Company as at the Valuation Date was approximated by their reported book values, except where noted herein.
8. The Company had no redundant assets or excessive liabilities as at the Valuation Date, except where noted herein. The non-operating and redundant assets, as discussed in this Report, were estimated to be $127.5M as at the Valuation Date. No tax effect has been considered in the determination of their respective FMV.
9. The FMV of the vacant land owned by Alta Industriel Ltée considers a compensation clause in function of the change of zoning.
10. The FMV of investment properties approximates $17.8M as at the Valuation Date based on Management's estimates.
11. As at Valuation Date, Management confirms that Placements CMI Inc. has a note receivable to Canam of $4M ($2M in accounts receivable and $2M in the other long-term assets) and $4M in joint ventures and associates (in accounts receivable), which are non-operating items.
12. Management concurs that there are no other material non-operating items included in the balance sheet of the Company as of March 4, 2017, except for those included in Schedule 3.
13. The assumed tax rate of 33% reflects Management's good faith best estimate of global tax rates of the Company. As at the Valuation Date, the U.S. subsidiary has an available non-capital loss of $91.2M. This loss may be applied against future years' taxable income. As at the Valuation Date, Management has no visibility on the restrictions associated to the utilization of those losses following a change in control, and confirms that there are no additional significant losses for the two-month period ended March 4, 2017 that should be taken into consideration. In order to reflect the impact on the future utilization of the non-capital loss and uncertainties, 50% of the tax benefits have been considered.
14. The non-controlling interests referred to the ownership interests held by minority shareholders, are as follows: 1) 30% in TecFab International Inc.; 2) 49% in Stonebridge, Inc.; and 3) 33.33% in Fusion Structure Inc. The earnings participation of the non-controlling interests and future payments of the balance of purchase price were prepared by Management and are based on reasonable assumptions reflecting Management's best estimate.
15. The cash flows forecasted in relation with Stonebridge, Inc. represent the best estimates of Management as at the Valuation Date. Management confirms that, based on the current reviews, the total price

adjustment is as indicated in "Stonebridge acquisition back-up – Calculation PASC Q4 V5.pdf", and is considered as a selling price adjustment.

16. As of the Valuation Date, Management's best estimate of the expenses that would be saved from the privatization of the Company ranges from $2.0M to $3.0M (before tax) annually. We have considered the amount of $2.5M in our Valuation.
17. As at the Valuation Date, Management confirms that no significant value is attributed to the idle assets as of the Valuation Date.
18. At the Valuation Date, the Company did not approve or intend to pay any special dividend, other than the quarterly dividend that has been previously approved.
19. At the Valuation Date, the Company had 45,361,766 common shares issued and outstanding as at the Valuation Date and there are no issued, outstanding or authorized options, warrants, calls, conversion privileges, pre-emptive, redemptions, repurchase, stock appreciation or other rights, or any other agreements, arrangements, instruments or commitments of any king that obligate Canam or any of its Subsidiaries to, directly or indirectly, issue or sell any securities of the Corporation or any of its Subsidiaries, or any obligations convertible or exchangeable into or exercisable for, or give any Person a right to subscribe for or acquire, any securities of Canam or any of its Subsidiaries, or the value of which is based on the value of the securities of Canam or any of its Subsidiaries.
20. There are no significant factors, known to Management, that could bear on the value of the operations of the Company and that have not been considered in this Report.
21. Other specific assumptions as set out in the body of this Report.

Should any of the above major assumptions not be accurate or should any of the information provided to us not be factual or correct, our value conclusion could be significantly different.

Appendix C – Valuation Approaches

There are two basic approaches to determining FMV:

1. the going-concern approach; and
2. the liquidation approach.

The income approach - based on going concern assumption

The going-concern approach assumes a continuing business enterprise with a potential for economic future earnings. Where a business has commercial value as a going-concern, the generally accepted approaches to determining FMV are:

1. the capitalized earnings approach;
2. the capitalized or discounted cash flow approaches; and
3. the adjusted net asset approach.

Capitalized earnings approach

The capitalized earnings approach contemplates the continuation of the business by the purchaser and is based upon the purchaser's desire to acquire the future income generating potential of the business. This approach assumes a continuing business operation with potential for maintaining earnings from operations at a level that will provide a reasonable return on investment.

The capitalized earnings approach involves estimating the maintainable earnings, which a business can reasonably be expected to generate in future years. The estimate of maintainable earnings is usually based on historical operating results and consideration of the prospects facing the business. Maintainable earnings are then capitalized by an earnings multiple, which serves as a measure of the rate of return required by a prospective purchaser of the business reflecting, among other factors, the risk inherent in achieving the determined level of maintainable earnings.

Where a business interest is being valued using the capitalized earnings approach, it is also necessary to consider whether there are any assets redundant to the operations of that business. Redundant assets are defined as assets that are excess to, and therefore do not influence, the going-concern value of the operations. A knowledgeable vendor would not sell a business as a going-concern without either extracting such assets from his business or adding the value of the redundant assets to the going-concern value of the business.

Capitalized cash flow approach

The capitalized cash flow approach contemplates the continuation of the business by the purchaser and is based upon the purchaser's desire to acquire the future cash generating potential of the business. This approach assumes a continuing business operation with potential for maintaining cash flow from operations at a level that will provide a reasonable return on investment.

The capitalized cash flow approach involves capitalizing the estimated future maintainable after-tax cash flow from operations by a multiple, which serves as a measure of the rate of return required by a prospective

purchaser of the business reflecting, among other factors, the risk inherent in achieving the determined level of maintainable cash flow.

The capitalized cash flow approach to value capitalizes earnings:

1. before depreciation, but after a notionally assumed income tax on this cash flow; and
2. after sustaining capital reinvestment, defined as the capital outlay required each year to maintain operations at existing levels, net of the related tax shield benefit.

Since the capitalized cash flow value, as determined above, has not considered the capital cost allowance deduction currently available, the tax shield on the undepreciated capital cost and investment tax credits at the Valuation Date is added to the capitalized cash flow value to determine the going-concern value of the business as a whole. The tax shield is the present value of the future tax savings available resulting from the deduction of capital cost allowance and investment tax credits.

Where a business interest is being valued using the capitalized cash flow approach, it is also necessary to consider whether there are any assets redundant to the operations of that business. Redundant assets are defined as assets that are excess to, and therefore do not influence, the going-concern value of the operations. A knowledgeable vendor would not sell a business as a going-concern without either extracting such assets from his business or adding the value of the redundant assets to the going-concern value of the business.

Discounted cash flow approach

Under the discounted cash flow ("DCF") approach, FMV is based on the net present value of expected future cash flows. Specifically, the after-tax cash flow that the business is expected to generate is projected over an explicit forecast period. The projected cash flows, together with the terminal value of the business at the end of the forecast period, are discounted at an appropriate rate, resulting in the FMV of the business operations.

Where a business interest is being valued using the discounted cash flow approach, it is also necessary to consider whether there are any assets redundant to the operations of that business. Redundant assets are defined as assets that are excess to, and therefore do not influence, the going-concern value of the operations. A knowledgeable vendor would not sell a business as a going-concern without either extracting such assets from his business or adding the value of the redundant assets to the going-concern value of the business.

Adjusted net asset approach

The adjusted net asset approach to valuation under a going concern concept involves the adjustment of the reported net book value of the assets and liabilities of a company to their respective FMV.

The market approach - based on going concern assumption

The market approach involves estimating the FMV based on value relationships implied from the analysis of somewhat comparable public companies and precedent transactions. In considering that we were able to identify several comparable guideline public companies and precedent transactions involving entities with operations and business activities very similar to those of the subject company, we have considered public company and precedent transaction multiples.

Public company multiples approach

- Considers valuation multiples derived from a review of trading prices and underlying financial data of the publicly-traded Comparables selected, and then the application of these trading multiples to the corresponding financial metric of the subject company to arrive at an estimate of value at the marketable-minority level.

- A value multiple represents a ratio that uses a comparative company's stock price or enterprise value as the numerator and a measure of the comparative company's operating results, financial position or other metric, as the denominator.
- When applying the public company multiples approach, market multiples are ideally derived from companies that are actively traded in a free and open market.

Precedent transaction multiples approach

- Valuation multiples are derived from open-market transactions of target companies engaged in the same or similar line(s) of business as the subject company. This method is very similar to the public company multiples approach, except that instead of looking at public companies traded on a stock market, valuation multiples are developed by reviewing and analyzing transactions involving the purchase and sale of Comparables.

  The precedent transaction multiples may reflect or include a control or other take-over premium.

The liquidation approach

A liquidation value would be used if the business is not viable as a going-concern or the return on the assets on a going-concern basis is not adequate. This value is the net realizable value on an orderly disposition made in a manner that would minimize the loss and/or taxes thereon.

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APPENDIX H
FAIRNESS OPINION OF DELOITTE LLP

Please see attached.

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April 26, 2017

Canam Group Inc.
270, Chemin Du Tremblay
Boucherville QC J4B 5X9

To the Special Committee of Independent Directors of the Board of Directors of Canam Group Inc.

Madams, Sirs:

Deloitte LLP ("Deloitte") was engaged by the Special Committee of Independent Directors (the "Special Committee") of the Board of Directors of Canam Group Inc. ("Canam" or the "Company") to provide its opinion (the "Fairness Opinion") as to the fairness, from a financial point of view, of the consideration to be received by the Canam Shareholders for their common shares in the Company.

The Company will, via an arrangement agreement (the "Arrangement"), enter into a series of transactions that will result in an acquisition by Canaveral Acquisition Inc. (the "Purchaser"), a company indirectly wholly-owned by American Industrial Partners Capital Fund VI, L.P. ("AIP"), of all the outstanding common shares (the "Shares") of Canam, except those held or controlled by 9085-6063 Québec inc., Placements CMI Inc., Ismed Inc. and certain members of the Dutil family (and any holding corporation controlled by such members) (the "Family Group" and, as rollover shareholders, the "Rollover Shareholders") (other than 700,114 Shares which will be sold by the Dutil Family) (the "Proposed Transaction").

In addition, we understand that Caisse de dépôt et placement du Québec ("Caisse") and the Fonds de solidarité FTQ ("Fonds") are expected to participate in the Proposed Transaction as equity investors, including by rolling all or part of their Shares, and as such, Caisse and Fonds would also form part of the Rollover Shareholders with the Family Group.

Furthermore, Deloitte was also engaged to produce a formal valuation as per the Ontario Securities Commission's ("OSC") Multilateral Instrument 61-101 ("MI 61-101") as of March 4, 2017 (the "Valuation Date").

Definitions

For the purpose of this Fairness Opinion, fair market value ("FMV"), as defined by the OSC's MI 61-101, is the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act.

We have not considered the potential value to the Canam Shareholders of any other transaction that might be undertaken as an alternative to the Proposed Transaction. In arriving at our Fairness Opinion, Deloitte considered whether the cash considerations to be received by the Canam Shareholders as part of

the Proposed Transaction is greater than or equal to the FMV of the Shares to be given up by the Shareholders.

Currency

Unless otherwise noted, all amounts in this Fairness Opinion are expressed in Canadian dollars.

Background

We understand that the Board of Canam is contemplating, through the Arrangement, a series of transactions that will result in an acquisition by the Purchaser of all of the Shares of Canam. We understand that the Arrangement will result in the following:

- The existing shareholders of Canam will receive $12.30 per Share in cash in exchange for their Shares (the "Consideration").
- The Arrangement requires approval by at least 66 ⅔% of the votes cast by the Shareholders represented at the special meeting called for such purpose (the "Meeting") in person or represented by proxy, and at least 50% of the votes cast by the Shareholders, excluding the Rollover Shareholders, represented at the Meeting in person or represented by proxy.
- The Arrangement also stipulates that the Purchaser covenant and agree to cause the Corporation's headquarters to remain in the Province of Québec so long as the Purchaser owns a majority of the outstanding Shares of the Corporation.
- The Arrangement includes a right to match clause. If, during the Matching Period, the Corporation receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Arrangement Resolution by the Shareholders, the Board may (based upon, inter alia, the recommendation of the Special Committee), enter into a definitive agreement with respect to such Superior Proposal or withdraw or modify the Board Recommendation, under certain conditions.

Purpose of the Fairness Opinion

In connection with the Proposed Transaction, we have been requested by the Special Committee to prepare this Fairness Opinion as well as a formal valuation under the OSC's regulation 61-101, under the practice standards of the Canadian Institute of Chartered Business Valuators (the "CICBV"), as at the Valuation Date, setting out our Fairness Opinion, from a financial point of view, of the Proposed Transaction.

We understand that the Special Committee requires the Fairness Opinion to assist it in discharging its fiduciary duties in determining whether the Proposed Transaction is in the best interests of Canam and its Shareholders, and to assist the Court that will review the Arrangement, and the Fairness Opinion is to be included as part of an information circular to be issued to Canam Shareholders in respect of the Proposed Transaction.

Engagement

The Special Committee formally engaged Deloitte on February 24, 2017 to provide the Fairness Opinion as well as a formal valuation under the OSC's MI 61-101 (the "Engagement Agreement"). The terms of the Engagement Agreement provide that Deloitte is to be paid a fee in an amount based on the actual time spent at standard hourly billing rates. In addition, Deloitte is to be reimbursed for its reasonable out-of-pocket expenses incurred by Deloitte in connection with the provision of its services.

We did not act as a financial adviser to Canam in connection with any aspect of the Proposed Transaction other than the preparation of this Fairness Opinion and of the formal valuation and did not participate in the negotiation of the Arrangement.

Credentials of Deloitte

Deloitte is one of the world's largest and most reputable professional services organizations, with approximately 200,000 people in over 150 countries. In Canada, Deloitte is one of the country's leading professional services firms and provides audit, tax, financial advisory, and consulting services through more than 8,000 people in 56 offices.

Deloitte's professionals have significant experience in providing advisory services for various purposes, including fairness opinions, mergers and acquisitions, corporate finance, business valuations, litigation matters, and corporate income tax, among other things.

As a global market leader with over 125 valuation professionals in Canada and over 1,500 valuation professionals globally, Deloitte has a leading valuation practice with international delivery capabilities, deep financial and accounting acumen, and significant industry experience. Our valuation services group includes finance professionals, most of whom have earned professional designations including Chartered Business Valuator (CBV), Chartered Financial Analyst (CFA), Chartered Accountant (CA), Certified Public Accountant (CPA), and Accredited Senior Appraiser (ASA).

Independence of Deloitte

Prior to accepting our engagement and performing the Fairness Opinion hereunder, an internal search of Deloitte records was performed to identify any potential client conflicts based on the names of the parties that Canam provided, which are listed below:

- Canam Group Inc
- Marcel E. Dutil
- Placements CMI Inc. – Related entity located in Saint-Georges, QC
- 9085-6063 Quebec – Related entity located in Saint-Georges, QC
- Gestion Marcel Dutil Inc. – Holding company of Marcel E. Dutil located in Saint-Georges, QC
- Canam Steel Corporation – Subsidiary located in the United States
- FS Real Estate Holdings, LLC – located in Fort Lauderdale, FL, USA
- FabSouth LLC– Subsidiary located in Fort Lauderdale, FL, USA
- Central Erectors, LLC – Subsidiary located in the United States
- Stonebridge, Inc. – located in South Plainfield, NJ, USA
- Technyx Euro Services S.R.L. – Subsidiary located in Romania
- InteliBuild Technyx Asia Limited – located in Hong Kong
- TecFab International Inc. – located in Shawinigan, QC
- Alta Industriel Ltd. – located in Saint-Laurent, QC
- Aviation CMP Inc. – located in Canada
- Nico Métal Inc. – located in Canada

Based on the results of this search, we informed Canam that:

- Steel Plus Limited, a subsidiary of Canam Group Inc., was an attest client of DTTL in India in 2016.
- Deloitte additionally provides tax and other advisory services to one of the Canam's operating affiliates (8384037 Canada Inc.).

- Neither Deloitte nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the Securities Act (Ontario)) of Canam, or any of their respective affiliates. Deloitte and its affiliates are not auditors of any of the parties listed above other than otherwise noted.
- Deloitte and its affiliates have, and may in the future, in the ordinary course of their business, continue to provide services to Canam, AIP or any of their respective associates or affiliates.

In order to avoid any misunderstanding, Deloitte obtained the consent and agreement to these relationships with the Special Committee prior to taking on the Fairness Opinion engagement in our engagement letter. We believe that such services do not impair our objectivity in the performance of the Fairness Opinion services, and we do not believe that the prior, current, or future delivery of professional services to any one of the parties involved impacts our ability to act impartially in this matter. We are not aware of any conflict that would affect our ability to act impartially.

Based on the foregoing, the Special Committee is satisfied that upon retaining the services of Deloitte and as of the date of this Fairness Opinion, Deloitte is qualified and competent to provide the services under its Engagement Agreement. Deloitte has not provided any financial advisory, audit or soliciting dealer services involving Canam in the past two years other than the services provided in the context of the Arrangement and certain other tax and other advisory services to one of Canam's operating affiliates (8384037 Canada Inc.), which are not considered material. There are no understandings, agreements or commitments between Deloitte and Canam, the Purchaser or any of their respective associated or affiliated entities with respect to any future business dealings, nor has Deloitte been engaged to act as financial advisor to any of the aforementioned parties in connection with the Arrangement.

No part of Deloitte's fee is contingent upon the conclusions reached or any action or event contemplated in the Fairness Opinion. The principal valuator and other staff involved in the preparation of the Fairness Opinion acted independently and objectively in completing this engagement. However, Deloitte, being a full-service accounting firm, may from time to time and in the ordinary course of its practice, be requested to provide accounting or other financial advisory services to such parties regarding other matters.

Scope of Review

In connection with preparing and rendering this Fairness Opinion, Deloitte has reviewed and/or relied upon, among other information, the following:

- Discussions with management of Canam;
- Canam's audited financial statements and annual reports and annual information forms for years ended December 31, 2010 to 2016;
- Canam's unaudited financial results for the two months ended March 4, 2017;
- Canam's unaudited internal financial statements, including income statements and partial balance sheets presented by business units of the Company, for the years ended December 31, 2010 to 2016;
- Canam's projected financial information, as prepared by management of Canam, for the years ending December 31, 2017 to 2021;
- Arrangement Agreement between the Purchaser and Canam dated April 27, 2017;
- Letter from Placements CMI Inc. offering to acquire all common shares that are not directly or indirectly owned by the Dutil family, dated February 15, 2017, as well as the revised letter dated April 13, 2017;

- Other historical and forecast financial and operating information as provided by management of Canam;
- Canam's website;
- Public market data and research reports relating to construction and steel industries in general;
- Research about guideline publicly traded companies and guideline precedent transactions;
- Other industry, economic, financial, and market information and analyses considered by Deloitte to be necessary or appropriate in the circumstances; and
- Letter of representation obtained from management of Canam, wherein they confirmed certain representations and warranties made to us, including representation that they have no information or knowledge of any facts or material information not specifically referred to in this Fairness Opinion, which, in their view, would reasonably be expected to affect the Fairness Opinion conclusion expressed herein.

Deloitte's procedures consisted primarily of inquiry, review, analysis, and discussion of this information. Deloitte has not, to the best of its knowledge, been denied access by Canam to any information that was made available by Canam. Our analysis was limited to information that Canam had access to, discussions with management of Canam, and publicly available information. In completing our Fairness Opinion, we have reviewed and relied upon information presented by Management without any additional audit on our part. Also we did not expose the shares to the marketplace to determine whether some special purchasers, for their own reasons, might perceive a value different from that determined by us.

Restrictions and Limitations

The Fairness Opinion is subject to the following restrictions, limitations and qualifications, and any changes to which could have a significant impact on Deloitte's assessment of the fairness of the Proposed Transaction:

- This Fairness Opinion has been prepared solely for the use of the Special Committee in consideration of the Proposed Transaction; however, a copy of the Fairness Opinion may be provided to the Board of Directors of Canam and included in the management proxy circular to be sent to Shareholders. The Fairness Opinion is not to be used for any purpose other than as stated herein. We do not assume any responsibility or liability for losses incurred by any parties as a result of circulation, publication, reproduction, or use of the Fairness Opinion contrary to the provisions of this paragraph.
- The Fairness Opinion is not to be construed as a recommendation to the Purchaser, the Company, or the Shareholders to support or reject the Proposed Transaction. Deloitte has not been retained to comment on the investment or strategic merit of the Proposed Transaction, or future operations of the Company. Future business conditions are subject to change and are beyond the control of Deloitte and the parties involved in the Proposed Transaction.
- Deloitte has relied upon the completeness, accuracy, and fair presentation of all the financial and other information, data, advice, opinions, or representations obtained by it from management of Canam and through materials obtained in the public domain (collectively, the "Information"). The Fairness Opinion is conditional upon the completeness, accuracy, and fair presentation of such Information. Subject to the exercise of professional judgements and except as expressly described herein, we have not attempted to verify the completeness and accuracy or fair presentation of any of the information relied upon in developing this Fairness Opinion.
- No opinion, counsel, or interpretation is intended to be provided in matters that require legal or other appropriate professional advice. It is assumed that such opinion, counsel, or interpretations have been or will be obtained from the appropriate professional sources. To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations, and policies, Deloitte assumes no responsibility therefore, and assumes, in connection with such matters, other than as specifically disclosed to us, that:
  - The title to all such assets, properties, or business interests purportedly owned by Canam is good and marketable, and there are no material adverse interests, encumbrances, engineering, environmental, zoning, planning, or related issues associated with these interests, and that the subject assets, properties, or business interests are free and clear of any and all liens, encumbrances or encroachments, other than disclosed to us;
  - There is compliance in all material respects with all applicable federal, local, and national regulations and laws, as well as the policies of all applicable regulators, and that all required licenses, rights, consents, or legislative or administrative authority from any federal, local, or national government, private entity, regulatory agency or organization have been or can be obtained or renewed for the operation of the businesses of Canam;
  - There are no material legal proceedings regarding the business, assets, or affairs of Canam other than disclosed to us; and
  - There are no environmental liabilities and asset retirement obligations related to the operations of Canam other than disclosed to us.

- Management of Canam have represented to us that the information provided by them accurately reflects in all material respects, the business operations as of March 4, 2017, and from that date to the date of this Fairness Opinion we have confirmed with management of Canam that there have been no changes in facts material to the Fairness Opinion conclusion.
- This Fairness Opinion is given as the date thereof and Deloitte disclaims any undertaking or obligation to advise any person of any change in any facts or matter affecting this Fairness Opinion, which may come or be brought to Deloitte's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any facts or matter affecting this Fairness Opinion after the date hereof, Deloitte reserves the right to change, modify, or withdraw this Fairness Opinion, but does not assume any obligation to do so.
- This Fairness Opinion is on the basis of securities markets, economic, financial, and general business conditions prevailing as at the date thereof and the condition and prospects, financial and otherwise, of the Company and any of its subsidiaries and affiliates as they were reflected in the Information and as they have been represented to Deloitte in discussions with management of Canam.
- In the analyses and in preparing the Fairness Opinion, Deloitte made numerous assumptions with respect to industry performance, general business, and economic conditions and other matters, many of which are beyond the control of Deloitte, including inflation and exchange rates.
- Deloitte believes that the Fairness Opinion must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Fairness Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Major Assumptions

Deloitte has relied upon and assumed the completeness, accuracy, and fair presentation of all the financial and other information, data, advice, opinions, representations, and other material obtained by it from public sources or provided to it by, on behalf of, or at the request of Canam, and this Fairness Opinion is conditional upon such completeness, accuracy, and fair presentation.

In arriving at our conclusion, we have relied upon the following major assumptions:

- The balance sheet as at the Valuation Date accurately reflects the financial position of Canam, including any significant commitments and contingent liabilities.
- The financial forecasts considered in this Fairness Opinion, including estimates of working capital requirements and capital expenditures, were prepared by management of Canam and are based on reasonable assumptions reflecting management of Canam's best estimate of the economic and industry conditions as well as the Company's intended strategy over the forecast period as at the Valuation Date.
- All information for a reasoned evaluation of the forecast, as provided by management of Canam and referenced herein, has been disclosed by management of Canam and no events are expected to occur, or are pending, and no facts have been discovered as of March 4, 2017 that would have a material effect on this forecast.
- All assets and liabilities as at March 4, 2017 for Canam were recorded, in accordance with generally accepted accounting principles, in their respective financial statements.

- All revenue and expenses of Canam were recorded, in accordance with generally accepted accounting principles, in its financial statements for the seven fiscal years ended December 31, 2010 to 2016, as well as in its financial statements for the period ended March 4, 2017.
- Canam had no material unusual or non-recurring expense or revenue items during the period reviewed other than as disclosed to us.
- There were no material non-arm's length transactions during the period under review which took place at other than FMV, other than as disclosed to us.
- The FMV of the assets and liabilities of Canam, as at the Valuation Date, was approximated by their reported book values, except as otherwise disclosed and other as determined by us.
- There are no additional potential restructurings, strategic initiatives, or contemplated transactions that have not been disclosed to us and represented in the forecast, which would reasonably be expected to impact our Fairness Opinion.
- Canam had no material redundant assets or excess liabilities as at the Valuation Date, other than as disclosed to us. No tax effect was considered in the determination of the respective FMV of the redundant assets and excess liabilities identified.
- Canam had no material potential settlement provision adjustment for claims as at the Valuation Date, other than as disclosed to us.
- The non-controlling interests in certain of the divisions refer to the ownership interests held by minority shareholders, their respective earnings participation were prepared by management of Canam which are based on reasonable assumptions reflecting management of Canam's best estimate.
- Canam had no material contingent liabilities, known environmental issues, unusual contractual obligations, litigation pending or threatened, or substantial commitments as at the Valuation Date.
- There was no offer disclosed to us, other than those related to the Proposed Transaction, to purchase Canam during the 24 months preceding the Valuation Date.

Should any of the above major assumptions not be accurate or should any of the information provided to us not be factually correct, our conclusion could be different.

Summary Description of Canam

Canam specializes in designing integrated solutions and fabricating customized products for the North American construction industry. Each year, Canam takes part in an average of 10,000 building, structural steel and bridge projects, which can also include the supply of preconstruction, project management and erection services. The Corporation operates 23 plants across North America and employs over 4,650 people in Canada, the United States, Romania and India.

Approach to Reaching our Fairness Opinion

In arriving at our Fairness Opinion as to the fairness, from a financial point of view, Deloitte considered whether the Consideration as part of the Proposed Transaction is greater than or equal to the FMV of the Shares subject to be sold by the Shareholders.

There are three generally acceptable approaches to determining FMV: income, market, and asset approaches:

- The income approach ascribes value to the interest in the company based on its ability to generate future discretionary cash flow and earn a reasonable return on investment after consideration of risks related thereto. Examples of the income approach include the capitalized earnings/cash flow and the discounted cash flow methods.
- The empirical or market approach involves determining the FMV of a company based on value relationships and/or activity ratios derived or implied from the analysis of guideline public company trading prices and market transactions that can be applied to the company in question. Both merger and acquisition activity and stock market activity are considered in deriving various value measures to apply,
- The asset-based approach considers the current value of a company's net assets as the prime determinant of value. This approach is generally used where a company is properly valued as a going concern but where the going concern value is closely related to the value of its underlying net tangible and financial assets (i.e. limited goodwill and intangible assets).

To form our formal valuation analyses, we selected the income approach. Specifically, we selected the discounted cash flows ("DCF") for the Company and the conclusions reached were corroborated by the market and asset-based approaches. More specifically:

- We determined the FMV of Canam on a fully diluted basis (as appropriate) based upon consideration of the DCF for Canam as a whole.

  The DCF approach is considered to be appropriate when valuing a business where significant fluctuations in the future earnings or discretionary cash flow are expected or where the historical operating results of the Company are not considered to be representative of the future earnings capacity of the Company. We have selected the DCF approach to value the Company, having considered the DCF model provides the flexibility to reflect strategic initiatives contemplated and changes in growth rates and operating margins over the discrete forecast period:

  Under the DCF approach, FMV is based on the net present value of expected future cash flows. Specifically, the after-tax cash flows that Canam is expected to generate was projected from 2017 to 2021. The projected cash flows, together with the terminal value of the business at the end of the forecast period, are discounted at an appropriate rate, resulting in the FMV of the Company.

  As part of the DCF, Deloitte performed various sensitivity analyses of certain valuation variables such as discount rate and terminal growth before reaching its conclusions.

  The result of the DCF was added to the available cash and cash equivalents balances as at the Valuation Date, to the redundant and non-operating assets, net of the debt balance as at the Valuation Date to obtain the FMV of the Shares, representing a range from $10.58 to $12.42.
- We considered the asset-based approach which supports the DCF conclusion. The adjusted net asset approach provided us with a value per share of $11.84.
- We considered the market approach to assess the reasonableness of our findings derived from the DCF approach. We note that guideline public company/transaction multiples are reasonably informative, and market participants consider the approach when making acquisitions and forming expectations. In particular, we reviewed the following:

- Comparable public companies ("GPC") and M&A transactions in the steel fabrication industry and the construction industry within regions similar to Canam, as well as globally.
- Implied multiples resulting from our DCF approach were derived, including: enterprise value ("EV") to the last twelve months ("LTM") earnings before interest, taxes, depreciation and amortization ("EBITDA") ("EV/LTM EBITDA"); forward and historical EV/EBITDA; the historical EV/EBITDA considered the average adjusted EBITDA of the Company for the last five years.
- The above multiples were compared to GPC multiples given consideration for difference for relative risk and other factors such as size, geographic risk, diversification of operations, competitive environment, macroeconomic conditions, future expected growth, etc.

The implied multiples EV/Maintainable EBITDA from the DCF and the adjusted net asset approach vary between 7.2x to 8.1x, which is in line with the somewhat comparable companies with characteristics deemed to be the most comparable to Canam from the risk factors described above.

- As part of our work we reviewed analyst reports and analyst's forward estimates. We also looked at the historical share price in order to address the reasonableness of our conclusions.

We compared the FMV of the Shares as determined above with the FMV of the Consideration to be received by the Shareholders (other than the Rollover Shareholders).

Fairness Considerations

In preparing the Fairness Opinion, as to the fairness from a financial point of view, Deloitte has considered the following factors among others:

- The Consideration of $12.30 per Share represents a premium of 98.4% over the closing price per share on the Toronto Stock Exchange (the "TSX") on April 26, 2017, the trading day corresponding to the date of this Fairness Opinion and a premium of 91.1% over the average price per Share, over the 20-business day period ended on the date of this Fairness Opinion.
- The Consideration is all cash and therefore provides liquidity to the Shareholders.
- The Consideration is above the midpoint of the range of values for the Shares based on our DCF, which is corroborated by our market approach and asset-based approach.

Fairness Conclusion

Based upon and subject to the foregoing and such other matters Deloitte considered to be relevant, Deloitte is of the opinion that, as at the date hereof, the consideration to be received in the Proposed Transaction by the shareholders of Canam is fair from a financial point of view to such shareholders (other than the Rollover Shareholders).

Yours truly,

Deloitte LLP

Financial Advisory
Deloitte LLP

APPENDIX I
FAIRNESS OPINION OF BMO NESBITT BURNS INC.

Please see attached.

BMO Capital Markets

April 26, 2017

The Special Committee of the Board of Directors
Canam Group Inc.
11505, 1re Avenue, bureau 500
Saint-Georges, Québec G5Y 7X3

To the Special Committee of the Board of Directors:

BMO Nesbitt Burns Inc. ("BMO Capital Markets" or "we" or "us") understands that Canam Group Inc. (the "Company") and a wholly-owned subsidiary of American Industrial Partners Capital Fund VI, L.P. (the "Acquiror") propose to enter into an arrangement agreement to be dated April 27, 2017 (the "Arrangement Agreement") pursuant to which, among other things, the Acquiror will acquire all of the outstanding common shares of the Company ("Shares"), except for certain Shares owned by members of the Dutil family and affiliated entities (the "Dutil Shareholders"), which the Dutil Shareholders will roll over in connection with the transaction, for a price equal to $12.30 in cash per Share acquired (the "Consideration") by way of an arrangement under the *Business Corporations Act* (Québec) (the "Arrangement"). We also understand that Caisse de dépot et placement du Québec and Fonds de solidarité FTQ are expected to participate in the transaction as equity investors, including rolling over all or part of their Shares (collectively with the Dutil Shareholders, as applicable, the "Rollover Shareholders") in connection with the transaction. The terms and conditions of the Arrangement will be summarized in the Company's management information circular (the "Circular") to be mailed to holders of Shares (the "Shareholders") in connection with a special meeting of the Shareholders to be held to consider and, if deemed advisable, approve the Arrangement.

We have been retained to provide financial advice to the Company, including our opinion (the "Opinion") to the special committee of the board of directors of the Company (the "Special Committee") as to the fairness from a financial point of view of the Consideration to be received by the Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement.

ENGAGEMENT OF BMO CAPITAL MARKETS

The Company initially contacted BMO Capital Markets regarding a potential advisory assignment in February 2017. BMO Capital Markets was formally engaged by the Company pursuant to an agreement dated March 1, 2017 and effective as of February 23, 2017 (the "Engagement Agreement"). Under the terms of the Engagement Agreement, BMO Capital Markets has agreed to provide the Company and the Special Committee with various advisory services in connection with the Arrangement including, among other things, the provision of the Opinion.

BMO Capital Markets will receive a fee for rendering the Opinion. We will also receive certain fees for our advisory services under the Engagement Agreement, a substantial portion of which is contingent upon the successful completion of the Arrangement. The Company has also agreed to reimburse us for our reasonable out-of-pocket expenses and to indemnify us against certain liabilities that might arise out of our engagement.

This fairness opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Investment Industry Regulatory Organization of Canada ("IIROC") but IIROC has not been involved in the preparation and review of this fairness opinion.

CREDENTIALS OF BMO CAPITAL MARKETS

BMO Capital Markets is one of North America's largest investment banking firms, with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. BMO Capital Markets has been a financial advisor in a significant number of transactions throughout North America involving public and private companies in various industry sectors and has extensive experience in preparing fairness opinions.

The Opinion represents the opinion of BMO Capital Markets, the form and content of which have been approved for release by a committee of our officers who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, fairness opinion and capital markets matters.

INDEPENDENCE OF BMO CAPITAL MARKETS

Neither BMO Capital Markets, nor any of our affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) or the rules made thereunder) of the Company, the Acquiror, or any of their respective associates or affiliates (collectively, the "Interested Parties").

BMO Capital Markets has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Parties within the past two years, other than: (i) acting as financial advisor to the Company and the Special Committee pursuant to the Engagement Agreement; (ii) acting as a lender to the Company in connection with a $70 million senior secured revolving credit facility maturing in 2021; (iii) acting as a lender to a subsidiary of the Company in connection with a US$25 million senior secured revolving credit facility maturing in 2021 and a US$7 million senior secured non-revolving credit facility maturing in 2018; (iv) providing cash management services to the Company; (v) providing foreign exchange hedging, interest rate hedging and other treasury services to the Company; (vi) acting as joint-lead arranger and co-collateral agent for Carlstar Group LLC, a portfolio company of American Industrial Partners, in connection with a US$350 million asset based lending facility in April 2017; (vii) acting as joint book-running manager in connection with the initial public offering of Rev Group, Inc., a portfolio company of American Industrial Partners, in January 2017; and (viii) acting as a lender to Carlstar Group LLC, a portfolio company of American Industrial Partners, in connection with a US$100 million asset based lending facility.

There are no understandings, agreements or commitments between BMO Capital Markets and any of the Interested Parties with respect to future business dealings. BMO Capital Markets may, in the future, in the ordinary course of business, provide financial advisory, investment banking, or other financial services to one or more of the Interested Parties from time to time. BMO Capital Markets or one or more of our affiliates may provide financing services to the Acquiror in connection with the Arrangement, for which services BMO Capital Markets or such affiliate would receive compensation.

BMO Capital Markets and certain of our affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of one or more of the Interested Parties and, from time to time, may have executed or may execute transactions on behalf of one or more Interested Parties for which BMO Capital Markets or such affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of our affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to one or more of the Interested Parties or the Arrangement. In addition, Bank of Montreal ("BMO"), of which BMO Capital Markets is a wholly-owned subsidiary, or one or more affiliates of BMO, may provide banking or other financial services to one or more of the Interested Parties in the ordinary course of business.

OVERVIEW OF CANAM GROUP INC.

The Company specializes in designing integrated solutions and fabricating customized products for the North American construction industry. Each year, the Company takes part in an average of 10,000 building, structural steel and bridge projects, which can also include the supply of preconstruction, project management and erection services. The Company operates 23 plants across North America and employs over 4,650 people in Canada, the United States, Romania and India.

SCOPE OF REVIEW

In connection with rendering the Opinion, we have reviewed and relied upon, or carried out, among other things, the following:

1. a draft of the Arrangement Agreement dated April 26, 2017;

2. drafts of the support and voting agreements dated April 26, 2017, between the Acquiror and the Dutil Shareholders, and certain officers and directors of the Company;

3. drafts of the commitment letter and term sheet dated April 24, 2017 and provided to the Acquiror by Morgan Stanley Senior Funding Inc. for a $100 million senior secured asset-based revolving credit facility and a US$350 million senior secured term loan credit facility in connection with the Arrangement;

4. a draft of the commitment letter dated April 25, 2017 and provided to the Acquiror by American Industrial Partners Capital Fund VI, L.P. for a cash equity investment in the Acquiror to satisfy the payment obligations of the Acquiror in connection with the Arrangement;

5. certain publicly available information relating to the business, operations, financial condition and trading history of the Company and other selected public entities we considered relevant;

6. certain internal financial, operating, corporate and other information prepared or provided by or on behalf of the Company relating to the business, operations and financial condition of the Company;

7. internal management forecasts, projections, estimates and budgets prepared or provided by or on behalf of management of the Company;

8. discussions with management of the Company relating to the Company's current business, plans, financial condition and prospects;

9. discussions with legal counsel to the Special Committee;

10. public information with respect to selected precedent transactions we considered relevant;

11. various reports published by equity research analysts and industry sources we considered relevant;

12. a letter of representation as to certain factual matters and the completeness and accuracy of certain information upon which the Opinion is based, addressed to us and dated as of the date hereof, provided by senior officers of the Company; and

13. such other information, investigations, analyses and discussions as we considered necessary or appropriate in the circumstances.

BMO Capital Markets has not, to the best of its knowledge, been denied access by the Company to any information under the Company's control requested by BMO Capital Markets.

PRIOR VALUATIONS

The Company has represented to BMO Capital Markets that there have not been any prior valuations (as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*) of the Company or any of its subsidiaries (as defined in National Instrument 45-106 – *Prospectus Exemptions*) or any of their respective material assets or liabilities in the past two years, other than those which have been provided to BMO Capital Markets.

ASSUMPTIONS AND LIMITATIONS

We have relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other materials

obtained by us from public sources or provided to us by or on behalf of the Company or otherwise obtained by us in connection with our engagement (the "Information"). The Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to, and have not assumed any obligation to, independently verify the completeness, accuracy or fair presentation of any such Information. We have assumed that forecasts, projections, estimates and budgets provided to us and used in our analyses were reasonably prepared on bases reflecting the best currently available assumptions, estimates and judgments of management of the Company, having regard to the Company's business, plans, financial condition and prospects.

Senior officers of the Company have represented to BMO Capital Markets in a letter of representation delivered as of the date hereof, among other things, that: (i) the Information provided to BMO Capital Markets orally by, or in the presence of, an officer or employee of, the Company, or in writing by the Company or any of its subsidiaries or any of its or their representatives in connection with our engagement was, at the date the Information was provided to BMO Capital Markets, and is, as of the date hereof, complete, true and correct in all material respects, and did not and does not contain a misrepresentation (as defined in the *Securities Act* (Ontario)); and (ii) since the dates on which the Information was provided to BMO Capital Markets, except as disclosed to BMO Capital Markets, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries, and no change has occurred in the Information or any part thereof which would have or which could reasonably be expected to have a material effect on the Opinion.

In preparing the Opinion, we have assumed that the executed Arrangement Agreement will not differ in any material respect from the draft that we reviewed, and that the Arrangement will be consummated in accordance with the terms and conditions of the Arrangement Agreement without waiver of, or amendment to, any term or condition that is in any way material to our analyses.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as of the date hereof and the condition and prospects, financial and otherwise, of the Company as they are reflected in the Information and as they have been represented to BMO Capital Markets in discussions with management of the Company and its representatives. In our analyses and in preparing the Opinion, BMO Capital Markets made numerous judgments and assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond our control or that of any party involved in the Arrangement.

The Opinion is provided to the Special Committee for its exclusive use only in considering the Arrangement and may not be used or relied upon by any other person or for any other purpose without our prior written consent. The Opinion does not constitute a recommendation as to how any Shareholder should vote or act on any matter relating to the Arrangement. Except for the inclusion of the Opinion in its entirety and a summary thereof (in a form acceptable to us) in the Circular, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without our prior written consent.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of the securities or assets of the Company or of any of its affiliates, and the Opinion should not be construed as such. The Opinion is not, and should not be construed as, advice as to the price at which the securities of the Company may trade at any time. BMO Capital Markets was not engaged to review any legal, tax or regulatory aspects of the Arrangement and the Opinion does not address any such matters. We have relied upon, without independent verification, the assessments made by the Company and its legal advisors with respect to such matters. In addition, the Opinion does not address the relative merits of the Arrangement as compared to any strategic alternatives that may be available to the Company.

The Opinion is rendered as of the date hereof and BMO Capital Markets disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of BMO Capital Markets after the date hereof. Without limiting the foregoing, if we learn that any of the information we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, BMO Capital Markets reserves the right to change or withdraw the Opinion.

APPROACH TO FAIRNESS AND ANALYSIS

BMO Capital Markets performed various analyses in connection with rendering the Opinion. In arriving at our conclusion we did not attribute any particular weight to any specific approach or analysis, but rather developed qualitative judgements on the basis of our experience in rendering such opinions and the information presented as a whole.

In considering the fairness from a financial point of view of the Consideration to be received by the Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement, we considered whether the value of the Consideration fell within a range of fair values for the Shares. To determine a range of fair values for the Shares, we considered the following methodologies: (i) comparable company trading analysis; (ii) precedent transactions analysis; and (iii) discounted cash flow (DCF) analysis.

Comparable Company Trading Analysis

BMO Capital Markets reviewed publicly available information for selected publicly listed entities we considered relevant and applied a range of enterprise value to earnings before interest, tax, depreciation and amortization ("EBITDA") multiples considered appropriate in the circumstances to the Company's projection of 2017 EBITDA to obtain a range of enterprise values for the Company. Certain adjustments including capital structure adjustments were then made to obtain a range of fair values for the Shares.

Precedent Transaction Analysis

BMO Capital Markets reviewed publicly available information for selected transactions involving entities we considered relevant and derived a range of enterprise value to trailing twelve months EBITDA (adjusted for non-recurring items) multiples for transactions considered appropriate in the circumstances. BMO Capital Markets applied this range of multiples to the Company's trailing twelve months EBITDA (adjusted for non-recurring items) to obtain a range

of enterprise values for the Company. Certain adjustments including capital structure adjustments were then made to obtain a range of fair values for the Shares.

Discounted Cash Flow (DCF) Analysis

The discounted cash flow methodology is a calculation of the present value of the Company's projected future cash flows to determine a range of values for the Shares. It involved estimating annual net cash flows for each year of the projection period and discounting them at discount rates BMO Capital Markets determined reasonable. A terminal value was also calculated by estimating the Company's normalized net cash flow in the terminal year and assuming a constant growth rate into perpetuity with the resulting terminal value being discounted at the same discount rates used for the annual net cash flows in the projection period. As part of the discounted cash flow methodology, BMO Capital Markets performed sensitivity analyses on the key factors considered to be primary drivers of the discounted cash flow methodology.

The Consideration to be received by the Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement is consistent with the range of fair values for the Shares generated by the foregoing analyses.

CONCLUSION

Based upon and subject to the foregoing, BMO Capital Markets is of the opinion that, as of the date hereof, the Consideration to be received by the Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement is fair from a financial point of view to such Shareholders (other than the Rollover Shareholders).

Yours truly,

BMO Nesbitt Burns Inc.

BMO Nesbitt Burns Inc.