

CANWEL BUILDING MATERIALS GROUP LTD.

COMPENSATION COMMITTEE CHARTER

1. PURPOSE OF THE COMMITTEE

1.1 Responsibilities

The Committee is appointed by the Board and is responsible for performing the duties set out in this Charter to enable the Board to fulfill and discharge its oversight responsibilities relating to:

- (a) recruitment, development and retention of Senior Management;
- (b) appointment, performance evaluation and compensation of the Senior Management;
- (c) compensation structure for members of the Board and Senior Management including salaries, annual and long-term incentive plans and plans involving share issuances and share unit awards;
- (d) benefit plans, as may be applicable;
- (e) reviewing non-binding “say-on-pay” advisory voting results and addressing Shareholder concerns identified by such voting results if applicable;
- (f) approve a process for appraising annually the performance of the CEO against agreed quantitative and qualitative performance objectives, both short and long-term, as may be applicable;
- (g) oversee the annual appraisal of the CEO’s performance and shall report thereon to the Board;
- (h) obtain reasonable assurance that the Corporation has appropriate systems and processes for the evaluation of Senior Management development and, with the Nominating and Corporate Governance Committee, and the Chair shall review at least annually with the CEO the performance of and potential for advancement of each officer of the Corporation and their respective successors. The Committee may also at its discretion request information on the management resources of any part of the Corporation or its subsidiaries;
- (i) review with the CEO any proposed major changes in organization or personnel of the Corporation and its subsidiaries and, if advisable, recommend approval to the Board;

- (j) review compensation disclosure in public documents, including the Committee’s annual report on executive compensation for inclusion in the information circular(s) of the Corporation, in accordance with Applicable Laws;
- (k) on a regular basis, follow the process established by the Board and overseen by the Nominating and Corporate Governance Committee for assessing the performance and effectiveness of the Committee;
- (l) review and assess the adequacy of this Charter annually and recommend any changes it deems appropriate to the Board; and
- (m) responsibility for such other matters as are set out in this Charter or as may otherwise be assigned to the Committee by the Board.

1.2 General

The Committee’s purpose includes responsibility for such other matters as are set out in this Charter or as may otherwise be assigned to the Committee by the Board.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this Charter:

- (a) “**Applicable Laws**” means all applicable provisions of law, domestic or foreign, including, without limitation, the *Securities Act* (British Columbia) as amended, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and the applicable rules and policies of any stock exchange on which the Corporation is listed and of the Corporation;
- (b) “**Board**” means the Board of Directors of the Corporation;
- (c) “**CEO**” means the Chief Executive Officer of the Corporation;
- (d) “**CFO**” means the Chief Financial Officer of the Corporation;
- (e) “**Chair**” means the chair of the Committee;
- (f) “**Committee**” means the Compensation Committee of the Corporation;
- (g) “**Corporation**” means CanWel Building Materials Group Ltd.;
- (h) “**Directors**” means the members of the Board of the Corporation;
- (i) “**Named Executive Officer**” or “**NEO**” shall be defined as such term is defined in Applicable Laws;

- (j) “**Senior Management**” means the CEO, CFO, and other senior management as may be applicable; and
- (k) “**Shareholder**” means a shareholder of the Corporation.

2.2 Interpretation

The provisions of this Charter are subject to the provisions of the Articles of Incorporation and the By-Laws of Corporation and Applicable Laws. All terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Mandate of the Board of Directors, as amended.

CONSTITUTION AND FUNCTIONING OF THE COMMITTEE

3. ESTABLISHMENT AND COMPOSITION OF COMMITTEE

3.1 Establishment of the Committee

The Committee is hereby established with the constitution, function and responsibilities herein set forth.

3.2 Appointment and Removal of Members of the Committee

- (a) Board Appoints Members. The members of the Committee shall be appointed by the Board or Nominating and Corporate Governance Committee of the Corporation.
- (b) Annual Appointments. The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the Shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.
- (c) Vacancies. The Board may appoint a member to fill a vacancy that occurs in the Committee between annual elections of Directors.
- (d) Removal of Member. Any member of the Committee may be removed from the Committee by a resolution of the Board.

3.3 Number of Members

The Committee shall consist of three or more Directors.

3.4 Qualification and Independence of Members

Each member of the Committee shall be independent as defined under Applicable Laws and have or develop an understanding of management resources and compensation

principles and practices. At least one member of the Committee must have significant experience with compensation matters.

4. COMMITTEE CHAIR

4.1 Board to Appoint Chair

The Board shall appoint the Chair from the members of the Committee (or if it fails to do so, the members of the Committee shall appoint the Chair of the Committee from among its members).

4.2 Chair to be Appointed Annually

The designation of the Committee's Chair shall take place annually at the first meeting of the Board after a meeting of the members at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

5. COMMITTEE MEETINGS

5.1 Quorum

A quorum of the Committee shall be a majority of its members present in person. Any Director may participate in a meeting of the Committee by means of teleconference and a Director so participating shall be considered present in person at that meeting.

5.2 Secretary

The Chair shall designate from time to time a person who may, but need not, be a member of the Committee, to be Secretary of the Committee.

5.3 Time and Place of Meetings

The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee.

5.4 Right to Vote

Each member of the Committee shall have the right to vote on matters that come before the Committee.

5.5 Invitees

The Committee may invite Directors, officers, employees, advisors or consultants of the Corporation or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

5.6 Regular Reporting

The Committee shall report to the Board at the Board's next meeting the proceedings at the meetings of the Committee and all recommendations made by the Committee at such meetings. The Committee shall oversee the preparation and shall approve and recommend annually (i) the compensation for Senior Management, (ii) the compensation for the Board, and (iii) the Committee's report for any public disclosure of information relating to the executive compensation of the Corporation, including in the Corporation's management information circular.

6. AUTHORITY OF COMMITTEE

6.1 Retaining and Compensating Advisors

The Committee shall have the authority to retain and terminate:

- (a) any firm engaged to assist in the evaluation of the compensation of Directors, the CEO or Senior Management; and
- (b) outside counsel and any other advisors as the Committee may deem appropriate in its sole discretion.

Prior to retaining any outside advisor, the Committee shall consider such factors as it considers necessary or desirable, including the expertise, skill set and experience of the proposed advisor together with the advisor's independence from the Corporation (as such term is defined in applicable securities laws). The Committee shall have sole authority to approve related fees and retention terms of any such firm and other advisors.

6.2 Subcommittees

The Committee may form and delegate authority to subcommittees if deemed appropriate by the Committee.

6.3 Recommendations to the Board

The Committee shall have the authority to make recommendations to the Board, but shall have no decision-making authority other than as specifically contemplated in this Charter.

7. REMUNERATION OF COMMITTEE MEMBERS

Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

SPECIFIC DUTIES AND RESPONSIBILITIES – COMPENSATION

8. COMPENSATION MATTERS

8.1 Compensation of Senior Management

The Committee shall:

- (a) review and recommend to the Board goals and objectives relevant to Senior Management compensation;
- (b) evaluate the performance of each member of Senior Management in light of those goals and objectives and report such performance to the Board;
- (c) determine and make recommendations to the Board for approval with respect to each member of Senior Management's compensation level (considering all elements of the compensation package, including bonus, long-term incentive and equity grants) based on this evaluation; and
- (d) in determining the long-term incentive component of each member of Senior Management's compensation for recommendation to the Board, consider:
 - (i) the Corporation's performance and relative Shareholder return;
 - (ii) the value of similar incentive awards to CEOs, COOs or CFOs, as the case may be, at comparable organizations; and
 - (iii) the awards given to each member of Senior Management, respectively, in past years.

8.2 Other Compensation Matters

1. The Committee shall make recommendations to the Board with respect to the compensation structure for Senior Management and Directors;

- (a) with respect to incentive awards, in the event such incentive award is granted to or made in favour of (i) Senior Management or the Directors (for greater certainty, whether or not such plan is cash-based or equity-based), or (ii) any other non-Senior Management employee of the Corporation and which involves the issuance of equity of the Corporation (or securities exchangeable or exercisable into equity); and
- (b) with respect to incentive plans, in the event such incentive plan is applicable to, or for the benefit of, (i) Senior Management or the Directors (for greater certainty, whether or not such plan is cash-based or equity-based), or (ii) any other non-Senior Management employee of the Corporation and which plan involves the issuance of equity of the Corporation (or securities exchangeable or exercisable into equity).

2. The Committee shall review the amount and form of compensation of Senior Management and Directors.

3. In making recommendations to the Board, the Committee shall consider the time commitment, risks and responsibilities of the Senior Management and Directors and well as comparative data derived from the experiences of the members of the Committee and advice from any outside advisors.

4. The Committee shall also seek to align the interests of Senior Management and Directors with those of the Shareholders where appropriate.

8.3 Review of Bonuses Paid

The Committee will monitor the administration of the Corporation's Senior Management's incentive and other compensation related plans and shall review and shall report to the Board annually on whether incentives and bonuses awarded or paid to the CEO and each of the other members of Senior Management have been awarded or paid in accordance with the applicable plans.

9. DISCLOSURE AND REPORTING TO THE BOARD

9.1 Executive Compensation Disclosure

The Committee shall review and recommend to the Board for approval, any public disclosure of information relating to the Corporation's executive and NEO compensation, including the disclosure to be included in the Corporation's information (proxy) circular(s).

9.2 Report of the Committee

The Committee shall prepare and recommend to the Board for approval, the Report of the Committee to be included in the Corporation's information (proxy) circular(s).

SPECIFIC DUTIES AND RESPONSIBILITIES – COMMITTEE ADMINISTRATION

10. REGULAR PERFORMANCE EVALUATION

On a regular basis, the Committee shall follow the process established by the Board and overseen by the Nominating and Governance Committee for assessing the performance and effectiveness of the Committee.

13. CHARTER REVIEW

The Committee shall review and assess the adequacy of this Charter annually and recommend to the Board any changes it deems appropriate.