

These materials are important and require your immediate attention. They require the shareholders of Taiga Building Products Ltd. 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 further assistance, please do not hesitate to contact the Company or the Company's registrar and transfer agent, Computershare Investor Services Inc., at 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by visiting <http://www.computershare.com/ca/en>.



TAIGA BUILDING PRODUCTS LTD.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT INFORMATION CIRCULAR

Time: October 26, 2017 at 10:00 a.m. (Vancouver time)

**Place: Hilton Vancouver Metrotown Hotel
6083 McKay Avenue
Burnaby, British Columbia
Canada**

**THE NON-INTERESTED DIRECTORS OF TAIGA BUILDING PRODUCTS LTD. UNANIMOUSLY
RECOMMEND THAT SHAREHOLDERS VOTE FOR THE SHARE ISSUANCE RESOLUTION.**

Dear shareholder:

You are invited to attend a special meeting of shareholders (the "**Meeting**") of Taiga Building Products Ltd. (the "**Company**"). The Meeting will be held on October 26, 2017, at 10:00 a.m. (Vancouver time), at Hilton Vancouver Metrotown Hotel, 6083 McKay Avenue, Burnaby, British Columbia, Canada.

At the Meeting, you will be asked to consider and, if thought appropriate, to pass, with or without variation, a resolution approving the issuance (the "**Share Issuance**") of up to 107,361,848 common shares of the Company (the "**Common Shares**") to holders (the "**Noteholders**") of outstanding 14% subordinated notes of Taiga due September 1, 2020 (the "**Existing Notes**") in exchange for such Existing Notes. The resolution approving the Share Issuance will also include an approval for the issuance of Common Shares to certain interested parties of the Company, including: (i) UPP Holdings Ltd. ("**UPP**"), a company of which Taiga's current chairman and director, Dr. Kooi Ong Tong, is the executive chairman, chief executive officer and a significant shareholder, and which currently holds 18,908,208 Common Shares, representing approximately 58.33% of the Company's outstanding Common Shares and Existing Notes in the aggregate principal amount of \$46,008,797, representing approximately 35.71% of the outstanding Existing Notes; (ii) Genghis S.á.r.l. ("**Genghis**"), a company represented by Dr. Tong that holds, directly or indirectly, Existing Notes in the aggregate principal amount of \$22,653,543, representing approximately 17.58% of the outstanding Existing Notes and no Common Shares; and (iii) certain directors and officers of the Company who collectively hold 972,664 Common Shares and Existing Notes in the aggregate principal amount of \$2,914,771 (collectively, the "**Interested Parties**").

The Share Issuance, if approved, will be effected pursuant to an exchange offer that will commence on or about October 2, 2017 (the "**Offer**") whereby the Company has offered to purchase the outstanding Existing Notes in exchange for: (i) an equivalent principal amount of new 7% senior notes of Taiga (the "**New Notes**") due five years from the date of issuance (the "**Note Option**"); (ii) Common Shares at a rate of 833.33 Common Shares for each \$1,000 principal amount of Existing Notes, representing an issue price of \$1.20 per Common Share (the "**Share Option**"); or (iii) any combination of New Notes and Common Shares in accordance with the foregoing as determined by the Noteholders. If the Interested Parties participate in the Offer and elect to exchange their Existing Notes for Common Shares, such parties will collectively receive 59,647,593 Common Shares of the 107,361,848 Common Shares issuable pursuant to the Offer.

The resolution to approve the Share Issuance will be solely in respect of the Share Option pursuant to the Offer. If the Share Issuance is not approved by shareholders at the Meeting, the Company intends to pursue the Offer in respect of the Note Option only.

The board of directors of the Company (the "**Board**") has unanimously determined (with certain directors having a disclosable interest abstaining from voting and not participating in the review of the Offer and Share Issuance), following the unanimous favourable recommendation of a special committee comprised of independent directors, that the Share Issuance is fair, from a financial point of view, to the disinterested shareholders of the Company and **unanimously recommends that the disinterested shareholders vote FOR the resolution approving the Share Issuance, including the issuance to the Interested Parties.** The recommendation of the Board is based on the factors and considerations set out in detail in the accompanying information circular.

To become effective, the resolution in respect of the Share Issuance must be approved by a majority of the votes attached to the Common Shares held by the Company shareholders present in person or represented by proxy at the Meeting, excluding, for this purpose, votes attached to Common Shares held by the Interested Parties to the extent they hold Common Shares.

The Company has commenced the Offer concurrently with the mailout of materials for this Meeting and the Share Option component of the Offer is conditional upon receipt of disinterested shareholder approval at the Meeting. The Offer will expire on November 8, 2017, assuming that the Offer has not been extended and the conditions of the Offer have been satisfied or waived by such time, and it is anticipated that the Share Issuance will be completed within six business days following expiration of the Offer.

The accompanying information circular provides a detailed description of the Share Option pursuant to the Offer to assist you in considering how to vote on the resolution to be approved at the Meeting. You are urged to read this information carefully and, if you require assistance, consult your own legal, tax, financial or other professional

advisors. Your vote is important regardless of the number of securities you own. We encourage you to take the time to vote your Common Shares. If you have any questions about the information contained in this information circular, please contact the Company at Suite 800, 4710 Kingsway Street, Burnaby, British Columbia, Canada V5H 4M2, telephone: (604) 438-1471, e-mail: invest@taigabuilding.com, and if you require assistance in completing your form of proxy, please contact Computershare Investor Services Inc., the Company's registrar and transfer agent, at 1-800-564-6253 or by e-mail at Service@Computershare.com.

Thank you for your continued support of the Company.

Yours very truly,

"Dr. Kooi Ong Tong"

Dr. Kooi Ong Tong
Chairman of the Board of Directors



NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON OCTOBER 26, 2017

NOTICE IS HEREBY GIVEN that the special meeting (the "**Meeting**") of the holders of common shares ("**Common Shares**") of Taiga Building Products Ltd. ("**Taiga**" or the "**Company**") will be held at Hilton Vancouver Metrotown Hotel, 6083 McKay Avenue, Burnaby, British Columbia, Canada on October 26, 2017 at 10:00 a.m. (Vancouver time) for the following purposes:

- (a) to authorize and approve, with or without variation, an ordinary resolution (the "**Share Issuance Resolution**"), the full text of which is set forth in the accompanying management information circular (the "**Circular**"), approving the issuance of up to 107,361,848 common shares of the Company (the "**Common Shares**") to holders of outstanding 14% subordinated notes of Taiga due September 1, 2020 (the "**Existing Notes**") in exchange for such Existing Notes, including the issuance of up to 59,647,593 Common Shares to certain interested parties of the Company (the "**Interested Parties**");
- (b) to transact such further or other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The Share Issuance Resolution is a condition to the completion of the Share Option (as defined below) component of an exchange offer that will commence on or about October 2, 2017 (the "**Offer**"), whereby the Company has offered to purchase the outstanding Existing Notes in exchange for an equivalent principal amount of new 7% subordinated unsecured notes of Taiga due five years from the date of issuance (the "**Note Option**"), Common Shares at a rate of 833.33 Common Shares for each \$1,000 principal amount of Existing Notes, representing an issue price of \$1.20 per Common Share (the "**Share Option**"), or any combination of the foregoing as determined by holders of Existing Notes. The Share Issuance Resolution will be solely in respect of the Share Option pursuant to the Offer. If the Share Issuance Resolution is not approved by shareholders at the Meeting, the Company intends to pursue the Offer in respect of the Note Option only.

The Share Issuance Resolution is subject to approval by the disinterested holders of Common Shares as a result of the potential issuance of Common Shares to the Interested Parties because it is a "related party transaction" pursuant to applicable securities laws in Canada and pursuant to applicable Toronto Stock Exchange policies.

Accompanying this Notice of Meeting is the Circular and a form of proxy. Only holders of Common Shares of record at the close of business on September 6, 2017 will be entitled to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, except that a person who has acquired Common Shares subsequent to such date will be entitled to vote such Common Shares upon making a written request no later than 10 days preceding the date of the Meeting, to Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 Attention: Proxy Department, to be included on the list of shareholders entitled to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, and establishing ownership of such Common Shares.

If you are a registered shareholder and are unable to attend the Meeting in person, please exercise your right to vote by completing the enclosed form of proxy and returning it to Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 Attention: Proxy Department. In order to be valid for use at the Meeting, proxies must be received by Computershare Investor Services Inc., not less than 48 hours (excluding Saturdays, Sundays and statutory or civic holidays in Vancouver, British Columbia or Toronto, Ontario) before the fixed time of the Meeting, or any adjournment(s) or postponement(s) thereof. Further information with respect to voting by proxy is included in the accompanying Circular.

If you are a non-registered shareholder of Taiga and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.

As a shareholder of the Company, it is very important that you read this material carefully and then vote your Common Shares, either by proxy or in person at the Meeting. The accompanying Circular provides further information about how to exercise your right to vote your securities.

DATED at Burnaby, British Columbia this 29th day of September, 2017.

**BY ORDER OF THE BOARD OF DIRECTORS OF
TAIGA BUILDING PRODUCTS LTD.**

(signed) Dr. Kooi Ong Tong

Dr. Kooi Ong Tong
Chairman of the Board of Directors

TABLE OF CONTENTS

| | |
|---|------------|
| SUMMARY OF INFORMATION CIRCULAR | i |
| MANAGEMENT INFORMATION CIRCULAR | 1 |
| INTRODUCTION..... | 1 |
| FORWARD-LOOKING INFORMATION..... | 1 |
| DOCUMENTS INCORPORATED BY REFERENCE | 1 |
| FREQUENTLY ASKED QUESTIONS..... | 2 |
| About the Meeting..... | 2 |
| About the Proposed Share Issuance | 4 |
| About Approval of the Share Issuance Resolution | 5 |
| Who to Call with Questions | 6 |
| GENERAL PROXY MATTERS..... | 6 |
| Solicitation of Proxies | 6 |
| Appointment and Revocation of Proxies..... | 6 |
| Record Date..... | 6 |
| Signature of Proxy..... | 6 |
| Proxy Instructions..... | 7 |
| Exercise of Discretion of Proxyholder | 7 |
| NON-REGISTERED HOLDERS..... | 7 |
| VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF | 8 |
| BACKGROUND TO THE PROPOSED SHARE ISSUANCE | 8 |
| Review Process..... | 8 |
| Reasons for the Recommendation of the Special Committee | 10 |
| Recommendation of the Special Committee | 12 |
| Recommendation of the Board..... | 12 |
| Fairness Opinion..... | 12 |
| Formal Valuation and Prior Valuations..... | 14 |
| Required Disinterested Approval | 14 |
| Ownership of Securities | 14 |
| SUMMARY OF THE OFFER..... | 16 |
| Terms of the Offer | 16 |
| CERTAIN LEGAL AND REGULATORY MATTERS..... | 16 |
| Steps to Completing the Offer and Timing | 16 |
| Securities Law Matters | 16 |
| THE SHARE ISSUANCE RESOLUTION | 17 |
| RISK FACTORS..... | 18 |
| Risks Relating to the Share Issuance Resolution | 19 |
| Risks Related to the Offer | 19 |
| INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS..... | 20 |
| INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON | 21 |
| AUDITORS | 21 |
| MANAGEMENT CONTRACTS | 21 |
| ADDITIONAL INFORMATION..... | 21 |
| APPROVAL | 22 |
| CONSENT OF RAYMOND JAMES LTD..... | 23 |
| AUDITORS' CONSENT | 24 |
| | |
| Appendix "A" – Fairness Opinion | A-1 |
| Appendix "B" – Summary of the Offer and Other Disclosure | B-1 |

SUMMARY OF INFORMATION CIRCULAR

The Meeting

Special Meeting:

Taiga Building Products Ltd. ("**Taiga**" or the "**Company**") has called a special meeting of its shareholders (the "**Meeting**") to consider, and if thought appropriate, to pass, with or without variation, an ordinary resolution (the "**Share Issuance Resolution**"), the full text of which is set forth in this management information circular (the "**Information Circular**"), approving the issuance (the "**Share Issuance**") of up to 107,361,848 common shares of the Company (the "**Common Shares**") to holders of outstanding 14% subordinated notes of Taiga due September 1, 2020 (the "**Existing Notes**") in exchange for such Existing Notes, including the issuance of up to 59,647,593 Common Shares to certain interested parties of the Company, the full text of which is provided in this Information Circular. The Meeting will be held at Hilton Vancouver Metrotown Hotel, 6083 McKay Avenue, Burnaby, British Columbia, Canada on October 26, 2017 at 10:00 a.m. (Vancouver time).

The Share Issuance Resolution is a condition to the completion of the Share Issuance pursuant to an exchange offer that will commence on or about October 2, 2017 (the "**Offer**"), whereby the Company has offered to purchase the outstanding Existing Notes in exchange for an equivalent principal amount of new 7% subordinated unsecured notes of Taiga (the "**New Notes**") due five years from the date of issuance (the "**Note Option**"), Common Shares at a rate of 833.33 Common Shares for each \$1,000 principal amount of Existing Notes, representing an issue price of \$1.20 per Common Share (the "**Share Option**"), or any combination of the foregoing as determined by holders of Existing Notes.

The Share Issuance Resolution will be solely in respect of the Share Option component of the Offer. If the Share Issuance Resolution is not approved by shareholders at the Meeting, the Company intends to pursue the Offer in respect of the Note Option only.

The issuance of Common Shares in exchange for Existing Notes to UPP Holdings Ltd. ("**UPP**"), the Company's largest shareholder, Genghis S.á.r.l. ("**Genghis**") and certain directors and officers of the Company that own Existing Notes and Common Shares (collectively the "**Interested Parties**"), if such Interested Parties elect the Share Option pursuant to the Offer, would constitute a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") and the policies of the Toronto Stock Exchange (the "**TSX**"), which require Taiga to obtain the approval of a majority of its shareholders excluding the votes of the Interested Parties, to the extent they hold Common Shares (the "**Disinterested Approval**"). The Interested Parties collectively hold, directly or indirectly, Existing Notes in the aggregate principal amount of \$71,577,112 (or approximately 55.6% of the \$128,834,218 aggregate principal amount of Existing Notes outstanding) and an aggregate of 19,880,852 Common Shares (or approximately 61.3% of the 32,414,278 Common Shares outstanding). Accordingly, if all such Interested Parties participate in the Offer and elect the Share Option, approximately 59,647,593 Common Shares would be issuable to the Interested Parties in the aggregate.

The issuance of up to 107,361,848 Common Shares in the event that all Noteholders participate in the Offer and elect the Share Option is subject to shareholder approval pursuant to the policies of the TSX as such issuance would exceed 25% of Taiga's outstanding Common Shares, and the potential issuance of over 10% of Taiga's outstanding Common Shares to the Interested Parties as a group would trigger a disinterested shareholder approval requirement that is substantially similar to the requirement pursuant to MI 61-101. Disinterested shareholders of the Company will therefore be asked at the Meeting to approve an ordinary resolution authorizing the Company to issue up to 107,361,848 Common Shares pursuant to the Offer, including up to 59,647,593 Common Shares issuable to the Interested Parties that elect the Share Option pursuant to the Offer.

Shareholders attending the Meeting may also be asked to consider other business that properly comes before the Meeting or any postponements or adjournments thereof. See "General Proxy Matters".

Background to the Proposed Share Issuance

Special Committee: The terms of the Offer and the proposed Share Issuance were determined by the board of directors of Taiga (the "**Board**") after review and consideration by a special committee of the Board (the "**Special Committee**"). The Special Committee was formed to evaluate and consider various alternatives available to the Company to refinance the Existing Notes in order to reduce its financial leverage, improve its financial flexibility to pursue future growth opportunities and lower its overall cost of capital. The Special Committee conducted an extensive review, including a review of alternative financing proposals from arm's length parties, with the assistance of its legal and financial advisors. See "Background to the Proposed Share Issuance - Review Process" and "Background to the Proposed Share Issuance - Reasons for the Recommendation of the Special Committee".

Details Relating to the Offer

The Offer: The Existing Notes are currently redeemable at the option of the Company at any time at 100% of the principal amount of the Existing Notes. The Company is offering to exchange all outstanding Existing Notes, which Offer is not conditional on any minimum principal amount of Existing Notes being tendered. As of the date hereof, there is \$128,834,218 aggregate principal amount of Existing Notes outstanding.

On or about October 2, 2017, the Company will commence the Offer to purchase the Existing Notes issued under the indenture dated as of September 1, 2005, as amended (the "**Existing Indenture**"), from holders of the Existing Notes (the "**Noteholders**"). Pursuant to the Offer, Noteholders are invited to exchange all or a portion of the principal amount of their Existing Notes that are properly tendered and not withdrawn prior to 5:00 p.m. (Vancouver time) on November 8, 2017 or such later time and date to which the Offer may be extended by the Company (the "**Expiration Time**"), for: (i) an equivalent principal amount of New Notes pursuant to the Note Option; (ii) Common Shares at a rate of 833.33 Common Shares for each \$1,000 principal amount of Existing Notes, representing an issue price of \$1.20 per Common Share (the "**Share Exchange Price**"), pursuant to the Share Option; or (iii) any combination of New Notes and Common Shares in accordance with the foregoing as determined by the Noteholders.

As only New Notes and/or Common Shares will be issued in exchange for Existing Notes, Taiga will derive no cash proceeds from any such distribution of New Notes and/or Common Shares pursuant to the Offer.

If the Share Issuance Resolution is not approved by shareholders at the Meeting, the Company intends to pursue the Offer in respect of the Note Option only. Whether or not the Offer is consummated, the Company intends to fully redeem the Existing Notes at par pursuant to the terms of the Existing Indenture and/or purchase the Existing Notes through open market purchases prior to December 31, 2017. In this regard, the Company or its affiliates may from time to time acquire Existing Notes, other than pursuant to the Offer, by redemptions under the Existing Indenture, through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise, upon such terms and conditions and at such prices as the Company or such affiliates may determine, which may be more or less than the prices to be paid pursuant to the Offer and could be for cash or other consideration.

Taiga reserves the right to withdraw the Offer and not take up and exchange any Existing Notes deposited under the Offer unless certain conditions are satisfied. The Share Issuance is conditional upon receipt by the Company of the Disinterested Approval, after excluding the votes attached to the Common Shares held by the Interested Parties as more particularly described herein, which approval is being sought at the Meeting. The Expiration Time is scheduled to occur nine business days following the Meeting, unless the Offer is otherwise extended by the Company.

Shareholders who wish to participate in the Offer and acquire additional Common Shares may

purchase Existing Notes through the facilities of the TSX and deposit them prior to the Expiration Time and elect the Share Option.

Conditions to the Share Issuance:

The Share Issuance is subject to a number of conditions, such as obtaining the Disinterested Approval at the Meeting pursuant to MI 61-101 and the policies of the TSX, the absence of court or governmental action prohibiting the Share Issuance and the absence of changes in general market conditions that are or may be materially adverse to the Company. The Company has applied to the TSX to approve the listing of the Common Shares issuable in exchange for the Existing Notes and has received conditional approval. Listing is subject to the Company fulfilling all of the requirements of the TSX.

Subject to the terms of the Offer, and assuming all conditions are satisfied or waived, including receipt of Disinterested Approval at the Meeting, the Company expects to issue New Notes and/or Common Shares in exchange for Existing Notes validly deposited pursuant to the Offer, within six business days of the Expiration Time.

The Interested Parties

UPP:

UPP is a public company listed on the Singapore Exchange. Dr. Kooi Ong Tong is the Executive Chairman, Chief Executive Officer and a significant shareholder (over 25%) of UPP, and is the Chairman and a director of the Company. Ian Tong is an Executive Director and Vice President, Investments, of UPP, and a director of the Company. In January 2017, UPP acquired from Taiga's former major shareholders, 18,908,208 Common Shares, representing approximately 58.33% of the outstanding Common Shares, and Existing Notes in the aggregate principal amount of \$46,008,797, representing approximately 35.71% of the Existing Notes.

Others:

The other Interested Parties include: (i) Genghis, a company represented by Dr. Tong, which holds, directly or indirectly, Existing Notes in the aggregate principal amount of \$22,653,543, representing approximately 17.58% of the outstanding Existing Notes and no Common Shares; and (ii) certain directors and officers of the Company who collectively hold 972,664 Common Shares and Existing Notes in the aggregate principal amount of \$2,914,771.

The Offer is being made to the Interested Parties as Noteholders upon the same terms and conditions as offered to all other Noteholders.

Key Reasons to Approve the Share Issuance Resolution

There are a number of reasons to support and approve the Share Issuance Resolution as outlined under the heading "Background to the Proposed Share Issuance - Reasons for the Recommendation of the Special Committee", including, among others:

Financial Benefits:

Consummation of the Offer will provide the Company with a variety of financial benefits.

The Offer, if successfully consummated, will, among other things:

- allow the Company to reduce its financial leverage, providing the Company with greater financial flexibility to pursue future growth opportunities;
- lower the Company's cost of capital by replacing 14% interest payments on the Existing Notes with 7% interest payments on the New Notes or with potential dividends on the Common Shares;
- de-leverage the Company's balance sheet and facilitate the Company's transition from its current capital structure to a more normalized capital structure, which the Company believes will: (i) provide improved access to capital; (ii) improve its financial flexibility to pursue strategic initiatives; and (iii) enhance the market's understanding of the Company by facilitating relative comparisons to its publicly-traded industry peers; and
- provide enhanced liquidity in the Common Shares through the increase of the public

float of Common Shares.

In considering whether the Offer would be in the best interests of the Company, the Board and the Special Committee gave careful consideration to a number of factors, including the following:

- the Existing Notes are redeemable at the option of the Company at any time on or after September 1, 2017 at a redemption price of 100% of the principal amount of the Existing Notes;
- although the Existing Notes are listed on the TSX, there does not appear to be an active market for the Existing Notes based on the low volume of trades;
- the elimination of all or a portion of the Existing Notes which bear an interest rate of 14% per annum from the Company's balance sheet will provide the Company with a more efficient financing mix, lower its overall weighted-average cost of capital and provide a stable long-term capital structure;
- the exchange of the Existing Notes pursuant to the Offer is optional, the option is available to all holders of Existing Notes and all such holders are free to accept or reject the Offer;
- the offering of Common Shares and/or New Notes provides the holder of the Existing Notes with the option of participating as an equity and/or debt investor with the Company; and
- the Offer is not conditional on any minimum principal amount of Existing Notes being tendered.

Depending on the participation of Noteholders, the Company believes that the Offer provides the Company with an opportunity to derive significant interest expense savings. The table below presents several scenarios based on participation of Noteholders in the Offer and the corresponding annual interest expense savings:

| | As at June 30, 2017 | As at June 30, 2017 | | |
|--|------------------------|---------------------------------|---|---------------------------------|
| | | Scenario A ⁽¹⁾ | <i>(pro forma)</i> Scenario B ⁽²⁾ | Scenario C ⁽³⁾ |
| Existing Notes..... | \$ 128,834,218 | \$ 83,742,242 | \$ 32,208,555 | \$ Nil |
| New Notes | \$ Nil | \$ Nil | \$ 48,312,832 | \$ 64,417,109 |
| Common Shares..... | 32,414,278 | 69,990,925 | 72,674,972 | 86,095,202 |
| | | Scenario A⁽¹⁾ | Scenario B⁽²⁾ | Scenario C⁽³⁾ |
| Annual Interest Expense ⁽⁴⁾ | \$ 18,036,791 | \$ 11,723,914 | \$ 7,891,096 | \$ 4,509,198 |

Notes:

- (1) Scenario A assumes that Noteholders holding Existing Notes in an aggregate principal amount of \$45,091,976 (35% of the outstanding Existing Notes) tender their Existing Notes to the Offer, of which 100% are tendered for the Share Option and of which none are tendered for the Note Option. This will result in annual interest expense savings of approximately \$6,312,877.
- (2) Scenario B assumes that Noteholders holding Existing Notes in an aggregate principal amount of \$96,625,664 (75% of the outstanding Existing Notes) tender their Existing Notes to the Offer, of which 50% are tendered for the Share Option and of which 50% are tendered for the Note Option. This will result in annual interest expense savings of approximately \$10,145,695.
- (3) Scenario C assumes that Noteholders holding Existing Notes in an aggregate principal amount of \$128,834,218 (100% of the outstanding Existing Notes) tender their Existing Notes to the Offer, of which 50% are tendered for the Share Option and of which 50% are tendered for the Note Option. This will result in annual interest expense savings of approximately \$13,527,593.
- (4) Represents interest expense for the month ended June 30, 2017 on an annualized basis.

Fairness Opinion:

The Special Committee received a fairness opinion from Raymond James Ltd. ("**Raymond James**") dated September 28, 2017 (the "**Fairness Opinion**") to the effect that the Offer is fair, from a financial point of view, to the disinterested shareholders of the Company. A summary of the Fairness Opinion is included in this Information Circular, and the full text of the Fairness

Opinion, which sets forth among other things, certain assumptions made, matters considered, information reviewed and limitations and qualifications on the review undertaken by Raymond James in connection with the Fairness Opinion, is attached at Appendix "A". The Fairness Opinion was provided solely for the use of the Special Committee and Board in connection with their consideration of the Offer and is not a recommendation as to how shareholders should vote in respect of the Share Issuance Resolution. See "Background to the Proposed Share Issuance - Fairness Opinion".

Alternative Transactions:

The low likelihood of alternative transactions being available on superior terms.

The review by the Special Committee of alternative refinancing proposals in respect of the Existing Notes by arm's length parties led the Special Committee to conclude that there was a low likelihood of alternative transactions being available to the Company on terms more favourable than the Offer.

If the Company does not receive the required vote by disinterested shareholders in favour of the Share Issuance Resolution, the Share Issuance will not proceed. Nevertheless, the Company intends to proceed with the Offer in respect of the Note Option. Failure to complete the Share Option component of the Offer will result in the Company seeking alternative means to redeem or repurchase the Existing Notes prior to December 31, 2017, for example through incurring additional indebtedness or through additional equity issuances such as a rights offering. Additional indebtedness, for example, may be on terms that are less favourable to the Company and more restrictive on the Company's operations. See "Risk Factors - Risks Related to the Offer - Conditions precedent and required approvals".

Support of the Company's directors and officers:

Each of the Company's directors and officers who hold Existing Notes have indicated that they intend to tender some or all of their Existing Notes to the Offer. See "Background to the Proposed Share Issuance - Ownership of Securities". Such directors and officers who hold Common Shares and are not precluded from voting on the Share Issuance Resolution as Interested Parties have indicated their support for the Share Issuance and their intention to vote in favour of the Share Issuance Resolution.

Recommendation of the Special Committee:

In making its determinations and recommendations, the Special Committee considered and relied upon a number of substantive factors, carefully considered all aspects of the Offer, and considered a variety of uncertainties, risks and other potentially adverse consequences concerning the Offer and the Share Issuance. See "Background to the Proposed Share Issuance - Reasons for the Recommendation of the Special Committee".

Having undertaken a thorough review of, and carefully considered, information concerning the Company and its shareholders and the Offer, and after consulting legal and financial advisors, the Special Committee has unanimously determined that: (i) the potential Share Issuance offered in consideration for the Existing Notes is fair, from a financial point of view, to the disinterested shareholders of the Company; and (ii) the Offer is in the best interests of the Company, and unanimously recommended that the Board approve the Offer and recommend that the disinterested shareholders vote **FOR** the Share Issuance Resolution.

Recommendation of the Board:

After careful consideration by the Board, the Board unanimously concluded (with Dr. Tong and Ian Tong (the "**Interested Directors**") abstaining from voting) that: (i) the potential Share Issuance offered in consideration for the Existing Notes is fair, from a financial point of view, to the disinterested shareholders of the Company; and (ii) the Offer is in the best interests of the Company, and unanimously approved the Offer and unanimously recommends (with the Interested Directors abstaining) that the disinterested shareholders vote **FOR** the Share Issuance Resolution. See "Background to the Proposed Share Issuance - Recommendation of the Board".

In adopting the Special Committee's recommendations and making the foregoing determinations, the Board consulted with outside legal and financial advisors, considered and relied upon the same factors and considerations that the Special Committee relied upon, as described herein, and adopted the Special Committee's analysis in its entirety.

*Formal Valuation and
Prior Valuations:*

The Company is exempt from the requirement to obtain a formal valuation in connection with securities subject to the Offer pursuant to MI 61-101, as all the conditions in Section 6.3(2) of MI 61-101 are satisfied.

To the knowledge of the Company and its directors and senior officers, after reasonable inquiry, there have been no prior valuations (as defined in MI 61-101) prepared in respect of the Company that relate to the Existing Notes or the Common Shares made in the 24 months prior to the date hereof.

*Interests of Certain
Persons in the Share
Issuance:*

In considering the recommendations of the Board with respect to the Share Issuance Resolution, the disinterested shareholders of the Company should be aware that certain directors of the Company, specifically the Interested Directors, have certain interests in connection with the potential Share Issuance on account of their involvement with UPP and their relationship to one another that may be in addition to, or separate from, those of the disinterested shareholders of the Company generally in connection with the potential Share Issuance pursuant to the Offer. The Interested Directors, having disclosed a material interest in the Offer, have not participated in the review of the Offer, and have abstained from voting on the determination of the Board: (i) that the potential Share Issuance offered in consideration for the Existing Notes is fair, from a financial point of view, to the disinterested shareholders of the Company; (ii) that the Offer is in the best interests of the Company; and (iii) to recommend that the disinterested shareholders vote **FOR** the Share Issuance Resolution. See "Background to the Proposed Share Issuance - Ownership of Securities".

The Interested Parties, being beneficial holders of both Common Shares and Existing Notes of the Company, have an interest in the Offer if they participate and elect the Share Option, which precludes their votes from being counted in respect of the Share Issuance Resolution, to the extent they hold Common Shares, for the purposes of "minority" or "disinterested" shareholder approval in accordance with MI 61-101 and TSX policies, as described below.

The Board is aware of these interests and considered them along with other matters described herein.

*Required Disinterested
Approval:*

At the Meeting, the disinterested shareholders of the Company will be asked to vote to approve the Share Issuance Resolution. The approval of the Share Issuance Resolution will require the affirmative vote of a majority of the votes attached to the Common Shares held by the persons present in person or represented by proxy at the Meeting, excluding for this purpose votes attached to Common Shares held by persons described in items (a) through (d) of Section 8.1(2) of MI 61-101.

To the knowledge of the Company after reasonable inquiry, as at the date hereof, the shareholders whose votes are required to be excluded for purposes of the Disinterested Approval are the Interested Parties, to the extent they hold Common Shares, who, collectively, beneficially own, control or direct, directly or indirectly, an aggregate of 19,880,852 Common Shares, representing approximately 61.3% of the outstanding Common Shares. The potential issuance of over 10% of Taiga's outstanding securities to the Interested Parties as a group would trigger a disinterested shareholder approval requirement pursuant to TSX policies that is substantially similar to the requirement pursuant to MI 61-101. See "Certain Legal and Regulatory Matters - Securities Law Matters - Disinterested Approval" and "Background to the Proposed Share Issuance - Required Disinterested Approval".

Notwithstanding the Disinterested Approval of the Share Issuance Resolution in accordance with the foregoing, the Share Issuance Resolution authorizes the Board to, without notice to or approval of the disinterested shareholders, not proceed with the Share Issuance and related transactions.

The potential issuance of New Notes pursuant to the Offer if Noteholders, including the Interested Parties, tender to the Offer and the Note Option is elected, is exempt from the disinterested shareholder approval requirements pursuant to Section 5.7(f) of MI 61-101, as such potential issuance of New Notes to the Interested Parties would constitute a loan obtained by the Company from a related party that the Board has determined is on reasonable commercial terms that are not less advantageous to the Company than if the loan were obtained from a person dealing at arm's length with the Company, and the loan is not: (i) convertible, directly or indirectly, into equity or voting securities of the Company or a subsidiary of the Company, or otherwise participating in nature; or (ii) repayable as to principal or interest, directly or indirectly, in equity or voting securities of the Company or a subsidiary of the Company.

Certain Legal and Regulatory Matters:

Completion of the Share Issuance is subject to the conditions precedent contained in the Offer materials having been satisfied, including, among others, receipt of Disinterested Approval at the Meeting and TSX approval (the "**TSX Approval**") for the listing and posting for trading of the Common Shares issuable pursuant to the Offer. Subject to the terms of the Offer, and assuming all conditions are satisfied or waived, as applicable, the Company expects to issue New Notes and/or Common Shares in exchange for Existing Notes validly deposited pursuant to the Offer, within six business days of the Expiration Time. The Company has applied to list the Common Shares issuable pursuant to the Offer on the TSX and has received conditional approval. Listing will be subject to the Company fulfilling all the listing requirements of the TSX.

Risk Factors:

The risk factors described under "Risk Factors" should be carefully considered by disinterested shareholders in evaluating whether to approve the Share Issuance Resolution.

MANAGEMENT INFORMATION CIRCULAR

INTRODUCTION

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of Taiga for use at the Meeting of holders of Common Shares and any adjournment(s) or postponement(s) thereof. No person has been authorized to give any information or make any representation in connection with any 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 by Taiga or management of Taiga.

Information contained in this Information Circular is given as of September 29, 2017 unless otherwise specifically stated. In this Information Circular, except where otherwise indicated, all dollar amounts are expressed in Canadian currency.

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 an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

Shareholders should not construe the contents of this Information Circular as legal, tax or financial advice and, if such advice is needed shareholders of the Company should consult with their own legal, tax, financial or other professional advisors.

The information concerning the Interested Parties (as defined herein) contained in this Information Circular has been provided by the Interested Parties. Although the Company has no knowledge that would indicate that any statements contained herein are untrue or incomplete, the Company does not assume any responsibility for the accuracy or completeness of such information, or for any failure by the Interested Parties, any of their affiliates or any of their respective representatives to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to the Company. The Company believes that the Interested Parties provided the Company with all necessary information concerning the Interested Parties that is required to be included in this Information Circular and that the Interested Parties have ensured that such information does not contain any misrepresentation.

FORWARD-LOOKING INFORMATION

Certain statements in this Information Circular constitute "forward-looking information" within the meaning of applicable securities laws, which reflect the expectations of management including, without limitation, regarding expected future events and financial and operating results, ability to renew or refinance various loan facilities as they become due and expectations regarding distributions. Forward-looking information generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue" or similar expressions, and the negative forms thereof, suggesting future outcomes or events. Forward-looking information reflects the Company's current expectations regarding future events and operating performance and speak only as of the date of this Information Circular. Forward-looking information involves significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not, or the times at or by which, such performance or results will be achieved, and include risks and uncertainties disclosed in the "Risk Factors" section and elsewhere herein, and in other disclosure materials filed from time to time by the Company with the Canadian securities regulatory authorities. No assurance is provided that actual results will be consistent with the forward-looking information. The Company assumes no obligation to update or revise forward-looking information to reflect new events or circumstances, other than as required by applicable law.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Information Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Company at Suite 800, 4710 Kingsway Street, Burnaby, British

Columbia, Canada V5H 4M2, telephone: (604) 438-1471. In addition, copies of the documents incorporated by reference herein may be obtained electronically on SEDAR at www.sedar.com.

The following documents, filed with the securities commissions or similar authorities in certain provinces of Canada, are specifically incorporated by reference into and form an integral part of this Information Circular:

- annual information form of the Company dated June 22, 2017;
- management information circular of the Company dated June 22, 2017 distributed in connection with the annual general meeting of shareholders held on August 3, 2017;
- the comparative audited consolidated financial statements of the Company and notes thereto for the financial year ended March 31, 2017, together with the notes thereto and the auditors' report thereon;
- management's discussion and analysis of financial condition and results of operations of the Company for the financial year ended March 31, 2017;
- the comparative unaudited consolidated financial statements of the Company for the three month period ended June 30, 2017, together with the notes thereto; and
- management's discussion and analysis of financial condition and results of operations of the Company for the three month period ended June 30, 2017.

Any material change reports (excluding confidential reports), business acquisition reports, interim financial statements, annual financial statements and the auditors' report thereon, management's discussion and analysis of financial condition and results of operations in respect of the periods covered by such interim or annual financial statements, annual information forms and management information circulars (excluding those portions that are not required to be incorporated by reference herein) filed by the Company with the securities commissions or similar authorities in the provinces and territories of Canada subsequent to the date of this Information Circular and prior to the Meeting shall be deemed to be incorporated by reference in this Information Circular.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Information Circular to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Circular.

FREQUENTLY ASKED QUESTIONS

The following questions and answers about the Meeting, voting at the Meeting and the Share Issuance Resolution are designed to help you understand them in more detail.

About the Meeting

Why did I receive this package of information?

The Share Issuance, as described in the Information Circular, is subject to, among other things, obtaining the Disinterested Approval. As a shareholder of the Company as at the close of business on September 6, 2017 (the "**Record Date**"), you are entitled to receive notice of and vote at the Meeting. Management is soliciting your proxy, or vote, and is providing this Information Circular in connection with that solicitation.

What is this document?

This document is an information circular furnished to shareholders of the Company in connection with the solicitation of proxies by and on behalf of management of the Company for use at the Meeting or at any adjournment(s) or postponement(s) thereof. The Information Circular provides additional information respecting the

proposed Share Issuance. References in this Information Circular to the Meeting include any adjournment(s) or postponement(s) thereof.

Who is soliciting my proxy?

Your proxy is being solicited by and on behalf of management of the Company for use at the Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally, over the Internet, by telephone or by other means of communication by the directors, officers and employees of the Company. All costs of solicitation made by or on behalf of management of the Company, including any costs incurred in the preparation and mailing of the form of proxy accompanying this Information Circular, the Notice of Meeting and this Information Circular, will be borne by the Company. See "General Proxy Matters - Solicitation of Proxies".

When and where is the Meeting?

The Meeting is scheduled to be held at Hilton Vancouver Metrotown Hotel, 6083 McKay Avenue, Burnaby, British Columbia, Canada, on October 26, 2017, at 10:00 a.m. (Vancouver time).

What am I being asked to vote on?

You are being asked to vote to approve the Share Issuance Resolution (the full text of which is set forth in this Information Circular).

Does the Special Committee support the Share Issuance Resolution?

Yes. In making its determinations and recommendations, the Special Committee considered and relied upon a number of substantive factors, carefully considered all material aspects of the Offer and proposed Share Issuance, and considered a variety of uncertainties, risks and other potentially adverse consequences concerning the Offer and the proposed Share Issuance. Having undertaken a thorough review of, and carefully considered, information concerning the Company and the disinterested shareholders, the Fairness Opinion and the Offer, and after consulting legal and financial advisors, the Special Committee has unanimously determined that: (i) the potential Share Issuance offered in consideration for the Existing Notes is fair, from a financial point of view, to the disinterested shareholders of the Company; and (ii) the Offer is in the best interests of the Company, and unanimously recommended that the Board approve the Offer and recommend that the disinterested shareholders vote **FOR** the Share Issuance Resolution.

Does the Board support the Share Issuance Resolution?

Yes. After careful consideration by the Board, the Board unanimously concluded (with the Interested Directors abstaining from voting and not participating in the review of the Offer and the proposed Share Issuance) that: (i) the potential Share Issuance offered in consideration for the Existing Notes is fair, from a financial point of view, to the disinterested shareholders of the Company; and (ii) the Offer is in the best interests of the Company, and unanimously agreed to approve the Offer and unanimously recommends (with the Interested Directors abstaining) that the disinterested shareholders vote **FOR** the Share Issuance Resolution. In adopting the Special Committee's recommendations and making the foregoing determinations, the Board consulted with outside legal and financial advisors, considered and relied upon the same factors and considerations that the Special Committee relied upon, as described above, and adopted the Special Committee's analysis in its entirety.

Who is entitled to vote on the Share Issuance Resolution at the Meeting and how will votes be counted?

Disinterested shareholders as at the Record Date are entitled to vote on the Share Issuance Resolution at the Meeting. Computershare Investor Services Inc., the Company's transfer agent and registrar, will count the votes.

How can I vote my Common Shares?

If you were a registered shareholder of the Company as at the Record Date, you can attend the Meeting. If you cannot attend the Meeting in person, please carefully follow the instructions provided in the enclosed form of proxy in order to vote. You can vote your Common Shares either by attending the Meeting and voting your Common

Shares at the Meeting or, if you cannot attend the Meeting, by having your Common Shares voted by proxy in accordance with the instructions set out on the accompanying form of proxy.

If you are a "Non-Registered Holder" (meaning that your Common Shares are held beneficially on your behalf, or for your account, by an Intermediary, as defined below), please carefully follow the instructions provided by such Intermediary in order to vote. See "Non-Registered Holders".

About the Proposed Share Issuance

What is the subject matter of the proposed Share Issuance and will the Company derive any proceeds therefrom?

On or about October 2, 2017, the Company will commence the Offer to purchase the Existing Notes from Noteholders. Pursuant to the Offer, up to 107,361,848 Common Shares (approximately 331% of the currently outstanding Common Shares) may be issued to holders of outstanding Existing Notes in exchange for such Existing Notes, including the issuance of up to 59,647,593 Common Shares (approximately 175% of the currently outstanding Common Shares) to the Interested Parties, if such parties elect the Share Option. The Share Issuance Resolution is a condition of the Share Option component of the Offer and the Share Issuance Resolution will be solely in respect of the Share Option pursuant to the Offer. If the Share Issuance Resolution is not approved by shareholders at the Meeting, the Company intends to pursue the Offer in respect of the Note Option only.

As only New Notes and/or Common Shares will be issued in exchange for Existing Notes, Taiga will derive no cash proceeds from any such distribution of New Notes and/or Common Shares pursuant to the Offer. See "Background to the Proposed Share Issuance - Reasons for the Recommendation of the Special Committee".

Whether or not the Offer is consummated, the Company intends to fully redeem the Existing Notes at par pursuant to the terms of the Existing Indenture and/or purchase the Existing Notes through open market purchases prior to December 31, 2017.

Why is the Company making the Offer?

After considering a variety of alternatives to refinance the Existing Notes since early 2017, the Company has made the Offer for the following reasons:

- the Offer will allow the Company to reduce its financial leverage, providing the Company with greater financial flexibility to pursue future growth opportunities;
- the Company believes that completion of the Offer will lower its cost of capital by replacing 14% interest payments on the Existing Notes with 7% interest payments on the New Notes or with potential dividends on the Common Shares;
- the de-leveraging of the Company's balance sheet will facilitate the Company's transition from its current capital structure to a more normalized capital structure, which the Company believes will: (i) provide improved access to capital; (ii) improve its financial flexibility to pursue strategic initiatives; and (iii) enhance the market's understanding of the Company by facilitating relative comparisons to its publicly-traded industry peers;
- the Company believes that the Offer will provide enhanced liquidity in the Common Shares through the increase of the public float of Common Shares;
- the Offer will provide liquidity to holders of Existing Notes; and
- the offer to purchase Existing Notes conducted in 2006 was favourably received and the maximum aggregate principal amount of \$42.5 million of Existing Notes was purchased and cancelled by the Company.

When will the Share Issuance be completed?

Taiga reserves the right to withdraw the Offer and not take up and exchange any Existing Notes deposited under the Offer unless certain conditions are satisfied or waived. The Share Issuance is conditional upon, among other things, receipt by the Company of the Disinterested Approval, after excluding the votes attached to the Common Shares held by the Interested Parties as more particularly described herein, which approval is being sought at the Meeting. The Expiration Time will occur nine business days following the Meeting, unless the Offer is otherwise extended by the Company.

Assuming all conditions are satisfied or waived, as applicable, the Company expects to issue New Notes and/or Common Shares in exchange for Existing Notes validly deposited pursuant to the Offer, within six business days of the Expiration Time.

Shareholders who wish to participate in the Offer and acquire additional Common Shares may purchase Existing Notes through the facilities of the TSX and deposit them prior to the Expiration Time and elect the Share Option.

About Approval of the Share Issuance Resolution

What approvals are required for the Share Issuance to be completed?

Completion of the Share Issuance is subject to, among other conditions, the receipt of: (i) the Disinterested Approval at the Meeting; and (ii) the TSX Approval. The Company has applied to list the Common Shares issuable pursuant to the Share Issuance on the TSX and has received conditional approval. Listing will be subject to the Company fulfilling all the listing requirements of the TSX.

What is the Disinterested Approval?

At the Meeting, the disinterested shareholders will be asked to vote to approve the Share Issuance Resolution. The approval of the Share Issuance Resolution will require the affirmative vote of a majority of the votes attached to the Common Shares held by the shareholders of the Company present in person or represented by proxy at the Meeting, excluding for this purpose votes attached to Common Shares held by persons described in items (a) through (d) of Section 8.1(2) of MI 61-101.

To the knowledge of the Company after reasonable inquiry, as at the date hereof, the shareholders whose votes are required to be excluded for purposes of "minority" or "disinterested" approval are the Interested Parties, to the extent they hold Common Shares, who, collectively, beneficially own, control or direct, directly or indirectly, an aggregate of 19,880,852 Common Shares, representing approximately 61.3% of the outstanding Common Shares. The potential issuance of over 10% of Taiga's outstanding securities to the Interested Parties as a group would trigger a disinterested shareholder approval requirement pursuant to TSX policies that is substantially similar to the requirement pursuant to MI 61-101. See "Certain Legal and Regulatory Matters - Securities Law Matters - Disinterested Approval" and "Background to the Proposed Share Issuance - Required Disinterested Approval".

The Offer is being made to the Interested Parties as Noteholders upon the same terms and conditions as offered to all other Noteholders.

What happens if the disinterested shareholders do not approve the Share Issuance Resolution?

If the Company does not receive the required vote by disinterested shareholders in favour of the Share Issuance Resolution, the Share Issuance will not proceed, however the Company will proceed with the Offer in respect of the Note Option. Failure to complete the Share Option component of the Offer will result in the Company seeking alternative means to redeem or repurchase the Existing Notes prior to December 31, 2017, for example through incurring additional indebtedness or through additional equity issuances such as rights offerings. Additional indebtedness, for example, may be on terms that are less favourable to the Company than the New Notes and more restrictive on the Company's operations. See "Risk Factors - Risks Related to the Offer - Conditions precedent and required approvals".

Who to Call with Questions

Who can I contact if I have questions?

If you have any questions about the information contained in this Information Circular please contact the Company at 800 – 4710 Kingsway Street, Burnaby, British Columbia, Canada V5H 4M2, telephone: (604) 438-1471, e-mail: invest@taigabuilding.com, and if you require assistance in completing your form of proxy, please contact Computershare Investor Services Inc., the Company's registrar and transfer agent, at 1-800-564-6253 or by e-mail at Service@Computershare.com.

GENERAL PROXY MATTERS

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by the management of Taiga to be used at the Meeting. Solicitation of proxies will be primarily by mail, but may also be by officers of Taiga at nominal cost. All costs of the solicitation will be borne by Taiga. The Notice of Meeting, form of proxy and this Information Circular (collectively, the "**Meeting Materials**") will be mailed to beneficial owners of Common Shares commencing on or about October 4, 2017.

Appointment and Revocation of Proxies

Accompanying this Information Circular is a form of proxy for use at the Meeting. The persons named in the enclosed form of proxy are directors or officers of Taiga. **A shareholder wishing to appoint a person (who need not be a shareholder) to represent such shareholder at the Meeting other than the persons designated in the accompanying form of proxy may do so either by inserting such person's name in the blank space provided in the appropriate form of proxy or by completing another form of proxy and, in either case, sending or delivering the completed form of proxy to the offices of Computershare Investor Services Inc., 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, M5J 2Y1 Attention: Proxy Department.** A form of proxy must be received by Computershare Investor Services Inc. (the "**Transfer Agent**") not less than 48 hours (excluding Saturdays, Sundays and holidays), before the date fixed for the Meeting, or any adjournment(s) or postponement(s) thereof.

A shareholder who has given a form of proxy may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by an instrument in writing duly executed by such shareholder or by his attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either at the above-mentioned office of the Transfer Agent not less than 48 hours (excluding Saturdays, Sundays and holidays), before the time fixed for the Meeting, or any adjournment(s) or postponement(s) thereof, or with the chairman of the Meeting prior to the commencement of the Meeting. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

Record Date

The Board has fixed the Record Date for the Meeting as the close of business on September 6, 2017. Shareholders of record as at the Record Date are entitled to receive notice of, to attend and to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, except that a person who has acquired Common Shares subsequent to such date will be entitled to vote such Common Shares, instead of the holder of record on the Record Date, upon making a written request, not later than 10 days preceding the date of the Meeting, to the Transfer Agent, at the above-mentioned office, to be included on the list of shareholders entitled to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, and establishing ownership of such Common Shares.

Signature of Proxy

The form of proxy must be executed by the shareholder or his attorney authorized in writing, or if the shareholder is a corporation, the form of proxy should be signed in its corporate name under its corporate seal by an authorized officer whose title should be indicated. A proxy signed by a person acting as attorney or in some other representative capacity should reflect such person's capacity following his signature and should be accompanied by the appropriate

instrument evidencing qualification and authority to act (unless such instrument has been previously filed with Taiga).

Proxy Instructions

The persons named as proxyholders in the accompanying form of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed as proxyholders at the Meeting in accordance with the direction of the shareholder appointing them, on any show of hands and/or on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the persons appointed as proxyholders will vote accordingly. **If no choice is specified by a shareholder of Taiga with respect to any matter identified in the proxy or any amendment or variation to such matter, it is intended that the persons designated by management in the proxy will vote the Common Shares represented thereby IN FAVOUR of such matter.**

Exercise of Discretion of Proxyholder

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to (a) each matter or group of matters identified therein for which a choice is not specified; (b) any amendment to or variation of any matter identified therein; and (c) to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. At the date of this Information Circular, management of Taiga knows of no amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if other matters should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the proxy.

Shareholders registered on the records of the Company who plan to attend the Meeting and wish to vote their Common Shares in person at the Meeting should not complete or return any form of proxy as their votes will be taken and counted at the Meeting. Such shareholders are to register with the scrutineer upon their arrival at the Meeting. Non-Registered Holders (as defined below) should review the section titled "Non-Registered Holders".

NON-REGISTERED HOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Certain shareholders of Taiga are "non-registered shareholders" because the Common Shares they own are not registered in their name but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased their Common Shares. More particularly, a person is not a registered shareholder in respect of Common Shares which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, TFSAs and similar plans); or (b) in the name of a depository (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of applicable securities laws, Taiga has distributed copies of the Meeting Materials to the depositories and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a proxy which 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 Holder but which is otherwise not completed. Because the Intermediary has already signed the proxy, this proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit the proxy should otherwise properly complete the proxy and deliver it to the offices of the Transfer Agent; or

- (b) more typically, be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a proxy authorization form) which the Intermediary must follow.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders and insert the Non-Registered Holder's name in the blank space provided, or in the case of a proxy authorization form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at the date of the Information Circular, 32,414,278 Common Shares were issued and outstanding. To the knowledge of the directors and officers of Taiga, the only person who as at such date beneficially owned, directly or indirectly, or exercised control or direction over Common Shares carrying more than 10% of the voting rights attached to all the Common Shares entitled to be voted at the Meeting was UPP, which held, directly or indirectly through a wholly-owned subsidiary, 18,908,208 Common Shares, representing approximately 58.33% of the outstanding Common Shares. UPP is a public investment holding company listed on the Singapore Exchange. Dr. Kooi Ong Tong is the Executive Chairman, Chief Executive Officer and a significant shareholder of UPP and is also the Chairman and a director of Taiga. Ian Tong is an Executive Director and Vice President, Investments of UPP and is also a director of Taiga. Each Common Share entitles the holder thereof to one vote.

BACKGROUND TO THE PROPOSED SHARE ISSUANCE

Review Process

In January 2017, the Company first began exploring refinancing the Existing Notes with a view to reduce financial leverage, improve financial flexibility to be able to more effectively pursue future growth opportunities, and lower the Company's cost of capital given Taiga's improved credit position and the current low interest market environment. During the period between January and late May 2017, management of the Company canvassed a variety of potential finance partners and obtained and reviewed indicative terms from various third parties to refinance the Existing Notes. Of these indicative terms, the most favourable proposed debt financing bearing interest at a rate of 8% with a variety of restrictive terms that the Company ultimately determined was not acceptable. None of these indicative offers materialized into a binding offer.

In late May 2017, Taiga approached its external legal advisors to discuss various refinancing structures that would not require or minimize the need for outside financing, and that would provide attractive opportunities for its existing Noteholders to potentially continue to earn interest on attractive terms in the context of current market conditions or be provided with an option to convert their debt into equity. Other financing options were discussed, such as a rights offering, with the aim of raising sufficient proceeds, combined with other transactions, to redeem the Existing Notes given that they would become redeemable at par on September 1, 2017.

On July 12, 2017, certain of Taiga's management met with its external legal advisors and discussed the possibility of an exchange offer for Existing Notes in exchange for, at the option of the Noteholder, new debt securities and/or Common Shares, and the general mechanics, financial benefits to the Company and legal and regulatory requirements to effect same.

On August 3, 2017, Taiga held a Board meeting and discussed the various options to refinance the Existing Notes that had been reviewed and discussed by management over the prior seven months. The Board determined that, of all the alternatives considered, an exchange offer for either new debt securities and/or Common Shares would provide the greatest financial flexibility to the Company on potentially the most favourable terms, would, depending on the final terms and conditions, be in the best interests of the Company and its shareholders, and provide flexibility for the Noteholders in determining whether and how to continue their investment in the Company. Given the fact that an exchange offer for one or more securities would constitute a related party transaction given the

potential participation of the Interested Parties, and with a view to ensuring appropriate safeguards for the Company and its stakeholders, the Board determined to establish a special committee of independent directors and its mandate. The Board subsequently resolved (with the Interested Directors recusing themselves) to establish the Special Committee consisting of Otto-Hans Nowak (Chair) and Brian Flagel to consider, review, evaluate and recommend any potential redemption, repurchase, refinancing or restructuring of the Existing Notes and any transactions or matters in connection therewith.

The Special Committee was authorized to, among other matters: (a) oversee, review, consider, evaluate and assess the desirability of the potential transaction and any alternatives that may be available for the Company and its stakeholders; (b) negotiate and/or review and consider the terms and conditions, and evaluate all aspects of the potential transaction and, if appropriate, enter into discussions with any relevant parties as the Special Committee may deem necessary or advisable; (c) consult with management and professional advisors of the Company including lawyers, accountants, financial advisors and tax advisors, as the Special Committee may deem necessary or advisable; (d) approve and authorize all documents, agreements and other instruments as may be necessary or desirable for the Special Committee to carry out its mandate and all ancillary matters relating thereto; (e) conduct and carry out such evaluations and take such actions in relation to the potential transaction as the Special Committee deems necessary or advisable; (f) report to the Board as to the foregoing matters and to recommend to the Board any appropriate action that the Company should take in light of the Special Committee's conclusions thereon as the Special Committee deems appropriate and in the best interests of the Company and its stakeholders; and (g) take all other actions as the Special Committee deems necessary or advisable to assist the Board with fulfilling its fiduciary duties, duty of care and/or as may be requested of the Special Committee by the Board from time to time.

In addition to many informal discussions and communications among the Special Committee members, management, and their advisors, the Special Committee subsequently met formally in August 2017 in exercising its mandate to evaluate options for the proposed transaction in respect of the Existing Notes. At this meeting, in addition to meeting with management, the Special Committee met with external legal counsel and held an in camera session.

On September 1, 2017, the Special Committee, after receiving and discussing proposals from several arm's length investment banks and other financial advisors, selected Raymond James as independent financial advisor. The Special Committee entered into an engagement agreement with Raymond James dated as of September 5, 2017 (the "**Engagement Agreement**").

The Special Committee thereafter met formally four times in order to consider the terms of the Offer, with advice from its external legal and financial advisors. In each case the Special Committee considered the key terms of the proposed transaction, recent developments in the negotiation process, market conditions, available alternatives and provided input and instructions to management and the Company's advisors. During this time, the Special Committee instructed external legal counsel to prepare draft definitive documentation which it reviewed with its financial advisors in order to develop transaction terms that would be reflective of market conditions, and provided instruction to management and the Company's advisors with respect to the ongoing negotiations.

On September 28, 2017, the Special Committee received the Fairness Opinion from Raymond James. Based upon and subject to the analyses, assumptions, qualifications and limitations discussed in the Fairness Opinion, Raymond James was of the opinion that, as of September 28, 2017, the Offer is fair, from a financial point of view, to the disinterested shareholders of the Company.

Following the receipt of the Fairness Opinion, the Special Committee held a meeting to further consider and discuss the Offer with its external legal advisors. The Special Committee unanimously determined that: (i) the potential Share Issuance offered in consideration for the Existing Notes is fair, from a financial point of view, to the disinterested shareholders of the Company; and (ii) the Offer is in the best interests of the Company, and therefore unanimously recommended that the Board approve the Offer and recommend that the disinterested shareholders vote in favour of the Share Issuance Resolution.

Following the Special Committee meeting, the Board met to consider the Offer. After careful consideration by the Board, the Board unanimously concluded (with the Interested Directors abstaining from voting), based on the recommendation of the Special Committee, review of the Fairness Opinion, and the advice of management and the Company's advisors, unanimously determined that: (i) the potential Share Issuance offered in consideration for the Existing Notes is fair, from a financial point of view, to the disinterested shareholders of the Company; and (ii) the

Offer is in the best interests of the Company, and unanimously approved the Offer and unanimously recommended (with the Interested Directors abstaining) that the disinterested shareholders vote in favour of the Share Issuance Resolution.

Following the Special Committee and Board meetings held on September 29, 2017, the Company and its advisors concluded negotiations of the final terms of the Offer. The Offer documents, together with the Meeting Materials, were thereafter finalized and executed.

Reasons for the Recommendation of the Special Committee

In the course of its evaluation of the Offer and reaching its decision to recommend the Offer and the Share Issuance Resolution, the Special Committee consulted with management of the Company and received advice from outside legal and financial advisors. The Special Committee carefully considered all material aspects of the Offer and the Share Issuance and considered a number of factors in determining that the Offer is in the best interests of the Company, that the potential Share Issuance offered in consideration for the Existing Notes is fair, from a financial point of view, to the disinterested shareholders of the Company, and in recommending that the Board recommend that disinterested shareholders vote in favour of the Share Issuance Resolution, including the following:

- the Offer will allow the Company to reduce its financial leverage, providing the Company with greater financial flexibility to pursue future growth opportunities;
- the Company believes that completion of the Offer will lower its cost of capital by replacing 14% interest payments on the Existing Notes with 7% interest payments on the New Notes or with potential dividends on the Common Shares;
- the de-leveraging of the Company's balance sheet will facilitate the Company's transition from its current capital structure to a more normalized capital structure, which the Company believes will: (i) provide improved access to capital; (ii) improve its financial flexibility to pursue strategic initiatives; and (iii) enhance the market's understanding of the Company by facilitating relative comparisons to its publicly-traded industry peers;
- the Company believes that the Share Issuance will provide enhanced liquidity in the Common Shares through the increase of the public float of Common Shares;
- the Offer will provide liquidity to holders of Existing Notes;
- the offer to purchase Existing Notes conducted in 2006 was favourably received and the maximum aggregate principal amount of \$42.5 million of Existing Notes was purchased and cancelled by the Company;
- the review process previously undertaken by the Company in respect of refinancing alternatives for its Existing Notes was unsuccessful, resulting in a low likelihood of alternative transactions with arm's length third parties being available to the Company on acceptable terms;
- the terms of the Offer are the result of a robust and lengthy evaluation and negotiation process that was undertaken with the oversight and participation of the Special Committee, including seven duly constituted meetings of the Special Committee and the Special Committee's outside legal and financial advisors, and that it resulted in terms and conditions that are reasonable in the judgment of the Special Committee;
- the potential issuance of New Notes pursuant to the Offer if the Note Option is selected by Noteholders is on reasonable commercial terms that are not less advantageous to the Company than if the loan were obtained from a person dealing at arm's length with the Company, and the New Notes are not: (i) convertible, directly or indirectly, into equity or voting securities of the Company or a subsidiary of the Company, or otherwise participating in nature; or (ii) repayable as to principal or interest, directly or indirectly, in equity or voting securities of the Company or a subsidiary of the Company;
- the Fairness Opinion from Raymond James to the effect that the Offer is fair, from a financial point of view, to the disinterested shareholders of the Company;

- Taiga has received exemptive relief from the securities regulatory authorities in each of the provinces and territories of Canada exempting the distribution of New Notes and Common Shares pursuant to the Offer from the prospectus requirements under applicable Canadian securities law;
- Taiga has received conditional approval from the TSX for the listing of the Common Shares issuable pursuant to the Share Option;
- the requirement that the Share Issuance Resolution must receive the Disinterested Approval at the Meeting, and that such Disinterested Approval is a condition of the Share Option component of the Offer; and
- the long-term strategic direction of the Company.

The Special Committee also considered that the Offer is in-line with the Company's strategy to de-leverage its balance sheet and enhance the liquidity of its Common Shares, including the following historical actions taken by the Company:

- on May 4, 2006, the previous stapled units of the Company were separated into Common Shares and Existing Notes, and the Common Shares and Existing Notes began to trade separately on the TSX;
- on May 17, 2006, the Company purchased and cancelled \$42.5 million aggregate principal amount of its outstanding Existing Notes for a purchase price of 105%; and
- on February 12, 2009, the Company commenced a rights offering by way of short form prospectus, pursuant to which shareholders of the Company were entitled to receive one right for each Common Share held, with each right entitling holders to purchase 2.218 Common Shares of Taiga at a price of \$0.14 per Common Share for targeted gross proceeds of up to \$10 million. As a result of the rights offering, 208,598 Common Shares were issued and proceeds of the offering were offset by the related offering costs.

In considering whether the Offer would be in the best interests of the Company, the Special Committee gave careful consideration to a number of factors, including the following:

- the Existing Notes are redeemable at the option of the Company at any time on or after September 1, 2017 at a redemption price of 100% of the principal amount of the Existing Notes;
- although the Existing Notes are listed on the TSX, there does not appear to be an active market for the Existing Notes based on the low volume of trades;
- the elimination of all or a portion of the Existing Notes which bear an interest rate of 14% per annum from the Company's balance sheet will provide the Company with a more efficient financing mix, lower its overall weighted-average cost of capital and provide a stable long-term capital structure;
- the exchange of the Existing Notes pursuant to the Offer is optional, the option is available to all holders of Existing Notes and all such holders are free to accept or reject the Offer;
- the offering of Common Shares and/or New Notes provides the holder of the Existing Notes with the option of participating as an equity and/or debt investor with the Company; and
- the Offer is not conditional on any minimum principal amount of Existing Notes being tendered.

Depending on the participation of Noteholders, the Company believes that the Offer provides the Company with an opportunity to derive significant interest expense savings. The table below presents several scenarios based on participation of Noteholders in the Offer and the corresponding annual interest expense savings:

| | As at June 30, 2017 | As at June 30, 2017 | | |
|--|------------------------|---------------------------|--|---------------------------|
| | | Scenario A ⁽¹⁾ | (pro forma) Scenario B ⁽²⁾ | Scenario C ⁽³⁾ |
| Existing Notes..... | \$ 128,834,218 | \$ 83,742,242 | \$ 32,208,555 | \$ Nil |
| New Notes..... | \$ Nil | \$ Nil | \$ 48,312,832 | \$ 64,417,109 |
| Common Shares..... | 32,414,278 | 69,990,925 | 72,674,971 | 86,095,202 |
| Annual Interest Expense ⁽⁴⁾ | \$ 18,036,791 | \$ 11,723,914 | \$ 7,891,096 | \$ 4,509,198 |

Notes:

- (1) Scenario A assumes that Noteholders holding Existing Notes in an aggregate principal amount of \$45,091,976 (35% of the outstanding Existing Notes) tender their Existing Notes to the Offer, of which 100% are tendered for the Share Option and of which none are tendered for the Note Option. This will result in annual interest expense savings of approximately \$6,312,877.
- (2) Scenario B assumes that Noteholders holding Existing Notes in an aggregate principal amount of \$96,625,664 (75% of the outstanding Existing Notes) tender their Existing Notes to the Offer, of which 50% are tendered for the Share Option and of which 50% are tendered for the Note Option. This will result in annual interest expense savings of approximately \$10,145,695.
- (3) Scenario C assumes that Noteholders holding Existing Notes in an aggregate principal amount of \$128,834,218 (100% of the outstanding Existing Notes) tender their Existing Notes to the Offer, of which 50% are tendered for the Share Option and of which 50% are tendered for the Note Option. This will result in annual interest expense savings of approximately \$13,527,593.
- (4) Represents interest expense for the month ended June 30, 2017 on an annualized basis.

Recommendation of the Special Committee

In making its determinations and recommendations, the Special Committee considered and relied upon a number of substantive factors, including the Fairness Opinion and other reasons listed above, carefully considered all aspects of the Offer, and considered a variety of uncertainties, risks and other potentially adverse consequences concerning the Offer.

Having undertaken a thorough review of, and carefully considered, information concerning the Company and its shareholders and the Offer, and after consulting legal and financial advisors, the Special Committee has unanimously determined that: (i) the potential Share Issuance offered in consideration for the Existing Notes is fair, from a financial point of view, to the disinterested shareholders of the Company; and (ii) the Offer is in the best interests of the Company, and unanimously recommended that the Board approve the Offer and recommend that the disinterested shareholders vote **FOR** the Share Issuance Resolution.

Recommendation of the Board

After careful consideration by the Board, the Board unanimously concluded (with the Interested Directors abstaining from voting) that: (i) the potential Share Issuance offered in consideration for the Existing Notes is fair, from a financial point of view, to the disinterested shareholders of the Company; and (ii) the Offer is in the best interests of the Company, and unanimously approved the Offer and unanimously recommends (with the Interested Directors abstaining) that the disinterested shareholders vote **FOR** the Share Issuance Resolution.

In adopting the Special Committee's recommendations and making the foregoing determinations, the Board consulted with outside legal and financial advisors, considered and relied upon the same factors and considerations that the Special Committee relied upon, as described herein, and adopted the Special Committee's analysis in its entirety.

Fairness Opinion

Raymond James was formally engaged by the Company under the terms of the Engagement Agreement. Pursuant to the Engagement Agreement, Raymond James was paid a fixed fee by the Company for its services as advisor and for delivery of its Fairness Opinion, no part of which was contingent upon the Fairness Opinion being favourable to, or upon success of, the Share Issuance or the Offer. In addition, the Company agreed to reimburse Raymond James for its reasonable expenses and to indemnify Raymond James in respect of certain liabilities that might arise in connection with its engagement.

Raymond James is independent of all Interested Parties to the Offer. Raymond James has represented to the Special Committee that neither it nor any of its "affiliates" is an "issuer insider", "associated entity" or "affiliated entity" (as each such term is defined in applicable securities laws) of Taiga, the Interested Parties or any of their "associates" or "affiliates" (as each such term is defined in applicable securities laws). Raymond James has only provided financial advisory services to Taiga in connection with its current engagement.

The following brief summary of the Fairness Opinion is qualified in its entirety by reference to the full text of the Fairness Opinion, which sets forth among other things, assumptions made, matters considered, information reviewed and limitations and qualifications on the review undertaken by Raymond James in connection with its Fairness Opinion, and is attached as Appendix "A" to this Information Circular. The Fairness Opinion was provided solely for the use of the Special Committee and the Board in connection with their consideration of the Share Issuance and is not a recommendation as to how the disinterested shareholders should vote in respect of the Share Issuance Resolution. The disinterested shareholders are encouraged to read the full text of the Fairness Opinion.

On September 28, 2017, the Special Committee received the Fairness Opinion from Raymond James. Based upon and subject to the analyses, assumptions, qualifications and limitations discussed in the Fairness Opinion, Raymond James is of the opinion that the Offer is fair, from a financial point of view, to the disinterested shareholders of the Company.

The Fairness Opinion is subject to certain assumptions and qualifications specified therein including, among others, that: (i) the Fairness Opinion should not be construed as a formal valuation or appraisal of any of the assets or securities of the Company or its affiliates; (ii) the Fairness Opinion does not constitute a recommendation to any shareholder to vote in favour of the Share Issuance Resolution or a recommendation to a Noteholder to accept or reject the Offer, nor is it an opinion concerning the trading price or value of any securities of the Company following the announcement, completion or termination of the Offer; (iii) Raymond James has assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by them from public sources, or provided by the Company or its affiliates or advisors, and have relied on an officers' certificate of the Company in respect of certain information provided by the Company; (iv) the \$1,000 par value for the redemption of the Existing Notes is consistent with: (1) the contractual obligation of the Company to redeem the Existing Notes at par; and (2) certain financing and recapitalization proposals received by the Company from third parties contemplating redemption of the Existing Notes at par; (v) assumptions relating to industry performance, general business, markets and economic conditions and other matters, many of which are beyond the control of any party involved in the Offer; and (vi) no opinion is expressed concerning any legal, tax or accounting matters concerning the Offer.

In support of the Fairness Opinion, Raymond James performed certain financial analyses with respect to the Company from a non-change-of-control perspective. In the context of the Fairness Opinion, Raymond James considered the following principal methodologies (as each such term is defined below):

- (a) DCF Approach; and
- (b) Public Company Trading Approach.

DCF Approach

The discounted cash flow approach (the "**DCF Approach**") is a present value calculation of future cash flow expectations to determine a value of a company. It involves estimating annual net discretionary cash flows for each year of the cash flow projection period. Where the business is expected to operate beyond the cash flow projection period, subsequent projected results are capitalized at the end of the cash flow period utilizing a terminal cash flow method, and then discounted to their present value.

Taiga's principal assets consist of its building products inventories at its distribution centres and its wood preservation plants. Raymond James utilized an un-levered discounted cash flow analysis whereby Raymond James, using projections provided by management of the Company, calculated the earnings before interest and taxes and then proceeded to deduct taxes, capital expenditures, anticipated working capital requirements and added back depreciation and amortization and stock based compensation. Raymond James' calculations were based on projections of cash flows and other amounts prepared by management of the Company, with certain adjustments made by Raymond James to such projections.

The DCF Approach requires that certain assumptions be made to derive the present value of future free cash flows including, among other things, growth rates and profit margins, capital investment, working capital, discount rates, terminal multiples and terminal growth rates. As part of the DCF Approach, Raymond James performed a range of sensitivity analyses on a variety of factors. This included considering a range of estimated terminal values by applying a range of multiples to estimated terminal year earnings before interest, taxes, depreciation, and amortization ("**EBITDA**").

Public Company Trading Approach

Raymond James compared public market trading statistics of the Company to corresponding data from selected publicly traded companies in the building products distribution sector based in North America (the "**Public Company Trading Approach**"). Raymond James examined multiples based on the ratio of enterprise value for each of the selected public companies to the EBITDA of such companies. Raymond James then applied a range of selected multiples to the corresponding data of the Company to calculate an implied equity value of the Company.

The foregoing summary of the Fairness Opinion is provided for convenience only and is qualified in its entirety by the full text of the Fairness Opinion.

Formal Valuation and Prior Valuations

The Company is exempt from the requirement to obtain a formal valuation in connection with securities subject to the Offer pursuant to MI 61-101, as all the conditions in Section 6.3(2) of MI 61-101 are satisfied.

To the knowledge of the Company and its directors and senior officers, after reasonable inquiry, there have been no prior valuations (as defined in MI 61-101) prepared in respect of the Company that relate to the Existing Notes or the Common Shares made in the 24 months prior to the date hereof.

Required Disinterested Approval

At the Meeting, the disinterested shareholders of the Company will be asked to vote to approve the Share Issuance Resolution. The approval of the Share Issuance Resolution will require the affirmative vote of a majority of the votes attached to the Common Shares held by the persons present in person or represented by proxy at the Meeting, excluding for this purpose votes attached to Common Shares held by persons described in items (a) through (d) of Section 8.1(2) of MI 61-101.

To the knowledge of the Company after reasonable inquiry, as at the date hereof, the shareholders whose votes are required to be excluded for purposes of "minority" or "disinterested" approval are the Interested Parties, who, collectively, beneficially own, control or direct, directly or indirectly, an aggregate of 19,880,852 Common Shares, representing, approximately, an aggregate of 61.3% of the outstanding Common Shares. The potential issuance of over 10% of Taiga's outstanding securities to the Interested Parties as a group would trigger a disinterested shareholder approval requirement pursuant to TSX policies that is substantially similar to the requirement pursuant to MI 61-101. See "Certain Legal and Regulatory Matters - Securities Law Matters - Disinterested Approval".

Notwithstanding the Disinterested Approval of the Share Issuance Resolution in accordance with the foregoing, the Share Issuance Resolution authorizes the Board to, without notice to or approval of the disinterested shareholders, not proceed with the Share Issuance and related transactions.

No party has entered into a voting and support agreement as of the date hereof in connection with the Share Issuance Resolution.

Ownership of Securities

The following table sets forth, as at the date of this Information Circular, the number of outstanding securities of Taiga beneficially owned, directly or indirectly, or over which control or direction is exercised, by each director and officer of Taiga and, to the knowledge of Taiga, after reasonable inquiry, by each associate or affiliate of Taiga and an insider of Taiga, any other insider of Taiga and each person acting jointly or in concert with Taiga.

| Name | Relationship with Company | Common Shares | Principal Amount of Existing Notes | % of Outstanding Common Shares | % of Outstanding Existing Notes |
|-------------------------------------|---|----------------------|---|---------------------------------------|--|
| Dr. Kooi Ong Tong | Chairman and Director | Nil | \$ 22,653,543 ⁽¹⁾ | Nil | 17.58% |
| Peter Buecking | Director | Nil | Nil | Nil | Nil |
| Douglas J. Morris | Director | 589,292 | \$ 1,304,328 | 1.82% | 1.01% |
| Brian Flagel | Director | 20,000 | Nil | 0.06% | Nil |
| Ian Tong | Director | Nil | Nil | Nil | Nil |
| Otto-Hans Nowak | Director | Nil | Nil | Nil | Nil |
| Cam White | Director | 331,152 | \$ 1,482,519 | 1.02% | 1.15% |
| Trent Balog | Chief Executive Officer and President | 52,200 | \$ 127,924 | 0.16% | 0.10% |
| Grant Sali | Executive Vice President, Supply Management and Chief Procurement Officer | 15,500 | Nil | 0.05% | Nil |
| Russ Permann | Executive Vice President, Operations and Chief Operating Officer | Nil | Nil | Nil | Nil |
| Mark Schneidereit-Hsu | Vice President, Finance and Administration, Chief Financial Officer and Corporate Secretary | Nil | \$ 14,099 | Nil | 0.01% |
| UPP Holdings Ltd. ⁽²⁾⁽³⁾ | 10% Holder | 18,908,208 | \$ 46,008,797 | 58.33% | 35.71% |

Notes:

- (1) Held by Genghis. Genghis is a private Luxembourg company controlled by a discretionary trust whose beneficiary is Dr. Kooi Ong Tong, who is the representative of Genghis. Dr. Tong disclaims any beneficial ownership of securities held by Genghis.
- (2) Holdings are based on information filed publicly by the holder.
- (3) UPP is a publicly listed infrastructure company in Singapore. Dr. Kooi Ong Tong is the Executive Chairman, Chief Executive Officer and a significant shareholder of UPP and is also the Chairman and a director of Taiga. Ian Tong is an Executive Director and Vice President, Investments of UPP and is also a director of Taiga.

The Company has made inquiries of each person named under the above table and, to the knowledge of Taiga, Messrs. Morris, White, Balog and Schneidereit-Hsu have indicated an intention to accept the Offer and, in the case of Messrs. Balog and Schneidereit-Hsu, elect the Share Option, and, in the case of Messrs. Morris and White, elect the Note Option in respect of up to 50% of each of their Existing Notes. UPP has indicated an intention to accept the Offer and elect the Share Option. Notwithstanding the indicative intentions of the foregoing Persons, if all the Interested Parties accept the Offer and elect the Share Option, then: (i) Mr. Morris will hold approximately 1,676,232 Common Shares, or approximately 1.82% of the then outstanding Common Shares (assuming the Interested Parties are the sole Noteholders that participate in the Offer and elect the Share Option, or approximately 1.20% assuming all Noteholders participate in the Offer and elect the Share Option); (ii) Mr. White will hold approximately 1,566,585 Common Shares, or approximately 1.70% of the then outstanding Common Shares (assuming the Interested Parties are the sole Noteholders that participate in the Offer and elect the Share Option, or approximately 1.12% assuming all Noteholders participate in the Offer and elect the Share Option); (iii) Mr. Balog will hold approximately 158,804 Common Shares, or approximately 0.17% of the then outstanding Common Shares (assuming the Interested Parties are the sole Noteholders that participate in the Offer and elect the Share Option, or approximately 0.11% assuming all Noteholders participate in the Offer and elect the Share Option); (iv) Mr. Schneidereit-Hsu will hold approximately 11,750 Common Shares, or approximately 0.01% of the then outstanding Common Shares (assuming the Interested Parties are the sole Noteholders that participate in the Offer and elect the Share Option and assuming all Noteholders participate in the Offer and elect the Share Option); (v) UPP will hold approximately 57,248,873 Common Shares, or approximately 62.19% of the then outstanding Common Shares (assuming the Interested Parties are the sole Noteholders that participate in the Offer and elect the Share Option, or approximately 40.96% assuming all Noteholders participate in the Offer and elect the Share Option); and (vi) Genghis will hold approximately 18,877,953 Common Shares, or approximately 20.51% of the then outstanding Common Shares (assuming the Interested Parties are the sole Noteholders that participate in the Offer and elect the

Share Option, or approximately 13.51% assuming all Noteholders participate in the Offer and elect the Share Option).

SUMMARY OF THE OFFER

This summary of the Offer and Solicitation does not purport to fully describe all of the details of the Offer. For a more detailed summary of the Offer, please refer to Appendix "B" hereto or request a copy of the full Offer materials from the Company.

Terms of the Offer

Taiga has offered to Noteholders, upon the terms and conditions of the Offer, to exchange all or a portion of the principal amount of their Existing Notes that are properly tendered and not withdrawn by the Noteholders prior to the Expiration Time for: (i) New Notes pursuant to the Note Option; (ii) Common Shares pursuant to the Share Option; or (iii) any combination of New Notes and Common Shares pursuant to the Note Option and the Share Option, as determined by the Noteholder.

The proposed Share Issuance is conditional on receipt of the Disinterested Approval of the Share Issuance Resolution. If such approval is not obtained at the Meeting, the Company intends to pursue the Offer in respect of the Note Option only.

CERTAIN LEGAL AND REGULATORY MATTERS

Steps to Completing the Offer and Timing

Completion of the Share Issuance is subject to certain conditions precedent including receipt of the following:

- the Disinterested Approval; and
- the TSX Approval.

The Offer will commence on or about October 2, 2017 and will expire at the Expiration Time. It is anticipated that the Offer will be completed as soon as all conditions have been satisfied or waived. Taiga reserves the right to withdraw the Offer and the Share Issuance and not take up and exchange any Existing Notes deposited under the Offer unless certain conditions are satisfied. The Expiration Time will occur nine business days following the Meeting, unless the Offer is otherwise extended by the Company.

Assuming all conditions are satisfied or waived, including receipt of Disinterested Approval at the Meeting, the Company expects to issue New Notes and/or Common Shares in exchange for Existing Notes validly deposited pursuant to the Offer, within six business days of the Expiration Time.

Securities Law Matters

Application of MI 61-101

As a reporting issuer in certain provinces of Canada, the Company is subject to applicable securities laws of such jurisdictions. The Ontario Securities Commission and certain other Canadian securities regulatory authorities have adopted MI 61-101, which regulates transactions that raise the potential for conflicts of interest. MI 61-101 regulates certain types of transactions to ensure fair treatment of securityholders when, in relation to a transaction, there are persons in a position that could cause them to have an actual or reasonably perceived conflict of interest or informational advantage over other securityholders. If MI 61-101 applies to a proposed transaction of a reporting issuer, then some of the following may be required: (i) enhanced disclosure in documents sent to securityholders; (ii) the approval of securityholders excluding, among others, "interested parties" (as defined in MI 61-101); (iii) a formal valuation of the equity securities being acquired, prepared by an independent and qualified valuator; and (iv) an independent committee of the board of the directors of the reporting issuer to carry out specified responsibilities. The securityholder protections provided by MI 61-101 go substantially beyond the requirements of corporate law.

Disinterested Approval

At the Meeting, the disinterested shareholders will be asked to vote to approve the Share Issuance Resolution. The approval of the Share Issuance Resolution will require the affirmative vote of a majority of the votes attached to the Common Shares held by shareholders of the Company present in person or represented by proxy at the Meeting, excluding for this purpose votes attached to Common Shares held by persons described in items (a) through (d) of Section 8.1(2) of MI 61-101.

To the knowledge of the Company after reasonable inquiry, as at the date hereof, the shareholders whose votes are required to be excluded for purposes of "minority" or "disinterested" approval are the Interested Parties, who, collectively, beneficially own, control or direct, directly or indirectly, an aggregate of 19,880,852 Common Shares, representing, approximately, an aggregate of 61.3% of the outstanding Common Shares.

The potential issuance of New Notes pursuant to the Offer if Noteholders, including the Interested Parties, tender to the Offer and the Note Option is elected, is exempt from the disinterested shareholder approval requirements pursuant to Section 5.7(f) of MI 61-101, as such potential issuance of New Notes to the Interested Parties would constitute a loan obtained by the Company from a related party that the Board has determined is on reasonable commercial terms that are not less advantageous to the Company than if the loan were obtained from a person dealing at arm's length with the Company, and the loan is not: (i) convertible, directly or indirectly, into equity or voting securities of the Company or a subsidiary of the Company, or otherwise participating in nature; or (ii) repayable as to principal or interest, directly or indirectly, in equity or voting securities of the Company or a subsidiary of the Company.

In addition, shareholder approval in respect of the proposed Share Issuance is required pursuant to the TSX Company Manual, as the number of Common Shares issuable in payment of the Share Exchange Price may exceed 25% of the number of Common Shares which are currently outstanding, and the potential issuance of over 10% of Taiga's outstanding securities to the Interested Parties as a group would trigger a disinterested shareholder approval requirement that is substantially similar to the requirement pursuant to MI 61-101. The proposed Share Issuance will not materially affect control of Taiga within the meaning of applicable TSX policies.

Disclosure Requirements Pursuant to MI 61-101

As of the date of this Information Circular, neither Taiga nor, to the knowledge of Taiga after reasonable inquiry, any Interested Party has knowledge of any material information concerning Taiga or its securities that has not been generally disclosed.

Assuming the Interested Parties are the sole Noteholders that deposit Existing Notes pursuant to the Offer in exchange for Common Shares, following completion of the Offer there would be approximately 92,061,871 Common Shares outstanding, of which the Interested Parties would hold, collectively, approximately 79,528,385 Common Shares (approximately 86.4% of the then issued and outstanding Common Shares). In such event, UPP would hold approximately 57,248,873 Common Shares (approximately 62.2% of the then issued and outstanding Common Shares), Genghis would hold approximately 18,877,953 Common Shares (approximately 20.5% of the issued and outstanding Common Shares) and the remaining Interested Parties would hold, collectively, less than 4.0% of the Common Shares.

Assuming all Noteholders deposit Existing Notes pursuant to the Offer in exchange for Common Shares, following completion of the Offer there would be approximately 139,776,126 Common Shares outstanding. In such event, UPP would hold approximately 57,248,873 Common Shares (approximately 41.0% of the then issued and outstanding Common Shares), Genghis would hold approximately 18,877,953 Common Shares (approximately 13.5% of the then issued and outstanding Common Shares) and the remaining Interested Parties would hold, collectively, less than 2.5% of the Common Shares.

THE SHARE ISSUANCE RESOLUTION

Based on the foregoing, at the Meeting, Taiga shall seek the Disinterested Approval of the Share Issuance Resolution. For the purposes of such approval, the votes attached to all of the Common Shares held by the Interested Parties and their joint actors, associates and affiliates will be excluded from the votes cast at the Meeting. A total of

19,880,852 Common Shares will be excluded, representing approximately 61.3% of the outstanding Common Shares as at the date of this Information Circular.

Disinterested shareholders will be asked to consider and, if deemed advisable, authorize and approve, with or without variation, the Share Issuance Resolution at the Meeting, the full text of which is as follows:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the issuance (the "**Share Issuance**") of up to 107,361,848 common shares of the Company (the "**Common Shares**") to holders of outstanding 14% subordinated notes of Taiga due September 1, 2020 (the "**Existing Notes**") in exchange for such Existing Notes, pursuant to an exchange offer commenced on or about October 2, 2017, as such exchange offer may be extended or modified from time to time pursuant to the terms thereof and applicable securities law (the "**Offer**"), whereby the Company will offer to purchase the outstanding Existing Notes in exchange for, among other options, Common Shares at a rate of 833.33 Common Shares for each \$1,000 principal amount of Existing Notes, representing an issue price of \$1.20 per Common Share (the "**Share Option**"), including the issuance of up to 59,647,593 Common Shares of the up to 107,361,848 Common Shares issuable pursuant to the Offer to certain interested parties, collectively, in the event they participate in the Offer and elect to exchange their Existing Notes for Common Shares pursuant to the Share Option, be and is hereby authorized and approved;
2. any officer or director of Taiga be and is hereby authorized and directed for and on behalf of Taiga to execute or cause to be executed, under the seal of Taiga or otherwise, and to deliver or cause to be delivered all such documents, agreements and instruments, and to perform or cause to be performed all such acts and things, as such officer or director shall determine to be necessary or desirable to give full effect to this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the performing or causing to be performed of such other acts or things; and
3. notwithstanding that this ordinary resolution has been duly passed by the shareholders, the Board be and is hereby authorized and empowered to defer acting on this ordinary resolution or revoke this ordinary resolution at any time before it is acted upon without further notice to or approval, ratification or confirmation by shareholders, if it determines that the Share Issuance is no longer in the best interests of Taiga."

The Board, upon recommendation of the Special Committee, has determined that passing the Share Issuance Resolution is in the best interest of the Company and its disinterested shareholders and recommends that the disinterested shareholders vote **IN FAVOUR** of the Share Issuance Resolution. In accordance with the terms of MI 61-101 and the TSX Company Manual, in order to be approved, the Share Issuance Resolution must be passed by not less than a majority of votes cast by shareholders, without giving effect to any votes cast by any Interested Party. **In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the Share Issuance Resolution.**

RISK FACTORS

The following risk factors should be carefully considered by disinterested shareholders in evaluating whether to approve the Share Issuance Resolution. These risk factors relate to the Company and the Offer and should be considered in conjunction with the other information contained in this Information Circular. The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company or that the Company currently deems immaterial may also impact its business operations. The Company's business, financial condition, results of operation and cash flow could be materially adversely affected by any of these risks. For additional risks relating to the Company, please refer to the Company's Annual Information Form for the fiscal year ended March 31, 2017, which is incorporated by reference herein.

Risks Relating to the Share Issuance Resolution

The issuance of Common Shares in exchange for the Existing Notes will result in substantial dilution to shareholders.

The Offer may result in the issuance of up to an additional 107,361,848 Common Shares to holders of Existing Notes who elect the Share Option. This dilution will result in diminished voting power to existing shareholders that do not hold Existing Notes and elect to participate in the Offer and dilution in earnings per Common Share, if any.

The trading price for the Common Shares may be depressed following the completion of the Offer.

The issuance of a significant number of Common Shares in the public markets by Taiga pursuant to the Offer could depress the market price of the Common Shares. In addition, holders of Existing Notes may seek to dispose of the Common Shares they receive under the Offer following the completion of the Offer to obtain liquidity. This could cause the subsequent trading price for the Common Shares to be depressed. Taiga cannot predict the effect that future sales or issuances of the Common Shares would have on the market price of the Common Shares. The price of the Common Shares could be affected by possible sales of Common Shares or by hedging or arbitrage trading activity.

Risks Related to the Offer

Conditions precedent and required approvals.

The completion of the Offer is subject to a number of conditions precedent, some of which are outside the Company's control, which makes its completion uncertain. Further, the Share Option component is conditional upon receipt of the Disinterested Approval. If the Offer is not completed, the Company intends to fully redeem the Existing Notes at par pursuant to the terms of the Existing Indenture and/or purchase the Existing Notes through open market purchases prior to December 31, 2017. In this regard, the Company or its affiliates may from time to time acquire Existing Notes, other than pursuant to the Offer, by redemptions under the Existing Indenture, through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise upon such terms and conditions and at such prices as the Company or such affiliates may determine, which may be more or less than the prices to be paid pursuant to the Offer and could be for cash or other consideration. If the Company seeks to finance such redemption or repurchase of Existing Notes, for example through incurring additional indebtedness or through additional equity issuances such as rights offerings, such financing may be on terms that are less favourable to the Company than the terms of the Offer and more restrictive on the Company's operations.

Fees, costs and expenses not recoverable.

Whether or not the Offer is completed, the Company will not receive any reimbursement for the fees, costs and expenses it has incurred in connection with Offer and this Meeting. Such fees, costs and expenses include, without limitation, legal fees, accounting fees, financial advisor fees, fairness opinion fees, transfer agent fees and printing and mailing costs, which will be payable whether or not the Offer is completed.

The Company may not have sufficient funds to pay its obligations under the New Notes.

Because the New Notes are effectively subordinated to all liabilities of the Company's subsidiaries, in the event of a bankruptcy, liquidation or reorganization involving the Company or any of its subsidiaries and in certain other events, the Company's assets will be available to pay obligations on the New Notes only after all liabilities of its subsidiaries (including trade creditors) have been paid in full. After satisfying these obligations, the Company may not have sufficient assets remaining to pay amounts due on any or all of the New Notes then outstanding. In addition, the Company's obligations under the New Notes will be effectively subordinated to the Company's secured creditors to the extent of the value of the assets securing their claims. The incurrence of additional debt and other liabilities by the Company could adversely affect its ability to pay its obligations under the New Notes.

The Company may incur substantially more debt.

Although the trust indenture under which the New Notes will be issued, the Existing Indenture and the agreements governing Taiga's senior credit facility contain restrictions on the incurrence of additional indebtedness by the Company and its subsidiaries, as applicable, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. In addition to amounts that may be borrowed pursuant to the senior credit facility, the New Indenture also allows the Company to borrow significant amounts of money from other sources and will place no restrictions on borrowings by its subsidiaries. If new debt is added to the current debt levels, the related risks that the Company now faces could intensify.

Restrictions that limit the Company's operating and financial flexibility.

The New Indenture, the Existing Indenture and the agreements governing the Company's senior credit facility contain covenants that, among other things, limit the Company's ability to:

- incur additional indebtedness and issue preferred stock;
- pay dividends and make distributions;
- repurchase stock or repay subordinated indebtedness;
- make certain investments;
- transfer, sell or make certain dispositions of assets;
- incur liens;
- enter into transactions with affiliates; and
- merge, consolidate, amalgamate or sell substantially all of the Company's assets to another person.

In addition, the terms of the senior credit facility require the Company to maintain specified financial ratios, and the Company may be unable to meet such ratios. All of these restrictions may limit the Company's ability to execute its business strategy. Moreover, if operating results fall below current levels, the Company may be unable to comply with these covenants. If that occurs, the Company's lenders could accelerate payment of the indebtedness, in which case the Company may not be able to repay all of its indebtedness, and the New Notes may not be repaid fully, if at all.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Information Circular and as disclosed below, no insider of Taiga, nor an associate or affiliate of any of the foregoing persons has had any material interest, direct or indirect, in any transaction since the commencement of Taiga's most recently completed fiscal year which materially affected Taiga or its subsidiaries or in any proposed transaction which has or would materially affect Taiga or its subsidiaries.

On January 31, 2017, Taiga announced that it had paid the full amount owing to the Canada Revenue Agency (the "CRA") pursuant to the previously announced notice of assessment in respect of its 2005 to 2013 taxation years. The amount was fully funded by Berjaya Forest Products (Luxembourg) S.a.r.l. ("**Berjaya**") and Genghis in accordance with their obligations under their indemnity agreements with Taiga. The payment was made in connection with two transactions involving Berjaya and Genghis, respectively, and UPP and certain of its affiliates and subsidiaries. The transactions consisted of a sale by Berjaya to UPP of all of its Common Shares and Existing Notes and a sale by Genghis to UPP of all of its Common Shares. As a result of the transactions, UPP acquired approximately 58.33% of the issued and outstanding Common Shares. As described in this Information Circular, Taiga's current Chairman, Dr. Kooi Ong Tong, is UPP's Executive Chairman, Chief Executive Officer and a significant shareholder. Mr. Ian Tong is Dr. Tong's son and a director of Taiga, as well as an Executive Director and Vice President, Investments of UPP. The completion of such transactions would have constituted a "change of

control" under: (i) the Existing Indenture, which governs the Existing Notes; and (ii) the agreement governing Taiga's senior credit facility. Taiga entered into amendments to both its credit agreement and the Existing Indenture in accordance with the terms thereof in order to permit the transactions to complete without triggering the change of control requirements under such agreements.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Information Circular, including under the heading "Certain Legal and Regulatory Matters – Securities Law Matters", no person who has served as a director or executive officer of Taiga at any time since the beginning of Taiga's last completed fiscal year, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon.

AUDITORS

Taiga's auditor is Dale Matheson Carr-Hilton Labonte, Chartered Accountants of Vancouver, British Columbia.

MANAGEMENT CONTRACTS

To the knowledge of the directors and executive officers of Taiga, as of the date hereof, management functions of Taiga and its subsidiaries are not, to any substantial degree, performed other than by the directors and executive officers of Taiga or its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to Taiga is available on SEDAR at www.sedar.com. Shareholders may contact Taiga to request copies of Taiga's financial statements and management's discussion and analysis by sending a written request to Suite 800, 4710 Kingsway, Burnaby, British Columbia, V5H 4M2, Attention: Corporate Secretary. Financial information is provided in Taiga's comparative financial statements and management's discussion and analysis for its fiscal year ended March 31, 2017, which are also available on SEDAR and the Company's website at: www.taigabuilding.com.

APPROVAL

The undersigned hereby certifies that the contents and the sending of this Information Circular have been approved by the Board.

DATED at Burnaby, British Columbia this 29th day of September, 2017.

On behalf of the Board of Directors

(signed) Dr. Kooi Ong Tong

Dr. Kooi Ong Tong

Chairman of the Board of Directors

CONSENT OF RAYMOND JAMES LTD.

We refer to the fairness opinion dated September 28, 2017 (the "**Fairness Opinion**"), attached as Appendix "A" to the management information circular (the "**Circular**") of Taiga Building Products Ltd. dated September 29, 2017, relating to the special meeting of shareholders with respect to the approval of an issuance of common shares of the Company to holders of 14% subordinated notes in connection with an exchange offer for such notes. We consent to the inclusion of the Fairness Opinion in the Circular, to the filing of the Fairness Opinion with the securities regulatory authorities and to the inclusion of a summary of, and references to, the Fairness Opinion in the Circular.

(signed) Raymond James
Vancouver, British Columbia
September 29, 2017

AUDITORS' CONSENT

We consent to the incorporation by reference of our report to the shareholders of Taiga Building Products Ltd. (the "**Company**") on the consolidated balance sheets of the Company as at March 31, 2017 and 2016, and the consolidated statements of earnings and comprehensive income, changes in shareholders' deficiency and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information in the management information circular of the Company dated September 29, 2017 relating to the special meeting of shareholders with respect to the approval of an issuance of common shares of the Company to holders of 14% subordinated unsecured notes in connection with an exchange offer for such notes. Our report is dated June 22, 2017.

(Signed) DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
September 29, 2017

Appendix "A"
Fairness Opinion
(attached)

RAYMOND JAMES

September 28, 2017

The Special Committee of the Board of Directors of
Taiga Building Products Ltd.
4710 Kingsway, Suite 800
Burnaby, BC V5H 4M2

To the Special Committee of the Board of Directors:

Raymond James Ltd. ("**Raymond James**", "**we**" or "**us**") understands that Taiga Building Products Ltd. ("**Taiga**" or the "**Company**") proposes to make a potential offer (the "**Exchange Offer**") to exchange each \$1,000 of par value of its outstanding 14% unsecured subordinated notes (the "**Existing Notes**") due September 1, 2020 issued pursuant to the 14% Subordinated Notes Indenture dated September 1, 2005 (and as amended April 26, 2006, December 15, 2006, and January 31, 2017) from the holders of the Existing Notes (the "**Noteholders**") for consideration of:

- i) an equivalent principal amount of new 7% senior notes of Taiga due five years from the date of issuance (the "**New Notes**");
- ii) common shares of Taiga at an exchange ratio of 833.33 common shares per \$1,000 par value of the Existing Notes representing a value of \$1.20 per common share (the "**Share Consideration**"); or
- iii) any combination of New Notes and the Share Consideration.

The terms and conditions of the Exchange Offer will be summarized in the Company's Exchange Offer and Consent Solicitation Statement and related circular (the "**Exchange Offer Circular**") to be mailed to the Noteholders and the management information circular (the "**Meeting Circular**") to be mailed to holders of common shares (the "**Shareholders**") of the Company in connection with a special meeting of Shareholders to be held on October 26, 2017 (the "**Shareholder Meeting**"). We understand that the offering of the Share Consideration is subject to the affirmative consent of a majority of the minority of the disinterested Shareholders of the Company (as described in the Meeting Circular) at the Shareholder Meeting, which is being held to consider and, if deemed advisable, approve the common share issuance by Taiga pursuant to the Exchange Offer. We have been retained to provide our opinion (the "**Opinion**") to the Special Committee (the "**Special Committee**") of the Board of Directors of the Company (the "**Board of Directors**") as to the fairness, from a financial point of view, of the Exchange Offer to the disinterested Shareholders.

Engagement of Raymond James

Raymond James was first contacted by the Company on or about August 9, 2017, and was formally engaged by the Special Committee pursuant to an engagement letter (the "**Engagement Letter**") dated as of September 5, 2017. Under the terms of the Engagement Letter, Raymond James has agreed to provide this Opinion to the Special Committee. Under the terms of the Engagement Letter, Raymond James has been retained to act solely as financial advisor to the Special Committee. Raymond James will receive a fixed fee for the provision of this Opinion and is to be reimbursed for all approved and reasonable legal and other out-of-pocket expenses. In addition, Raymond James and its affiliates and their respective directors, officers, partners, employees, agents and controlling persons are to be indemnified by the Company from and against certain potential liabilities arising out of its engagement. Raymond James' compensation for providing the Opinion is not contingent on an action or event resulting from the use of the Opinion.

Raymond James Ltd.

Suite 5400 – 40 King Street West, Toronto, ON, M5H 3Y2 • 416 777 7000 • 416 777 7020 Fax

Independence of Raymond James

Neither Raymond James nor any of its affiliates or associates is an insider, associate or affiliate (as such terms are defined in the *Securities Act* (Ontario) or the rules made thereunder) of the Company, Douglas Morris, Cam White and Trent Balog, as directors and / or officers of the Company, UPP Holdings Ltd., and Genghis S.á.r.l. (the "**Interested Parties**") or any of their respective subsidiaries, associates or affiliates.

Raymond James 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 acting as financial advisor to the Special Committee pursuant to the Engagement Letter. There are no other understandings, agreements or commitments between Raymond James and any of the Interested Parties with respect to any current or future business dealings which would be material to the Opinion.

Raymond James may, in the ordinary course of its business, act as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have, today or in the future, positions in the securities of the Interested Parties, or their respective affiliates or associates, and, from time to time, may have executed or may execute transactions relating to or on behalf of the Interested Parties, or other clients for which it received or may receive compensation. In addition, as an investment dealer, Raymond James conducts research on securities, and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Interested Parties, and their respective affiliates or associates.

Credentials of Raymond James

Raymond James is a North American full-service investment dealer with operations located across Canada, Europe, and the United States. Raymond James is a member of the Toronto Stock Exchange, the TSX Venture Exchange, the Montreal Exchange, the Investment Industry Regulatory Organization of Canada, the Investment Funds Institute of Canada, and the Canadian Investor Protection Fund. Raymond James and its officers have prepared numerous valuations and fairness opinions and have participated in a significant number of transactions involving private and publicly traded companies. Raymond James is indirectly wholly-owned by Raymond James Financial, Inc. ("**Raymond James Financial**"). Raymond James Financial is a diversified financial services holding company listed on the New York Stock Exchange (NYSE: RJF) whose subsidiaries engage primarily in investment and financial planning, including securities and insurance, brokerage, investment banking, asset management, banking and cash management, and trust services.

The Opinion expressed herein represents the opinion of Raymond James and the form and content of this Opinion have been reviewed and approved for release by a committee of managing directors of Raymond James. The committee members are professionals experienced in providing valuations and fairness opinions for mergers and acquisitions, exchange offers as well as providing capital markets advice.

Overview of Taiga

Taiga is an independent wholesale distributor of building products in Canada, the United States and elsewhere. As a wholesale distributor, Taiga maintains substantial inventories of building products at 15 distribution centres located throughout Canada, and 2 distribution centres located in California. In addition, Taiga regularly distributes products through the use of third party reload centres. Taiga also owns and operates three wood preservation plants that produce pressure-treated wood products. Factors that affect Taiga's year-over-year profitability include sales levels, price fluctuations and product mix.

Taiga distributes the following products: (i) dimension lumber; (ii) panel products, including plywood, particle board and oriented strand board; and (iii) allied and treated products such as roofing materials, mouldings,

composite decking, polyethylene sheeting, batt and foam insulation, flooring, engineered wood and treated wood. Taiga's head office is located in Burnaby, British Columbia.

Scope of Review

In connection with rendering our Opinion, we have reviewed and relied upon, among other things, the following:

- (i) a draft of the Meeting Circular and the Exchange Offer Circular;
- (ii) a draft of the 7% Senior Notes Trust Indenture in respect of the New Notes;
- (iii) the 14% Subordinated Notes Indenture dated September 1, 2005 and as amended April 26, 2006, December 15, 2006, and January 31, 2017;
- (iv) consolidated annual financial statements, and management's discussion and analysis of the Company for the years ended March 31, 2017, 2016, 2015 and 2014 together with the notes thereto and the auditors' reports thereon;
- (v) the Company's interim consolidated unaudited financial statements, and management's discussion and analysis for the three month periods ended June 30, 2017, December 31, 2016, September 30, 2016, June 30, 2016, December 31, 2015, September 30, 2015, June 30, 2015, December 31, 2014, September 30, 2014 and June 30, 2014;
- (vi) certain public disclosure by the Company as filed on the System for Electronic Document Analysis and Retrieval, to the date hereof, including press releases issued by the Company;
- (vii) certain marketing materials prepared by the Company;
- (viii) certain financing and recapitalization proposals (the "**Transaction Alternatives**") received by the Company from third parties and management's assessment of the financial merits and execution risk with respect thereof;
- (ix) management's financial budget received on September 15, 2017;
- (x) various telephone discussions with management and the Special Committee from September 13, 2017 to date as well as various email discussions with management and the Special Committee from September 13, 2017 to date;
- (xi) certain internal financial, operational, corporate and other information with respect to the Company, including a financial budget prepared by management (and discussions with management with respect to such information);
- (xii) selected public market trading statistics and financial information of the Company and other entities considered by us to be relevant;
- (xiii) other public information relating to the business, operations and financial condition of the Company that Raymond James considered relevant;
- (xiv) other publicly available information relating to selected public companies considered by us to be relevant, including published reports by equity research analysts and industry reports; and
- (xv) such other information, analyses, investigations, and discussions as we considered necessary or appropriate in the circumstances.

In addition, we have participated in various discussions with members of the Company's senior management regarding the Company's business, operations, financial condition, corporate strategy and prospects.

This Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of Investment Industry Regulatory Organization of Canada ("**IIROC**") but IIROC has not been involved in the preparation or review of this Opinion.

We have also participated in various discussions with Sangra Moller LLP, external legal counsel to the Company concerning the Exchange Offer and related matters thereon. Raymond James has not, to the best of its knowledge, been denied access by the Company to any information requested by Raymond James.

Prior Valuations

Management of Taiga has represented to Raymond James that, to the best of its knowledge, there have been no prior valuations, as defined for the purposes of Multilateral Instrument 61-101 of the Ontario Securities Commission, the Autorité des marchés financiers, the Alberta Securities Commission, the Manitoba Securities Commission, and the Financial and Consumer Services Commission of New Brunswick ("**MI 61-101**"), of Taiga or any of its material assets or subsidiaries prepared within the past twenty-four (24) months.

Assumptions and Limitations

Our Opinion is subject to the assumptions, qualifications and limitations set forth below.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of any of the assets or securities of the Company or any of its affiliates and our Opinion should not be construed as such. We have relied upon the advice of external counsel to the Company that the Exchange Offer is exempt from the formal valuation requirements of MI 61-101.

We have relied upon, and have assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Company or its affiliates or advisors or otherwise obtained by us pursuant to our engagement, and our Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to, or attempted to verify independently the accuracy, completeness or fairness of presentation of any such information, data, advice, opinions and representations. We have not met separately with the independent auditors of the Company in connection with preparing this Opinion and we have assumed the accuracy and fair presentation of, and relied upon, the Company's audited financial statements and the reports of the auditors thereon and the Company's interim unaudited financial statements.

With respect to the historical financial data, operating and financial forecasts and budgets provided to us concerning the Company and relied upon in our financial analyses, we have assumed that they have been reasonably prepared on bases reflecting the most reasonable assumptions, estimates and judgments of management of the Company, having regard to the Company's business, plans, financial condition and prospects. We have also assumed that the Exchange Offer will be completed substantially in accordance with its terms and all applicable laws and that the Exchange Offer Circular will disclose all material facts relating to the Exchange Offer and will satisfy all applicable legal requirements. We have assumed that the final Exchange Offer Circular and Meeting Circular will not differ materially from the form of the drafts reviewed by us.

The Company has represented to us, in a certificate of two senior officers of the Company dated the date hereof, among other things, that the information, data and other material (financial or otherwise) provided to us by or on behalf of the Company, including the written information and discussions concerning the Company referred to above under the heading "Scope of Review" (collectively, the "**Information**"), are complete and correct at the date the Information was provided to us and that, since the date on which the Information was provided to us, 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 affiliates and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Exchange Offer or the sufficiency of this letter for your purposes.

We have assumed that the \$1,000 par value for the redemption of the Existing Notes is consistent with (i) the contractual obligation of the Company to redeem the notes at par; and (ii) the Transaction Alternatives contemplate redemption of the Existing Notes at par.

Our Opinion is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Company as they are reflected in the Information and as they were represented to us in our discussions with management of the Company and its affiliates and advisors. In our analyses and in connection with the preparation of our Opinion, we made numerous assumptions with respect to industry performance, general business, markets and economic conditions and other matters, many of which are beyond the control of any party involved in the Exchange Offer.

The Opinion is being provided to the Special Committee for its exclusive use only in considering the Exchange Offer and may not be published, except for the inclusion of the Opinion in its entirety and a summary thereof (in a form acceptable to us) in the Meeting Circular, disclosed to any other person (except to the Board of Directors), relied upon by any other person, or used for any other purpose, without the prior written consent of Raymond James. Our Opinion is not intended to be and does not constitute a recommendation to any Shareholder to vote in favour of the resolution approving the Share Issuance or a recommendation to a Noteholder to accept or reject the Exchange Offer, nor as an opinion concerning the trading price or value of any securities of the Company following the announcement, completion or termination of the Exchange Offer.

Raymond James believes that its analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of an Opinion is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to do so could lead to undue emphasis on any particular factor or analysis.

The Opinion is given as of the date hereof and, although we reserve the right to change or withdraw the Opinion if we learn that any of the information that we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, we disclaim any obligation to change or withdraw the Opinion, to advise any person of any change that may come to our attention or to update the Opinion after the date of this Opinion.

Fairness Methodologies

In support of the Opinion, Raymond James has performed certain financial analyses with respect to Taiga from a non-change-of-control perspective, based on those methodologies and assumptions that Raymond James considered appropriate in the circumstances for the purposes of providing the Opinion. In the context of the Opinion, Raymond James has considered the following principal methodologies (as each such term is defined below):

- (c) DCF Approach; and
- (d) Public Company Trading Approach.

DCF Approach

The discounted cash flow approach (the "**DCF Approach**") is a present value calculation of future cash flow expectations to determine a value of a company. It involves estimating annual net discretionary cash flows for each year of the cash flow projection period. Where the business is expected to operate beyond the cash flow

projection period, subsequent projected results are capitalized at the end of the cash flow period utilizing a terminal cash flow method, and then discounted to their present value.

Taiga's principal assets consist of its building products inventories at its distribution centres and its wood preservation plants. Raymond James utilized an un-levered discounted cash flow analysis whereby Raymond James, using projections provided by management of the Company, calculated the earnings before interest and taxes and then proceeded to deduct taxes, capital expenditures, anticipated working capital requirements and added back depreciation and amortization and stock based compensation. Raymond James' calculations were based on projections of cash flows and other amounts prepared by management of the Company, with certain adjustments made by Raymond James to such projections as we considered appropriate.

The DCF Approach requires that certain assumptions be made to derive the present value of future free cash flows including, among other things, growth rates and profit margins, capital investment, working capital, discount rates, terminal multiples and terminal growth rates. As part of the DCF Approach, Raymond James performed a range of sensitivity analyses on a variety of factors. This included considering a range of estimated terminal values by applying a range of multiples to estimated terminal year earnings before interest, taxes, depreciation, and amortization ("**EBITDA**").

Public Company Trading Approach

Raymond James compared public market trading statistics of the Company to corresponding data from selected publicly traded companies in the building products distribution sector based in North America that we considered relevant (the "**Public Company Trading Approach**"). Raymond James examined multiples based on the ratio of Enterprise Value for each of the selected public companies to the EBITDA of such companies. Raymond James then applied a range of selected multiples to the corresponding data of the Company to calculate an implied equity value of the Company.

Fairness Considerations

The assessment of fairness of the Exchange Offer, from a financial point of view, to the disinterested Shareholders must be determined in the context of the particular transaction. Raymond James based its conclusion in the Opinion upon a number of quantitative and qualitative factors including, but not limited to:

- a) the Share Consideration contemplated by the Exchange Offer compares favourably with the values derived from our analyses using the DCF Approach;
- b) the Share Consideration contemplated by the Exchange Offer compares favourably with the values derived from our analyses using the Public Company Trading Approach; and
- c) other factors or analyses, which we have judged, based on our experience in rendering such opinions, to be relevant.

Raymond James did not, in considering the fairness of the Exchange Offer, from a financial point of view, to the disinterested Shareholders assess any income tax consequences that any particular Shareholder may face in connection with the Exchange Offer.

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Opinion

Based upon and subject to the foregoing and such other matters as we considered relevant, it is our opinion that, as of the date hereof, the Exchange Offer is fair, from a financial point of view, to the disinterested Shareholders.

Yours very truly,

Raymond James Ltd.

Appendix "B"

Summary of the Offer and Other Disclosure

SUMMARY OF THE OFFER

Additional Terms of the Offer

The following summary does not purport to be complete and is qualified in its entirety by reference to the Exchange Offer and Consent Solicitation Statement and accompanying Circular dated September 29, 2017, available from the Company or on SEDAR at www.sedar.com.

Noteholders that do not accept the Offer will continue to hold Existing Notes which will continue to accrue interest until the date of maturity or until earlier redeemed in accordance with their terms. However, assuming the Proposed Amendments (as defined below) are approved, the Existing Notes will no longer have the current benefits of certain restrictive covenants and events of default contained in the Existing Indenture, and the principal amount of the Existing Notes that are outstanding may be significantly reduced, which could adversely affect the liquidity of the Existing Notes that remain outstanding after consummation of the Offer.

Noteholders who deposit their Existing Notes pursuant to the Offer, which Existing Notes are subsequently exchanged by the Company, will receive a payment from the Company on account of accrued and unpaid interest on the Existing Notes to but excluding the date of take up of the Deposited Notes. The Company has calculated that such payment will amount to approximately \$4.99 per \$1,000 principal amount of Existing Notes.

A Noteholder that deposits Existing Notes under the Offer with a principal amount of less than \$1,000 or an integral multiple thereof will be repaid such fraction of \$1,000 in cash following completion of the Offer. A Noteholder will not receive fractional Common Shares, or New Notes with a principal amount that is not an integral multiple of \$1,000 for any Deposited Notes, and for Noteholders who wish to exchange Existing Notes for Common Shares, the Share Exchange Price will be applied against each \$1,000 principal amount of Existing Notes or an integral multiple thereof deposited pursuant to the Offer. Any fractional Common Shares issuable pursuant to the Share Exchange Price will be rounded up to the nearest whole number.

The Existing Indenture permits the Company to redeem all or a portion of the Existing Notes upon giving of notice to the Noteholders as prescribed therein, at a redemption price as specified in the Existing Indenture (currently 100% of the principal amount of the Existing Notes to be redeemed), together with accrued and unpaid interest up to the date of redemption. Whether or not the Offer is consummated, the Company intends to fully redeem the Existing Notes at par pursuant to the terms of the Existing Indenture and/or purchase the Existing Notes through open market purchases prior to December 31, 2017. In this regard, the Company or its affiliates may from time to time acquire Existing Notes, other than pursuant to the Offer, by redemptions under the Existing Indenture, through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise upon such terms and conditions and at such prices as the Company or such affiliates may determine, which may be more or less than the prices to be paid pursuant to the Offer and could be for cash or other consideration.

The selection of any particular redemption date is in the discretion of the Company. No assurance can be given that any remaining Existing Notes subsequent to the Offer will be redeemed as contemplated or at all.

Currently, \$128,834,218 aggregate principal amount of Existing Notes are outstanding. On September 28, the last full trading day prior to the date hereof, the closing price of the Common Shares on the TSX was \$1.53 and the closing price of the Existing Notes on the TSX was \$101.50 for each \$100 principal amount of Existing Notes. The Share Exchange Price represents an issue price of \$1.20 per Common Share, a discount of 21.6% to the closing price of the Common Shares on September 28, 2017 and a premium of 18.8% to the closing price of the Common Shares on August 4, 2017, being the last full trading day prior to the date that Taiga announced its intention to refinance the outstanding Existing Notes.

The Offer is not conditional upon any minimum principal amount of Existing Notes being tendered.

The Share Exchange Price was determined by the Board in part on the basis of the trading price of the Common Shares on the TSX prior to the initiation of the Offer. The Existing Notes will be exchanged for New Notes at an equivalent par value face amount, which was determined by the Board on the basis of the trading price of the Existing Notes, the ability of the Company to redeem the Existing Notes at 100% of the principal amount and the current credit status of the Company.

The New Notes will be issued under a trust indenture governing the New Notes, with Computershare Trust Company of Canada as trustee (the "**New Indenture**").

The Company has not retained a dealer manager or solicitation agent in connection with the Offer.

Terms of the Solicitation

In conjunction with the Offer, Taiga is also soliciting consents (the "**Solicitation**") to amend the Existing Indenture in order to eliminate substantially all of the restrictive provisions and certain events of default contained in the Existing Indenture (the "**Proposed Amendments**"), which require the consent of Noteholders of record representing at least a majority of the principal amount of Existing Notes (the "**Requisite Consents**").

The effect of the Proposed Amendments would be to eliminate substantially all of the restrictive covenants and certain events of default contained in the Existing Indenture, as more particularly described in the Offer materials. A Noteholder who properly tenders Existing Notes pursuant to the Offer will be deemed to have delivered a consent to the Proposed Amendments to the Existing Indenture. A Noteholder may not tender its Existing Notes without delivering its consent pursuant to the Solicitation and may not deliver a consent without tendering its Existing Notes pursuant to the Offer.

The Proposed Amendments will be effected by the execution of a supplemental indenture with the trustee thereunder (the "**Supplemental Indenture**") as soon as practicable if the Requisite Consents are obtained. The Supplemental Indenture will become effective upon execution by Taiga, certain subsidiary guarantors and the trustee under the Existing Indenture.

The Proposed Amendments will not relieve the Company from its obligations to make scheduled payments of principal and accrued interest on any Existing Notes not exchanged pursuant to the Offer. After the Proposed Amendments become operative, the Company reserves the right to redeem or otherwise repurchase any or all of the remaining Existing Notes outstanding, at its discretion in accordance with the terms of the Existing Notes.

To the extent that Existing Notes are tendered and accepted under the Offer, the trading market for the Existing Notes would become more limited. A debt security with a smaller outstanding principal amount available for trading (a smaller "float") may command a lower price than would a comparable debt security with a greater float. Therefore, the market price for such Existing Notes not tendered or not exchanged may be affected adversely to the extent that the principal amount of such Existing Notes tendered pursuant to the Offer reduces the float. The smaller float may also tend to make the trading price more volatile. The loss of the protections afforded by the restrictive covenants and events of default eliminated by the Proposed Amendments could exacerbate these effects. There can be no assurance that any trading market will exist for the Existing Notes following consummation of the Offer. The extent of the public market for the Existing Notes following consummation of the Offer will depend upon, among other things, the remaining outstanding principal amount of such Existing Notes after the Offer, the number of Noteholders of such Existing Notes remaining at such time and other factors. Following the Expiration Time, there is no assurance that the Existing Notes will continue to be listed on the TSX, as the Existing Notes may fail to meet the TSX's minimum listing requirements or the Company may determine that the de-listing of the Existing Notes is advisable. The Company does not intend to create a market or ensure a market is sustained for any Existing Notes that remain outstanding following consummation of the Offer. As a result, Noteholders that do not tender their Existing Notes in the Offer may not be able to sell their Existing Notes at prices they consider adequate, or at all, after the closing of the Offer.

Taiga reserves the right to withdraw the Offer and the Solicitation and not take up and exchange any Existing Notes deposited under the Offer unless certain conditions are satisfied.

Conditions

Conditions to the Consent Solicitation

The Proposed Amendments to the Existing Indenture are subject to: (a) receipt of the Requisite Consents from Noteholders of record entitled to consent to the Proposed Amendments prior to the Expiration Time; and (b) the absence of any law or regulation which would, and the absence of any injunction or action or other proceeding (pending or threatened) which (in the case of any action or proceeding adversely determined) would, make unlawful or invalid or enjoin the implementation of the Proposed Amendments or question the legality or validity thereof.

Conditions to the Offer

Notwithstanding any other terms of the Offer, the Company shall not be required to accept for exchange, or to issue the New Notes and/or Common Shares, for any Existing Notes tendered pursuant to the Offer, and may terminate or cancel the Offer or may postpone the exchange of such Existing Notes if, at any time before the exchange for any such Existing Notes, any of the following events shall have occurred (or shall have been determined by the Company to have occurred) which, in the Company's sole judgment, acting reasonably, in any such case and regardless of the circumstances, makes it inadvisable to proceed with the Offer or with such acceptance for exchange:

- in respect of completing the Share Option, the Company shall not have obtained the requisite Disinterested Approval pursuant to MI 61-101 and the policies of the TSX at the Meeting;
- there shall have been threatened, taken or pending any action or proceeding by any government or governmental authority or regulatory or administrative agency in any jurisdiction, or by any other person in any jurisdiction, before any court or governmental authority or regulatory or administrative agency in any jurisdiction:
 - (1) challenging or seeking to cease trade, make illegal, delay or otherwise directly or indirectly restrain or prohibit the making of the Offer, the acceptance for payment of some or all of the Existing Notes by the Company or otherwise directly or indirectly relating in any manner to or affecting the Offer; or
 - (2) that otherwise, in the sole judgment of the Company, has or may have a material adverse effect on the business, income, assets, liabilities, condition (financial or otherwise), properties, operations, results of operations or prospects of the Company and its subsidiaries taken as a whole, or has impaired or may materially impair the contemplated benefits of the Offer to the Company;
- there shall have been any action or proceeding threatened, pending or taken, or approval withheld, or any statute, rule, regulation, stay, decree, judgment or order or injunction proposed, sought, enacted, enforced, promulgated, amended, issued or deemed applicable to the Offer or the Company or any of its subsidiaries by any court, government or governmental authority or regulatory or administrative agency in any jurisdiction that, in the sole judgment of the Company, acting reasonably, might directly or indirectly result in any of the consequences referred to in clauses (1) or (2) of the preceding paragraph or would or might prohibit, prevent, restrict or delay consummation of or materially impair the contemplated benefits of the Offer to the Company;
- there shall have occurred:
 - (1) any general suspension of trading in, or limitation on prices for, securities on any securities exchange or in the over-the-counter market in Canada;
 - (2) the declaration of a banking moratorium or any suspension of payments in respect of banks in Canada or the United States (whether or not mandatory);

- (3) the commencement of a war, armed hostilities or other international or national calamity directly or indirectly involving Canada or the United States;
 - (4) any limitation (whether or not mandatory) by any government or governmental authority or regulatory or administrative agency or any other event that, in the sole judgment of the Company, acting reasonably, would reasonably be expected to affect the extension of credit by banks or other lending institutions;
 - (5) any significant decrease in the market price of the Common Shares or Existing Notes since the close of business on the commencement date of the Offer;
 - (6) any change in the general political, market, economic or financial conditions that has or may have a material adverse effect on the Company's business, operations or prospects or the trading in, or value of, the Common Shares or Existing Notes; or
 - (7) in the case of any of the above conditions existing at the time of the commencement of the Offer, in the Company's sole judgment, acting reasonably, a material acceleration or worsening of it;
- there shall have occurred any change or changes (or any development involving any prospective change or changes) in the business, assets, liabilities, properties, condition (financial or otherwise), operations, results of operations or prospects of the Company or its subsidiaries that, in the sole judgment of the Company, acting reasonably, has, have or may have material adverse significance with respect to the Company and its subsidiaries taken as a whole;
 - any take-over bid or tender or exchange offer with respect to some or all of the securities of the Company, or any merger, business combination or acquisition proposal, disposition of assets, or other similar transaction with or involving the Company or any of its affiliates, other than the Offer, or any solicitation of proxies, other than by management, to seek to control or influence the Company, shall have been proposed, announced or made by any individual or entity;
 - the Company shall have determined, in its sole judgment, acting reasonably, that any necessary exemption under applicable securities legislation in Canada is not available to the Company with respect to the Offer and, if required under any such legislation, the Company shall not have received the necessary exemptions from or waivers of the appropriate Canadian securities regulatory authorities in respect of the Offer; or
 - any change shall have occurred or been proposed to the *Income Tax Act* (Canada), as amended, or to the publicly available administrative policies or assessing practices of the CRA that, in the sole judgment of the Company, is detrimental to the Company or a securityholder of the Company.

If the Offer is withdrawn, the Company shall not be obligated to take up or exchange any Existing Notes tendered pursuant to the Offer, and the depositary will return all such Existing Notes and any related documents to the Noteholders by whom they were tendered. If the Solicitation is withdrawn, the Company shall not be obligated to accept any consents delivered pursuant to the Solicitation.

Description of New Notes

The following summary of the material attributes and characteristics of the New Notes does not purport to be complete and is qualified in its entirety by reference to the New Indenture, which shall be entered into before the first date upon which Existing Notes are taken up and exchanged. For the full text of these attributes and characteristics, the New Indenture will be available for inspection (in draft form before the New Notes are issued and in an executed form thereafter) upon request without charge at the principal offices of the Company at Suite 800, 4710 Kingsway, Burnaby, British Columbia V5H 4M2, telephone (604) 438-1471. A copy of the New Indenture, once executed, will also be available on the Company's website at www.taigabuilding.com and on SEDAR at www.sedar.com.

General

Taiga can issue up to an unlimited aggregate principal amount of New Notes under the New Indenture. The New Notes will bear interest at the rate of 7.0% per annum payable semi-annually beginning on the six-month anniversary of the date of issuance of the New Notes (the "**Issuance Date**") and every six months thereafter until maturity and will mature five years from the Issuance Date. If any interest payment date is not a business day, payment will be made on the next succeeding business day without accrual or additional interest as a result of the delay in payment. The principal amount and interest on the New Notes will be paid in lawful money of Canada. The New Notes will be issued in certificated form or through CDS as custodian for participants in CDS' book-entry only registration system in substantially the form set out in Schedule "A" of the New Indenture and only as fully registered notes in denominations of \$1,000 and integral multiples thereof. The register for the New Notes will be kept at the principal office of the trustee for the New Notes (the "**Note Trustee**") in Vancouver, British Columbia.

The New Indenture will provide for the initial issuance of up to \$128,834,218 principal amount of New Notes in satisfaction of the Note Option. The New Notes will be unsecured. The New Notes will be effectively subordinated to any present or future Senior Indebtedness (defined below).

Cancellation

All New Notes for which the Note Trustee has received payment in accordance with the terms and conditions of the New Indenture will be cancelled and destroyed forthwith.

Redemption

The New Notes will be redeemable by the Company in whole or in part, at any time and from time to time, on or after the 30-month anniversary of the Issuance Date, for cash, at a redemption price (expressed as a percentage of the principal amount) set forth below, plus accrued and unpaid interest on the New Notes to the redemption date, if redeemed during the period beginning on the applicable anniversary of the Issuance Date as follows:

| <u>Date</u> | <u>Percentage</u> |
|---|-------------------|
| On and after 30 months and before 42 months after the Issuance Date | 103.5% |
| On and after 42 months and before 48 months after the Issuance Date | 101.75% |
| On and after 48 months after the Issuance Date | 100% |

Subordination

The payment of the principal of and interest on the New Notes will be effectively subordinated in right of payment, as will be set forth in the New Indenture, to the prior payment in full of all the principal, interest and all other amounts and obligations owing by Taiga pursuant to all present and future secured indebtedness, including the amended and restated credit agreement between, among others, the Company and JPMorgan Chase Bank dated November 25, 2013, and all deferrals, renewals, extensions or amendments, modifications or supplements thereto or re-financings thereof, including with new or replaced lenders, and all indebtedness and liabilities of the Company's Subsidiaries (the "**Senior Indebtedness**").

Modification

The rights of the holders of the New Notes may be modified. For that purpose, among others, the New Indenture will contain certain provisions which will require consent of the holders of the Senior Indebtedness of Taiga to make any changes to either the New Indenture or the New Notes.

Asset Sales

If the Company sells, transfers, leases, conveys or otherwise disposes of all or substantially all of its properties and assets on a consolidated basis to any person (other than a direct or indirect subsidiary of the Company) (a "**Sale**

Transaction") and the Company does not (i) utilize the net proceeds to repay the secured indebtedness of the Company and/or its affiliates; or (ii) reinvest at least 50% of the net proceeds thereof in the business of the Company and/or its affiliates within 365 days of the closing date of such Sale Transaction, then the Company shall offer to purchase all or any part of the Notes then outstanding at a purchase price in cash equal to 100% of the aggregate principal amount of the Notes repurchased on the terms and conditions set forth in the New Indenture.

Covenants

Limitation on Incurrence of Indebtedness

- (a) The Company and its subsidiaries will not, directly or indirectly, incur any indebtedness, unless the ratio of Total Funded Debt to consolidated EBITDA of the Company and its subsidiaries, on a consolidated basis, for the most recently ended four fiscal quarters of the Company would have been less than 5.0 to 1.0 determined on a pro forma basis, as if the additional indebtedness had been incurred and the application of proceeds therefrom had occurred at the beginning of such four quarter period. Total Funded Debt is defined as the actual outstanding amount of indebtedness of the Company (based on average usage over the preceding 12 months in the case of revolving credit facilities), letters of credit and guarantees of same, but excluding indebtedness incurred in the ordinary course of business to finance inventory and accounts receivable under revolving or similar credit facilities from banks or other financial institutions or institutional lenders. EBITDA is defined as net income determined in accordance with IFRS before interest, taxes in respect of net income, depreciation and amortization included in such net income, for such period.
- (b) The foregoing limitations will not apply to:
 - (i) indebtedness pursuant to the Senior Indebtedness and the Existing Indenture provided that the aggregate amount of indebtedness incurred by the Company and its subsidiaries pursuant thereto does not exceed the greater of: (x) the aggregate amount available under the Senior Indebtedness and the Existing Indenture, in accordance with the terms thereof as such terms exist on the date hereof; (y) the amount of indebtedness permitted under (a), above; and (z) the sum of 90% of the face amount of accounts receivable plus 75% of all inventory owned by the Company and its subsidiaries on a consolidated basis;
 - (ii) the incurrence by the Company and its subsidiaries of indebtedness represented by the New Notes issued on the Issuance Date;
 - (iii) indebtedness existing on the Issuance Date;
 - (iv) indebtedness arising from agreements of the Company or any of its subsidiaries providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred in connection with the acquisition or disposition of any business, assets or a subsidiary of the Company or any of its subsidiaries, other than guarantees of indebtedness incurred by any person acquiring all or any portion of such business, assets of subsidiary for the purpose of financing such acquisition;
 - (v) indebtedness of the Company to any of its subsidiaries, provided that any such indebtedness is subordinated in right of payment to the New Notes;
 - (vi) indebtedness of a subsidiary of the Company to the Company or another subsidiary of the Company;
 - (vii) hedging obligations that are incurred in the ordinary course of business, including, those incurred in respect of distributions (A) for the purpose of fixing or hedging interest rate risk with respect to any indebtedness that is permitted by the terms of the New Indenture to be outstanding, (B) for the purpose of fixing or hedging currency exchange rate risk with respect to any currency exchanges, or (C) for the purpose of fixing or hedging commodity price risk with respect to any commodity purchases;
 - (viii) any guarantee by the Company or any of its subsidiaries of indebtedness or other obligations of the Company or its subsidiaries that is permitted under the terms of the New Indenture;

- (ix) the incurrence by the Company or any of its subsidiaries of indebtedness that serves to refund or refinance any indebtedness incurred as permitted under (a) above and clauses (i), (ii), (iii) and (iv), above, or any indebtedness issued to so refund or refinance such indebtedness prior to its respective maturity, subject to certain restrictions;
- (x) indebtedness of persons that are acquired by the Company or any of its subsidiaries or merged into a subsidiary of the Company, provided, however, that such indebtedness is not incurred in contemplation of such acquisition or to provide all or a portion of the funds or credit support required to consummate such acquisition or merger, and provided further, however, that after giving effect to such acquisition or merger and the incurrence of such indebtedness on a pro forma basis either (A) the Company would be permitted to incur at least \$1.00 of additional indebtedness pursuant to the Total Funded Debt to consolidated EBITDA test set forth in (a) above, or (B) the Debt Service Coverage Ratio for the preceding 12 month period on a pro forma basis, after giving effect to such acquisition or merger and the incurrence of such indebtedness, would be greater than the actual Debt Service Coverage Ratio for such period without giving effect to such acquisition or merger. Debt Service Coverage Ratio refers to the ratio of (x) EBITDA for such period, to (y) the sum of interest expense paid or payable in cash during such period and interest deferred during such period, determined on a consolidated basis;
- (xi) the incurrence by the Company or any of its subsidiaries of indebtedness represented by capitalized lease obligations, mortgage financings or purchase money obligations, or other indebtedness in each case, incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property (real or personal), plant, vehicles or equipment used in the business of the Company or its subsidiaries, in an aggregate principal amount not to exceed any time outstanding \$75 million;
- (xii) the incurrence by the Company or any of its subsidiaries of indebtedness constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business, provided, however, that, in each case, upon the drawing of such letters of credit or the incurrence of such indebtedness, such obligations are reimbursed within 30 days following such drawing or incurrence;
- (xiii) the incurrence by the Company or any of its subsidiaries of obligations in respect of performance and surety bond and completion guarantees provided by the Company or its subsidiaries in the ordinary course of business;
- (xiv) the incurrence by the Company or any of its subsidiaries of additional indebtedness in an aggregate amount not to exceed \$25 million;
- (xv) indebtedness arising from the honouring by a bank or other financial institution of a cheque, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business, provided, however, that such Indebtedness is extinguished within five business days of incurrence; and
- (xvi) indebtedness that by its terms will not be outstanding for more than three business days after incurrence.

In the event that an item of indebtedness meets the criteria of more than one of the categories of permitted indebtedness described above or is entitled to be incurred pursuant to (a) above, the Company may classify or reclassify such item of indebtedness in any manner, in its sole discretion, that complies with this covenant and such item of indebtedness will be treated as having been incurred pursuant to only one of such clauses. Accrual of interest, the accretion of accreted value or amortization of original issue discount and the payment of interest on indebtedness in the form of additional indebtedness with the same terms will not be deemed to be an incurrence of indebtedness for the purposes of this covenant.

Limitations on Restricted Payments

- (a) The Company and its subsidiaries will not, directly or indirectly:
- (i) declare or pay any dividend or make any distribution on account of the Company's, or any of its subsidiaries' equity interests, including any payment made in connection with any merger or consolidation involving the Company other than: (A) dividends or distributions by the Company payable solely in equity interests of the Company; or (B) dividends or distributions by a subsidiary of the Company, provided that, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a subsidiary of the Company other than a wholly-owned subsidiary, the Company or its subsidiary receives at least its *pro rata* share of such dividend or distribution in accordance with the terms of such equity interests;
 - (ii) purchase or otherwise acquire or retire for value any equity interests of the Company other than equity interests of the Company held by a wholly-owned subsidiary of the Company; or
 - (iii) make a Restricted Investment (as defined below);

(all such payments and other actions set forth in clauses (i), (ii) and (iii) above being collectively referred to as "**Restricted Payments**").

A "Restricted Investment" means any investment other than:

- (i) an investment in the Company or any subsidiary of the Company;
- (ii) an investment in Cash Equivalents (as defined in the New Indenture) or Investment Grade Securities (as defined in the New Indenture);
- (iii) an investment by the Company or any subsidiary of the Company in a person that is primarily engaged in a Permitted Business (as defined in the New Indenture) to the Company if as a result of such investment: (a) such person becomes a subsidiary of the Company; or (b) such person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a subsidiary of the Company;
- (iv) an investment in securities or other assets not constituting Cash Equivalents and received in connection with a Sale Transaction or any other disposition of assets not constituting a Sale Transaction;
- (v) an investment existing on the Issuance Date;
- (vi) an investment acquired by the Company or any of its subsidiaries (a) in exchange for any other investment or accounts receivable held by the Company or any such subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other investment or accounts receivable or (b) as a result of a foreclosure by the Company or any of its subsidiaries with respect to any secured investment or other transfer of title with respect to any secured investment in default;
- (vii) hedging obligations;
- (viii) additional investments having an aggregate fair market value, taken together with all other investments made pursuant to this clause that are at that time outstanding, not to exceed the greater of 7.5% of total assets of the Company, on a consolidated basis, or \$7.0 million at the time of such investment;
- (ix) loans and advances to officers, directors and employees for business-related travel expenses, moving expenses and other similar expenses, in each case incurred in the ordinary course of business, and

account credits and payments to participants under the Company's or its subsidiaries' long-term incentive plan or any successor or similar compensation plan;

- (x) investments the payment for which consists of equity interests of the Company;
- (xi) any transaction to the extent it constitutes an investment that is permitted by and made in accordance with the New Indenture;
- (xii) investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other persons;
- (xiii) guarantees incurred in accordance with the Existing Indenture and the Senior Indebtedness;
- (xiv) an investment by subsidiaries of the Company in other subsidiaries of the Company;
- (xv) an investment held by a person prior to that person becoming a subsidiary of the Company (provided that such investments were not acquired in connection with, or in contemplation of, such person becoming a subsidiary of the Company);
- (xvi) investments consisting of purchases and acquisitions of inventory, supplies, materials, plant and equipment or purchases of contract rights or licenses or leases of intellectual property, in each case in the ordinary course of business;
- (xvii) loans and advances to current or former employees of the Company and/or any entity in which any current or former management personnel of the Company has a beneficial or equity interest pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or agreement or any other agreement pursuant to which stock is held for the benefit of such persons not to exceed \$5 million in aggregate principal amount at any time outstanding, the proceeds of which will be used to purchase or redeem, directly or indirectly, Common Shares; and
- (xviii) investments made with the net cash proceeds received by the Company after the Issuance Date from (i) contributions to its common equity capital and (ii) the sale (other than to a subsidiary of the Company or to any Company or subsidiary of the Company management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Common Shares.

A Restricted Payment may be made if, at the time of such Restricted Payment:

- (A) no event of default under the New Indenture will have occurred and be continuing or would occur as a consequence thereof;
- (B) immediately after giving effect to such transaction on a pro forma basis, the Company could incur \$1.00 of additional indebtedness pursuant to (a) under the heading: "— Limitation on Incurrence of Indebtedness"; and
- (C) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its subsidiaries after the Issuance Date (including Restricted Payments permitted by clauses (i), (iii) and (iv) of (b) below, but not including all other permitted Restricted Payments described in (b) below, is less than the sum of, without duplication:
 - i. 100% of the Excess Cash of the Company on a consolidated basis for the period (taken as one accounting period) (defined as EBITDA minus the sum of (i) cash interest expense; (ii) income taxes paid or payable with respect to taxable income; and (iii) unfinanced capital investments and repayments of principal on indebtedness, in each case, for such period) from the first date of the fiscal quarter in which the Issuance Date occurs to the end of the Company's most recently-ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment, plus

- ii. 100% of the aggregate net proceeds, including cash and the fair market value (as determined below) of property other than cash, received by the Company after the Issuance Date from the issue or sale of equity interests of the Company excluding Refunding Capital Stock (as defined herein), and Excluded Contributions (defined as net cash proceeds received by the Company after the Issuance Date from (i) contributions to its common equity capital and (ii) the sale (other than to a subsidiary of the Company or to any Company or subsidiary of the Company management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Common Shares of the Company), including equity interests issued upon conversion of indebtedness or upon exercise of warrants or options (other than an issuance or sale to a subsidiary of the Company), plus
- iii. 100% of the aggregate amount of contributions to the capital of the Company received in cash and the fair market value (as determined below) of property other than cash received by the Company as a contribution to capital since the Issuance Date excluding Refunding Capital Stock (as defined herein) and Excluded Contributions, plus
- iv. 100% of the aggregate amount received in cash and the fair market value (as determined below) of property other than cash received since the Issuance Date from (X) the sale or other disposition (other than to the Company or a subsidiary of the Company) of Restricted Investments made by the Company and any of its subsidiaries and from repurchases and redemptions of such Restricted Investments from the Company and its subsidiaries by any person (other than the Company or any such subsidiary) and from repayments of loans or advances which constituted Restricted Investments, and/or (Y) the sale (other than to the Company or a subsidiary of the Company) of the common shares of a subsidiary of the Company.

The fair market value of property other than cash covered by the applicable clauses above will be determined in good faith by the Company and (X) in the case of property with a fair market value in excess of \$2.5 million, shall be set forth in an officers' certificate of the Company or (Y) in the case of property with a fair market value in excess of \$10 million, shall be set forth in a resolution approved by at least a majority of the Board.

- (b) The provisions set forth in (a), above shall not prohibit:
 - (i) the payment of any dividend or distribution within 60 days after the date of declaration thereof;
 - (ii) (A) the repurchase, retirement or other acquisition of any equity interests ("**Retired Capital Stock**") or subordinated indebtedness of the Company, including the Existing Notes, in exchange for, or out of the proceeds of the substantially concurrent sale of, equity interests of the Company or any of its subsidiaries or contributions to the equity capital of the Company or any of its subsidiaries (other than any equity interests sold to a subsidiary of the Company or to an employee stock ownership plan or any trust established by the Company or any of its subsidiaries) (collectively, including any such contributions, "**Refunding Capital Stock**") and (B) the declaration and payment of accrued dividends on the Retired Capital Stock out of the proceeds of the substantially concurrent sale (other than to a subsidiary of the Company or to an employee stock ownership plan or any trust established by the Company or any of its subsidiaries) of Refunding Capital Stock;
 - (iii) other Restricted Payments in an aggregate amount not to exceed \$25 million, provided that any amounts paid pursuant to this clause that subsequently would have become eligible to be paid out pursuant to clause (iv) below, may be excluded from this calculation at that time;
 - (iv) repurchases of equity interests deemed to occur upon exercise of stock options if such equity interests represent a portion of the exercise price of such options;
 - (v) the purchase or acquisition of any equity interest of the Company by a wholly-owned subsidiary of the

Company; and

- (vi) repurchases of equity interests of any officer, director or employee of the Company and/or subsidiaries in the aggregate amount not to exceed \$2 million,

provided, however, that at the time of and after giving effect to any Restricted Payment permitted by clauses (i), (iii), and (iv), no event of default pursuant to the New Indenture shall have occurred and be continuing or would occur as a consequence thereof.

Events of Default

The New Indenture will provide that any of the following shall constitute an event of default: (i) default in payment of any principal when due on the New Notes; (ii) default in payment of any interest due on the New Notes and continuation of such default for a period of 15 days; (iii) certain events of winding-up, liquidation, bankruptcy, insolvency or receivership subject to cure periods in certain circumstances; and (iv) default in performance of any covenant or obligation due under the New Notes, which remains unremedied for a period of 30 days.

Listing

The New Notes will not be listed and posted for trading on any exchange. However, the re-sale of the New Notes issued to Canadian subscribers will not be restricted. Any New Notes issued to United States holders will be subject to re-sale restrictions in accordance with applicable securities laws in the United States.

MATERIAL CHANGES IN THE AFFAIRS OF THE COMPANY

Except as described or referred to herein, there are no plans or proposals for any material change in the affairs of the Company, other than those which have been publicly disclosed. Neither Taiga nor, to its knowledge, after reasonable inquiry, any of its directors, officers and insiders, has knowledge of any material information concerning Taiga that has not been generally disclosed.

BENEFITS FROM THE OFFER

No person or company named under the heading "Ownership of Securities" will receive any direct or indirect benefit from accepting or refusing to accept the Offer that is not available to all Noteholders. Should any such persons exchange Existing Notes pursuant to the Offer, they would be eligible to receive the same consideration that would be available to any Noteholder who participates in the Offer and the Solicitation including, but not limited to, the extent that if any such party does not deposit its Existing Notes under the Offer and Existing Notes are purchased under the Offer, then its holdings (if any) would represent an increased proportion of the issued and outstanding Existing Notes subsequent to the completion of the Offer. Taiga and its affiliates expect to benefit from anticipated cost savings and increased operational and financial flexibility if the Offer is accepted by Noteholders and the Proposed Amendments become effective.

ARRANGEMENTS WITH SECURITYHOLDERS

There are no agreements, commitments or understandings made or proposed to be made between the Company and any securityholder of the Company relating to the Offer, other than agreements of securityholders who tender to the Offer.

PREVIOUS PURCHASES AND SALES AND DISTRIBUTIONS OF SECURITIES

During the 12 months preceding the date of this Offer, no securities of the Company were purchased or sold by the Company.

In the five years preceding the issuer bid, no Existing Notes were distributed by the Company or any selling securityholder, other than the sale by Berjaya of its Existing Notes to a subsidiary of UPP in January 2017. As a result of the sale, UPP acquired Existing Notes in the aggregate principal amount of approximately \$46 million for a purchase price of \$52.9 million.

COMMITMENTS TO ACQUIRE SECURITIES

Taiga has no commitments to purchase any of its securities, other than the purchase of Existing Notes pursuant to the terms of the Offer. To the knowledge of the Company, after reasonable inquiry, no person or company named under the heading "Ownership of Securities" has any commitment to acquire any securities of Taiga.

DIVIDEND POLICY

In accordance with Taiga's dividend policy set on October 15, 2008, the Company generally intends to pay dividends each year on its Common Shares equal to 25% of the prior fiscal year's net earnings. These dividends would be payable in two instalments of 12.5% on each July 15 (or first business day thereafter) and each January 15 (or first business day thereafter) to the shareholders of record on June 30 and December 31 (or first business day thereafter), respectively. The payment of any dividends by the Company is subject to the discretion of the Board and subject to its determination of the Company's capital and operational requirements, adequacy of reserves and compliance with contractual and legal requirements.

The Company has not declared dividends since April 2013. The Board determined not to declare and pay the first instalment dividend in respect of the 2017 fiscal year's net earnings. The decision to pay the second instalment dividend in respect of the 2017 fiscal year's net earnings will be addressed by the Board prior to the next scheduled dividend payment date of January 15, 2018.

The Board may, in its discretion, modify or repeal Taiga's current dividend policy. No assurances can be made that Taiga will pay dividends at the level contemplated in the future or at all.

The Company is obligated to make interest payments in connection with the Existing Notes, as set out in the Existing Indenture. A copy of the Existing Indenture and all amendments thereto are available under the Company's SEDAR profile at www.sedar.com. Interest is paid monthly on the Existing Notes at an annual rate of 14% of the aggregate principal amount of the Existing Notes, or approximately \$11.67 per month on each \$1,000 principal amount of Existing Notes.

TRADING PRICE AND VOLUME OF SECURITIES

The Common Shares are listed on the TSX under the symbols "TBL". The following table sets forth the market price range and trading volumes of the Common Shares traded on the TSX for each of the last 12 months:

| Period | Price Range | Total Volume |
|-------------------------------|-----------------|--------------|
| September 2017 ⁽¹⁾ | \$1.45 - \$1.63 | 210,950 |
| August 2017 | \$1.07 - \$1.38 | 259,190 |
| July 2017 | \$1.00 - \$1.01 | 66,672 |
| June 2017 | \$0.97 - \$1.03 | 77,370 |
| May 2017 | \$1.03 - \$1.07 | 30,900 |
| April 2017 | \$1.01 - \$1.07 | 103,425 |
| March 2017 | \$1.01 - \$1.04 | 53,400 |
| February 2017 | \$1.00 - \$1.02 | 44,600 |
| January 2017 | \$1.00 - \$1.09 | 185,100 |
| December 2016 | \$0.95 - \$1.10 | 178,000 |
| November 2016 | \$0.92 - \$1.04 | 159,000 |
| October 2016 | \$0.90 - \$1.04 | 122,600 |
| September 2016 | \$1.00 - \$1.05 | 99,100 |

(1) For the period September 1 – September 28, 2017.

On September 28, 2017, the last full trading day prior to the date hereof, the closing price of the Common Shares on the TSX was \$1.53. The Company has applied to list the Common Shares issuable pursuant to the Offer on the TSX and has received conditional approval. Listing will be subject to the Company fulfilling all the listing requirements of the TSX.

The Existing Notes are listed on the TSX under the symbol "TBL.NT". The following table sets forth the market price range and trading volumes of the Existing Notes traded on the TSX for each of the last 12 months:

| Period | Price Range | Total Volume |
|-------------------------------|---------------------|---------------------|
| September 2017 ⁽¹⁾ | \$100.50 - \$102.00 | 46,000 |
| August 2017 | \$101.00 - \$110.90 | 639,500 |
| July 2017 | \$108.00 - \$113.00 | 298,000 |
| June 2017 | \$111.00 - \$115.94 | 346,000 |
| May 2017 | \$114.51 - \$115.75 | 101,000 |
| April 2017 | \$114.50 - \$115.11 | 170,500 |
| March 2017 | \$114.02 - \$116.80 | 67,000 |
| February 2017 | \$114.50 - \$116.80 | 152,200 |
| January 2017 | \$113.00 - \$116.00 | 366,700 |
| December 2016 | \$114.00 - \$116.00 | 398,000 |
| November 2016 | \$113.00 - \$117.00 | 132,700 |
| October 2016 | \$113.00 - \$115.75 | 164,200 |
| September 2016 | \$111.50 - \$117.10 | 80,600 |

(1) For the period September 1 – September 28, 2017.

On September 28, 2017, the last full trading day prior to the date hereof, the closing price of the Existing Notes on the TSX was \$101.50. Following the Expiration Time, there is no assurance that the Existing Notes will continue to be listed on the TSX, as the Existing Notes may fail to meet the TSX's minimum listing requirements or the Company may determine that the de-listing of the Existing Notes is advisable.

FEES AND EXPENSES

The depositary under the Offer will receive reasonable and customary compensation for its services, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection with the Offer, including certain liabilities under Canadian provincial securities laws. Brokers, dealers, commercial banks, trust companies and other financial intermediaries will, upon request, be reimbursed by the Company for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

Taiga is expected to incur expenses of approximately \$700,000 in connection with the Offer, if the Offer is fully subscribed for, which includes filing fees, listing fees and other advisory fees, legal, accounting, depositary and printing fees. Such fees will be paid using available cash.

Taiga will not pay any fees or commissions to any broker or dealer or any other person for soliciting deposits of Existing Notes pursuant to the Offer.

SOURCE OF FUNDS

As this is an exchange of Existing Notes for New Notes or Common Shares, no funds will be required except for those required for (a) the payment of accrued and unpaid interest owing on the Existing Debentures that are exchanged pursuant to the Offer, and (b) the payment of fees and expenses as set out under the heading "Fees and Expenses". These payments will be funded by Taiga using available cash.

CONSOLIDATED CAPITALIZATION

There has been no material change in the outstanding share and loan capital of the Company, on a consolidated basis, since the date of the Company's unaudited consolidated financial statements for the three-month period ended June 30, 2017. Following the take-up of Existing Notes by the Company pursuant to the Offer, the Company's share capital will be increased by the number of Common Shares issued to Noteholders in satisfaction of the Share Exchange Price and the Company's consolidated indebtedness will be reduced by the aggregate principal amount of Existing Notes so taken up. The Company's consolidated indebtedness will remain unchanged to the extent New Notes are issued to Noteholders pursuant to the Note Option. Assuming UPP deposits its Existing Notes and elects the Share Option: (i) if all other Noteholders tender their Existing Notes to the Offer for the Share Exchange Price, the Company's outstanding long-term indebtedness would be reduced by \$128,834,218 principal amount and the Company's share capital would be increased by 107,361,848 Common Shares to a total of 139,776,126 Common Shares outstanding on a fully diluted basis; and (ii) if all other Noteholders tender their Existing Notes to the Offer pursuant to the Note Option, the Company's outstanding long-term indebtedness would be decreased by \$46,008,797 principal amount, \$82,825,421 aggregate principal amount of New Notes would be issued and the Company's share capital would be increased by 38,340,664 Common Shares to a total of 70,754,942 Common Shares outstanding on a fully diluted basis. Certain insiders of Taiga other than UPP have indicated an intention to participate in the Offer. See "Ownership of Securities".

EARNINGS COVERAGE

The following earnings coverage calculations are calculated on a consolidated basis for the twelve months ended March 31, 2017 and the twelve months ended June 30, 2017, and are derived from audited financial information in the case of the period ended March 31, 2017 and unaudited financial information in the case of the period ended June 30, 2017. The Company's interest requirements, after giving effect to the issue of the New Notes pursuant to the Offer in exchange for Existing Notes, and the retirement in full of the Existing Notes, would have amounted to approximately \$14,222,395 and \$14,282,395 for the 12 months ended March 31, 2017 and June 30, 2017, respectively. The Company's net income before interest and income tax for the 12 months then ended would have been approximately \$35,774,621 and \$36,501,362, respectively, resulting in earnings coverage ratios of approximately 2.52 and 2.56 for the respective periods.

| | For the 12 months ended | |
|--|--|----------------------|
| | March 31, 2017 | June 30, 2017 |
| | <i>(in thousands of \$, except ratios)</i> | |
| Interest ⁽¹⁾ | \$14,222 | \$14,282 |
| Denominator for Earnings Coverage Ratio | \$14,222 | \$14,282 |
| Net Income | \$7,990 | \$8,257 |
| Net Interest Expense ⁽²⁾ | \$21,976 | \$22,457 |
| Income Taxes | \$5,809 | \$5,787 |
| Numerator for Earnings Coverage Ratio | \$35,775 | \$36,501 |
| Earnings Coverage Ratio | 2.52 | 2.56 |

Notes:

- (1) After giving effect to the Offer.
(2) Before giving effect to the Offer.

Under IFRS, the New Notes will be classified as a liability and with the related interest expensed as incurred and financing charges amortized over the term of such New Notes. The entire amount of the annual carrying charges for the New Notes is reflected in interest expense.

The following earnings coverage calculations are calculated on a consolidated basis for the twelve months ended March 31, 2017 and the twelve months ended June 30, 2017, and are derived from audited financial information in the case of the period ended March 31, 2017 and unaudited financial information in the case of the period ended

June 30, 2017. The Company's interest requirements, after giving effect to the issue of Common Shares pursuant to the Offer in exchange for Existing Notes, and the retirement in full of the Existing Notes, would have amounted to approximately \$5,204,000 and \$5,264,000 for the 12 months ended March 31, 2017 and June 30, 2017, respectively. The Company's net income before interest and income tax for the 12 months then ended would have been approximately \$35,774,621 and \$36,501,362, respectively, resulting in earnings coverage ratios of approximately 6.87 and 6.93 for the respective periods.

| | For the 12 months ended | |
|--|--|----------------------|
| | March 31, 2017 | June 30, 2017 |
| | <i>(in thousands of \$, except ratios)</i> | |
| Interest ⁽¹⁾ | \$5,204 | \$5,264 |
| Denominator for Earnings Coverage Ratio | \$5,204 | \$5,264 |
| Net Income | \$7,990 | \$8,257 |
| Net Interest Expense ⁽²⁾ | \$21,976 | \$22,457 |
| Income Taxes | \$5,809 | \$5,787 |
| Numerator for Earnings Coverage Ratio | \$35,775 | \$36,501 |
| Earnings Coverage Ratio | 6.87 | 6.93 |

Notes:

- (1) After giving effect to the Offer.
(2) Before giving effect to the Offer.

FINANCIAL STATEMENTS

The comparative unaudited financial statements for the three month period ended June 30, 2017 are incorporated by reference herein, are available on SEDAR at www.sedar.com and will be sent without charge to any shareholder that requests them.