



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

- and -

MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

FOR AN ANNUAL MEETING OF THE SHAREHOLDERS OF TERVITA CORPORATION

TO BE HELD MAY 2, 2019

MARCH 13, 2019

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TERVITA CORPORATION

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 2, 2019

NOTICE IS HEREBY GIVEN that an annual meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Shares**") of Tervita Corporation ("**Tervita**") will be held at the Calgary Telus Convention Centre, 120 9 Ave. S.E., Calgary, Alberta at 2:00 p.m. (Calgary time) on May 2, 2019, for the following purposes:

1. to receive the consolidated financial statements of Tervita for the year ended December 31, 2018 and the independent auditors' report thereon;
2. to appoint Ernst & Young LLP as the auditors of Tervita for the ensuing year at a remuneration to be determined by the board of directors of Tervita (the "**Board**");
3. to fix the number of directors to be elected to the Board at the Meeting at ten (10);
4. to elect each director of Tervita for the ensuing year;
5. to consider, and if thought advisable, to ratify and approve, with or without amendment, an ordinary resolution, the full text of which is set forth in the Management Information Circular and proxy statement dated March 13, 2019 (the "**Information Circular**"), regarding: (i) the incentive unit plan of Tervita; and (ii) the grant of incentive units made to eligible participants under the incentive unit plan, as more particularly described in the Information Circular;
6. to consider, and if thought advisable, to ratify and approve, with or without amendment, an ordinary resolution, the full text of which is set forth the Information Circular, regarding the deferred share unit plan of Tervita, as more particularly described in the Information Circular; and
7. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Further particulars of the matters referred to above are set forth in the Information Circular.

The record date (the "**Record Date**") for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting is March 18, 2019. Only Shareholders whose names have been entered in the register of Shareholders ("**Registered Shareholders**") at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

Each Share entitled to be voted at the Meeting will entitle the holder thereof to one vote at the Meeting.

Registered Shareholders may attend the Meeting in person or may be represented by proxy. Registered Shareholders who are unable to attend the Meeting or any adjournment or postponement thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof. To be effective, the enclosed form of proxy must be received by Odyssey Trust Company: (a) by mail using the enclosed return envelope or one addressed to Odyssey Trust Company, Stock Exchange Tower, 350 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4, (b) by hand delivery to Odyssey Trust Company, Stock Exchange Tower, 350 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4, or (c) by facsimile to 800-517-4553. If you vote through the internet, you may also appoint another person to be your proxyholder.

Please go to <http://odysseytrust.com/Transfer-Agent/Login> and follow the instructions. You will require your 12-digit control number found on your form of proxy. Your proxy or voting instructions must be received in each case no later than forty-eight hours before the Meeting (excluding Saturdays, Sundays

and holidays in the Province of Alberta) or, if the Meeting is adjourned or postponed, forty-eight hours (excluding Saturdays, Sundays and holidays in the Province of Alberta) before the beginning of any adjourned or postponed Meeting. For information regarding voting or appointing a proxy by internet, see the form of proxy for Shareholders and the Information Circular under the heading "*General Matters*". Failure to so deposit a form of proxy by 2:00 p.m., April 30, 2019, or, if the Meeting has been adjourned or postponed, 48 hours prior to the time which the Meeting has been adjourned or postponed, excluding Saturdays, Sunday statutory holidays (unless voting online using the instructions above) will result in its invalidation. The Chair of the meeting may waive or extend the proxy cut-off without notice.

Shareholders holding Shares that are registered in the name of a broker, custodian, bank, trust company or other intermediary or nominee ("**Non-Registered Shareholders**") should complete and return the voting instruction form or other authorization provided to them in accordance with the instructions provided therein. Failure to do so may result in your Shares not being voted at the Meeting.

If you are a Non-Registered Shareholder and have received these materials from your broker or another intermediary, please complete and return the voting information form or other authorization form provided to you by your broker or intermediary in accordance with the instructions provided. Failure to do so may result in your Shares not being eligible to be voted at the Meeting. See "*General Matters*" in the Information Circular.

The proxyholder has discretion under the enclosed form of proxy to consider matters to come before the Meeting. The persons named in the enclosed proxy will have discretionary authority with respect to: (a) any amendments or variations of the matters of business to be acted on at the Meeting; and (b) any other matters properly brought before the Meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting is routine and whether or not the amendment, variation or other matter that comes before the Meeting is contested.

At the date of this Information Circular, management of Tervita knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Tervita Notice of Meeting. Shareholders who are planning on returning the accompanying form of proxy are encouraged to review this Information Circular carefully before submitting the form of proxy.

It is the intention of the persons named in the enclosed form of proxy for Shareholders, if not expressly directed to the contrary in such form of proxy, to vote FOR each of resolutions to be considered at the Meeting.

Dated at the City of Calgary, in the Province of Alberta, this 13th day of March, 2019.

**BY ORDER OF THE
BOARD OF DIRECTORS OF TERVITA CORPORATION**

(signed) "*John Cooper*"

John Cooper
President and Chief Executive Officer
Tervita Corporation

MANAGEMENT INFORMATION CIRCULAR

GENERAL MATTERS

Introduction

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of Tervita for use at the annual meeting (the "**Meeting**") of the holders (the "**Shareholders**") of Common shares ("**Shares**") of Tervita. The Meeting will be held at the Calgary Telus Convention Centre, at 120 9 Ave. S.E., Calgary, Alberta at 2:00 p.m. (Calgary time) on May 2, 2019 and at any adjournment or postponement thereof.

All costs of the solicitation for the Meeting will be borne by Tervita.

The information contained in this Information Circular is given as at March 13th, 2019, except where otherwise noted.

The information set forth below generally applies to Shareholders whose names have been entered in the register of Shareholders as the owner of Shares ("**Registered Shareholders**"). If you are a Beneficial Shareholder (as defined below) of Tervita (i.e., your Shares are held through an Intermediary (as defined below)), please see "*General Matters - Information for Beneficial Shareholders*".

Appointment and Revocation of Proxies

Accompanying this Information Circular is a form of proxy for holders of Shares. The persons named in the enclosed form of proxy are directors and/or officers of Tervita. **A Shareholder has the right 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 either by inserting such person's name in the blank space provided in the form of proxy or by completing another form of proxy.**

A form of proxy will only be valid if it is duly completed, signed and then delivered to Odyssey Trust Company: (a) by mail using the enclosed return envelope or one addressed to Odyssey Trust Company, Stock Exchange Tower, 350 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4, (b) by hand delivery to Odyssey Trust Company, Stock Exchange Tower, 350 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4, or (c) by facsimile to 800-517-4553. If you vote through the Internet, you may also appoint another person to be your proxyholder. Please go to <http://odysseytrust.com/Transfer-Agent/Login> and follow the instructions. You will require your 12-digit control number found on your form of proxy. Your proxy or voting instructions must be received in each case no later than forty-eight hours before the meeting (excluding Saturdays, Sundays and holidays in the Province of Alberta) or, if the Meeting is adjourned or postponed, forty-eight hours (excluding Saturdays, Sundays and holidays in the Province of Alberta) before the beginning of any adjourned or postponed Meeting. For information regarding voting or appointing a proxy by internet, also see the form of proxy for Shareholders and "*Voting by Internet*" below. Failure to so deposit a form of proxy by 2:00 p.m., April 30, 2019, or, if the Meeting has been adjourned or postponed, 48 hours prior to the time which the Meeting has been adjourned or postponed, excluding Saturdays, Sunday statutory holidays (unless voting online using the instructions above) will result in its invalidation. The Chair of the meeting may waive or extend the proxy cut-off without notice.

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 executed by such Shareholder or by its attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited at the registered office of Tervita at any time up to and including the last Business Day preceding the day of the Meeting, or any adjournment or postponement of the Meeting, at which the proxy is to be used, or with the chair of the Meeting on the day of the Meeting or any adjournment or postponement thereof, or in any other manner permitted by law.

Record Date

The record date for determination of Shareholders entitled to receive notice of and to vote at the Meeting is March 18, 2019 ("**Record Date**"). Only Shareholders whose names have been entered in the register of Shareholders on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

Signature of Proxy

The form of proxy accompanying this Information Circular must be executed by the Shareholder or its 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 its signature and should be accompanied by the appropriate instrument evidencing qualification and authority to act.

Voting of Proxies

The Shares represented by the form of proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder 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, then the Shares will be voted accordingly. **In the absence of such instructions, the Shares will be voted FOR the approval of each of the resolutions to be approved at the Meeting as described in this Information Circular.**

Exercise of Discretion of Proxy

The proxyholder has discretion under the accompanying form of proxy to consider matters to come before the Meeting. The persons named in the enclosed proxy will have discretionary authority with respect to any amendments or variations of the matters of business to be acted on at the Meeting or any other matters properly brought before the Meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting is routine and whether or not the amendment, variation or other matter that comes before the Meeting is contested.

At the date of this Information Circular, management of Tervita knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Tervita Notice of Meeting. Shareholders who are planning on returning the accompanying form of proxy are encouraged to review this Information Circular carefully before submitting the form of proxy.

Voting by Internet

Shareholders may use the internet to transmit their voting instructions at <http://odysseytrust.com/Transfer-Agent/Login> and follow the instructions. You will require your 12-digit control number found on your form of proxy. If Shareholders vote by internet, their vote must be received not later than forty-eight hours before the Meeting (excluding Saturdays, Sundays and holidays in the Province of Alberta) or, if the Meeting is adjourned or postponed, forty-eight hours (excluding Saturdays, Sundays and holidays in the Province of Alberta) before the beginning of any adjourned or postponed Meeting. The website may be used to appoint a proxyholder to attend and vote on a Shareholder's behalf at the Meeting and to convey a Shareholder's voting instructions. Please note that if a Shareholder appoints a proxyholder and submits its voting instructions and subsequently wishes to change its appointment, a Shareholder may resubmit its proxy, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.

Information for Beneficial Shareholders

If you hold Shares through a broker, investment dealer, bank, trust company, nominee or other intermediary (collectively, an "**Intermediary**"), you should contact your Intermediary for instructions and assistance in voting the Shares that you beneficially own.

Only those persons whose name appears on the register of Tervita as the owner of Shares on the Record Date, or are duly appointed proxyholders are permitted to vote at the Meeting, as applicable, unless any such holder of Shares transfers Shares after the Record Date and the transferee of those Shares, having produced properly endorsed certificates evidencing such Shares or having otherwise established that the transferee owns such Shares, demands not later than 10 days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting. Many Shareholders are "non-registered" Shareholders because the Shares they own are not registered in their names but are instead registered in the name of an Intermediary through which they hold the Shares. More particularly, a person is not a Registered Shareholder in respect of Shares which are held on behalf of that person (the "**Beneficial Shareholder**") but which are registered either: (a) in the name of an Intermediary that the Beneficial Shareholder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans or tax free savings accounts and similar plans); or (b) in the name of a clearing agency (such as CDS & Co. or Cede & Co.) of which the Intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS & Co., which company acts as nominee for many Canadian brokerage firms. Shares so held by Intermediaries can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Shares held for Beneficial Shareholders. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person or that the Shares are duly registered in their name well in advance of the applicable meeting.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the applicable meeting. Often, the voting instruction form supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided to Registered Shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails its voting instruction form. The Beneficial Shareholders will be requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number or access the internet to vote the Shares held by the Beneficial Shareholder. The toll-free number and website www.proxyvote.com are also included by Broadridge in its voting information form. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the applicable meeting. A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that voting instruction form to vote Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge in advance of the Meeting in order to have the Shares voted.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of its Intermediary, it may attend at the Meeting as a proxyholder for the Registered Shareholder and vote its Shares in that capacity. Should a Beneficial Shareholder wish to vote at the Meeting in person, it should enter its own name in the blank space on the form of proxy provided to the Beneficial Shareholder and return the document to its Intermediary (or the agent of such Intermediary) in accordance with the instructions provided by such Intermediary or agent well in advance of the applicable meeting.

Principal Shareholders of Tervita

There are currently 117,557,112 Shares issued and outstanding, as at the date of this Information Circular.

To the best of the knowledge of the directors and senior officers of Tervita as of the date hereof, no persons, corporations or other entities (other than securities depositories) beneficially own, directly or indirectly, exercise control or direction over, or have a combination of direct or indirect beneficial ownership of and control or direction over voting securities carrying more than 10% of the voting rights of Tervita other than as follows:

Name	Number of Shares Held or Controlled	Percentage of Shares Held or Controlled
AllianceBernstein L.P. ⁽¹⁾	20,355,155	17.3%
Solus ⁽²⁾⁽³⁾	47,360,270	40.29%

Notes:

- (1) Includes Shares held of record by affiliates of AllianceBernstein L.P.
- (2) Includes Shares held of record by affiliates of Solus, which affiliates include Maple Street SARL and Recovery Opportunities S.à.r.l.
- (3) Mr. Colodner, a director of Tervita, is a Managing Director of Solus.

BUSINESS OF THE MEETING

Financial Statements

Shareholders will receive and consider the audited consolidated financial statements of Tervita for the year ended December 31, 2018, together with the independent auditors' report thereon. These financial statements have been mailed to the Shareholders requesting them together with this Information Circular. No formal action will be taken at the Meeting to approve audited consolidated financial statements for the year ended December 31, 2018. If any Shareholders have questions respecting the audited consolidated financial statements for the year ended December 31, 2018, such questions may be brought forward at the Meeting.

Appointment of the Auditor

Ernst & Young LLP have been Tervita's auditors since July 19, 2018 and were previously Legacy Tervita's auditors since formation of Legacy Tervita. Management of Tervita recommends the re-appointment of Ernst & Young LLP as the auditors of Tervita to hold office until the close of the next annual meeting of the Shareholders.

In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Shares represented thereby FOR the appointment of Ernst & Young LLP as the auditors of Tervita at a remuneration to be fixed by the Board.

Fixing the Number of Directors

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve a resolution fixing the number of directors for the present time at ten (10). The resolution in respect of fixing the number of directors to be elected at the Meeting at ten (10) must be passed by a majority of votes cast by the Shareholders either in person or by proxy.

In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Shares represented thereby FOR the resolution to fix the number of directors of Tervita to be elected at the Meeting at ten (10).

Election of Directors

Action is to be taken at the Meeting with respect to the election of directors. The Board presently consists of ten members. Tervita management proposes to nominate the persons named below for election as directors of Tervita. Each director elected will hold office until the next annual general meeting of Tervita or until their successor is duly elected or appointed, unless their office is earlier vacated in accordance with the by-laws of Tervita or he or she becomes disqualified to act as a director.

The ten (10) nominees are Grant Billing, Michael Colodner, John Cooper, Allen Hagerman, Cameron Kramer, Gordon Pridham, Douglas Ramsay, Susan Riddell Rose, Jay Thornton and Kevin Walbridge, each of whom are current directors of Tervita.

Each director must receive a majority of votes cast by the Shareholders either in person or by proxy or else tender his or her resignation pursuant to the Corporation's Majority Voting Policy. See "*Business of the Meeting – Election of Directors – Majority Voting Policy*".

Each nominee has consented to being named in this Information Circular and to serve as a director if elected.

In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Shares represented thereby FOR the election of each of the ten nominees as a director of Tervita.

The Board does not contemplate that any of such nominees will be unable to serve as a director; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve, the persons designated in the proxy will be able to vote in their discretion for any substitute nominee or nominees.

Nominees for Election

The following tables set forth, for the ten persons proposed to be nominated for election as directors to the Board, any positions now held by such nominees on any standing committee of the Board, their principal occupations or employment during the preceding five years, the periods during which they have served as directors of Tervita, the number of Shares, Options, Incentive Units and Deferred Share Units beneficially owned, directly or indirectly, by each of them, or over which they exercise control or direction, as of the date of this Information Circular, and current public board memberships, if any. Each elected director will hold office until the close of the next annual meeting of Shareholders, or until his or her successor is duly elected or appointed.

Grant Billing (Chair)

Alberta, Canada (Age: 67)

Mr. Billing has been a director of Legacy Tervita since December 2016 and a director of Tervita since July 2018 and currently serves as the Chair of the Board. From March 2017 until July 2017, Mr. Billing acted as Legacy Tervita's Interim CEO. Mr. Billing served as the Chairman and CEO of Superior Plus Corp. between July 2006 and November 2011 and Executive Chairman between 1998 and 2006. Mr. Billing was Chairman of the board of directors of Superior Plus Corp. until December 31, 2014. Mr. Billing is also currently a corporate director of Badger Daylighting Ltd. and was formerly the Chair of the board of directors at Cortex Business Solutions Inc. Mr. Billing served as a director of Pembina Pipeline Corporation from April 2, 2012 to May 5, 2017. In addition, Mr. Billing has served as Chairman and director of several public companies and as director and Chairman of the Canadian Association of Petroleum Producers.

DIRECTOR SINCE:

December 2016

STATUS:	Independent	
PRINCIPAL OCCUPATION:	Independent Businessman	
BOARD COMMITTEES:	None	
PUBLIC BOARD MEMBERSHIP:	Badger Daylighting Inc.	
OWNERSHIP OF EQUITY:		
	TERVITA SHARES (#)	75,000
	TERVITA OPTIONS (#)	94,205
	TERVITA INCENTIVE UNITS (#)	Nil
	TERVITA DSUS (#)	Nil

Michael Colodner

New York, New York, USA (Age: 37)

Mr. Colodner has been a director of Tervita since July 2018. Mr. Colodner joined Solus at its inception in July 2007 and has been a member of the hedge fund investment team since he joined Stanfield Capital Partners as an analyst covering the Utilities and Industrials sectors in March 2007. Prior to joining Stanfield, he was a senior analyst in the Power and Utilities Investment Banking Group at Deutsche Bank Securities, Inc. since 2005. Mr. Colodner began his career at Legg Mason Wood Walker Incorporated in 2004, in the Strategic Advisory Investment Banking Group, specializing in Mergers and Acquisitions. He graduated summa cum laude with a B. Sc in Finance from the University of Maryland in 2004.

DIRECTOR SINCE:	July 2018	
STATUS:	Independent	
PRINCIPAL OCCUPATION:	Managing Director of Solus, a privately held hedge fund sponsor	
BOARD COMMITTEES:	HRC Committee Governance Committee	
PUBLIC BOARD MEMBERSHIP:	None	
OWNERSHIP OF EQUITY:		
	TERVITA SHARES (#)	Nil
	TERVITA OPTIONS (#)	Nil
	TERVITA INCENTIVE UNITS (#)	Nil
	TERVITA DSUS (#)	Nil

John Cooper

Calgary, Canada (Age: 59)

Mr. Cooper was appointed as CEO and director of Legacy Tervita in July 2017. Mr. Cooper continued in his capacity as CEO and director of Tervita upon completion of the Arrangement in July 2018. Prior thereto, Mr. Cooper was the CEO of ClearStream Energy Services Inc. from November 2016 to June 2017, a company that provides construction, transportation and maintenance services to energy and industrial markets in Canada, and prior thereto, he served as the CEO of ClearStream Energy Holdings LP, a wholly-owned subsidiary of ClearStream Energy Services Inc., since April 2015. Prior to joining ClearStream Energy Holdings LP, Mr. Cooper has held various senior positions in the energy and industrial services industries, including Chief Operating Officer of Savanna Energy Services Corp., a publicly-traded drilling and completions company, President and CEO of Enermax Services Inc., a private company specializing in oil and gas logistics services, General Manager of Waste Management, a U.S. publicly-traded waste and environmental company and President of Superior Propane Inc., a publicly-

traded propane energy and logistics distributor. Mr. Cooper holds a Bachelor of Arts degree in Mathematics and Economics from the University of Western Ontario.

DIRECTOR SINCE: July 2017
STATUS: Non-Independent
PRINCIPAL OCCUPATION: President and CEO of Tervita
BOARD COMMITTEES: None
PUBLIC BOARD MEMBERSHIP: None
OWNERSHIP OF EQUITY:

TERVITA SHARES (#)	16,583
TERVITA OPTIONS (#)	592,424
TERVITA INCENTIVE UNITS (#)	41,284
TERVITA DSUS (#)	Nil

Allen Hagerman

Alberta, Canada (Age: 67)

Mr. Hagerman has been a director of Legacy Tervita since December 2016 and a director of Tervita since July 2018 and currently serves as the Chair of the Audit Committee of Tervita. Mr. Hagerman is currently a director and Chair of the audit committee of Precision Drilling Corporation and the Chair of the board of directors of TransAlta Renewables Inc. Mr. Hagerman was Executive Vice President of Canadian Oil Sands Limited, an oil sands mining and upgrading entity from May 2007 to December 2014. Prior to 2007, Mr. Hagerman was CFO of Canadian Oil Sands Limited. Mr. Hagerman is also past President of Financial Executives Institute, Calgary Chapter, as well as a past Chair of the Alberta Children's Hospital Foundation. Previous board positions include lead director of Capital Power Income L.P., director of Syncrude Canada Ltd., Governor of the University of Calgary and a director of the Calgary Exhibition and Stampede. Mr. Hagerman is a fellow of the Institute of Chartered Accountants of Alberta and received his Distinguished Service Award. Mr. Hagerman also holds an ICD.D designation from the Institute of Corporate Directors.

DIRECTOR SINCE: December 2016
STATUS: Independent
PRINCIPAL OCCUPATION: Independent Businessman
BOARD COMMITTEES: Audit Committee (Chair)
HRC Committee
PUBLIC BOARD MEMBERSHIP: Precision Drilling Corporation and
TransAlta Renewables Inc.
OWNERSHIP OF EQUITY:

TERVITA SHARES (#)	Nil
TERVITA OPTIONS (#)	65,339
TERVITA INCENTIVE UNITS (#)	Nil
TERVITA DSUS (#)	Nil

Cameron Kramer

Alberta, Canada (Age: 51)

Mr. Kramer has been a director of Tervita since December 2016 and a director of Tervita since July 2018 and currently serves as the Chair of the HSE Committee of Tervita. Mr. Kramer served as the Chief

Operations Officer and Senior Vice President of ARC Resources Ltd. between September 2011 and December 2013. Prior to joining ARC Resources Ltd, Mr. Kramer served in a number of executive roles with Canadian Natural Resources Limited from September 2002 to August 2011, including Senior Vice President of North America Operations, Vice President of Development Operations, Vice-President of Production Central and Vice President of Field Operations. Prior thereto, Mr. Kramer had various operational roles with Canadian Natural Resources Limited, Norden Energy Inc. and Schlumberger Canada Ltd. Mr. Kramer was awarded Alberta Oil's C-Suite Senior Operations Executive of the Year 2013.

DIRECTOR SINCE:	December 2016	
STATUS:	Independent	
PRINCIPAL OCCUPATION:	Independent Businessman	
BOARD COMMITTEES:	Audit Committee HSE Committee (Chair)	
PUBLIC BOARD MEMBERSHIP:	None	
OWNERSHIP OF EQUITY:		
	TERVITA SHARES (#)	Nil
	TERVITA OPTIONS (#)	79,648
	TERVITA INCENTIVE UNITS (#)	Nil
	TERVITA DSUS (#)	Nil

Gordon Pridham

Toronto, Ontario, Canada (Age: 63)

Mr. Pridham has been a director of Tervita since July 2019 and was previously a director of Newalta Corporation prior to completion of the Arrangement. Mr. Pridham has over 35 years of experience financing and advising companies in public and private markets across a broad range of industry sectors. He has an extensive background in the energy and natural resources sectors, having worked in the Energy and Minerals group in New York, Calgary and Toronto for Chemical Bank and National Bank. Mr. Pridham has also managed the Investment Banking groups of Deutsche Morgan Grenfell, Research Capital and Raymond James in Canada. He has a Bachelor of Arts degree from the University of Toronto and has completed the academic requirements for the Director Education Program for the Institute of Corporate Directors.

DIRECTOR SINCE:	July 2018 (Director of Newalta from June 2004 – July 2018)	
STATUS:	Independent	
PRINCIPAL OCCUPATION:	Independent Businessman	
BOARD COMMITTEES:	Audit Committee HSC Committee	
PUBLIC BOARD MEMBERSHIP:	Orvana Minerals Corp. America's Silver Corporation	
OWNERSHIP OF EQUITY:		
	TERVITA SHARES (#)	22,362
	TERVITA OPTIONS (#)	15,624
	TERVITA INCENTIVE UNITS (#)	Nil
	TERVITA DSUS (#)	Nil
	TERVITA WARRANTS	4,674

Douglas Ramsay

Alberta, Canada (Age: 63)

Mr. Ramsay has been a director of Legacy Tervita since January 2017 and a director of Tervita since July 2018 and currently serves as the Chair of the Governance Committee of Tervita. Mr. Ramsay currently serves on the board of directors of STARS Air Ambulance. Mr. Ramsay is a founder of Calfrac Well Services Ltd. and retired as CEO in December of 2013, a position he held since the company's inception in September of 1999. Mr. Ramsay has been a member of the board of directors of Calfrac Well Services Ltd. since September of 1999 and has also served as Vice-Chair of the board of directors since January 2014. Mr. Ramsay has an extensive background in the oil and gas industry, having served as the President of Canadian Fracmaster Ltd. from 1992 to 1994, and was a member of that company's board of directors during such period. Mr. Ramsay was inducted into the Canadian Petroleum Hall of Fame in 2012 and the Calgary Business Hall of Fame in 2015. Mr. Ramsay is a past member of the board of directors of the Southern Alberta Institute of Technology.

DIRECTOR SINCE:	January 2017	
STATUS:	Independent	
PRINCIPAL OCCUPATION:	Independent Businessman	
BOARD COMMITTEES:	Governance Committee (Chair)	
PUBLIC BOARD MEMBERSHIP:	Calfrac Well Services Ltd.	
OWNERSHIP OF EQUITY:		
	TERVITA SHARES (#)	Nil
	TERVITA OPTIONS (#)	61,600
	TERVITA INCENTIVE UNITS (#)	Nil
	TERVITA DSUS (#)	Nil

Susan Riddell Rose

Calgary, Alberta, Canada (Age: 54)

Ms. Riddell Rose has been a director of Tervita since July 2018 and was previously a director of Newalta Corporation prior to the completion of the Arrangement. Ms. Riddell Rose is currently the President and CEO of Perpetual Energy Inc. Prior thereto she was a Corporate Operating Officer for Paramount Resources Ltd. and prior thereto a geological engineer with Shell Canada Limited. Ms. Riddell Rose graduated from Queen's University at Kingston, Ontario in 1986 with a Bachelor of Applied Science in Geological Engineering. She is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta, the Canadian Society of Petroleum Geologists and the American Association of Petroleum Geologists and serves as a governor for the Canadian Association of Petroleum Producers.

DIRECTOR SINCE:	July 2018 (Director of Newalta from May 2009 - July 2018)
STATUS:	Independent
PRINCIPAL OCCUPATION:	President and CEO of Perpetual Energy Inc., a Calgary-based oil and natural gas exploration, production and marketing company
BOARD COMMITTEES:	Governance Committee
PUBLIC BOARD MEMBERSHIP:	Paramount Resources Ltd. Perpetual Energy Inc.
OWNERSHIP OF EQUITY:	
	TERVITA SHARES (#) 50,142
	TERVITA OPTIONS (#) 15,624
	TERVITA INCENTIVE UNITS (#) Nil
	TERVITA DSUS (#) Nil
	TERVITA WARRANTS 1,950

Jay Thornton

Calgary, Canada (Age: 62)

Jay Thornton has been a director of Legacy Tervita since December 2016 and a director of Tervita since July 2018 and currently serves as the Chair of the HRC Committee of Tervita. Mr. Thornton has over 27 years of oil and gas experience. Mr. Thornton held various operating and corporate executive positions with Shell Canada Limited and Suncor Energy Inc. Mr. Thornton is currently a director of North American Energy Partners Inc. and held a director position with the Canadian Association of Petroleum Producers (CAPP). Mr. Thornton is a graduate of McMaster University with an Honours degree in Economics and has completed the Institute of Corporate Directors (ICD) Education Program.

DIRECTOR SINCE:	December 2016
STATUS:	Independent
PRINCIPAL OCCUPATION:	Independent Businessman
BOARD COMMITTEES:	HRC Committee (Chair)
PUBLIC BOARD MEMBERSHIP:	North American Energy Partners Inc.
OWNERSHIP OF EQUITY:	
	TERVITA SHARES (#) 50,000
	TERVITA OPTIONS (#) 62,443
	TERVITA INCENTIVE UNITS (#) Nil
	TERVITA DSUs (#) Nil

Kevin Walbridge

Indiana, USA (Age: 58)

Mr. Walbridge has been a director of Legacy Tervita since June 2017 and a director of Tervita since July 2018. Mr. Walbridge currently serves as the Chair of Wind River Environmental, LLC and is the past Chair of the Environmental Refuse and Education Foundation. Mr. Walbridge has over 30 years of experience in the waste services industry and served as the Chief Operating Officer and Executive Vice President of Progressive Waste Solutions Ltd. until January 16, 2016. Mr. Walbridge has also served as Executive Vice President, Operations for Republic Services, a multibillion-dollar Fortune 500 company, where he was responsible for all field operations as well as overseeing the corporate safety program, landfill operations and environmental management. Mr. Walbridge was inducted into the National Waste and Recycling Hall of Fame in 2016.

DIRECTOR SINCE:	June 2017
STATUS:	Independent
PRINCIPAL OCCUPATION:	Independent Businessman
BOARD COMMITTEES:	HSE Committee
PUBLIC BOARD MEMBERSHIP:	None
OWNERSHIP OF EQUITY:	
	TERVITA SHARES (#) Nil
	TERVITA OPTIONS (#) 59,547
	TERVITA INCENTIVE UNITS (#) Nil
	TERVITA DSUs (#) Nil

Corporate Cease Trade Orders, Bankruptcies and Penalties

To the knowledge of Tervita, no proposed directors of Tervita are, as at the date of this Information Circular, or have been, within the 10 years before the date of this Information Circular, a director, CEO or CFO of any company (including Tervita) that: (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an "**Order**") that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or (b) was subject to an Order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or (c) are, as at the date of this Information Circular, or have been within 10 years before the date of this Information Circular, a director or executive officer of any company (including Tervita) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or

instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except as described below.

Mr. Jay Thornton was formerly a director of Obsidian Energy Ltd. (formerly Penn West Petroleum Ltd. ("**Penn West**")) from June 26, 2013 to February 20, 2019. On July 29, 2014, Penn West announced that the audit committee of the board of directors of Penn West was conducting a voluntary, internal review of certain of Penn West's accounting practices and that certain of Penn West's historical financial statements and related management's discussion and analysis must be restated, which might result in the release of its second quarter 2014 financial results being delayed (which ultimately proved to be the case). Furthermore, Penn West advised that its historical financial statements and related audit reports and management's discussion and analysis should not be relied on. As a result, the Alberta Securities Commission issued a Management Cease Trade Order on August 5, 2014 (the "**ASC MCTO**") against certain directors of Penn West, including Mr. Thornton. On September 18, 2014, Penn West filed restated audited annual financial statements for the years ended December 31, 2013 and 2012, restated unaudited interim financial statements for the three months ended March 31, 2014 and 2013, restated management's discussion and analysis for the year ended December 31, 2013 and the quarter ended March 31, 2014, and related amended documents. Penn West also filed its unaudited interim financial statements for the three and six-month periods ended June 30, 2014 and 2013 and the related management's discussion and analysis and management certifications. The ASC MCTO was revoked on September 23, 2014.

Mr. Gordon Pridham was formerly a director of CHC Student Housing Corp. from October 9, 2014 to September 20, 2018, which was subject to a management cease trade order commencing on May 5, 2017 for the failure to file its annual financial statements and related documentation, which management cease trade order subsequently lapsed/expired on July 4, 2017.

Personal Bankruptcies

To the knowledge of Tervita, no proposed directors of Tervita are, as at the date of this Information Circular, or have been, within the 10 years before the date of this Information Circular, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or have become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Majority Voting Policy

The Board has adopted a Majority Voting Policy under which a director standing for election or re-election who does not receive the support of a majority of the votes cast at a meeting must immediately tender his or her resignation to the Board, which resignation will be effective upon acceptance of same by the Board. The Board will refer the resignation to the Governance Committee for consideration. The Board will promptly accept the resignation unless the Governance Committee determines that there are exceptional circumstances that should delay the acceptance of the resignation or justify rejecting it. The Board shall make a determination regarding the resignation of the director within 90 days of the shareholders' meeting. The director who tenders a resignation to the Board pursuant to the Majority Voting Policy will not participate in any meeting of the Board or of the Governance Committee at which the resignation is considered. This policy can be found on Tervita's website www.tervita.com.

This Majority Voting Policy does not apply in circumstances involving contested director elections, which is a meeting at which the number of directors nominated for election is greater than the number of seats available on the Board.

Advance Notice

A shareholder may nominate a director nominee for election pursuant to the process set forth for advance notice nominations in the Corporation's by-laws. The by-laws require shareholders provide the

Corporation advance notice of any proposed nominees for election to the Board at an annual meeting of shareholders or a special meeting of shareholders that was called to elect directors (whether or not also called for other purposes) and may be waived by the Board. The by-laws do not affect the ability of shareholders to requisition a meeting or make a proposal under the ABCA.

In the case of an annual meeting of shareholders, notice to the Corporation pursuant to the by-laws must be given not less than 30 days and not more than 65 days before the meeting. If the meeting will be held less than 50 days after the meeting date is announced, notice must be given within 10 days of the announcement of the meeting. In the case of a special meeting of shareholders called to elect directors, notice must be given within 15 days of the announcement. In the event Notice-and-Access is used by the Corporation, different notice periods will apply. The notice must include certain prescribed information about the proposed nominee and the Shareholder making the proposal. This requirement ensures all Shareholders receive adequate notice and information about each nominated director so they can make an informed voting decision. As of the date of this Information Circular, the Corporation has not received any additional director nominations for the Meeting. A copy of the by-laws are available on Tervita's website www.tervita.com.

Tervita Incentive Unit Plan Resolution

On January 1, 2017, the shareholders of Legacy Tervita initially approved the implementation of the Tervita RSU Plan, which provided employees, directors or officers of Legacy Tervita with the opportunity to participate in the long-term success of Legacy Tervita and to promote a greater alignment of their interests with the interests of shareholders.

On April 30, 2018, the shareholders of Legacy Tervita approved amendments to the Tervita RSU Plan, to, among other things, make the Tervita RSU Plan TSX-compliant in connection with the Arrangement as the Tervita RSU Plan was intended to be, and did become, the governing plan for Tervita, post-Arrangement.

On November 14, 2018, in connection with the HRC Committee and the Board's ongoing review of the Corporation's compensation practices, the Board unanimously approved further amendments to the Tervita RSU Plan to, among other things, change the name to the Tervita Incentive Unit Plan ("**Tervita Incentive Unit Plan**") and provide for the issuance of Performance Share Units and Integration Incentive Units thereunder, in addition to Restricted Share Units. The Tervita Incentive Unit Plan continues to constitute a "security-based compensation arrangement" as defined in the TSX Company Manual, with the result that Shareholders must approve the Tervita Incentive Unit Plan at the Meeting. The Tervita Incentive Unit Plan has been conditionally approved by the TSX, subject to shareholder approval.

The Board approved the grant of a total of 251,147 Integration Incentive Units on December 31, 2018 issued under the Tervita Incentive Unit Plan to key executives of the Corporation. No Integration Incentive Units may be settled until the Tervita Incentive Unit Plan and the grants made thereunder have been ratified and approved by Shareholders. See "*Executive Compensation Discussion and Analysis – Elements of Executive Compensation Program – Long Term Incentive Program*" for additional details.

In the event the Incentive Unit Plan and the grant of 251,147 Integration Incentive Units are not approved by Shareholders at the Meeting, any Incentive Units granted under the Incentive Unit Plan, including the 251,147 Integration Incentive Units, will not be permitted to be settled with Shares issued from treasury until Shareholder approval is obtained and if no such approval is obtained, the Incentive Units shall be settled in cash payment or Shares purchased on the secondary market.

A summary of the Tervita Incentive Unit Plan is attached to the Information Circular as Appendix "B" and a complete copy of the Tervita Incentive Unit Plan is attached to the Information Circular as Appendix "C".

In accordance with the requirements of the TSX, at the Meeting, the Shareholders will be asked to consider, and if thought advisable, pass the following ordinary resolution (the "**Tervita Incentive Unit**

Plan Resolution") approving the Tervita Incentive Unit Plan and grants made under the Tervita Incentive Plan.

"NOW THEREFORE BE IT RESOLVED, as an ordinary resolution, that:

1. the incentive unit plan of Tervita ("**Tervita Incentive Unit Plan**") as described in the Corporation's management proxy circular for the annual meeting of shareholders of the Corporation scheduled to be held on May 2, 2019 ("**Meeting**"), is hereby ratified and approved, subject to such amendments as may be required in order to satisfy the requirements or requests of any regulatory or stock exchange;
2. the grant on December 31, 2018 under the Tervita Incentive Unit Plan of an aggregate of 251,147 Integration Incentive Units to key executives of the Corporation, in each case subject to shareholder ratification and approval, all as described in the Corporation's management proxy circular for the Meeting, is hereby ratified and approved;
3. all unallocated incentive units issuable under the Tervita Incentive Unit Plan are approved and authorized until May 2, 2022;
4. any director or officer of Tervita be and is hereby authorized and directed, for and on behalf of Tervita, to execute and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing resolutions; and
5. notwithstanding that this resolution has been passed by the Shareholders, the directors of Tervita be and are hereby authorized and empowered to revoke this resolution, without any further approval of the Shareholders, at any time if such revocation is considered necessary or desirable by such directors.

The Board recommends that Shareholders vote in favour of the Tervita Incentive Unit Plan Resolution. Unless otherwise indicated, it is the intention of the persons named in the accompanying form of proxy as proxy to vote FOR the Tervita Incentive Unit Plan Resolution.

Tervita DSU Plan Resolution

On November 14, 2018, in connection with the HRC Committee and the Board's review of the Corporation's compensation practices, the Board unanimously approved the adoption of a deferred share unit plan (the "**Tervita DSU Plan**") to provide for the issuance of Deferred Share Units to non-employee directors and any shareholder with a director representative on the Board. The Tervita DSU Plan constitutes a "security-based compensation arrangement" as defined in the TSX Company Manual, with the result that Shareholders must approve the adoption of the Tervita DSU Plan at the Meeting. The Tervita DSU Plan has been conditionally approved by the TSX, subject to Shareholder approval.

In the event the DSU Plan is not approved by Shareholders at the Meeting, any DSUs granted under the DSU Plan will not be permitted to be settled with Shares issued from treasury until Shareholder approval is obtained and if no such approval is obtained, the DSUs shall be settled in cash payment or Shares purchased on the secondary market.

A summary of the Tervita DSU Plan is attached to the Information Circular as Appendix "B" and a complete copy of the Tervita DSU Plan is attached to the Information Circular as Appendix "D".

In accordance with the requirements of the TSX, at the Meeting, the Shareholders will be asked to consider, and if thought advisable, pass the following ordinary resolution (the "**Tervita DSU Plan Resolution**") approving the Tervita DSU Plan.

"NOW THEREFORE BE IT RESOLVED, as an ordinary resolution, that:

1. the deferred share unit plan of Tervita ("**Tervita DSU Plan**") as described in the Corporation's management proxy circular for the annual meeting of shareholders of the Corporation scheduled to be held on May 2, 2019 ("**Meeting**"), is hereby ratified and approved, subject to such amendments as may be required in order to satisfy the requirements or requests of any regulatory or stock exchange;
2. all unallocated deferred share units issuable under the Tervita DSU Plan are approved and authorized until May 2, 2022;
3. any director or officer of Tervita be and is hereby authorized and directed, for and on behalf of Tervita, to execute and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing resolutions; and
4. notwithstanding that this resolution has been passed by the Shareholders, the directors of Tervita be and are hereby authorized and empowered to revoke this resolution, without any further approval of the Shareholders, at any time if such revocation is considered necessary or desirable by such directors.

The Board recommends that Shareholders vote in favour of the Tervita DSU Plan Resolution. Unless otherwise indicated, it is the intention of the persons named in the accompanying form of proxy as proxy to vote FOR the Tervita DSU Plan Resolution.

EXECUTIVE COMPENSATION

Unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars and references to "dollars" or "\$" are to Canadian Dollars.

Compensation Discussion and Analysis

The purpose of this compensation discussion and analysis is to provide information about Tervita's philosophy, objectives and processes regarding the determination of the compensation for Tervita's CEO, CFO and the three most highly compensated executive officers of Tervita other than the CEO and CFO (each, a "**NEO**") for the fiscal year ending December 31, 2018.

The following individuals comprise Tervita's NEOs for the fiscal year ended December 31, 2018:

Executive	Title
John Cooper	President and Chief Executive Officer (CEO)
Robert Dawson	Chief Financial Officer (CFO)
Brad Dlouhy	Chief Operating Officer (COO)
Duane Burkard	Vice-President, Energy Services
Shandor Vida	Vice-President, Metals Recycling

Executive Compensation Program Objectives

Tervita's compensation philosophy is to compensate executives based on a pay-for-performance model where executive compensation is directly correlated to the contribution they made to the success of the

Corporation and the achievement of the overall business objectives. The compensation programs goals are to align executive performance with the Corporation's business objectives, reward high performance, retain key executive talent and drive shareholder returns. Tervita's executive compensation program design is centered around the following objectives:

- Ensure Tervita's core values are reflected in the design and the results;
- Grow Shareholder value by aligning short-term and long-term incentives with key performance metrics;
- Employ a pay mix for executives that provides a meaningful portion of pay-at-risk compensation that aligns the reward with the performance of the Corporation and the individual;
- Provide a market competitive compensation program that targets total compensation at the 50th percentile (P50, the market median) of the Corporation's peer group with the purpose of attracting, retaining and motivating the leadership to successfully deliver on the growth strategies of the Corporation; and
- Motivate executives to deliver results within their respective areas in addition to collaborating across the organization.

See "*Executive Compensation - Elements of the Executive Compensation Program*" for information on each element of Tervita's compensation program.

Peer Group

The HRC Committee reviews Tervita's peer group on an annual basis to identify additional companies that should be considered within Tervita's peer group as well as those companies that should be removed. In considering potential comparators, the HRC Committee may look at a number of metrics, including: industry and operational fit, revenue, market capitalization, total assets and Adjusted EBITDA. In cooperation with Mercer (Canada) Limited ("**Mercer**"), an independent compensation consultant, over the course of the HRC Committee's 2018 compensation review, and based on the foregoing factors, the HRC Committee considers the following companies to be in Tervita's peer group as of the date of this Information Circular:

Tervita Peer Group (all values in CAD millions) ⁽³⁾		
Company Name	Market Capitalization ⁽¹⁾	Revenue ⁽²⁾
Calfrac Well Services Ltd.	\$352	\$2,256
CES Energy Solutions Corp.	\$840	\$1,271
Enerflex Ltd.	\$1,420	\$1,703
Ensign Energy Services Inc.	\$752	\$1,156
Mullen Group Ltd.	\$1,280	\$1,261
Precision Drilling Corporation	\$696	\$1,541
Secure Energy Services Inc.	\$1,133	\$2,937
Source Energy Services Ltd.	\$79	\$415
STEP Energy Services Ltd.	\$129	\$782
Total Energy Services Inc.	\$449	\$852
Trican Well Service Ltd.	\$373	\$901
Trinidad Drilling Ltd.	\$457	\$502

Notes:

- (1) Market Capitalization as of December 31st, 2018.
- (2) Trailing 12-month revenue as of December 31st, 2018.
- (3) Source: S&P Capital IQ.

Target Compensation

The Tervita pay-for-performance philosophy targets total compensation for the NEOs at the 50th percentile of the Corporation's peer group. Tervita will consider compensation exceeding the 50th percentile through the payment of higher incentive payouts when performance exceeds expectations. Conversely, compensation will be below the 50th percentile if performance is below expectations.

2018 Compensation

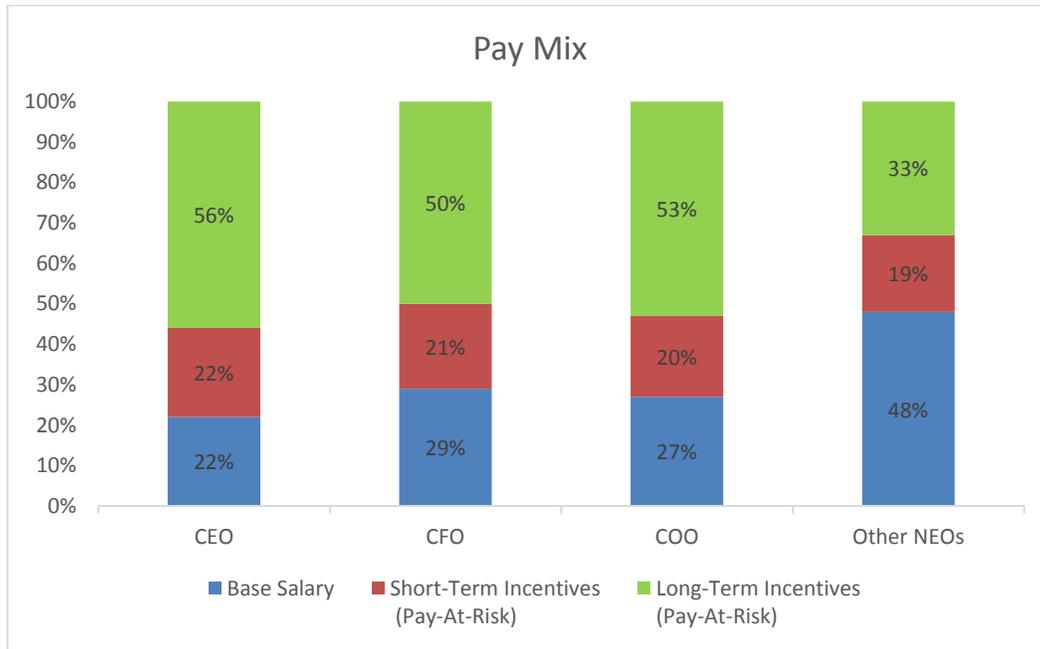
In 2018, the HRC Committee asked Mercer to complete an analysis of the competitiveness of the compensation levels for the NEOs and Vice President positions. The analysis focused on base salary, target total cash and target total direct compensation compared to the Corporation's peer group. The analysis assessed the competitiveness of Tervita's compensation against the 50th percentile or market median of the Corporation's peer group.

In assessing the compensation of each NEO for 2018, the HRC Committee (and the CEO as applicable) considered the following:

- Tenure of the employee
- Level and scope of responsibility
- Experience and expertise
- Performance of the NEO's business unit (if applicable)
- Contribution to the strategic plan
- Leadership
- Alignment to Tervita's values

Pay Mix

Tervita's executive compensation program provides the Corporation with the ability to recognize and reward the contribution of the senior leadership in addition to creating long-term shareholder value. The following chart shows the respective target pay mix for Tervita's NEOs in 2018. There is considerable emphasis on the pay-at-risk pay components as part of each NEO's total compensation.



Elements of the Executive Compensation Program

Tervita's executive compensation program is comprised of direct and indirect compensation components. The purpose of these components is to recognize both the short-term and long-term objectives and reward the activities of management and align them with the interests of shareholders.

Direct Compensation

Component	Purpose	Form	Performance Period	Payout
Base Salary	Provides a market competitive fixed level of income based on the market value of the NEO's position and the responsibilities and duties of the position	Cash	One year	<ul style="list-style-type: none"> Fixed
Annual Incentive Plan (Pay-At-Risk)	Aligns outcomes and behaviours to the pre-determined annual goals of the corporation/business unit and the individual	Cash	One year	<ul style="list-style-type: none"> Variable Value based on corporate/business unit, safety and individual performance
Long-Term Incentives (Pay-At-Risk)	A longer-term mix of equity incentives consisting of Options, Restricted Share Units, Performance Share Units and Integration Incentive Units designed to align employee and Shareholder interests over the long-term and reward the creation of Shareholder value, and in reference to Performance Share Units and Integration Incentive Units, the achievement of specific performance metrics	Options	5-year term with one third vesting each year	<ul style="list-style-type: none"> Variable Value depends on the appreciation of Tervita's share price relative to the exercise price
		Restricted Share Units	<p>Restricted Share Units granted prior to December 31, 2018 include a three year term with cliff vesting at the end of the period</p> <p>Restricted Share Units granted after December 31, 2018 to have a three year term with one third vesting on each of the first, second and third anniversaries of the grant date</p>	<ul style="list-style-type: none"> Variable Value depends on Tervita's Share price when the Restricted Share Units vest Settled in cash or Shares, or a combination of both No Restricted Share Units were granted in 2018
		Performance Share Units	<p>Available for grant in 2019</p> <p>Three-year term with cliff vesting at the end of the term</p>	<ul style="list-style-type: none"> Variable Value depends on achievement of certain corporation financial performance metrics Settled in cash or Shares, or a combination of both No Performance Share Units were granted in 2018
		Integration Incentive Units (One-time award related to the successful integration of the Newalta Arrangement)	18-month term with cliff vesting at December 31, 2020	<ul style="list-style-type: none"> Variable Value depends on achievement of certain integration performance metrics Settled in cash or Shares, or a combination of both

Indirect Compensation

Component	Purpose	Details
Savings Plan	Provides additional retirement savings by matching 50% of the employee contributions to a maximum of 5% of base salary	Registered Retirement Savings Plan (RRSP)/ Non-Registered Retirement Savings Plan (NREG)
Benefits	Invests in employee health and welfare	Includes Health and Dental Benefits, Life Insurance, Accidental Death and Disability, Long-term Disability, Employee and Family Assistance Program
Other Personal Benefits	Attracts and retains talent	Vehicle allowance and parking

Base Salaries

The base salary component of Tervita's executive compensation program is intended to provide a fixed level of competitive pay that reflects each executive officer's primary duties and responsibilities. It also provides a foundation upon which performance-based incentive compensation elements are assessed and established. The HRC Committee recognizes that the size of Tervita may prohibit base salary compensation for executive officers from matching those of larger companies in the oil and gas industry and, accordingly, that performance-based compensation elements are an important element which may be used to compensate for lower base salaries. This compensation strategy is similar to the strategies of many other companies in Tervita's peer group.

NEO	2017 Base Salary (\$)	2018 Base Salary (\$)	% change
John Cooper	450,000 ⁽¹⁾	450,000	0%
Robert Dawson	315,000 ⁽¹⁾	315,000	0%
Brad Dlouhy	350,000	350,000	0%
Duane Burkard	310,000	285,000 ⁽²⁾	-8%
Shandor Vida	230,000	230,000	0%

Notes:

- (1) Messrs. Cooper and Dawson began their positions at Tervita in July 2017 and March 2017, respectively, and as a result, they were paid a pro-rated amount of the 2017 Base Salary. See "-*Summary Compensation Table*" set out below for the 2017 Base Salary actually paid.
- (2) Mr. Burkard's Base Salary was reduced to align with Tervita's peer group. Bridge compensation was provided to mitigate the decrease in compensation components over a 2-year period. See "*Summary Compensation Table*" for additional details.

Annual Incentive Plan

The annual incentive plan ("**AIP**") is a broad-based short-term incentive plan for eligible employee groups, including the NEOs, and is linked to the achievement of certain corporate, business unit and individual performance objectives. The performance objective targets for each year are approved by the Board during the first quarter of such year. The objective of the AIP is to reward employees based on the successful achievement of short-term objectives over the financial year and his or her contribution towards such objectives.

The AIP payable to each NEO is based on meeting or exceeding corporate, business unit and individual objectives and each objective is given a weighting for each NEO. These objectives are comprised of:

(1) *Corporate and Business Unit Financial Performance:*

- **Adjusted EBITDA:** the net profit (loss) plus severance, depreciation and amortization, impairment, finance costs, other expense (income), income taxes

expense (recovery), loss (profit from discontinued operations), net of tax, and any other non-recurring items.

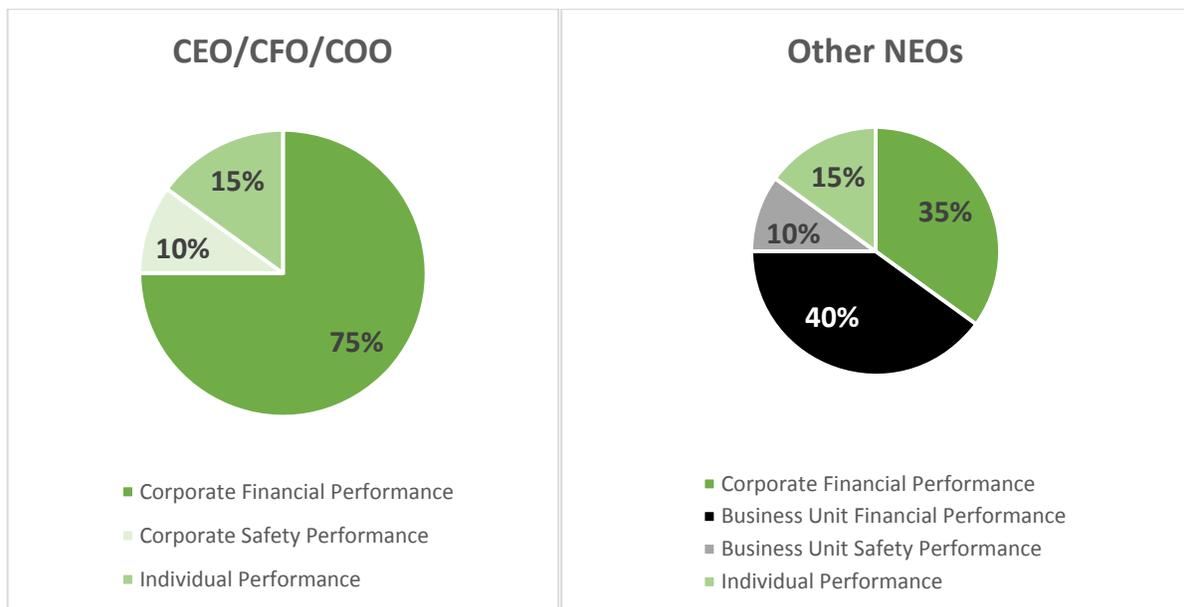
- **ROCE:** the Adjusted EBIT (Earnings Before Interest and Taxes) divided by Capital Employed at either the corporate level or the business unit level, as applicable.

(2) *Corporate and Business Unit Safety:*

- **TRIF:** Total Recordable Injury Frequency measured on an annual basis at either the corporate level or the business unit level, as applicable.

(3) *Individual Performance:* based on alignment with Tervita’s values and achievement of specific individual goals which align with Tervita’s business strategy. Beginning in 2019, individual performance goals will not be measured as part of the AIP for NEOs.

The relative weight of each performance metric for the NEOs for the financial year ended December 31, 2018 is set forth below:



The AIP is cumulative, meaning that each performance measure is independent of the other and the AIP payout is the sum of the individual components as indicated below:

For CEO/CFO/COO:

$$\text{Base Salary} \times \text{AIP Target} \times \left[\begin{array}{l} \text{(Corporate Weight x} \\ \text{Corporate} \\ \text{Financial} \\ \text{Performance)} \end{array} + \begin{array}{l} \text{(Corporate} \\ \text{Weight x} \\ \text{Corporate} \\ \text{Safety} \\ \text{Performance)} \end{array} + \begin{array}{l} \text{(Individual} \\ \text{Weight x} \\ \text{Individual} \\ \text{Performance)} \end{array} \right] = \text{AIP Payout}$$

For Other NEOs:

$$\text{Base Salary} \times \text{AIP Target} \times \left[\begin{array}{l} \text{(Corporate} \\ \text{BU Weight x} \\ \text{BU Financial} \\ \text{Performance)} \end{array} + \begin{array}{l} \text{(BU Weight x} \\ \text{BU Safety} \\ \text{Performance)} \end{array} + \begin{array}{l} \text{(Individual} \\ \text{Weight x} \\ \text{Individual} \\ \text{Performance)} \end{array} \right] = \text{AIP Payout}$$

Upon completion of the financial year, the CEO reviews the corporate, business unit and individual performance against the targets for the performance metrics and recommends the AIP payout for each executive officer to the HRC Committee. The HRC Committee in turn reviews the recommendation and has the discretion to adjust the AIP payout for the executive officers. The HRC Committee then recommends an AIP payout amount for each executive officer and the CEO to the Board for approval. The Board, based on the recommendations of the HRC Committee, approves the AIP payout amount payable to the CEO.

The AIP financial and safety performance objective targets set by the Board of Directors and subsequent results for the financial year ended December 31, 2018 are as follows:

Performance Measure	Threshold Performance	Target Performance	Maximum Performance	2018 Performance Results	% of Target Performance Achieved
Corporate Adjusted EBITDA ⁽¹⁾	\$176.8	\$221.0	\$309.4	\$200.4	77%
Corporate ROCE	9.2%	11.5%	16.1%	10.8%	85%
Corporate TRIF	1.0	0.42	0	0.52	91%

Notes:

- (1) In CAD\$ millions.
- (2) The AIP for Messrs. Burkard and Vida include business unit measures. Disclosing these results could allow the Corporation's competitors to isolate certain data and possibly harm the Corporation's competitive position and negatively affect its financial situation. As well, the percentage of operating profit of each of the units used to determine the applicable NEO's compensation is also confidential and sensitive from a competitive point of view. Its disclosure could provide indications to competitors of the strategic importance of one unit over others in terms of operating profit. Accordingly, the Corporation has not disclosed such targets in accordance with applicable securities laws.

The individual performance of each NEO is determined by assessing the individual's performance in regard to the achievement of the individual's goals set out at the beginning of each year in addition to alignment with Tervita's core values. As stated above, beginning in 2019, the individual performance goals will not be measured as part of the AIP for NEOs.

Rating	Bonus % of Individual Performance Component	Description
Did Not Meet Expectations/Developing	0 – 50%	Performance did not meet requirements. Performance Improvement Plan is required
Meets Expectations	Up to 125%	Recognize consistent achievement of results and demonstration of strong knowledge, skills and behaviours. Expectation of continuous improvement and strong performance.
Exceeded Expectations	Up to 149%	Recognize expectations were consistently exceeded, high quality and volume of work, positive behaviours.
Role Model	150%+	Recognize significant achievements and contributions; exemplary behaviour.

The annual incentive payout available to each NEO for the financial year ended December 31, 2018 and the amount subsequently paid is set forth below. The payout amounts are calculated based on the achievement of each target and the weighting thereof, as described above.

Executive	Base Salary	Target Bonus	Potential AIP Payout Range	Potential Award Range (\$)	Individual Performance Rating	Actual AIP Earned ⁽¹⁾	Payout (\$)
John Cooper	\$450,000	100%	0% - 187.5%	0 - \$843,750	Exceeded Expectations	88%	\$397,935
Robert Dawson	\$315,000	75%	0% - 140%	0 - \$442,968	Exceeded Expectations	72%	\$227,206

Brad Dlouhy	\$350,000	75%	0% – 140%	0 – \$492,187	Meets Expectations	65%	\$227,206
Duane Burkard ⁽²⁾	\$285,000	40%	0 – 75%	0 – \$213,750	Meets Expectations	34%	\$96,310
Shandor Vida ⁽³⁾	\$230,000	60%	0 – 113%	0 – \$172,500	Meets Expectations	55%	\$125,855

Notes:

- (1) As a percent of base salary, rounded to the nearest percentage
- (2) 35% of Mr. Burkard's 2018 AIP Payout was in respect of his Business Unit performance
- (3) 48% of Mr. Vida's 2018 AIP Payout was in respect of his Business Unit performance

Long Term Incentive Program

The Corporation's long-term incentive program is intended to align the interests of eligible employees with the interests of Shareholders, to motivate performance by tying a significant portion of compensation to enhancement in Share value and to provide employees with the opportunity to participate in the long-term success of Tervita.

Prior to December 31, 2018 Tervita's long-term incentive program consisted of the Tervita Option Plan, pursuant to which Options may be granted and the Tervita RSU Plan, pursuant to which Restricted Share Units may be granted. As of December 31, 2018, pursuant to the HRC Committee's review of Tervita's compensation practices, the Corporation adopted, subject to shareholder approval, the Tervita Incentive Unit Plan, pursuant to which Restricted Share Units, Performance Share Units and Integration Incentive Units may be granted. Tervita granted Options and Integration Incentive Units in 2018 and did not grant any Restricted Share Units or Performance Share Units. The chart below provides particulars in respect of the long-term incentives granted in 2018.

Long-term Incentive	Features	Vesting	Recipients
Options	<ul style="list-style-type: none"> • Performance based incentive tied to the increase in share value. Options only have value if the share price at the time of exercise is higher than the grant price • Granted after the March (Q1) Board Meeting and approval by the Board of Directors • Grant requests are reviewed by the HRC and recommended to the Board of Directors for approval • Option value is reviewed by the HRC and recommended to the Board of Directors for approval using a Black Scholes model • Options only have value if the share price at the time of exercise is higher than the grant price 	<ul style="list-style-type: none"> • One third vesting each year for three years • Options expire after the fifth year 	<ul style="list-style-type: none"> • NEOs • Board of Directors • Employees (Directors)

Integration Incentive Units	<ul style="list-style-type: none"> • One-time performance incentive award to incentivize and retain certain key executives who are critical to successfully completing the successful integration of the Newalta Arrangement • Performance period of September 1, 2018 to December 31, 2020 • Performance metrics are Discretionary Free Cash Flow Per Share and Net Debt to EBITDA based on the pro-forma financial results of the Newalta transaction • Performance multiplier ranging from 0% – 200%. HRC Committee at the end of the performance period will recommend a performance multiplier to the Board of Directors for approval • The Board of Directors, at its discretion may pay the award in cash or Shares, or a combination thereof 	<ul style="list-style-type: none"> • Cliff vest after the Performance Period ending December 31, 2020 (assuming the performance targets have been met) 	<ul style="list-style-type: none"> • NEOs and Vice Presidents
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In 2018, NEOs were granted 100% Options as part of the annual long-term incentive grant and no Restricted Share Units were granted. As part of the annual long-term incentive grant cycle each NEO receives their long-term incentive grant as a percentage of their base salary.

In December 2018 as part of the integration of Tervita and Newalta, the Integration Incentive Units were issued, subject to shareholder approval, under the new Tervita Incentive Unit Plan, to the senior executives and vice-presidents to encourage the successful completion and on-going operation of the integrated business. The Integration Incentive Unit grant was a percentage of salary, either 30% or 60%.

2018 Long-Term Incentive Grant Summary

Executive	Base Salary	LTI Target (% of Salary)	2018 LTI Option Grant (\$)	2018 LTI Option Grant ⁽¹⁾ (#)	2018 Integration Incentive Unit Grant (% of Salary)	2018 Integration Incentive Unit Grant (\$)	2018 Integration Incentive Grant ⁽²⁾ (#)
John Cooper	\$450,000	250%	\$1,125,000	316,011	60%	\$270,000	41,284
Robert Dawson	\$315,000	175%	\$551,250	154,846	60%	\$189,000	28,899
Brad Dlouhy	\$350,000	200%	\$700,000	196,629	60%	\$210,000	32,110
Duane Burkard	\$285,000	70%	\$199,500	56,039	60%	\$171,000	26,147
Shandor Vida	\$230,000	70%	\$161,000	45,225	30%	\$69,000	10,550

Notes:

- (1) 2018 Option grants were issued with a \$9.35 strike price. The Black Scholes option value was \$3.56
- (2) Integration Incentive Units were granted on December 31, 2018 using a 5-day VWAP of \$6.54

For a summary of each of the Tervita Option Plan and the Tervita Incentive Unit Plan, please see Appendix "B" attached to the Information Circular. A summary of the old Tervita RSU Plan is attached hereto in Appendix "E".

Other Compensation

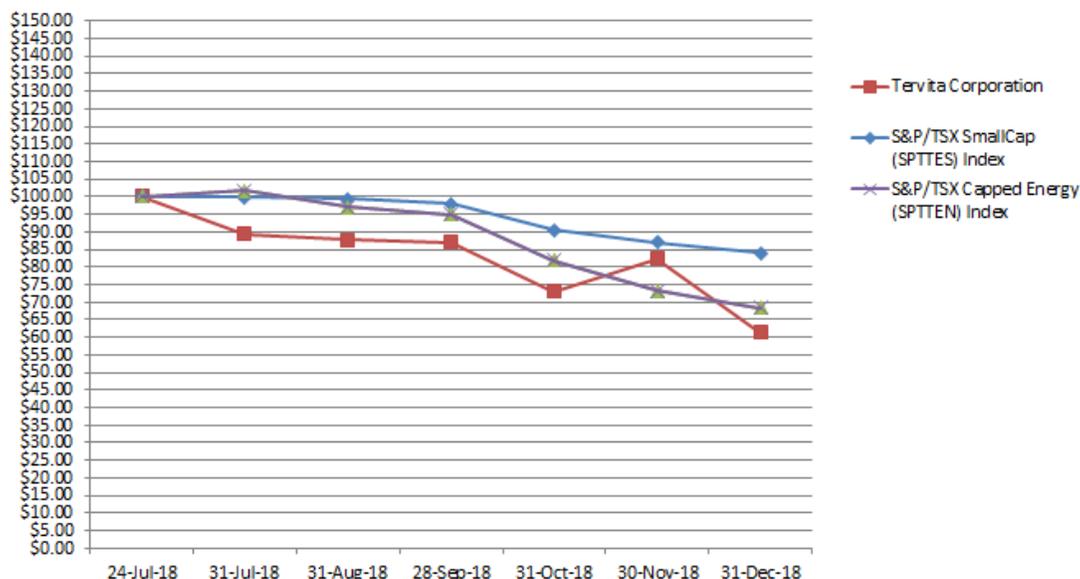
Starting on July 1, 2017, Tervita began to offer all of its officers and employees a savings plan (the "**Tervita Savings Plan**") to provide a means by which employees can save for their retirement. Pursuant to the Tervita Savings Plan, Tervita will match 50% of the employee's contribution in a Registered Retirement Savings Plan ("**RRSP**") or a Non-Registered Savings Plan ("**NREG**"), up to a maximum of five

percent of the employee's base salary. Employees are permitted to withdraw their contributions from the RRSP or NREG, as applicable; however, any of Tervita's contributions to the RRSP or NREG, as applicable, are not permitted to be withdrawn so long as the person is an employee of Tervita. Employees are also able to direct savings to a Tax-Free Savings Account ("TFSA") plan which is not matched by Tervita.

In addition, executive's, as part of their employment with the Corporation are provided with a taxable monthly vehicle allowance (to cover any lease payments, insurance, maintenance, fuel and depreciation), parking (taxable benefit), and an optional annual health assessment.

Performance Graph

The following graph compares the performance of Tervita over the period beginning July 24, 2018, the date the Shares commenced trading on the TSX, ending on December 31, 2018 to each of the S&P/TSX SmallCap Index and the S&P/TSX Capped Energy Index, each starting with an investment of \$100 at July 24, 2018.



The Corporation does not use total shareholder return as a formal measure in its compensation program, however, the value realized from our long-term incentive awards is correlated to Tervita's total shareholder return because the value is directly tied to the value of Shares, which is aligned with shareholder interests. See "- Compensation Discussion and Analysis - Long-term Incentive Program" for more information.

Compensation Governance

The HRC Committee is currently comprised of three independent directors, Jay Thornton (Chair), Allen Hagerman and Michael Colodner. Each of Messrs. Thornton and Hagerman have served as a senior executive officer and/or director of a number of organizations and have extensive knowledge of the energy industry and direct experience in executive and corporate compensation programs, and Mr. Colodner, through his position with Solus, has been exposed to a variety of compensation models across industries, all of which provide each of them with the necessary skills and experience to make decisions on the appropriateness of Tervita's compensation policies and practices. Reference should be made to the biographies of each of the members of the HRC Committee found under "*Business of the Meeting – Election of Directors*".

On an annual basis, the Board reviews and approves recommendations from: (i) the independent members of the HRC Committee regarding the salary, short term and long term incentive compensation of the CEO; and (ii) the HRC Committee regarding the compensation for the NEOs of Tervita, other than the CEO, which are based upon recommendations of the CEO. When approving salaries, short-term and long-term incentive compensation for the NEOs, the Board approves corporate goals and objectives relevant to their respective compensation.

In conducting its annual compensation review, the HRC Committee has regard to current compensation levels and practices with published industry surveys, independent reports, Tervita's peer group and other publicly available data. The HRC Committee also retains an independent compensation consultant annually or as otherwise needed to assist the HRC Committee in fulfilling its responsibilities, with a view to ensuring that the compensation arrangements are supportive of Tervita meeting its business objectives and are consistent with current market trends and best practices.

The independent members of the HRC Committee are responsible for reviewing and approving, on an annual basis, corporate goals and objectives relevant to the CEO's compensation and, either as a committee or together with other independent directors (as directed by the Board), determining and approving the CEO's compensation level, including salary, bonus, incentive and equity compensation, based on the results of the CEO's performance evaluation as conducted by the Board. In determining the long-term incentive component of CEO compensation, the independent members of the HRC Committee consider, among such returns, the value of similar incentive awards to CEOs at comparable companies and the awards given to the CEO in past years.

The HRC Committee is also responsible for receiving the recommendations of the CEO with respect to compensation for the executive officers of Tervita, other than the CEO, and making recommendations to the Board based on the HRC Committee's review thereof. In making such recommendations, the HRC Committee reviews the compensation data compiled by external sources, corporate performance as well as individual executive officer performance. The HRC Committee uses its experience and judgment, while also giving consideration to, without limitation: (i) Tervita's performance relative to its goals and objectives, (ii) year-over-year Adjusted EBITDA/ROCE performance, and (iii) the overall safety rating measured using TRIF. In assessing individual executive officer compensation, consideration is given to factors such as level of responsibility, experience and expertise as well as more subjective factors such as the alignment to Tervita's core values, leadership and performance in such executive officer's specific role within Tervita. Previous incentive grants are taken into account by the HRC Committee when considering new incentive grants.

Upon the receipt of the recommendations from the HRC Committee with respect to executive compensation, the Board reviews and considers the recommendations and compensation data from external sources and determines whether to accept the recommendations or make any changes.

2019 Compensation Changes

In connection with the completion of the Arrangement which resulted in Tervita becoming a reporting issuer, the HRC Committee undertook a thorough review of Tervita's existing executive compensation programs during the second half of 2018 to ensure such programs are aligned with the best interests of Shareholders and the Corporation's performance and reflect the industry's best practices. In cooperation with Mercer, an independent compensation consultant, the HRC Committee recommended, and the Board approved, the following key changes to Tervita's compensation practices (pending approval by shareholders where applicable):

- amend the Tervita RSU Plan (now referred to as the Tervita Incentive Unit Plan) as follows (as more fully described under "*Business of the Meeting – Tervita Incentive Unit Plan Resolution*" and in Appendix "B"):
 - implement a one-time integration award in December 2018, referred to herein as

Integration Incentive Units, to incentivize and retain certain key executives who are critical to successfully completing activities related to the Arrangement and achieving the expected synergies of the Arrangement;

- implement performance share unit awards in 2019, referred to herein as Performance Share Units, to better align the long-term incentive program with Tervita's performance-based culture and to respond to market practices;
- change the vesting period for Restricted Share Units in 2019 from a three-year cliff vesting period to one third each year over a three-year period;
- change the termination and change of control provisions for the long-term incentive plans in 2019 to respond to market practices;
- change the long-term incentive mix in 2019 for senior leadership at Tervita by introducing an additional performance risk-based compensation component for all levels of senior leadership in the form of Performance Share Units, in addition to Options, to better align with current market practices and shareholder expectations and in addition, Restricted Share Units will only be granted at the employee director level and below;

Employee Group	2018 Pay Mix	2019 Pay Mix
CEO/CFO/COO	100% Options	50% Options; 50% Performance Share Units
Vice Presidents	100% Options	50% Options; 50% Performance Share Units
Director Level (employee)	100% Restricted Share Units	33% Options; 34% Performance Share Units; 33% Restricted Share Units

- change the equity portion of the Director compensation from Options to Deferred Share Units to better align with market practices and accordingly, adopt the Tervita DSU Plan in 2019 for non-executive directors, and any shareholder with a director representative serving on the Board (as more fully described under "*Business of the Meeting – Tervita DSU Plan Resolution*" and in Appendix "B"); and
- implement Share ownership guidelines, effective January 1, 2019, for the Board and members of management (as more fully described below under "*Share Ownership Guidelines*").

Risk Assessment

As described above, the HRC Committee reviews Tervita's executive compensation practices on an annual basis and in doing so, considers the implications of the risks associated with Tervita's compensation policies and practices. Tervita's compensation practices give weight to both long-term incentives and short-term incentives and fixed and variable compensation which the HRC Committee believes are appropriate to mitigate the risk of encouraging short-term goals at the expense of long-term sustainability and the enhancement of shareholder value. The discretionary nature of the annual bonus awards, Option grants and Incentive Unit grants are significant elements of Tervita's compensation plans and provide the Board and the HRC Committee with the ability to reward individual and corporate performance and individual behaviour that the Board and the HRC Committee consider to be aligned with the best interests of Tervita.

The HRC Committee believes the following compensation practices and policies of Tervita assists to mitigate inappropriate or excessive risks by senior executives:

- performance metrics used for determining compensation are consistent with Tervita's business objectives and values;
- the use of safety metrics used for determining compensation promote a culture of safety and

responsibility;

- total direct compensation for senior executives provide an appropriate balance of fixed and variable compensation;
- Options vest over three years and have a term of five years, in line with Tervita's goal of creating long term sustainable value for Shareholders;
- Tervita's long term incentives, including Options and Incentive Units are granted annually, providing an overlap of performance periods that require sustained levels of performance to achieve value;
- Shareholder ownership guidelines require senior executives to have direct personal interest in creating shareholder value; and
- Tervita's benchmarking against their peer group ensures the Corporation's compensation practices remain competitive.

Hedging

Directors and officers of Tervita are not permitted to purchase financial instruments (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset decreases in market value of Shares.

Compensation Consultant

Legacy Tervita initially retained Mercer on February 24, 2017 to provide advice and information in relation to the compensation practices of Legacy Tervita, and Mercer continues to provide compensation consulting services to Tervita. Mercer provided support to the HRC Committee to make certain recommendations to the Board in respect of changes to be made to the Corporation's compensation practices, as described above, through benchmark market data, attendance at HRC Committee meetings, including certain *in camera* portions of such meetings, as well as other discussions to review market trends. For the financial years ended December 31, 2018 and 2017, the Corporation paid the following consulting fees to Mercer:

Fees	2018 ⁽²⁾	2017
Executive Compensation Related Fees	\$113,328	\$42,067
All other Fees ⁽¹⁾	\$22,187	\$92,228

Notes:

- (1) 2018 fees in respect of industry specific compensation surveys and 2017 fees in respect of the development of the sales incentive program and industry specific compensation surveys.
- (2) 2018 review of Board of Directors, executive and vice president compensation programs compared to peer groups.

Share Ownership Guidelines

In connection with the HRC Committee's review of Tervita's compensation practices, the Board has approved Share ownership guidelines for members of management effective January 1, 2019. The level of ownership required are as follows, which must be met by January 1, 2024.

	Share Ownership Guideline (Market Value)	Securities which satisfy guideline
Directors	3x Annual Retainer	Shares Deferred Share Units
CEO	3x Base Salary	Shares Performance Share Units

		Restricted Share Units
CFO/COO	2x Base Salary	Shares Performance Share Units Restricted Share Units
Vice Presidents	1x Base Salary	Shares Performance Share Units Restricted Share Units

Summary Compensation Table

The following table sets forth information concerning the total compensation paid by Tervita to the NEOs for the fiscal year ended December 31, 2018, 2017 and 2016.

Executive	Year	Salary ⁽³⁾ (\$)	Share-Based Awards ⁽⁴⁾ (\$)	Option-Based Awards ⁽⁵⁾ (\$)	Non-Equity Incentive Plan Compensation		Pension Plans ⁽⁸⁾	All Other Comp ⁽⁹⁾ (\$)	Total Comp (\$)
					Annual Incentive Plans ⁽⁶⁾ (\$)	Long-Term Incentive Plans ⁽⁷⁾ (\$)			
John Cooper CEO ⁽¹⁾	2018	450,000	270,000	1,125,000	397,935	N/A	N/A	40,500	2,283,435
	2017	192,115	250,000	1,125,000	267,226	N/A	N/A	16,338	1,850,679
	2016	-	-	-	-	-	-	-	-
Robert Dawson CFO ⁽²⁾	2018	315,000	189,000	551,250	227,206	N/A	N/A	28,910	1,311,366
	2017	236,250	-	551,250	236,156	N/A	N/A	9,000	1,032,656
	2016	-	-	-	-	N/A	-	-	-
Brad Dlouhy Chief Operating Officer	2018	350,000	210,000	700,000	227,206	N/A	N/A	29,500	1,516,706
	2017	350,000	-	700,000	334,688	N/A	N/A	20,077	1,404,765
	2016	347,923	-	-	-	N/A	N/A	1,187,000	1,534,923
Duane Burkard , Vice-President, Energy Services	2018	285,000	171,000	199,500	96,310	N/A	N/A	135,000	886,810
	2017	310,000	-	108,500	145,350	N/A	N/A	19,154	581,004
	2016	310,000	-	-	-	N/A	N/A	137,000	447,000
Shandor Vida , Vice-President, Metals Recycling	2018	230,000	69,000	161,000	125,855	N/A	N/A	36,000	621,855
	2017	230,000	-	161,000	158,700	N/A	N/A	25,442	575,142
	2016	230,000	-	-	-	N/A	N/A	139,775	369,775

Notes:

- (1) Mr. Cooper joined Tervita and was appointed CEO on July 14, 2017 and therefore received a pro-rated share of his base salary in 2017. Mr. Cooper does not receive any compensation for his role as a director.
- (2) Mr. Dawson joined Tervita and was appointed CFO on March 24, 2017 and therefore received a pro-rated share of his base salary in 2017.
- (3) The base salary paid in each of the calendar years of 2016, 2017, 2018.
- (4) 2018 amounts reported represent the grant date fair value of Integration Incentive Units and the 2017 amounts reported represent the grant date fair value of Restricted Share Units. Integration Incentive Units granted to each NEO on December 31, 2018 had value of \$6.54, which represented the five-day VWAP of the Shares on the TSX on December 31, 28, 27, 24 and 21. On July 14, 2017, Mr. Cooper was issued 25,000 Restricted Share Units with an underlying value of \$10.00, which is the price at which the Legacy Shares were issued to Shareholders pursuant to a recapitalization transaction completed by Legacy Tervita in December 2016.
- (5) Amounts reporting represent the grant date fair value of Options. The Options expiring in 2022 were issued to each NEO on January 1, 2017 with an exercise price of \$10.00, which is the price at which the Legacy Shares were issued to Shareholders pursuant to a recapitalization transaction completed by Legacy Tervita in December 2016. The grant date fair value of the Options granted to each NEO in 2017 was estimated using the Black Scholes option pricing model with the following assumptions: expected volatility of 45.7%, risk-free interest rate of 1.10% and an expected life of 5 years. The Options expiring in 2023 were issued to each NEO on April 5, 2018 with an exercise price of \$9.35, which represented the inferred price of the Legacy Shares based on the market capitalization and outstanding shares of Legacy Tervita. The grant date fair value of the Options granted to each NEO in 2018 was estimated using the Black Scholes option model with the following assumptions: expected volatility of 40.3%, risk-free interest rate of 2.04% and an expected life of 5 years.

- (6) The reported amount represents the NEO's AIP payment that was earned for performance for the covered financial year. The AIP payment is paid out the following year.
- (7) Tervita does not have any non-equity incentive awards that are for longer than one year.
- (8) Tervita does not have any defined pension plans.
- (9) Including vehicle allowances, payments made by Tervita to the Tervita Savings Plan, recognition bonus, retention bonus and bridge payments. Amounts reported in 2016 represent the following: (i) for Mr. Dlouhy: \$12,000 vehicle allowance, \$525,000 retention bonus and \$650,000 recognition; (ii) for Mr. Burkard: \$12,000 vehicle allowance, retention bonus \$125,000; (iii) for Mr. Vida: \$12,000 vehicle allowance, \$11,500 Savings Plan match, \$115,000 retention bonus and \$1,275 recognition bonus. Amounts reported in 2017 represent the following: (i) for Mr. Cooper: \$7,685 vehicle allowance, \$8,651 Savings Plan match; (ii) for Mr. Dawson: \$9,000 vehicle allowance, (iii) for Mr. Dlouhy: \$12,000 vehicle allowance and \$8,077 Savings Plan Match, (iv) for Mr. Burkard: \$12,000 vehicle allowance and \$7,154 Savings Plan Match, and (v) for Mr. Vida: \$12,000 vehicle allowance, \$11,942 Savings Plan match and \$1,500 recognition bonus. Amounts reported in 2018 represent the following: (i) for Mr. Cooper: \$12,000 vehicle allowance and \$22,500 Savings Plan match; (ii) for Mr. Dawson: \$12,000 vehicle allowance and \$11,510 Savings Plan Match; (iii) for Mr. Dlouhy: \$12,000 vehicle allowance and \$17,500 Savings Plan match; (iv) for Mr. Burkard: \$12,000 vehicle allowance, \$14,250 Saving Plan match and \$108,750 Bridge payment for reduction in Base Salary, (v) for Mr. Vida: \$12,000 vehicle allowance, \$23,000 Savings Plan match, and \$1,000 recognition bonus.

Outstanding Share-Based Awards and Option-Based Awards - NEOs

The following table sets forth, for each NEO, the value of all option-based and share-based awards that are outstanding as of December 31, 2018. Grants of Options are considered to be "option-based awards" under applicable securities laws. Grants of Restricted Share Units, Performance Share Units and Integration Incentive Units are considered to be "share-based awards" under applicable securities laws.

Executive	Option-Based Awards				Share-Based Awards		
	Number of Shares Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options ⁽³⁾ (\$)	Number of units that have not settled (#)	Market or payout value of units that have not settled ⁽⁵⁾ (\$)	Market or payout value of vested units not paid out or distributed ⁽⁶⁾ (\$)
John Cooper	276,413 316,011	\$10.00 ⁽¹⁾ \$9.35 ⁽²⁾	July 14, 2022 April 5, 2023	- -	41,284 Integration Incentive Units 25,000 Restricted Share Units ⁽⁴⁾	\$259,264 \$157,000	- -
Robert Dawson	135,442 154,846	\$10.00 ⁽¹⁾ \$9.35 ⁽²⁾	January 1, 2022 April 5, 2023	- -	28,899 Integration Incentive Units	\$181,429	-
Brad Dlouhy	171,990 196,629	\$10.00 ⁽¹⁾ \$9.35 ⁽²⁾	January 1, 2022 April 5, 2023	- -	32,110 Integration Incentive Units	\$201,651	-
Duane Burkard	26,658 56,039	\$10.00 ⁽¹⁾ \$9.35 ⁽²⁾	January 1, 2022 April 5, 2023	- -	26,147 Integration Incentive Units	\$164,203	-
Shandor Vida	39,558 45,225	\$10.00 ⁽¹⁾ \$9.35 ⁽²⁾	January 1, 2022 April 5, 2023	- -	10,550 Integration Incentive Units	\$66,254	-

Notes:

- (1) The Options expiring in 2022 were issued in 2017 with an exercise price of \$10.00, which is the price at which the Legacy Shares were issued to Shareholders pursuant to a recapitalization transaction completed by Legacy Tervita in December 2016. The grant date fair value of the Options granted to each NEO in 2017 was estimated using the Black Scholes option pricing model with the following assumptions: expected volatility of 45.7%, risk-free interest rate of 1.10% and an expected life of 5 years.
- (2) The Options expiring in 2023 were issued on April 5, 2018 with an exercise price of \$9.35, which represented the inferred price of the Legacy Shares based on market capitalization and outstanding shares of Legacy Tervita. The grant

date fair value of the Options granted to each NEO in 2018 was estimated using the Black Scholes option model with the following assumptions: expected volatility of 40.3%, risk-free interest rate of 2.04% and an expected life of 5 years.

- (3) None of the Options were in-the-money as at December 31, 2018. This was determined by subtracting the exercise price of the Options from the closing price of the Shares on December 31, 2018 of \$6.28, as reported by the TSX, and multiplying such amount by the number of Shares that may be acquired upon the exercise of the Options.
- (4) In accordance with the terms of his Restricted Share Units, Mr. Cooper's 25,000 Restricted Share Units held in his capacity as CEO and may only be settled in cash pursuant to the terms of the Tervita RSU Plan as it then was.
- (5) The value of the unvested Integration Incentive Units and Restricted Share Units have been determined by multiplying the number of units held by the closing price of the Shares on December 31, 2018 of \$6.28. A payout multiplier of 1.0 was assumed in respect of the Integration Incentive Units. Actual Restricted Share Unit and Integration Incentive Unit payouts will vary depending upon the price of the Shares, dividend equivalents and, in the case of Integration Incentive Units, performance relative to the performance measures at the end of the performance period.
- (6) No Restricted Share Units or Integration Incentive Units have vested.

Incentive Plan Awards - Value Vested or Earned

The following table sets forth the option-based awards or share-based awards of Tervita held by each of the NEOs that have vested as of December 31, 2018.

Executive	Option-Based Awards Value Vested During Year⁽¹⁾ (\$)	Share-Based Awards Value Vested During Year⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation Value Earned During Year⁽³⁾ (\$)
John Cooper	Nil	-	397,935
Robert Dawson	Nil	-	227,206
Brad Dlouhy	Nil	-	227,206
Duane Burkard	Nil	-	96,310
Shandor Vida	Nil	-	125,855

Notes:

- (1) One-third of Options held by each NEO vested during 2018. This amount represents the value the NEO would have realized for Options that vested in 2018 if the Options had been exercised on the applicable vesting date, notwithstanding that such Options may not have actually been exercised by the NEO on the vesting date. The value vested during the year for Options has been calculated by determining the difference between the trading price of the Shares on the TSX and the exercise price of the vested options on the applicable vesting dates (or the next trading day if the Options vested on a date when the TSX was closed).
- (2) No share-based awards held by NEOs vested in 2018.
- (3) The reported amount represents the NEO's AIP payment that was earned for performance for the year ended December 31, 2018. The AIP payment is paid out the following year.

Pension Plan Benefits

Tervita does not have a pension plan that provides for payments to employees (including the NEOs) at, following or in connection with retirement.

Termination of Employment and Change of Control Benefits

Termination and Change of Control Under Executive Employment Agreements

Tervita has entered into executive employment agreements with each of the NEOs. Each of the executive employment agreements contains provisions for payments on termination of employment and on an Employment Agreement Change of Control of Tervita (as defined below).

The executive employment agreements with the NEOs provide that:

- (1) upon the occurrence of an Employment Agreement Change of Control, and if within six months of the Employment Agreement Change of Control there is an event or events which would constitute Good Reason (as defined below), the NEO has the election to resign from his or her employment with Tervita by providing Tervita with seven days' advance written notice (which election must occur within one month following the event or events constituting Good Reason) and, if such written notice is provided, Tervita shall, within five days of the Termination Date (as defined below), pay to the NEO an amount equal to:

- (a) *pro rata* annual salary earned but not yet paid up to and including the Termination Date;
 - (b) accrued and unused vacation, and reimbursable expenses;
 - (c) a retiring allowance equal to the sum of:
 - (i) in the case of Mr. Cooper: (x) two times his annual base salary plus (y) 17% of the amount calculated in (x) for loss of benefits; plus (z) two times the Average Bonus (as defined below);
 - (ii) in the case of Mr. Dawson: (x) one and one-half times his annual base salary plus (y) 17% of the amount calculated in (x) for loss of benefits; plus (z) one and one-half times the Average Bonus (as defined below); and
 - (iii) in the case of Messrs. Dlouhy, Burkard and Vida: (x) one-half of his annual base salary plus an additional one-twelfth of such salary for each completed or partial year of employment service with Tervita or its affiliates, up to a maximum of two times his then annual salary, plus (y) 17% of the amount calculated under (x) for loss of benefits; plus (z) one-half of the Average Bonus (as defined below), plus one-twelfth of the Average Bonus for each completed or partial year of employment service with Tervita or its affiliates up to a maximum of two times the Average Bonus; and
 - (d) if the Termination Date is on or after July 1st in any calendar year or after the end of a calendar year for which the Board has not yet determined the Bonus to be paid to the NEO, the NEO shall receive an additional payment equal to the Average Bonus times the number of days worked by the NEO in that calendar year, divided by 365;
- (2) upon termination of employment for Just Cause (as defined below), the NEO shall receive, within 10 days of the Termination Date, his *pro rata* annual salary earned but not yet paid up to and including the Termination Date, and any accrued and unused vacation and reimbursable expenses. All unvested Options terminate and are null and void as of the Termination Date and all vested Options will be exercisable in accordance with their terms;
 - (3) upon termination of employment without Just Cause, the NEO is to receive the amount calculated for the respective NEO as set out paragraph (1) above; and
 - (4) the NEO may resign at any time upon one month's advance written notice to Tervita. Upon receipt of such notice, Tervita may elect to earlier terminate the NEO's employment prior to the date specified in the NEO's notice to Tervita, upon payment to the NEO of an amount equal to the *pro rata* annual salary earned but not yet paid up to and including what would have been the Termination Date. All unvested Options will immediately terminate and be null and void on the earlier of the resignation date stated in the notice or any date Tervita elects to earlier terminate the NEO's employment agreement and employment.

For the purposes of the executive employment agreements with the NEOs:

- "**Average Bonus**" means the average of the bonus received by the NEO in the two years prior to the Termination Date and if the Termination Date is prior to the conclusion of the second calendar year after the NEO's start date, then the Average Bonus shall mean that amount of any such cash bonus paid to the NEO in the one year prior to the Termination Date;
- "**Constructive Dismissal**" means any negative change or negative changes to the terms of the NEO's employment which the NEO does not agree to and which would constitute constructive dismissal at common law;

- **"Good Reason"** means: (i) the NEO is assigned responsibilities or duties materially or negatively inconsistent with the NEO's position, duties, responsibility and status with Tervita or its affiliates in place immediately prior to an Employment Agreement Change of Control, or there is a material change in the NEO's position, duties, responsibilities, titles or offices as contemplated by the respective executive employment agreement, other than changes that are consistent with a promotion, a lateral move, or increased responsibilities; (ii) any failure of Tervita or its affiliates to continue to provide the NEO any benefit, bonus, compensation, rights to options, or alternative plans, incentives, benefits and compensation which are in the aggregate comparable to those which the NEO was entitled to participate prior to an Employment Agreement Change of Control;
- Tervita or its affiliates requiring the NEO to relocate to any city or community other than within 100 kilometres of Tervita's business location that the NEO primarily worked out of prior to the Employment Agreement Change of Control; or (iv) any acts or omissions which constitute Constructive Dismissal;
- **"Employment Agreement Change of Control"** means: (i) a private sale of at least two-thirds of the equity securities of Tervita or its affiliates, taken as a whole, excluding an IPO (as defined below) or an internal reorganization; or (ii) a private sale of at least two-thirds of the assets of Tervita or its affiliates, taken as a whole, that gives rise to cash proceeds to the shareholders, excluding an IPO and an internal reorganization;
- **"IPO"** in the case of Messrs. Cooper and Dawson means an initial public offering, whether on a treasury or secondary basis, resulting in the holding of equity securities of Tervita or an affiliate of Tervita, directly or indirectly, by the public or a transaction giving rise to a stock exchange listing.
- **"IPO"** in the case of Messrs. Dlouhy, Burkard and Vida means an initial public offering, whether on a treasury or secondary basis, resulting in the holding of equity securities of Tervita or any affiliate of Tervita (or their successors), directly or indirectly, by the public or a transaction giving rise to a stock market listing on the New York Stock Exchange, the NASDAQ, the Toronto Stock Exchange or other senior securities exchange of equity securities of Tervita or any affiliate of Tervita (or their successors), directly or indirectly, and includes an amalgamation, securities exchange take-over bid, income trust offering, income deposit security offering or other transaction having a similar result, and any series of related transactions to similar effect;
- **"Just Cause"** means any action or inaction by the NEO which would constitute just cause at common law; and
- **"Termination Date"** means the NEO's last day actively at work for Tervita regardless of the reason for cessation of employment or whether advance notice was given.

The employment agreements with each of the NEOs provide that each NEO: (i) shall retain in confidence and not disclose the confidential and proprietary information of Tervita and its affiliates following the Termination Date; (ii) shall not, without prior written consent of the Board, for a period of one year following the Termination Date, canvass or solicit the business of any person who is a customer of Tervita or any of its affiliates, or has been a customer of Tervita or any of its affiliates during the one year period prior to the Termination Date, or has been canvassed or solicited by Tervita or any of its affiliates in the one year period prior to the Termination Date; (iii) shall not, without prior written consent of the Board, for a period of one year following the Termination Date, solicit the employment or engagement of or otherwise entice away from the employment or consulting relationship with Tervita or any of its affiliates any individual who is employed with or consulting for Tervita or any of its affiliates; and (iv) shall not, without the prior written consent of the Board, for a period of six months following the Termination Date engage in, have any financial or other interest in or be otherwise commercially involved in any endeavour, activity or business which is similar to or in competition with Tervita's business.

Termination and Change of Control Under the Tervita Option Plan

If the employment of the NEO with Tervita is terminated by the Corporation without Cause, or upon the NEO's resignation from the Corporation, each unvested Option will automatically terminate and become void immediately upon the termination date, and each vested Option will cease to be exercisable on the earlier of: (i) the original expiry date of the Option; and (ii) thirty (30) days following the termination date.

If the employment of the NEO with Tervita ceases as a result of his or her death or Disability each unvested Option held by the NEO will automatically terminate and become void immediately upon the termination date and each vested Option will cease to be exercisable (in the case of death the legal representative of the NEO may exercise the NEO's vested Options) on the earlier of: (i) the original expiry date of the Option; and (ii) one hundred and eighty (180) days following the termination date.

If the employment of an NEO is terminated by Tervita for Cause, all Options held by such NEO as at the date of the termination, whether vested or unvested, will be cancelled effective on the NEO's last day of active employment with Tervita.

In the event of a Change of Control, the surviving, continuing, successor or purchasing corporation, as the case may be, may either assume Tervita's rights and obligations under outstanding Options or substitute for outstanding Options substantially equivalent options in the successor corporation. In the event that an assumption or substitution of Options is not made by the successor corporation prior to a Change of Control, any Options held by an NEO as at the date of the Change of Control, whether vested or unvested, will continue to vest in accordance with their terms and the Tervita Option Plan will continue in full force and effect, or, at the discretion of the Board, the vesting of the Options shall be accelerated in full. If the employment of the NEO is terminated by Tervita within 90 days of the Change of Control (either preceding or subsequent to) for any reason other than for Cause, then any unvested Options held by the NEO as at the date of the Change of Control will accelerate and will fully vest effective on the date of the Change of Control and all Options that are vested or deemed to be vested may be exercised by the NEO within 30 days of termination and will be settled by cashless exercise at the prevailing Fair Market Value (as defined in the Tervita Option Plan) at the closing of the Change of Control. Notwithstanding the foregoing, in the event Tervita undertakes a Change of Control, the Board may, prior to the completion of the Change of Control, require that some of all of the Options be cancelled, repriced or otherwise revised, in which case the Board may, in its sole discretion, deal with the Options in the manner it deems fair and reasonable.

For the purposes of the Tervita Option Plan:

- **"Cause"** means any act, omission or conduct of the employee which would at common law permit an employer to, without notice, payment in lieu of notice or any form of termination or severance pay, terminate the employment of an employee for just cause, including without limitation: wilful and serious misconduct; habitual and deliberate neglect of duty; incompetent performance of duties; wilful disobedience of the Corporation's instructions; or dishonesty, including, without limitation, any circumstance in which the employee is convicted of a criminal act relating to or otherwise affecting the Corporation or the employee's employment with the Corporation.
- **"Change of Control"** has the meaning described in *"Statement of Executive Compensation – Compensation Discussion and Analysis – Long Term Incentive Program – Tervita Option Plan – Change of Control"*.
- **"Disability"** has the meaning given to such term in any written employment or retainer agreement between such employee and the Corporation, and absent any such agreement containing such definition, means a mental or physical disability whereby such employee: (a) is unable, due to illness, disease, mental or physical disability or similar cause, to fulfill such employee's obligations as an employee of the Corporation either for three consecutive months

or for a cumulative period of six months out of 12 consecutive calendar months, or (b) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing such employee's affairs.

Termination and Change of Control Under the Tervita Incentive Unit Plan

The below disclosure assumes the Tervita Incentive Unit Plan will be approved by Shareholders at the Meeting. The Tervita RSU Plan was the operative plan until December 31, 2018. For a summary of the termination and change of control provisions and payments under the Tervita RSU Plan please see Appendix "E".

If a NEO has his or her employment with Tervita terminated for Cause or resigns from Tervita for any reason other than Constructive Dismissal, any unvested Incentive Units held by such holder will automatically terminate and become void immediately upon the date that the NEO ceases to be employed by Tervita.

In the event the NEO has his or her employment with Tervita terminated without Cause, resigns as a result of Constructive Dismissal or has his or her employment with Tervita terminated due to death or Disability, then any unvested Incentive Units will vest on the date that the NEO ceases to be employed by Tervita and the number of underlying Shares shall be proportionately adjusted by the time such holder spent at work during the applicable grant cycle.

If a Change of Control occurs and the NEO's employment with Tervita is terminated by Tervita during the one (1) year period after a Change of Control for any reason other than Cause, or the NEO resigns as a result of Constructive Dismissal, then any unvested Incentive Units held by the NEO as at the date of the Change of Control will accelerate and will fully vest effective on the date of the Change of Control and all Incentive Units that are vested or deemed to be vested shall be settled by the holder within 30 days from such termination date.

For the purposes of the Tervita Incentive Unit Plan:

- **"Cause"** means any act, omission or conduct of the employee which would at common law permit an employer to, without notice, payment in lieu of notice or any form of termination or severance pay, terminate the employment of an employee for just cause, including without limitation: wilful and serious misconduct; habitual and deliberate neglect of duty; incompetent performance of duties; wilful disobedience of the Corporation's instructions; or dishonesty, including, without limitation, any circumstance in which the employee is convicted of a criminal act relating to or otherwise affecting the Corporation or the employee's employment with the Corporation.
- **"Change of Control"** has the meaning described in *"Business of the Meeting – Tervita Incentive Unit Plan Resolution – Summary of Tervita Incentive Unit Plan – Change of Control"*.
- **"Constructive Dismissal"** means constructive dismissal as defined at common law, however, it does not include any of the following with respect to an NEO: a reduction in compensation unless greater than 15% of the NEO's total compensation; a reduction in compensation, regardless of quantum, where such reduction in compensation has been applied in a similar manner to all or substantially all employees of the Corporation; a change in duties where such change is reasonably required pursuant to a reorganization or restructuring of the Corporation; a re-location of position; any material change to the NEO's terms and conditions of employment made with the consent of the NEO; and a promotion.
- **"Disability"** has the meaning given to such term in any written employment or retainer agreement between such employee and the Corporation, and absent any such agreement containing such definition, means a mental or physical disability whereby such employee: (a) is

unable, due to illness, disease, mental or physical disability or similar cause, to fulfill such employee's obligations as an employee of the Corporation either for three consecutive months or for a cumulative period of six months out of 12 consecutive calendar months; or (b) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing such employee's affairs.

Estimated Termination and Change of Control Amounts

The following table illustrates the estimated incremental payments, payables and benefits that that would have been made to each of the NEOs pursuant to their respective NEO employment agreements and pursuant to Options and Incentive Units held by them as a result of the triggering events identified below, in each case assuming that such event occurred on December 31, 2018. The following table assumes the Tervita Incentive Unit Plan will be approved by Shareholders at the Meeting. The Tervita RSU Plan was the operative plan until December 31, 2018. For a summary of the estimated termination and change of control amounts payable under the Tervita RSU Plan please see Appendix "E".

The table does not include the value of payments, payables and benefits already available to the NEO as at December 31, 2018, such as any Options that had already vested at such date. The meaning of each triggering event shall have the meaning ascribed thereto in the applicable NEO employment agreement, the Tervita Option Plan and the Tervita Incentive Unit Plan, as applicable.

Executive	Triggering Event	Payment pursuant to NEO Agreement (\$)	Payment pursuant to Accelerated Vesting of Options and/or Incentive Units Triggered by Termination (\$)	Total (\$)
John Cooper	Termination without Cause	1,453,839	74,142	1,527,981
	Termination with Cause	0	0	0
	Change of Control	1,453,839	333,406	1,787,245
	Resignation	0	0	0
Robert Dawson	Termination without Cause	848,020	0	848,020
	Termination with Cause	0	0	0
	Change of Control	848,020	181,429	1,029,449
	Resignation	0	0	0
Brad Dlouhy	Termination without Cause	1,321,032	0	1,321,032
	Termination with Cause	0	0	0
	Change of Control	1,321,032	201,651	1,522,683
	Resignation	0	0	0
Duane Burkard	Termination without Cause	884,925	0	884,925
	Termination with Cause	0	0	0
	Change of Control	884,925	164,203	1,049,128
	Resignation	0	0	0
Vida Shandor	Termination without Cause	689,138	0	689,138
	Termination with Cause	0	0	0
	Change of Control	689,138	66,254	755,392
	Resignation	0	0	0

DIRECTOR COMPENSATION

General

Director compensation is reviewed by the HRC Committee and the Board on an annual basis. Tervita directors are paid an Annual Retainer and must elect to receive at least 60%, and up to 100%, of such Annual Retainer in the form of equity-based compensation.

For 2018, the equity portion of the Annual Retainer was paid in Options. In connection with the HRC Committee's 2018 review of Tervita's compensation practices, and subject to Shareholder approval at the Meeting, the Board has approved the adoption of the Tervita DSU Plan pursuant to which directors shall elect to receive at least 60%, and up to 100%, of their Annual Retainer in the form of Deferred Share Units. Assuming Shareholders approve the Tervita DSU Plan at the Meeting, the number of Deferred Share Units to be credited to a non-executive director's notional account in respect of the equity portion of the Annual Retainer shall be determined and granted on an annual basis by dividing the amount of the Annual Retainer to be paid in Deferred Share Units as elected by the director by the 5-day VWAP of the Shares on the grant date and the elected Deferred Share Units shall vest as to one quarter on the last

day of each calendar quarter. See "Business of the Meeting – Tervita DSU Plan Resolution" and Appendix "B" for further information and a summary of the Tervita DSU Plan.

Directors' Summary Compensation Table

The following table sets out information concerning the compensation paid by Tervita to its current directors for the year ended December 31, 2018. Mr. Cooper, who is an executive officer of Tervita, does not receive any compensation for his role as a director.

Name	Fees Earned⁽¹⁾ (\$)	Share-Based Awards (\$)	Option-Based Awards⁽²⁾⁽³⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Grant Billing	90,000	-	135,000	-	-	225,000
Michael Colodner ⁽⁴⁾⁽⁵⁾	Nil	-	-	-	-	Nil
Allen Hagerman	65,000	-	93,750	-	-	158,750
Cameron Kramer	Nil ⁽⁶⁾	-	151,250	-	-	151,250
Gordon Pridham ⁽⁴⁾	26,033	-	38,906	-	-	64,939
Douglas Ramsay	61,250	-	90,000	-	-	151,250
Susan Riddell Rose ⁽⁴⁾	26,033	-	38,906	-	-	64,939
Jay Thornton	61,250	-	90,000	-	-	151,250
Kevin Walbridge	57,500	-	86,250	-	-	143,750

Notes:

- (1) Represents the portion of each director's 2018 Annual Retainer he or she elected to receive in cash.
- (2) Represents the portion of each director's 2018 Annual Retainer that he or she elected to receive in Options.
- (3) The Options expiring in 2023 were issued on April 5, 2018 with an exercise price of \$9.35, which represented the inferred price of the Legacy Shares based on the market capitalization and outstanding shares of Legacy Tervita. The grant date fair value of the Options granted to the directors in 2018 was estimated using the Black Scholes option model with the following assumptions: expected volatility of 40.3%, risk-free interest rate of 2.04% and an expected life of 5 years.
- (4) Each of Messrs. Colodner and Pridham and Ms. Riddell Rose joined the Board on July 19, 2018 upon closing of the Arrangement.
- (5) In consideration for the services rendered by Mr. Colodner as director of Tervita, which services were provided on behalf of Recovery Opportunities S.à.r.l. and Maple Street SARL, by Mr. Colodner, the Corporation granted 16,193 Options to Recovery Opportunities S.à.r.l. and 9,847 Options to Maple Street SARL, each an affiliate of Solus. Such Options have an exercise price of \$6.54 per Share, which is equal to the VWAP of the Shares on the TSX for the five trading days immediately preceding December 31, 2018. Such Options shall expire on December 31, 2023 and shall vest in equal thirds on each of the first, second and third anniversaries of the grant date of December 31, 2018.
- (6) Mr. Kramer elected to take 100% of his Annual Retainer in Options for the financial year ended December 31, 2018. As a result, no cash fees were paid to Mr. Kramer.

Directors' Outstanding Option-Based Awards

The following table sets forth, for each director of Tervita, the value of all option-based awards of Tervita that are outstanding as of December 31, 2018. The directors do not hold share-based awards as of December 31, 2018.

Name	Option-Based Awards				Share-Based Awards		
	Number of Common Shares Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options ⁽⁴⁾ (\$)	Number of Incentive Units that have not settled (#)	Market or payout value of Incentive Units that have not settled (\$)	Market or payout value of vested Restricted Share Units not paid out or distributed (\$)
Grant Billing	55,283 37,921	10.00 ⁽¹⁾ 9.35 ⁽²⁾	January 1, 2022 April 5, 2023	- -	-	-	-
Michael Colodner	-	-	-	-	-	-	-
Allen Hagerman	39,005 26,334	10.00 ⁽¹⁾ 9.35 ⁽²⁾	January 1, 2022 April 5, 2023	- -	-	-	-
Cameron Kramer	37,162 42,486	10.00 ⁽¹⁾ 9.35 ⁽²⁾	January 1, 2022 April 5, 2023	- -	-	-	-
Gordon Pridham	15,624	6.54 ⁽³⁾	December 31, 2023	-	-	-	-
Douglas Ramsay	35,319 25,281	10.00 ⁽¹⁾ 9.35 ⁽²⁾	January 1, 2022 April 5, 2023	- -	-	-	-
Susan Riddell Rose	15,624	6.54 ⁽³⁾	December 31, 2023	-	-	-	-
Jay Thornton	37,162 25,281	10.00 ⁽¹⁾ 9.35 ⁽²⁾	January 1, 2022 April 5, 2023	- -	-	-	-
Kevin Walbridge	35,319 24,228	10.00 ⁽¹⁾ 9.35 ⁽²⁾	January 1, 2022 April 5, 2023	- -	-	-	-

Notes:

- (1) The Options expiring on January 1, 2022 were issued in 2017 with an exercise price of \$10.00, which is the price at which the Legacy Shares were issued to Shareholders pursuant to the Recapitalization Transaction. The valuation of the Legacy Shares at the time of issuance was based on Tervita's review of trailing and forecast EBITDA relative to market-based multiples for public companies in Tervita's peer group.
- (2) The Options expiring on April 5, 2023 were issued on April 5, 2018 with an exercise price of \$9.35, which represented the inferred price of the Legacy Shares based on market capitalization and outstanding shares of Legacy Tervita. The grant date fair value of the Options granted to each NEO in 2018 was estimated using the Black Scholes option model with the following assumptions: expected volatility of 40.3%, risk-free interest rate of 2.04% and an expected life of 5 years.
- (3) The Options expiring on December 31, 2023 were issued on December 31, 2018 with an exercise price of \$6.54, which represented the five-day VWAP of the Shares on the TSX on December 31, 28, 27, 24 and 21.
- (4) None of the Options were in-the-money as at December 31, 2018. The value of the unexercised in-the money options has been determined by subtracting the exercise price of the Options from the closing price of the Shares on December 31, 2018 of \$6.28, as reported by the TSX, and multiplying such amount by the number of Shares that may be acquired upon the exercise of the Options.

Incentive Plan Awards - Value Vested or Earned – Directors

The following table sets forth the option-based awards of Tervita held by each of the directors that have vested as of December 31, 2018. The directors do not hold share-based awards as of December 31, 2018.

Name	Option-Based Awards Value Vested During Year ⁽¹⁾ (\$)	Share-Based Awards Value Settled During Year ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation Value Earned During Year ⁽³⁾ (\$)
Grant Billing	Nil	-	-
Michael Colodner ⁽²⁾	-	-	-
Allen Hagerman	Nil	-	-
Cameron Kramer	Nil	-	-
Gordon Pridham	-	-	-

Douglas Ramsay	Nil	-	-
Susan Riddell Rose	-	-	-
Jay Thornton	Nil	-	-
Kevin Walbridge	Nil	-	-

Notes:

- (1) One-third of Options held by each director vested during 2018, except the Options held by Mr. Pridham and Ms. Riddell Rose. This amount represents the value the director would have realized for Options that vested in 2018 if the Options had been exercised on the applicable vesting date, notwithstanding that such Options may not have actually been exercised by the NEO on the vesting date. The value vested during the year for Options has been calculated by determining the difference between the trading price of the Shares on the TSX and the exercise price of the vested options on the applicable vesting dates (or the next trading day if the Options vested on a date when the TSX was closed).
- (2) In consideration for the services rendered by Mr. Colodner as director of Tervita, the Corporation granted 16,193 Options to Recovery Opportunities S.à.r.l. and 9,847 Options to Maple Street SARL, each an affiliate of Solus. Such Options have an exercise price of \$6.54 per Share, which is equal to the VWAP of the Shares on the TSX for the five trading days immediately preceding December 31, 2018. Such Options shall expire on December 31, 2023 and shall vest in equal thirds on each of the first, second and third anniversaries of the grant date of December 31, 2018.

ADDITIONAL BUSINESS

At the Meeting, the Shareholders will also transact such further or other business as may properly come before the Meeting or any adjournment or postponement thereof. Management of Tervita knows of no amendments, variations or other matters to come before the Meeting, other than the matters referred to in the Tervita Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying form of proxy confers discretionary authority to vote on such amendments, variations and other matters and the persons named in the accompanying form of proxy, if named as proxy, will vote on such matter in accordance with their best judgment.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as disclosed herein, management of Tervita is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or proposed nominee for director, or executive officer or anyone who has held office or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER INCENTIVE PLANS

Set forth below is information in respect of Tervita's equity compensation plans as at December 31, 2018. The below chart assumes the Tervita Incentive Unit Plan will be approved by Shareholders at the Meeting. The Tervita RSU Plan was the operative plan until December 31, 2018. See "Appendix "E" for the below information in respect of the Tervita RSU Plan.

Plan Category	Number of Shares to be issued upon exercise of outstanding Options, Incentive Units and Deferred Share Units	Weighted-average exercise price of outstanding Options	Number of Shares remaining for future issuance under equity compensation plans (excluding outstanding Options, Incentive Units and Deferred Share Units)
Equity compensation plans approved by Shareholders Tervita Option Plan Tervita Incentive Unit Plan (formerly Tervita RSU Plan)	3,555,378	\$9.57	8,200,333
Equity compensation plans not approved by Tervita Shareholders Tervita DSU Plan	None	N/A	8,200,333
Total	3,555,378	9.57	8,200,333

Burn Rates

The annual burn rates over the last two financial years for Shares granted annual under each of the Tervita Option Plan, the Tervita DSU Plan, and the Tervita Incentive Unit Plan (formerly the Tervita RSU Plan) are as set out in the table below. In accordance with TSX rules, the burn rate is calculated by dividing the number of share-based awards granted under the share-based compensation arrangement during the applicable fiscal year by the weighted average number of securities outstanding for the applicable fiscal year, expressed as a percentage. The below chart assumes the Tervita Incentive Unit Plan will be approved by Shareholders at the Meeting. In the event the Tervita Incentive Unit Plan is not approved, the Tervita RSU Plan shall be the operative plan. See "Appendix "E" for the below information in respect of the Tervita RSU Plan.

Share-settled compensation arrangement	2018	2017
Tervita Option Plan	1.1%	1.0%
Tervita Incentive Unit Plan ⁽¹⁾ (formerly Tervita RSU Plan)	0.6%	0.5%
Tervita DSU Plan (2)	-	-

Notes:

- (1) Certain Incentive Units issued pursuant to the Tervita Incentive Unit Plan are subject to performance multipliers ranging from 0 to 200% of the number of units granted on the grant date. For the purposes of the table above, the performance multiplier is assumed to be 100%.
- (2) No DSUs were granted under the Tervita DSU Plan in 2018 and the plan was not effective in 2017.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of Tervita, or its subsidiaries, or any associate of any such director, officer or employee is, or has been at any time since January 1, 2018, indebted to Tervita or any of its subsidiaries in respect of any indebtedness that is still outstanding, nor is, or at any time since January 1, 2018 has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Tervita or any of its subsidiaries.

CORPORATE GOVERNANCE PRACTICES

Composition of the Board

The Board currently consists of ten directors who provide Tervita with a wide diversity of business experience. Additional information for each of the directors can be found under the heading "*Business of the Meeting - Election of Directors*" in this Information Circular. Nine of the board members (representing 90% of the Board), being Messrs. Billing, Colodner, Hagerman, Kramer, Pridham, Ramsay, Thornton and Walbridge and Ms. Riddell Rose are independent directors as such term is set out in National Instrument 58-101 - *Disclosure of Corporate Governance Practices*. The independent directors have no direct or indirect material relationship with Tervita, including any business or other relationship, which could reasonably be expected to interfere with the director's ability to act with a view to the best interest of Tervita or which could reasonably be expected to interfere with the exercise of the director's independent judgement.

Mr. Cooper is not considered independent given his current position as CEO. As per Section 1.4(7) of National Instrument 52-110 – *Audit Committees*, Mr. Billing's short tenure as interim CEO of Tervita from March 2017 to June 2017 is not considered to be a material relationship with Tervita and the Board is also of the view that it has not interfered and will not interfere with his exercise of independent judgment with respect to other matters that have come and will come before the Board.

To facilitate the Board functioning independently of management, the following structures and process are in place: only one of the nine directors of the Board is a member of management; and if a director or

executive officer has a material interest in the transaction or the agreement being considered by Tervita, such individual, if a director, is precluded from voting on the matter and the Board considers such matter without the individual present.

Other Directorships

The following table sets forth the current directors of Tervita who presently hold directorships with reporting issuers and the names of those reporting issuers.

Name of Director	Reporting Issuer
Grant Billing	Badger Daylighting Ltd.
Allen Hagerman	Precision Drilling Corporation TransAlta Renewables Inc.
Susan Riddell Rose	Paramount Resources Ltd. Perpetual Energy Inc.
Douglas Ramsay	Calfrac Well Services Ltd.
Gordon Pridham	Orvana Minerals Corp. America's Silver Corporation
Jay Thornton	North American Energy Partners Inc.

Board Meetings

The following table sets out the Board meeting attendance record for those individuals who are directors of Tervita for all Board meetings held in the financial year ended December 31, 2018. The below attendance record includes meetings of the board of directors of Legacy Tervita held in 2018 prior to July 19, 2018 and meetings of the Board since July 19, 2018.

Name of Director	Meetings Attended⁽¹⁾
Grant Billing	7/7
Michael Colodner ⁽²⁾	3/3
John Cooper	7/7
Allen Hagerman	7/7
Cameron Kramer	7/7
Gordon Pridham ⁽²⁾	3/3
Douglas Ramsay	7/7
Susan Riddell Rose ⁽²⁾	3/3
Jay Thornton	7/7
Kevin Walbridge	7/7

Notes:

- (1) In 2018, 4 Legacy Tervita board meetings and 3 Board meetings were held.
- (2) Each of Messrs. Colodner and Pridham and Ms. Riddell Rose joined the Board on July 19, 2018 and attended all Board meetings since joining the Board.

The Board and its committees conduct *in camera* sessions, at which no members of management or directors who are currently members of management are present. The *in-camera* sessions are intended not only to encourage the Board and its committees to fully and independently fulfill their mandates, but also to facilitate the performance of the fiduciary duties and responsibilities of the Board and its committees on behalf of Shareholders.

The current committees of the Board were formed following completion of the Arrangement on July 19, 2018. The following table sets out the committee meeting attendance records for those individuals who are members of each committee for each committee meeting held from July 19, 2018 to December 31, 2018. The Governance Committee did not hold a formal meeting from July 19, 2018 to December 31, 2018.

Name of Director	Audit	HRC	HSE
Grant Billing	-	-	-
Michael Colodner	-	3/3	-
John Cooper	-	-	-
Allen Hagerman	2/2	3/3	-

Cameron Kramer	2/2	-	1/1
Gordon Pridham	2/2	-	1/1
Douglas Ramsay	-	-	-
Susan Riddell Rose	-	-	-
Jay Thornton	-	3/3	-
Kevin Walbridge	-	-	-

Board Mandate and Position Descriptions

A written mandate has been established for the Board and is attached hereto as Appendix "F". The Board mandate as well as the mandates of each of Tervita's four standing committees discussed below are reviewed annually and approved with any changes deemed appropriate at the time of review and approval.

Additionally, the Board has developed written terms of reference for the Chair of the Board, the Chair of each committee and the CEO. The Chair of the Board provides overall leadership to the Board. Among other things, the Chair maintains communication with the CEO to ensure that the Board receives adequate and regular updates from the CEO on all issues important to the welfare and future of Tervita. The Chair is also responsible for the overall management of the Board.

Orientation and Continuing Education

All new Tervita directors receive an orientation as to their expected duties, the role of the Board and its committees, and the business of Tervita and its subsidiaries. This baseline of knowledge serves as a foundation for informed decision-making. Orientation includes a combination of written material, one-on-one meetings with management of Tervita and briefings from other members of the Board. Further, Tervita's directors have ongoing opportunities to increase their knowledge and understanding of Tervita's business through briefings from management, third-party consultants and advisors on industry issues and trends as well as relevant legal and financial developments.

Ethical Business Conduct

In accordance with the ABCA, directors who are a party to or are a director or an officer of a person who is a party to a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction.

The Board has adopted a written Code of Business Conduct and Conflicts of Interest Policy (the "**Tervita Code**") to ensure that Tervita's directors, officers, employees, contractors and consultants adhere to ethical standards and obey laws. Each director, officer, employee, contractor and consultant must acknowledge in writing receipt of the Tervita Code and may be required periodically to certify, in writing, compliance with the Tervita Code or to describe any deviations known to them. Officers and employees of Tervita can access the Tervita Code via Tervita's internal intranet site. Directors are provided a copy of the Tervita Code upon their appointment as a director of Tervita. Contractors and consultants are provided access to the Tervita Code on Tervita's website as part of their onboarding package.

In addition to the Tervita Code, the Board has also adopted an Anti-Corruption & Anti-Bribery Policy (the "**Anti-Corruption Policy**") and a Whistleblower Policy. The Anti-Corruption Policy further outlines the Corporation's expectations of its directors, officers, managers, employees and business partners in recognizing the principles of respect, integrity and professionalism in all the Corporation's public and private business dealings. More specifically, the Anti-Corruption Policy prohibits offering or receiving, directly or indirectly, any bribes, kickbacks, or facilitation payments, or participating in the solicitation of bribes or any act or manner of extortion, economic crime, deception, collusion, money-laundering, embezzlement, misappropriation, fraud or other related offenses. The Anti-Corruption Policy also provides for the adoption of training, internal audit and other programs in an effort to preclude bribery and corruption from occurring, and requires reasonable steps be taken to avoid engaging in business with business partners unless the Corporation is satisfied that they are reputable, honest and qualified.

The Whistleblower Policy permits any director, officer, employee, consultant, third party business partner, customer, vendor, shareholder or other stakeholder to submit a complaint or concern with respect to violations of the Corporation's various business and ethics policies, including the Tervita Code and the Anti-Corruption Policy, and all applicable laws and regulations. The Chair of the Audit Committee and the Vice President, Business Services will promptly conduct or cause to be conducted a thorough investigation of all complaints and concerns received and may escalate the complaint or concern to the Audit Committee, which may, in turn, escalate the complaint or concern to the Board. All persons involved in investigations are required to maintain confidentiality and anonymity to the fullest extent reasonable and practicable.

Nomination of Directors

In consultation with the CEO, the Governance Committee is responsible for identifying qualified candidates for nomination to the Board. The Governance Committee maintains an "evergreen" list of candidates to ensure outstanding candidates with desired talents can be identified to fill planned and unplanned vacancies on the Board and to ensure plans are in place for the orderly succession of directors to keep the Board appropriately balanced in terms of skills and experience.

The Governance Committee uses a comprehensive skills matrix to assess Board composition and recruit new director candidates as part of Board succession. The skills matrix below shows for each director nominee the principal areas of experience and expertise that the nominees have indicated they bring to the Board.

Director Skills and Experience	Billing	Colodner	Hagerman	Kramer	Pridham	Ramsay	Riddell Rose	Thornton	Walbridge	Cooper
Leadership – with companies of a scale similar to Tervita										
Executive Experience (CEO or President) Experience within the last 15 years working as a CEO of a public company. This includes establishing ongoing concern processes, measuring business objectives and executive performance accountability	✓				✓	✓	✓		✓	✓
Strategic Planning and Focus Experience with planning, evaluation and implementation of a strategic plan. This includes a demonstrated ability to focus on longer term goals, developing missions and visions and long-term strategic outcomes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business Development Experience relating to business development, opportunity generation, value creation and augmenting sales and marketing to improve customer acquisition and retention	✓		✓	✓	✓	✓	✓	✓	✓	✓
Industry – within last 15 years										
Exploration and Production	✓		✓	✓			✓	✓		
Midstream	✓			✓				✓		
Energy Marketing	✓		✓				✓	✓		✓
Oilfield Services	✓					✓				✓

Director Skills and Experience	Billing	Colodner	Hagerman	Kramer	Pridham	Ramsay	Riddell Rose	Thornton	Walbridge	Cooper
Waste Management									✓	✓
Finance		✓	✓		✓	✓	✓		✓	
Business – within last 15 years										
Entrepreneurial				✓	✓	✓	✓	✓	✓	✓
Demonstrated entrepreneurial skills				✓	✓	✓	✓	✓	✓	✓
Operations	✓			✓		✓	✓	✓	✓	✓
Operations experience, including operational optimization, safety, health, environmental and security of operations	✓			✓		✓	✓	✓	✓	✓
Logistics	✓		✓	✓		✓		✓	✓	✓
Senior executive experience in logistics and transportation matters	✓		✓	✓		✓		✓	✓	✓
Information Technology				✓		✓		✓		✓
Experience with technology tools and platforms to enhance business operations, products, services, solutions and security				✓		✓		✓		✓
International	✓		✓		✓	✓		✓	✓	✓
Experience with an organization with operations outside of Canada	✓		✓		✓	✓		✓	✓	✓
Capital Markets and M&A Restructuring	✓	✓	✓		✓	✓	✓			✓
Experience in corporate finance with significant experience and a demonstrated knowledge of debt and equity markets as well as mergers and acquisitions and restructuring	✓	✓	✓		✓	✓	✓			✓
Accounting	✓		✓		✓	✓	✓			✓
Executive experience in financial accounting and reporting and knowledge of other considerations and issues associated with the auditing requirements of public companies. Familiarity with internal financial controls	✓		✓		✓	✓	✓			✓
HR and Compensation	✓		✓	✓	✓	✓	✓	✓	✓	✓
Executive experience or board compensation committee participation with a thorough understanding of compensation, benefit and pension programs, legislation and agreements including specific expertise in executive compensation programs, incentives, equity and perquisites	✓		✓	✓	✓	✓	✓	✓	✓	✓
Health, Safety and Environment and Social Responsibility			✓	✓	✓	✓	✓	✓		✓
Thorough understanding of industry regulations and public policy related to workplace health, safety, environment and social responsibility. Demonstrated commitment to Tervita's HSE values			✓	✓	✓	✓	✓	✓		✓

Director Skills and Experience	Billing	Colodner	Hagerman	Kramer	Pridham	Ramsay	Riddell Rose	Thornton	Walbridge	Cooper
Legal Experience in corporate securities and mergers and acquisitions, litigation, contract law, international law, intellectual property and regulatory/public policy			✓			✓	✓			✓
Board and Governance										
Public Company Director Prior or current experience as a director of a public company as well as serving on board committees	✓		✓	✓	✓	✓	✓	✓		✓
Risk Assessment Experience in the process of identifying principal corporate risks and to ensure that management has implemented the appropriate systems to manage risk	✓		✓	✓		✓	✓	✓	✓	✓
Corporate Governance Thorough understanding of corporate governance gained through experience as a senior executive officer or board member of public or private organizations	✓		✓	✓	✓	✓	✓	✓		✓
Government Relations Experience in strategic government relations and effective communications for public sector and private sector			✓			✓	✓			✓
Board Certificates Possesses Board certifications from NACD, ICD or similar institutions			✓					✓		

Other Board Committees

The Board has four standing committees:

- the Audit Committee
- the HRC Committee;
- the Governance Committee; and
- the HSE Committee.

The role of the Audit Committee is to assist the Board in fulfilling its financial oversight obligations, including the responsibility: to assist the Board in fulfilling its responsibility to oversee the Corporation's accounting and financial reporting processes and audits of the Corporation's financial statements; to review the Corporation's financial reports and other financial information, disclosure controls and procedures and internal accounting and financial controls; to oversee the work of the external auditor in preparing or issuing an audit report or related work, monitor the independence of the external auditor and pre-approve all auditing services and permitted non-audit services provided by the external auditor; and to serve as an independent and objective party to monitor the Corporation's financial reporting processes and internal control systems. The Audit Committee is currently comprised of Allen Hagerman (Chair), Gordon Pridham and Cameron Kramer, each of whom are financially literate for the purposes of National Instrument 52-110 – *Audit Committees*. For criteria for the determination of financial literacy, the Board looked at the ability to read and understand a balance sheet, an income statement and cash flow statement of a public company as well as the director's past experience in reviewing or overseeing the preparation of financial statements. The education and experience of each director relevant to the

performance of his duties as a member of the Audit Committee is set forth under "*Business of the Meeting – Election of Directors*" in the Information Circular.

The HRC Committee has responsibility for, among other things, setting goals and objectives relevant to compensation, assessing the performance of the CEO and the Board, reviewing and approving or making recommendations to the Board with respect to, as applicable, the compensation and benefits of Tervita's employees, executive officers, directors and consultants, and administering other of Tervita's compensation plans. The HRC Committee is currently comprised of Jay Thornton (Chair), Allen Hagerman and Michael Colodner. See "*Statement of Executive Compensation – Compensation Discussion and Analysis*" for a description as to how the Board and HRC Committee determine compensation of directors and officers.

The Governance Committee has responsibility for, among other things, the implementation and assessment of effective corporate governance principles, and to assist and provide advice and recommendations to the Board with respect to the nomination of directors, Board and committee composition and such other governance initiatives as may be necessary or desirable to enable the Board to provide effective governance for Tervita. The Governance Committee is currently comprised of Douglas Ramsay (Chair), Michael Colodner and Susan Riddell Rose.

The HSE Committee has responsibility for, among other things, recommending, reviewing and monitoring the environmental, health and safety policies, programs and procedures of Tervita to minimize exposure to risk and ensure its compliance with legislative requirements and industry standards. The HSE Committee is currently comprised of Cameron Kramer (Chair), Kevin Walbridge and Gordon Pridham.

Board Assessments

Tervita conducts board assessments on an annual basis whereby each director completes a survey to evaluate whether each of the Board, its committees, the individual directors, the Chair of the Board and each committee chair are performing their duties effectively and to encourage continuous improvement. The Board establishes assessment criteria based on the recommendations of the HRC Committee and the Governance Committee, and takes into account, among other things, self-assessments and confidential peer-review surveys completed by each director.

Director Term Limits

The Board believes that issues relating to board effectiveness, board renewal and board succession planning are best addressed by a strong Chair and independent-thinking board members. The Board is concerned that imposing arbitrary and inflexible director term limits may result in Tervita losing valued directors at a time when Tervita most needs their skills, qualities and contributions, as well as their knowledge of the history and culture of Tervita. Mandatory retirement ages pose the same risk, and the Board does not want to risk the loss of key directors to retirement policies that seem unnecessarily arbitrary and inflexible when such policies may require a high performing director to retire from the Board.

As a result, the Board does not feel that it would be appropriate to set term limits for its directors but rather relies on the experience of its members to determine when changes to the Board's composition are appropriate. In addition, although the Board may consider setting term limits for directors in future years, due to the fact that each of the directors was appointed to the Board in December 2016 or subsequent thereto, the Board does not believe that setting term limits for its directors is practical at this time.

Representation of Women on the Board and in Executive Officer Positions

Tervita has not adopted any written policy relating to the identification and nomination of women directors and does not specifically consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. The Governance Committee evaluates potential nominees to the Board by reviewing the individual qualifications of prospective board members

by considering such person's diversity, age, skills, competencies and experience, and then, based on that review, determines if the candidate's qualifications are relevant taking into consideration the current board composition and the anticipated skills required to round out the capabilities of the Board.

Tervita has not adopted a specific target regarding women on the Board. When identifying potential nominees to the Board, the Governance Committee focuses on the current Board composition and the anticipated skills required to round out the capabilities of the Board. As at the date of the Information Circular, one (or 10%) of the members of the Board is a woman.

The Board does not consider the level of representation of women in executive officer positions when making executive officer appointments and has not adopted a specific target regarding women in executive officer positions. As disclosed above, Tervita prefers to evaluate candidates by evaluating their individual qualifications in light of Tervita's management needs. However, Tervita is an equal opportunity employer committed to treating people fairly, with respect and dignity, and to offering equal employment opportunities based upon an individual's qualifications and performance. Candidates for employment are selected based on the primary considerations of experience, skill and ability. As at the date hereof, none of the executive officers of Tervita are women.

ADDITIONAL INFORMATION

Additional information relating to Tervita is available through the internet on SEDAR, which can be accessed at www.sedar.com. Information relating to the charter of the Audit Committee, the composition of the Audit Committee, whether such members are independent and financially literate, their relevant education and experience and the service fees paid by Tervita to its external auditor is provided under the heading "*Audit Committee Information*" of the Annual Information Form of Tervita for the most recently completed financial year.

Financial information of Tervita is provided in the comparative financial statements and management's discussion and analysis of Tervita for the most recently completed financial year. Copies of the financial statements and management's discussion and analysis of Tervita may be obtained from Tervita at 1600, 140-10 Ave S.E., Calgary, AB T2G 0R1 or by facsimile at (403) 261-5612.

OTHER INFORMATION

The contents and sending of this Information Circular, including the Tervita Notice of Meeting, have been approved by the Board.

DATED at Calgary, Alberta, this 13th day of March, 2019.

**BY ORDER OF THE
BOARD OF DIRECTORS OF TERVITA CORPORATION**

(signed) "*John Cooper*"

John Cooper
President and Chief Executive Officer
Tervita Corporation

Appendix A

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Information Circular.

"**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B 9, as amended, including the regulations promulgated thereunder.

"**Adjusted EBIT**" means net profit (loss) plus impairment, finance costs, other expense (income), income taxes expense (recovery), loss (profit) from discontinued operations, net of tax, and corporate services allocations.

"**Adjusted EBITDA**" means net profit (loss) plus severance, depreciation and amortization, impairment, finance costs, other expense (income), income taxes expense (recovery), loss (profit from discontinued operations), net of tax, and any other non-recurring items.

"**AIP**" has the meaning set forth under the heading "*Statement of Executive Compensation – Compensation Discussion & Analysis – Short Term Incentives*" in this Information Circular.

"**Annual Materials**" has the meaning set forth under the heading "*General Matters – Notice and Access Regime*" in this Information Circular.

"**Annual Retainer**" has the meaning set forth under the heading "*Business of the Meeting – Tervita DSU Plan Resolution – Summary of Tervita DSU Plan*" in this Information Circular.

"**Arrangement**" means the arrangement between Tervita Corporation ("**Legacy Tervita**") and Newalta, pursuant to a corporate plan of arrangement under Section 193 of the ABCA, pursuant to which Legacy Tervita completed an acquisition of Newalta on July 19, 2018, culminating in an amalgamation of the two companies into the current, publicly-traded, Tervita.

"**Audit Committee**" means the Audit Committee of the Board.

"**Beneficial Shareholder**" has the meaning set forth under the heading "*General Matters – Information for Beneficial Shareholders*".

"**Black-Out Period**" has the meaning set forth under the heading "*Business of the Meeting – Tervita Incentive Unit Plan Resolution – Summary of the Tervita Incentive Unit Plan*" in this Information Circular.

"**Board**" means the board of directors of Tervita as it may be constituted from time to time.

"**Broadridge**" has the meaning set forth under the heading "*General Matters – Information for Beneficial Shareholders*" in this Information Circular.

"**Business Day**" means a day other than a Saturday, Sunday or other than a day when banks in the City of Calgary, Alberta are not generally open for business.

"**Capital Employed**" means total assets less cash and total liabilities.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**Deferred Share Units**" means deferred share units, whether or not vested, granted pursuant to the Tervita DSU Plan.

"**Discretionary Free Cash Flow**" means funds from operations, less cash spent on maintenance capital, plus cash proceeds on the sale of long-lived assets.

"**Discretionary Free Cash Flow Per Share**" means Discretionary Free Cash Flow divided by the weighted average Shares outstanding.

"**Governance Committee**" means the Governance Committee of the Board.

"**HRC Committee**" means the Human Resources and Compensation Committee of the Board.

"**HSE Committee**" means the Health, Safety and Environmental Committee of the Board.

"**IU Settlement Date**" has the meaning set forth under the heading "*Business of the Meeting – Tervita Incentive Unit Plan Resolution – Summary of Tervita Incentive Unit Plan*" in this Information Circular.

"**IU Vesting Date**" has the meaning set forth under the heading "*Business of the Meeting – Tervita Incentive Unit Plan Resolution – Summary of Tervita Incentive Unit Plan*" in this Information Circular.

"**Incentive Units**" means Restricted Share Units, Performance Share Units and Integration Incentive Units.

"**Information Circular**" means the Tervita Notice of Meeting and this management information circular and proxy statement of Tervita to be sent to the Shareholders in connection with the Meeting, including the Appendices hereto, together with any amendments thereto or supplements hereof.

"**Integration Incentive Units**" means the integration incentive units, whether or not vested, granted pursuant to the Tervita Incentive Unit Plan.

"**Intermediary**" has the meaning set forth under the heading "*General Matters – Information for Beneficial Shareholders*" in this Information Circular.

"**Legacy Tervita**" means Tervita Corporation, a private company, that existed prior to the completion of the Arrangement and is one of the two companies that was amalgamated to form Tervita (the other being Newalta);

"**Legacy Tervita Shares**" means the Class A Voting Common shares in the capital of Tervita existing prior to the Arrangement.

"**Majority Voting Policy**" means the Majority Voting Policy adopted by the Board.

"**Meeting**" has the meaning set forth under the heading "*General Matters - Introduction*" in this Information Circular.

"**Mercer**" means Mercer (Canada) Limited.

"**NEO**" has the meaning set forth under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis*" in this Information Circular.

"**Net Debt**" means debt and derivative liabilities associated with such debt less cash and cash equivalents.

"**Net Debt to Adjusted EBITDA**" means Net Debt divided by Adjusted EBITDA.

"Newalta" means Newalta Corporation, a corporation that existed prior to the completion of the Arrangement and is one of the two companies that was amalgamated to form Tervita (the other being Legacy Tervita).

"NREG" has the meaning set forth under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis – Tervita Savings Plan*" in this Information Circular.

"Optionholder" has the meaning set forth under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis – Long Term Incentive Program – Tervita Option Plan*" in this Information Circular.

"Options" means the outstanding stock options, whether or not vested, to acquire Shares, as applicable, granted pursuant to the Tervita Option Plan.

"Order" has the meaning set forth under the heading "*Business of the Meeting – Election of Directors – Corporate Cease Trade Orders, Bankruptcies and Penalties*" in this Information Circular.

"Payment Date" has the meaning set forth under the heading "*Business of the Meeting – Tervita DSU Plan Resolution – Summary of Tervita DSU Plan*" in this Information Circular.

"Performance Share Units" means performance share units, whether or not vested, granted pursuant to the Tervita Incentive Unit Plan.

"PSU Vesting Date" has the meaning set forth under the heading "*Business of the Meeting – Tervita Incentive Unit Plan Resolution – Summary of Tervita Incentive Unit Plan*" in this Information Circular.

"Record Date" has the meaning set forth under the heading "*General Matters – Record Date*" in this Information Circular.

"Registered Shareholder" has the meaning set forth under the heading "*General Matters - Introduction*" in this Information Circular.

"Restricted Share Units" means restricted stock units, whether or not vested, granted pursuant to the Tervita RSU Plan or the Tervita Incentive Unit Plan, as the case may be.

"ROCE" means Adjusted EBIT divided by Capital Employed.

"RRSP" has the meaning set forth under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis – Tervita Savings Plan*" in this Information Circular.

"RSU Vesting Date" has the meaning set forth under the heading "*Business of the Meeting – Tervita Incentive Unit Plan Resolution – Summary of Tervita Incentive Unit Plan*" in this Information Circular.

"SEDAR" has the meaning set forth under the heading "*General Matters – Notice and Access Regime*" in this Information Circular.

"Settlement Date" has the meaning set forth under the heading "*Business of the Meeting – Tervita Incentive Unit Plan Resolution – Summary of Tervita Incentive Unit Plan*" in this Information Circular.

"Shareholders" has the meaning set forth under the heading "*General Matters - Introduction*" in this Information Circular.

"Shares" has the meaning set forth under the heading "*General Matters - Introduction*" in this Information Circular.

"**Solus**" means Solus Alternative Asset Management LP.

"**subsidiary**" has the meaning set forth in the *Securities Act*, R.S.A. 2000, c. S-4.

"**Termination Date**" has the meaning set forth under the heading "*Business of the Meeting – Tervita DSU Plan Resolution – Summary of Tervita DSU Plan*" in this Information Circular.

"**Tervita**" or the "**Corporation**" means Tervita Corporation, a corporation existing under the ABCA.

"**Tervita Code**" has the meaning set forth under the heading "*Corporate Governance Practices – Ethical Business Conduct*" in this Information Circular.

"**Tervita DSU Plan**" has the meaning set forth under the heading "*Business of the Meeting – Tervita DSU Plan Resolution*" in this Information Circular.

"**Tervita DSU Plan Resolution**" has the meaning set forth under the heading "*Business of the Meeting – Tervita DSU Plan Resolution*".

"**Tervita Incentive Unit Plan**" means Tervita's incentive unit plan, formerly known as the Tervita RSU Plan.

"**Tervita Incentive Unit Plan Resolution**" has the meaning set forth under the heading "*Business of the Meeting – Tervita Incentive Unit Plan Resolution*".

"**Tervita Notice of Meeting**" means the Notice of Annual and Special Meeting of the Shareholders dated March 13, 2019 accompanying this Information Circular.

"**Tervita Option Plan**" means Tervita's option plan dated January 1, 2017, as amended.

"**TFSA**" means Tax-Free Savings Account.

"**Tervita RSU Plan**" means Tervita's restricted stock unit plan dated January 1, 2017, as amended, and referred to as the Tervita Incentive Unit Plan effective December 31, 2018.

"**Tervita Savings Plan**" has the meaning set forth under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis – Tervita Savings Plan*" in this Information Circular.

"**Tervita Warrants**" means the share purchase warrants to purchase Shares at an exercise price of \$18.75 per Share up until July 19, 2020.

"**TRIF**" means total reportable injury frequency on an annual basis.

"**TSX**" means the Toronto Stock Exchange.

"**TSX Company Manual**" means the Company Manual of the TSX, as amended from time to time, including such Staff Notices of the TSX from time to time which may supplement the same.

"**VWAP**" means the volume weighted average trading price of the common shares on the TSX.

Appendix B

SUMMARY OF EQUITY-BASED COMPENSATION PLANS

The information presented in this Appendix "B" is prescribed disclosure concerning Tervita's equity-based compensation plans, being the Tervita Incentive Unit Plan, the Tervita DSU Plan and the Tervita Option Plan, as required under Form 51-102F5 – *Information Circular* and TSX Company Manual Section 613 – *Security-Based Compensation Arrangements*. See Appendix "E" for such information in respect of the Tervita RSU Plan, Tervita's operative plan until December 31, 2018.

Summary of the Tervita Incentive Unit Plan

The following summary is qualified in its entirety by the full text of the Tervita Incentive Unit Plan attached to the Information Circular as Appendix "C". Shareholders are being asked to approve the Tervita Incentive Unit Plan at the Meeting. See "*Business of the Meeting – Tervita Incentive Unit Plan Resolution*".

General Information

The Tervita Incentive Unit Plan enables the Board to grant Restricted Share Units, Performance Share Units and Integration Incentive Units to eligible participants. The purpose of the Restricted Share Units and Performance Share Units are to promote a proprietary interest in the Corporation and greater alignment of interests between officers and employees of the Corporation and the Shareholders, to provide variable compensation contingent on Tervita's long-term performance and to attract and retain experienced individuals. The purpose of the one-time Integration Incentive Units is to incentivize certain key executives to successfully complete the integration of Legacy Tervita and Newalta and to achieve the expected synergies from the Arrangement.

Eligible Participants

The Incentive Units are granted at the discretion of the Board, subject to the terms of the Tervita Incentive Unit Plan. Eligible participants in respect of Restricted Share Units and Performance Share Units are officers and employees of Tervita or its affiliates and eligible participants in respect of Integration Incentive Units are the CEO, the CFO, the Chief Operating Officer and the Vice Presidents of Tervita. Non-employee directors are not eligible to participate in the Tervita Incentive Unit Plan.

Securities Issuable

The number of Shares to be reserved for issuance pursuant to Incentive Units to be granted under the Tervita Incentive Unit Plan, and under all other security based compensation arrangements of Tervita (including, but not limited to, the Tervita Option Plan and the Tervita DSU Plan described in this Information Circular) will not exceed 10% of the issued and outstanding Shares from time to time (on a non-diluted basis). Any Shares that will be subject to Tervita Incentive units that have been settled or cancelled or terminated (for any reason) without having been settled, will again be available for grants under the Tervita Incentive Unit Plan and all other security-based compensation arrangements of Tervita.

The maximum number of Shares that may be issued and reserved for issuance to insiders pursuant to Incentive Units granted under the Tervita Incentive Unit Plan and securities granted under any other share based compensation arrangement of Tervita (including, but not limited to, the Tervita Option Plan and the Tervita DSU Plan described in this Information Circular) will be subject to the "insider participation limits" prescribed by the policies of the TSX. Accordingly, the number of Shares issuable to insiders at any time on exercise or settlement of all outstanding Incentive Units, Options, Deferred Share Units and other securities granted under any other security based compensation arrangements will not exceed 10% of the outstanding Shares (on a non-diluted basis), and the number of Shares issued to insiders within any one-year period on exercise or settlement of all outstanding Incentive Units, Options, Deferred Share

Units and other securities granted under any other security based compensation arrangements will not exceed 10% of the outstanding Shares (on a non-diluted basis).

The number of Shares underlying the outstanding Incentive Units under the Tervita Incentive Unit Plan as at December 31, 2018 is 1,251,650, representing 1.1% of the Shares outstanding.

The number of Shares available for future grants under the Tervita Incentive Unit Plan as at December 31, 2018 is 8,200,333, representing 7.4% of the Shares outstanding. The number of Shares available for future grants under the Tervita Incentive Unit Plan shall be proportionately reduced to the extent additional grants of securities are made under either the Tervita Option Plan or the Tervita DSU Plan.

Vesting

Unless otherwise determined by the Board: (i) Restricted Share Units will vest as to one third on the first, second and third anniversaries of the grant date (each a "**RSU Vesting Date**"); (ii) Performance Share Units will vest on the third anniversary of the grant date ("**PSU Vesting Date**"); and (iii) Integration Incentive Units will vest on December 31, 2020 ("**IU Vesting Date**").

Settlement Provisions

All vested Restricted Share Units and Performance Share Units will be settled within 60 days of the RSU Vesting Date or PSU Vesting Date, as applicable, and, in any event, no later than December 15 of the calendar year in which the RSU Vesting Date or the PSU Vesting Date, as applicable, occurred (the "**Settlement Date**"). All vested Integration Incentive Units will be settled as soon as practicable following the annual Board meeting held in the first quarter of 2021 to approve annual 2020 matters, and in any event, within thirty (30) days of such Board meeting (the "**IU Settlement Date**").

At the time of settlement, each Tervita Incentive Unit will be adjusted for: (i) any dividends paid since the grant date; and (ii) time spent at work by the holder thereof during the applicable period since the grant date.

At the time of settlement of the Performance Share Units, the Board will apply a payout multiplier to the Performance Share Units which may increase or decrease the number of Shares notionally underlying such Performance Share Units. The payout multiplier may range from zero to 2.0 and will be based on Tervita's performance during the applicable performance period. As at the date hereof, no Performance Share Units have been granted pursuant to the Tervita Incentive Unit Plan, however, the Board anticipates that the payout multiplier will be calculated using the financial measures of (i) 50% weighted towards ROCE and (ii) 50% weighted towards Discretionary Free Cash Flow Per Share.

At the time of settlement of the Integration Incentive Units, the Board will apply a payout multiplier to the Integration Incentive Units which may increase or decrease the number of Shares notionally underlying such Integration Incentive Units. The payout multiplier may range from zero to 2.0 and will be based on Tervita's performance during the integration period being from September 1, 2018 to December 31, 2020. The performance measures which will be used to calculate the payout multiplier for the outstanding Integration Incentive Units are (i) 50% weighted towards Discretionary Free Cash Flow Per Share and (ii) 50% weighted towards Net Debt to Adjusted EBITDA, subject to Board discretion.

If a Settlement Date or an IU Settlement Date falls on, or within nine business days immediately following a date upon which a holder of Incentive Units will be subject to trading restrictions due to a black-out period or other trading restriction imposed by Tervita (a "**Black-Out Period**"), then the Settlement Date will be automatically extended to the 10th business day following the date the relevant Black-Out Period ends.

Tervita may, in its sole and absolute discretion, settle the vested Incentive Units by either: (i) delivering to the Tervita Incentive Unit holder a cash payment equal to the volume weighted average trading price of

the Shares on the TSX for the five trading days immediately preceding the Settlement Date or IIU Settlement Date, as applicable; or (ii) delivering to the Tervita Incentive Unit holder a number of Shares issued from treasury or purchased on the market equal to the number of vested Incentive Units to be settled.

Incentive Units will not be assignable, other than by legally valid will or according to the laws of descent and distribution.

Termination of Rights

The Tervita Incentive Unit Plan provides that in the event a holder of Incentive Units has his or her employment with Tervita terminated for Cause (as such term is defined in the "*Statement of Executive Compensation – Termination of Employment and Change of Control Benefits*") or resigns from Tervita for any reason other than Constructive Dismissal (as such term is defined in the "*Statement of Executive Compensation – Termination of Employment and Change of Control Benefits*"), any unvested Incentive Units held by such holder will automatically terminate and become void immediately upon the date that such holder ceases to be employed by Tervita. In the event a holder of Incentive Units has his or her employment with Tervita terminated without Cause, resigns as a result of Constructive Dismissal or has his or her employment with Tervita terminated due to death or Disability (as such term is defined in the "*Statement of Executive Compensation – Termination of Employment and Change of Control Benefits*"), then any unvested Incentive Units will vest on the date that such holder ceases to be employed by Tervita and the number of underlying Shares shall be proportionately adjusted by the time such holder spent at work during the applicable grant cycle.

Change of Control

A Change of Control is defined in the Tervita Incentive Unit Plan as: (i) the consummation of any transaction pursuant to which any person or group of persons acquires 50% or more of the aggregate voting power of all of Tervita's then outstanding securities entitled to vote in the election of directors of Tervita; (ii) a consummated arrangement, amalgamation, merger, consolidation, takeover bid, compulsory acquisition or similar transaction involving (directly or indirectly) Tervita if, immediately after the consummation of such transaction, the shareholders of Tervita do not own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such transaction; (iii) the sale, lease, exchange, license or other disposition of all or substantially all of Tervita's assets to a person that is not an affiliate of Tervita at the time of such sale, other than a sale to an entity in which more than fifty percent of the combined voting securities are beneficially owned by shareholders of Tervita immediately prior to such sale; (iv) the passing of a resolution by the Board or holders of Shares to substantially liquidate or wind up the business or significantly rearrange Tervita's affairs; (v) the election at a meeting of Tervita's Shareholders of a number of directors of the Corporation, who were not director nominees proposed to the Shareholders by the Corporation's prior Board, and would represent a majority of the Board; or (vi) the appointment of a number of directors which would represent a majority of the board and which were nominated by any holder of Shares or by any group of holders of Shares acting jointly or in concert and not approved by the Corporation's prior board.

If a Change of Control occurs and a holder of Incentive Units' employment with Tervita is terminated by Tervita during the one (1) year period after a Change of Control for any reason other than Cause, or the holder of Incentive Units resigns as a result of Constructive Dismissal (as such term is defined in the Tervita Incentive Unit Plan), then any unvested Incentive Units held by such holder as at the date of the Change of Control will accelerate and will fully vest effective on the date of the Change of Control and all Incentive Units that are vested or deemed to be vested shall be settled by the holder within 30 days from such termination date.

Adjustments

The Board shall have sole discretion to adjust the Shares issuable under the Incentive Units as a result of a stock split, consolidation, recapitalization, amalgamation, reorganization, arrangement or other transaction that is not a Change of Control transaction. As described above, Tervita Incentive Unit holders' accounts will also be credited with additional units in accordance with the Tervita Incentive Unit Plan in the event Tervita pays dividends on the Shares and holders' accounts shall also be adjusted based on time spent at work by such holder during the applicable grant cycle. Any such adjustments are subject to TSX approval.

Amendment

The Tervita Incentive Unit Plan will be able to be amended, suspended or discontinued by the Board at any time provided that no such amendment that may be considered to be materially adverse to any Tervita Incentive Unit previously granted will be made without the consent of the holder thereof. Any amendment to the Tervita Incentive Unit Plan will be subject to any required approval of the TSX and holders of Shares. However, amendments relating to the following matters may be approved by the Board without the approval of Shareholders, provided that such amendments do not contravene the requirements of the TSX or applicable securities law: (i) changing the vesting provisions of any Incentive Units; (ii) amendments respecting the administration of the Tervita Incentive Unit Plan; and (iii) other amendments of a "housekeeping" nature.

Summary of Tervita DSU Plan

The following summary is qualified in its entirety by the full text of the Tervita DSU Plan attached to the Information Circular as Appendix "C". Shareholders are being asked to approve the Tervita DSU Plan at the Meeting. See "*Business of the Meeting – Tervita DSU Plan Resolution*".

General Information

The Tervita DSU Plan enables the Board to grant Deferred Share Units to non-employee directors of Tervita and any shareholder with a director representative serving on the Board. The purpose of the Deferred Share Units is to promote a proprietary interest in the Corporation and greater alignment of interests between directors of the Corporation and the Shareholders and to attract and retain experienced individuals.

Eligible Participants

The Tervita DSU Plan provides that non-executive directors shall receive at least 60%, and up to 100%, of their annual retainer fee in Deferred Share Units (the "**Annual Retainer**"). The number of Deferred Share Units to be credited to a non-executive director's notional account in respect of the Annual Retainer shall be determined and granted on an annual basis by dividing the amount of the Annual Retainer to be paid in Deferred Share Units as elected by the director by the Fair Market Value (as defined in the Tervita DSU Plan) of the Shares on the grant date. The Board may also, in its sole discretion, from time to time, approve a discretionary grant of Deferred Share Units to a non-executive director.

Securities Issuable

The number of Shares to be reserved for issuance pursuant to Deferred Share Units to be granted under the Tervita DSU Plan, and under all other security based compensation arrangements of Tervita (including, but not limited to, the Tervita Option Plan and Tervita Incentive Unit Plan described in this Information Circular) will not exceed 10% of the issued and outstanding Shares from time to time (on a non-diluted basis). Any Shares that will be subject to Deferred Share Units that have been settled or cancelled or terminated (for any reason) without having been settled will again be available for grants under the Tervita DSU Plan and all other security-based compensation arrangements of Tervita.

The maximum number of Shares that may be issued and reserved for issuance to insiders pursuant to Deferred Share Units granted under the Tervita Incentive Unit Plan and securities granted under any other share based compensation arrangement of Tervita (including, but not limited to, the Tervita Option Plan and Tervita Incentive Unit Plan described above) will be subject to the "insider participation limits" prescribed by the policies of the TSX. Accordingly, the number of Shares issuable to insiders at any time on exercise or settlement of all outstanding Deferred Share Units, Options, Incentive Units and other securities granted under any other security based compensation arrangements will not exceed 10% of the outstanding Shares (on a non-diluted basis), and the number of Shares issued to insiders within any one-year period on exercise or settlement of all outstanding Deferred Share Units, Options, Incentive Units and other securities granted under any other security based compensation arrangements will not exceed 10% of the outstanding Shares (on a non-diluted basis).

No Deferred Share Units were granted as at December 31, 2018 therefore there were no Shares underlying any outstanding Deferred Share Units under the Tervita DSU Plan as at December 31, 2018.

The number of Shares available for future grants under the Tervita DSU Plan as at December 31, 2018 is 8,200,333, representing 7.4% of the Shares outstanding. The number of Shares available for future grants under the Tervita DSU Plan shall be reduced to the extent additional grants of securities are made under either the Tervita Incentive Unit Plan or the Tervita Option Plan.

Vesting

Deferred Share Units granted to a non-executive director shall vest as to one quarter on the date of grant, with the remaining three quarters to vest on the last day of each subsequent calendar quarter.

Settlement Provisions

At such time as a holder of Deferred Share Units has ceased to be a director of Tervita (the "**Termination Date**"), except as a result of death, the holder shall elect a date after such Termination Date, provided such date may not be earlier than the 90th day following the Termination Date (the "**Payment Date**") upon which date Tervita shall deliver to the holder as reasonably as practicable after the Payment Date, either a lump sum cash payment equal to the number of Deferred Share Units credited to the holder's notional account multiplied by the volume weighted average trading price of the Shares on the TSX for the five trading days immediately preceding the Payment Date, less any applicable withholding taxes, or a number of Shares issued from treasury or purchased on the market equal to the number of DSUs credited to the holder's notional account on such date.

If a Payment Date falls on, or within nine business days immediately following a date upon which a holder of Deferred Share Units will be subject to a Black-Out Period then the Payment Date will be automatically extended to the 10th business day following the date the relevant Black-Out Period ends.

At the time of payment, each Deferred Share Unit will be adjusted for any dividends paid since the grant date.

Deferred Share Units will not be assignable, other than by legally valid will or according to the laws of descent and distribution.

Adjustments

The Board shall have sole discretion to adjust the Shares issuable under the Deferred Share Units as a result of a stock split, spin-out, share dividend or combination, or reclassification, recapitalization, merger or similar event that results in a holder of Deferred Share Units being entitled to a different class or type of security or other property.

Amendment

The Tervita DSU Plan will be able to be amended, suspended or discontinued by the Board at any time provided that no such amendment that may be considered to be materially adverse to any Tervita DSU previously granted will be made without the consent of the holder thereof. Any amendment to the Tervita DSU Plan will be subject to any required approval of the TSX and holders of Shares. However, amendments relating to the following matters may be approved by the Board without the approval of Shareholders, provided that such amendments do not contravene the requirements of the TSX or applicable securities law: (i) amendments respecting the administration of the Tervita Incentive Unit Plan; and (ii) other amendments of a "housekeeping" nature.

Summary of the Tervita Option Plan

Tervita's option plan (the "**Tervita Option Plan**"), effective January 1, 2017, as amended, provides employees, directors or officers of Tervita with the opportunity to participate in the long-term success of Tervita and to promote a greater alignment of their interests with the interests of Shareholders. Shareholders approved amendments to the Tervita Option Plan on April 30, 2018 to, among other things, make it TSX-compliant in anticipation of the completion of the Arrangement.

Recent Amendments

The Board subsequently amended the definition of "eligible participant" in the Tervita Option Plan to include Shareholders. The Board has also made certain amendments to the Tervita Option Plan to ensure consistency with the Tervita Incentive Unit Plan where applicable, including, but not limited to, amending the definitions of "constructive dismissal" and "change of control" and providing that if the employment of a participant is terminated by the Corporation during the one year period after a "Change of Control" (as opposed to within 90 days pursuant to the previous version of the Tervita Option Plan) for any reason other than for Cause or the participant resigns from his or her employment as a result of Constructive Dismissal, then any unvested Options held by the participant as at the date of the Change of Control shall accelerate and will fully vest effective of the date of the Change of Control, and certain house-keeping amendments. Such amendments do not require shareholder approval pursuant to the TSX Company Manual.

General Information

The Tervita Option Plan enables the Board to grant to employees, officers, directors and Shareholders Options to acquire Shares. The number of Shares to be reserved for issuance pursuant to Options granted under the Tervita Option Plan and under all other security based compensation arrangements of Tervita (including, but not limited to, the Tervita Incentive Unit Plan and Tervita DSU Plan described in this Information Circular) shall not exceed 10% of the issued and outstanding Shares from time to time (on a non-diluted basis). Any Shares that will be subject to a Tervita Option that will be exercised by a holder thereof or cancelled or terminated (for any reason) without having been exercised will again be available for grants under the Tervita Option Plan and all other security-based compensation arrangements of Tervita.

The maximum number of Shares that may be issued and reserved for issuance to insiders pursuant to Options granted under the Tervita Option Plan and any other share based compensation arrangement of Tervita (including, but not limited to, the Tervita Incentive Unit Plan and Tervita DSU Plan described in this Information Circular) will be subject to the "insider participation limits" prescribed by the policies of the TSX. Accordingly, the number of Shares issuable to insiders at any time on exercise or settlement of all outstanding Options, Restricted Share Units, Performance Share Units, Integration Incentive Units and other securities granted under any other security based compensation arrangements will not exceed 10% of the outstanding Shares (on a non-diluted basis), and the number of Shares issued to insiders within any one-year period on exercise or settlement of all outstanding Options,

Restricted Share Units, Performance Share Units, Integration Incentive Units and other securities granted under any other security-based compensation arrangements will not exceed 10% of the outstanding Shares (on a non-diluted basis).

Exercise Provisions

The exercise price of a Tervita Option will not be less than the volume weighted average trading price of the Shares on the TSX for the five trading days immediately preceding the date of grant of the Tervita Option. To exercise, holders of Options ("**Optionholders**") will be able to either: (i) pay the exercise price for the Options, in full, to Tervita or; (ii) if permitted by Tervita, surrender their Options for a payment in cash or Shares, in an amount equal to the excess, if any, between (A) the volume weighted average trading price of the Shares on the TSX for the five trading days immediately preceding the date of surrender of the Options and (B) the aggregate exercise price for the number of Shares in respect of which the Options will be surrendered. Upon such surrender of Options, the right to the underlying Shares will be forfeited.

In order for Tervita to comply with applicable income tax and related withholding obligations with respect to Tervita Option exercises, Optionholders will be required, when exercising Options, to provide Tervita with the necessary funds to satisfy such obligations and Tervita will have the irrevocable right to set off any amounts required to be withheld against amounts otherwise owed to Optionholders or to make such other arrangements as will be satisfactory to Tervita.

Options will be able to be exercised only by the Optionholder and will not be assignable, except on death in which case the personal representative of the Optionholder may exercise such options to the extent the holder was entitled at the date of death.

Option Vesting and Term

The Tervita Option Plan provides that Tervita Option grants will be made for a term not exceeding 5 years from the date of the grant. Unless otherwise determined by the Board, Options will vest in equal thirds on each of first three anniversaries of the date of grant.

Termination of Rights

The Tervita Option Plan provides that in the event an Optionholder ceases to be a director of Tervita, or an Optionholder's employment with Tervita has been terminated without Cause (as such term is defined in the "*Statement of Executive Compensation – Termination of Employment and Change of Control Benefits – Estimated Termination and Change of Control Payments*"), or the Optionholder resigns from Tervita, each unvested Tervita Option held by such Optionholder will automatically terminate and become void immediately upon the date that such Optionholder will cease to be a director or will cease to be employed by Tervita and each vested Tervita Option will cease to be exercisable on the earlier of: (i) the original expiry date of the Tervita Option; and (ii) 30 days from the date of such termination. In the event an Optionholder's employment with Tervita is terminated for Cause, each Tervita Option, whether vested or unvested, will automatically be terminated and become void upon the date of termination. If an Optionholder ceases to be a director or an employee as a result of death or Disability (as such term is defined in the "*Statement of Executive Compensation – Termination of Employment and Change of Control Benefits – Estimated Termination and Change of Control Payments*"), each unvested Tervita Option held by such Optionholder will automatically terminate and become void upon the termination date and each vested Tervita Option will cease to be exercisable on the earlier of: (i) the original expiry date of the Tervita Option; and (ii) 180 days following the date of death or Disability. In the case of death, an Optionholder's legal representative may exercise the Optionholder's vested Options.

Adjustments

Options will be able to be adjusted in the sole discretion of the Board as a result of a stock split, consolidation, recapitalization, amalgamation, reorganization, arrangement or other transaction that is not a Change of Control transaction.

Change of Control

A Change of Control is defined in the Tervita Option Plan as: (i) the consummation of any transaction pursuant to which any person or group of persons acquires 50% or more of the aggregate voting power of all of Tervita's then outstanding securities entitled to vote in the election of directors of Tervita; (ii) a consummated arrangement, amalgamation, merger, consolidation, takeover bid, compulsory acquisition or similar transaction involving (directly or indirectly) Tervita if, immediately after the consummation of such transaction, the shareholders of Tervita do not own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such transaction; (iii) the sale, lease, exchange, license or other disposition of all or substantially all of Tervita's assets to a person that is not an affiliate of Tervita at the time of such sale, other than a sale to an entity in which more than fifty percent of the combined voting securities are beneficially owned by shareholders of Tervita immediately prior to such sale; (iv) the passing of a resolution by the Board or holders of Shares to substantially liquidate or wind up the business or significantly rearrange Tervita's affairs; (v) the election at a meeting of Tervita's Shareholders of a number of directors of the Corporation, who were not director nominees proposed to the Shareholders by the Corporation's prior Board, and would represent a majority of the Board; or (vi) the appointment of a number of directors which would represent a majority of the board and which were nominated by any holder of Shares or by any group of holders of Shares acting jointly or in concert and not approved by the Corporation's prior board.

If a Change of Control occurs and an Optionholder's employment with Tervita is terminated by Tervita during the one(1) year period after of a Change of Control for any reason other than Cause, or the Optionholder resigns as a result of Constructive Dismissal (as such term is defined in the Tervita Option Plan), then any unvested Options held by such Optionholder as at the date of the Change of Control will accelerate and will fully vest effective on the date of the Change of Control and all Options that are vested or deemed to be vested may be exercised by the Optionholder within 30 days from such termination date.

Amendment

The Tervita Option Plan will be able to be amended, suspended or discontinued by the Board at any time provided that no such amendment that may be considered to be materially adverse to any Tervita Option previously granted shall be made without the consent of the holder thereof. Any amendment to the Tervita Option Plan is subject to any required approval of the TSX and holders of Tervita. However, amendments relating to the following matters will be able to be approved by the Board without the approval of holders of Shares, provided that such amendments do not contravene the requirements of the TSX or applicable securities law: (i) changing the vesting provisions of any Options; (ii) changing the termination provisions of any Options, provided that the change does not entail an extension beyond the original expiry date of such Options; (iii) amendments respecting the administration of the Tervita Option Plan; and (iv) other amendments of a "housekeeping" nature.

Options are not transferable other than by will or according to the laws of descent and distribution.

As at December 31, 2018 there were 2,303,728 Options outstanding and 2,303,728 Shares underlying such Options, representing 2.0% of the Shares outstanding.

The number of Shares available for future grants under the Tervita Option Plan as at December 31, 2018 is 8,200,333, representing 7.4% of the Shares outstanding. The number of Shares available for future

grants under the Tervita Option Plan shall be reduced to the extent additional grants of securities are made under either the Tervita Incentive Unit Plan or the Tervita DSU Plan.

Appendix C

TERVITA INCENTIVE UNIT PLAN

(See attached)

INCENTIVE UNIT PLAN



EARTH MATTERS



INCENTIVE UNIT PLAN

1. PURPOSE

The purpose of the Plan is to:

- (a) assist in attracting, retaining, engaging, and rewarding Participants of the Corporation; and
- (b) provide an opportunity for Participants to earn competitive total compensation.

2. DEFINED TERMS

In this Plan (including any schedules to this Plan):

- (a) “**2020 Annual Board Meeting**” means the meeting of the Board at which the financial statements for the year ended December 31, 2020 shall be put forward for approval;
- (b) “**ABCA**” means the *Business Corporations Act* (Alberta);
- (c) “**Absent**” means a Participant is absent from employment and not performing the Participant’s duties of employment for any reason (including, without limitation, as a result of termination, resignation, death or disability other than for annual vacation/holiday entitlements);
- (d) “**Absent Days**” means, where a Participant is Absent in a Grant Cycle for a period in excess of 120 days, the cumulative number of days a Participant is Absent in that Grant Cycle in excess of 120 days (but not including the initial 120 days);
- (e) “**Adjusted EBIT**” means net profit (loss) plus impairment, finance costs, other expense (income), income taxes expense (recovery), loss (profit) from discontinued operations, net of tax, and corporate services allocations.
- (f) “**Adjusted EBITDA**” means net profit (loss) plus severance, depreciation and amortization, impairment, finance costs, other expense (income), income taxes expense (recovery), loss (profit) from discontinued operations, net of tax, and any other non-recurring items.
- (g) “**Adjustment Ratio**” means, with respect to any Share Unit, the ratio used on each Dividend Payment Date to adjust the number of Shares underlying such Share Unit and to be issued on the applicable Settlement Date, subject to and in accordance with the terms of the Plan; and in respect of each Share Unit, the Adjustment Ratio shall initially be equal to one, and shall be cumulatively adjusted thereafter on each Dividend Payment Date until the Settlement Date by increasing



the Adjustment Ratio on each Dividend Payment Date by an amount, rounded to the nearest five decimal places, equal to the product of (i) the Adjustment Ratio immediately prior to such Dividend Payment Date and (ii) the fraction, having as its numerator the Dividend express as an amount per Share paid on that Dividend Payment Date, and, having as its denominator, the Fair Market Value of a Share, calculated at the close of business on the first business day following the Dividend Record Date in respect of such Dividend;

- (h) **"Affiliate"** has the meaning given to that term in the Securities Act;
- (i) **"Associate"** has the meaning given to that term in the Securities Act;
- (j) **"Black-Out Period"** has the meaning given to that term in Section 7(e);
- (k) **"Board"** means the Board of Directors of the Corporation or if applicable, to the extent the Board has delegated duties and powers to the HRCC, the term "Board" shall be deemed to include the HRCC;
- (l) **"Capital Employed"** means total assets less cash and total liabilities;
- (m) **"Cause"** means any act, omission or conduct of the Participant which would at common law permit an employer to, without notice, payment in lieu of notice or any form of termination or severance pay, terminate the employment of an employee for just cause, including without limitation:
 - (i) wilful and serious misconduct;
 - (ii) habitual and deliberate neglect of duty;
 - (iii) incompetent performance of duties;
 - (iv) wilful disobedience of the Corporation's instructions; or
 - (v) dishonesty, including, without limitation, any circumstance in which the Participant is convicted of a criminal act relating to or otherwise affecting the Corporation or the Participant's employment with the Corporation;
- (n) **"Change of Control"** means:
 - (i) any transaction (other than a transaction described in clause (iii) below) pursuant to which any person or group of persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities entitled to vote in the election of directors of the Corporation;



- (ii) a consummated arrangement, amalgamation, merger, consolidation, take-over bid, compulsory acquisition or similar transaction involving (directly or indirectly) the Corporation if, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction;
- (iii) the sale, lease, exchange, license or other disposition of all or substantially all of the Corporation's assets to a person other than a person that was an Affiliate of the Corporation at the time of such sale, lease, exchange, license or other disposition, other than a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Corporation in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such sale, lease, exchange, license or other disposition;
- (iv) the passing of a resolution by the Board or Shareholders to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement);
- (v) the election at a meeting of the Corporation's Shareholders of a number of Directors of the Corporation, who were not Director nominees proposed to the Corporation's Shareholders by the Corporation's prior Board, and would represent a majority of the Board; or
- (vi) the appointment of a number of Directors which would represent a majority of the Board and which were nominated by any holder of Shares of the Corporation or by any group of holders of Shares of the Corporation acting jointly or in concert and not approved by the Corporation's prior Board;



- (o) **“Constructive Dismissal”** means constructive dismissal as defined at common law; however, it does not include any of the following with respect to a Participant:
 - (i) a reduction in compensation unless greater than 15% of the Participant’s total compensation;
 - (ii) a reduction in compensation, regardless of quantum, where such reduction in compensation has been applied in a similar manner to all or substantially all employees of the Corporation;
 - (iii) a change in duties where such change is reasonably required pursuant to a reorganization or restructuring of the Corporation;
 - (iv) a re-location of position;
 - (v) any material change to the Participant’s terms and conditions of employment made with the consent of the Participant; and
 - (vi) a promotion;
- (p) **“Corporation”** means Tervita Corporation, and includes any Affiliate, Subsidiary or successor entity thereof;
- (q) **“Director”** means a member of the Board;
- (r) **“Disability”** in respect of a Participant, has the meaning given to such term in any written employment agreement between such Participant and the Corporation, and absent any such agreement containing such definition, means a mental or physical disability whereby such Participant:
 - (i) is unable, due to illness, disease, mental or physical disability or similar cause, to fulfill such Participant’s obligations as an employee of the Corporation either for three consecutive months or for a cumulative period of six months (which need not be consecutive) out of 12 consecutive calendar months, or
 - (ii) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing such Participant’s affairs;
- (b) **“Discretionary Free Cash Flow”** means funds from operations, less cash spent on maintenance capital, plus cash proceeds on the sale of long-lived assets;
- (c) **“Discretionary Free Cash Flow Per Share”** means Discretionary Free Cash Flow divided by the weighted average Shares outstanding;
- (d) **“Dividend”** means a dividend paid by the Corporation in respect of the Shares, expressed as an amount per Share;



- (s) **“Dividend Payment Date”** means any date that a Dividend is paid to Shareholders;
- (t) **“Dividend Record Date”** means the applicable record date in respect of any Dividend used to determine the Shareholders entitled to receive such Dividend;
- (u) **“Eligible Person”** means
 - (i) in respect of RSUs and PSUs, any employee of the Corporation; and
 - (ii) in respect of IIUs, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer and the Vice Presidents of the Corporation;
- (v) **“Exchange”** means the Toronto Stock Exchange or such other stock exchange on which the Shares are listed and posted for trading;
- (w) **“Fair Market Value”** on a particular day means the volume weighted average trading price of the Shares on the Exchange (or if the Shares are listed on more than one Exchange, on such Exchange as may be designated by the Board for such purpose) for the five Trading Days immediately preceding the particular day and, for this purpose, the volume weighted average trading price shall be calculated by dividing the total value by the total volume of Shares traded for such period. If the Corporation is not a public issuer such that there is no public trade of the Shares on the date in question, then the Fair Market Value of the Shares will be determined using the most recent fair market valuation of the Shares, as determined by the Board in its sole discretion (having regard to the Board’s fiduciary obligations under applicable laws) from time to time;
- (x) **“Grant Cycle”** means:
 - (iii) for any RSU, the number of days from (and including) the Grant Date of that RSU to (and including) the applicable RSU Vesting Date of that RSU;
 - (iv) for any PSU, the number of days from (and including) the Grant Date of that PSU to (and including) the PSU Vesting Date; and
 - (v) for any IIU, the number of days from (and including) the Grant Date of that IIU to (and including) the Integration Vesting Date;
- (y) **“Grant Date”** means the effective date of the granting of a Share Unit as is specified in the Share Unit Agreement issued by the Corporation to a Participant in accordance with Section 6;



- (z) **"HRCC"** means the Human Resources & Compensation Committee of the Board, established and duly authorized to act in accordance with the By-Laws of the Corporation and the ABCA;
- (aa) **"IIU"** means a right granted to a Participant under the Plan and designated as a "IIU" or "Integration Incentive Unit" that entitles the Participant to receive a cash payment or Shares issued on the applicable Settlement Date(s), subject to and in accordance with the terms and conditions of the Plan and which shall, unless otherwise determined by the Board, initially represent one notional Share;
- (bb) **"Insider"** has the meaning given to that term in the TSX Company Manual;
- (cc) **"Insider Participation Limits"** means, collectively, the limits set out in Sections 5(e) and 5(f);
- (dd) **"Integration Measures"** means:
 - (i) Discretionary Free Cash Flow Per Share; and
 - (ii) Net Debt to Adjusted EBITDA;
- (ee) **"Integration Payout Multiplier"** means, with respect to an IIU, the multiplier determined by the Board based on an assessment of the achievement of the pre-defined Integration Measures in respect of the Integration Period as more particularly described in Section 6;
- (ff) **"Integration Period"** means the period designated by the Board applicable to an IIU granted under the Plan, subject to adjustment or modification pursuant to the terms and conditions of the Plan, which unless otherwise determined by the Board, shall begin on September 1, 2018 and end on December 31, 2020;
- (gg) **"Integration Vesting Date"** means the date on which an IIU vests and becomes payable to a Participant pursuant to the terms of the Plan as set forth in Section 6(f), except as otherwise contemplated in the Plan;
- (hh) **"Net Debt"** means debt and derivative liabilities associated with such debt less cash and cash equivalents;
- (ii) **"Net Debt to Adjusted EBITDA"** means Net Debt divided by Adjusted EBITDA;
- (jj) **"Participant"** means an Eligible Person who is selected in accordance with Section 5(a) to participate in the Plan and to whom a Share Unit has been granted or who holds a Share Unit that is otherwise subject to the terms of the Plan;



- (kk) **"Payout Multiplier"** means, with respect to a PSU, the multiplier determined by the Board based on an assessment of the achievement of the pre-defined Performance Measures in respect of a particular Performance Period as more particularly described in Section 6;
- (ll) **"Performance Measures"** means:
 - (i) Return on Capital Employed;
 - (ii) Discretionary Free Cash Flow Per Share; and
 - (iii) such additional measures as the Board, in its sole discretion, shall consider appropriate in the circumstances;
- (mm) **"Performance Period"** means the period designated by the Board applicable to a PSU granted under the Plan, subject to adjustment or modification pursuant to the terms and conditions of the Plan, which unless otherwise determined by the Board, shall begin on the first day of the fiscal year the grant is made and end on the last day of the third fiscal year after the Grant Date;
- (nn) **"Plan"** means this Incentive Unit Plan of the Corporation, and as the same may be duly amended or varied from time to time in accordance with the provisions of this Plan;
- (oo) **"PSU"** means a right granted to a Participant under the Plan and designated as a "PSU" or a "Performance Share Unit" that entitles the Participant to receive a cash payment or Shares issued on the applicable Settlement Date, determined subject to and in accordance with the terms and conditions of the Plan and which shall, unless otherwise determined by the Board, initially represent one notional Share;
- (pp) **"PSU Vesting Date"** means the date on which a PSU vests and becomes payable to a Participant pursuant to the terms of the Plan as set forth in Section 6(e), except as otherwise contemplated in the Plan;
- (qq) **"Return on Capital Employed"** means Adjusted EBIT divided by Capital Employed;
- (rr) **"RSU"** means a right granted to a Participant under the Plan and designated as an "RSU" or a "Restricted Share Unit" that entitles the Participant to receive a cash payment or Shares issued on the applicable Settlement Date, determined subject to and in accordance with the terms and conditions of the Plan and which shall, unless otherwise determined by the Board, initially represent one notional Share;
- (ss) **"RSU Vesting Date"** means the date on which an RSU vests and becomes payable to a Participant pursuant to the terms of the Plan as set forth in Section 6(d), except as otherwise contemplated in the Plan;



- (tt) "**Section 409A**" means Section 409A of the U.S. Internal Revenue Code of 1986, as amended, and the final regulations and guidance thereunder, as may be amended from time to time;
- (uu) "**Securities Act**" means the *Securities Act* (Alberta), including the rules and regulations promulgated thereunder, as may be amended from time to time;
- (vv) "**Security Based Compensation Arrangement**" has the meaning given to that term in the TSX Company Manual;
- (ww) "**Settlement Amount**" has the meaning given to that term in Section 7(a)(i);
- (xx) "**Settlement Date**" means, with respect to any Share Unit, the date upon which the Corporation shall (i) pay cash equal to the Settlement Amount or (ii) issue Shares to the Participant as satisfaction in full of the Corporation's obligations pursuant to such Share Unit;
- (yy) "**Share**" means a common share in the capital of the Corporation;
- (zz) "**Share Unit**" means an RSU, a PSU or an IIU, as applicable, issued pursuant to the Plan;
- (aaa) "**Share Unit Agreement**" has the meaning given to that term in Section 8(a);
- (bbb) "**Shareholder**" means a holder of one or more Shares;
- (ccc) "**Subsidiary**" has the meaning given to that term in the Securities Act;
- (ddd) "**Successor Corporation**" has the meaning given to that term in Section 11(a);
- (eee) "**Tax Act**" means the *Income Tax Act* (Canada), including the regulations promulgated thereunder;
- (fff) "**Termination Date**" means the date on which a Participant ceases to be an Eligible Person as a result of a termination of employment for any reason, including death, Disability, resignation, or termination with or without Cause, but not including a Participant's absence from active employment during a period of authorized leave of absence. For greater certainty, the Termination Date shall be the last day of the Participant's actual and active employment, whether such day is selected by agreement with the individual, unilaterally by the Corporation and whether with or without advance notice to the Participant. No period of notice, if any, or payment instead of notice that is given or that may be applicable under law, whether by statute, imposed by common law or otherwise, in respect of such termination of employment that follows or is in respect of a period after the Participant's last day of actual and



active employment will be considered as extending the Participant's period of employment for the purposes of determining the Participant's entitlement under this Plan;

- (ggg) "**Time at Work**" for a Participant in a particular Grant Cycle means the cumulative number of days in that Grant Cycle minus the Participant's Absent Days;
- (hhh) "**Trading Day**" means any day on which the Exchange is open for trading; and
- (iii) "**U.S. Participant**" has the meaning given to that term in Section 10.

3. GOVERNANCE

- (a) The Board will administer the Plan in its sole discretion. The Board will have the full power and sole responsibility to interpret the provisions of the Plan and to make regulations and formulate administrative provisions for its implementation, and to make such changes in the regulations and administrative procedures as, from time to time, the Board deems proper and in the best interests of the Corporation. Such regulations and provisions may include the delegation to the HRCC of such administrative duties and powers of the Board as it may, in its sole discretion, deem fit. The determinations of the Board in the administration of the Plan will be final and conclusive.
- (b) The Board may, at any time and from time to time, without the approval of the Shareholders (other than any required regulatory, Exchange or Shareholder approvals), suspend, discontinue or amend this Plan or any Share Unit provided that no amendment to the Plan or any Share Unit shall cause the Plan or the Share Unit to cease to satisfy the requirements of paragraph (k) of the definition of "salary deferral arrangement" as contained in the Tax Act. Examples of the types of amendments that may be made by the Board without Shareholder approval include, without limitation, the following:
 - (i) amendments to ensure continuing compliance with applicable laws, regulations, requirements, rules or policies or any governmental authority or any stock exchange;
 - (ii) amendments of a "housekeeping" nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained herein;
 - (iii) amendments respecting the administration of the Plan;
 - (iv) changing the vesting provisions of the Plan or any Share Unit; and



- (v) any other amendment that does not require the approval of Shareholders under paragraph 3(c).
- (c) Notwithstanding paragraph 3(b), specific Shareholder approval is required for:
 - (i) Any increase in the maximum number of Shares that may be issuable pursuant to Share Units granted under this Plan;
 - (ii) any amendment to remove or to exceed the Insider Participation Limits; and
 - (iii) any amendment to this Section 3.
- (d) Any suspension, discontinuance or amendment to the Plan or amendment to any outstanding Share Unit that may be considered to be materially adverse to a Participant may only be made with the consent of the Participant.
- (e) In order to facilitate participation in the Plan, the Board may provide for such special terms applicable to Participants who are citizens or residents of a foreign jurisdiction, or who are employed outside of Canada, as the Board may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Board may approve such supplements to, or amendments, restatements or alternative versions of, this Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of this Plan as in effect for any other purpose. No such special terms, supplements, amendments or restatements will include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the Shareholders.
- (f) All administrative costs of the Plan will be paid by the Corporation.

4. NUMBER OF SHARES RESERVED UNDER THE PLAN

The aggregate number of Shares issuable under this Plan (and under all other Security Based Compensation Arrangements) shall not exceed 10% of the total number of Shares issued and outstanding from time to time (calculated on a non-diluted basis). Any Shares subject to a Share Unit which has been settled or for any reason is cancelled or terminated without having been settled, will again be available for grants under this Plan, and under all other Security Based Compensation Arrangements of the Corporation.

5. ELIGIBILITY AND PARTICIPATION LIMITS

- (a) The Board may, in its sole discretion, approve Eligible Persons for participation in the Plan and determine the type and number of Share Units to be granted to such persons provided that Integration Incentive



Units may only be granted to persons described in paragraph (ii) of the definition of Eligible Person in Section 2(u).

- (b) Grants under the Plan will be determined in the sole discretion of the Board and may be made periodically throughout the year. Notwithstanding the foregoing, no grants shall be made under the Plan until after the end of the fifth trading day following the end of any applicable Black-Out Period.
- (c) The granting of Share Units is entirely discretionary and nothing in this Plan will be deemed to give any person any right to participate in this Plan or to be granted a Share Unit and the designation of an Eligible Person as a Participant in any year will not entitle such person to receive a Share Unit in any other year.
- (d) The Board will consider such factors as it deems pertinent in selecting Participants and in determining the type, amount and terms of their respective Share Units, including, but not limited to:
 - (i) compensation data obtained in respect of the Corporation's peer group, as determined by the Board;
 - (ii) position, duties, seniority and responsibilities of an Eligible Person;
 - (iii) the Performance Measures compared with similar performance measures of members of the Corporation's peer group, as determined by the Board;
 - (iv) the individual contributions and potential contributions of the Eligible Person to the success of the Corporation;
 - (v) any cash bonus payments paid or to be paid to the Eligible Person in respect of his or her individual contributions and potential contributions to the success of the Corporation;
 - (vi) the Fair Market Value of the Shares at the time of the grant of any Share Units; and
 - (vii) such factors as the Board shall deem relevant in its sole discretion in connection with accomplishing the purposes of the Plan.
- (e) The maximum number of Shares issuable to Eligible Persons who are Insiders and their Associates at any time pursuant to the settlement of Share Units granted under this Plan and securities granted under any other Security Based Compensation Arrangement must not exceed 10% of the aggregate number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).



- (f) The maximum number of Shares issued to Eligible Persons who are Insiders and their Associates within any one year period pursuant to the settlement of Share Units granted under this Plan and securities granted under any other Security Based Compensation Arrangement must not exceed 10% of the aggregate number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).

6. TERM AND CONDITIONS OF SHARE UNITS

Each Share Unit granted under the Plan shall be subject to the terms and conditions of the Plan and evidenced by a Share Unit Agreement, which agreement shall comply with, and be subject to, the requirements of the Exchange and the terms and conditions of the Plan, including the following terms and conditions (and with such other terms and conditions not inconsistent with the terms of the Plan as the Board, in its sole discretion, shall establish):

- (a) Number and Type of Share Units: The Board shall determine the number of Share Units to be granted to each Participant and shall designate such award as either a "RSU", a "PSU" or an "IIU", as applicable, in the Share Unit Agreement.
- (b) PSU Payout Multiplier: Prior to the PSU Vesting Date in respect of any PSUs, the Board shall assess the Performance Measures for the applicable Performance Period (which criteria may vary for different grants of PSUs) and shall determine the Payout Multiplier for the applicable Performance Period. Unless the Board determines otherwise, in its sole discretion, the weighting of the individual measures comprising the Performance Measures shall be 50% towards Return on Capital Employed and 50% towards Discretionary Free Cash Flow Per Share.
- (c) Integration Payout Multiplier: Prior to the IIU Vesting Date, the Board shall assess the Integration Measures for the Integration Period and shall determine the Integration Payout Multiplier for the Integration Period. Unless the Board determines otherwise, in its sole discretion, the weighting of the individual measures comprising the Integration Measures shall be 50% towards Discretionary Free Cash Flow Per Share and 50% towards Net Debt to Adjusted EBITDA.
- (d) Vesting Dates and Settlement Dates of RSUs: Subject to this Section 6, (and subject to the Board's determination, in its absolute and sole discretion, to establish a vesting schedule other than the vesting schedules identified below, provided that such alternative vesting schedule complies with the other terms and conditions of the Plan and the Tax Act), the RSU Vesting Date for RSUs shall be as follows:
 - (i) as to one third of the RSUs granted, on the first anniversary of the Grant Date;



- (ii) as to one third of the RSUs granted, on the second anniversary of the Grant Date;
- (iii) as to the remaining one third of the RSUs granted, on the third anniversary of the Grant Date.

Immediately prior to the applicable Settlement Date in respect of RSUs, the number of notional Shares underlying each RSU shall be proportionately adjusted by multiplying the number of RSUs by (i) the Adjustment Ratio applicable to such RSU; (ii) thereafter by the quotient of:

$$\frac{\text{Time at Work}}{\text{Total number of days in Grant Cycle}}$$

Subject to the remainder of this Section 6 and unless otherwise determined by the Board at the time of grant, the Settlement Date for RSUs shall be as soon as practicable following the RSU Vesting Date, and in any event, the earlier date that is within sixty (60) days of the RSU Vesting Date or December 15 of the calendar year in which the RSU Vesting Date occurred. Payment for vested RSUs shall be made by the Corporation to the Participant on the corresponding Settlement Date in accordance with Section 7.

- (e) Vesting Dates, Settlement Dates and Adjustment of PSUs: Subject to this Section 6, (and subject to the Board's determination, in its absolute and sole discretion, to establish a vesting schedule other than the vesting schedules identified below, provided that such alternative vesting schedule complies with the other terms and conditions of the Plan and the Tax Act), the PSU Vesting Date for any PSUs shall be the third anniversary of the Grant Date.

Immediately prior to the applicable Settlement Date in respect of PSUs, the number of Share(s) notionally underlying each PSU shall be adjusted by multiplying such number by (i) the Adjustment Ratio applicable to such PSU; (ii) thereafter, by the quotient of:

$$\frac{\text{Time at Work}}{\text{Total number of days in Grant Cycle}}$$

and (iii) thereafter, by the Payout Multiplier applicable to such PSU.

Subject to this Section 6 and unless otherwise determined by the Board at the time of grant, the Settlement Date for PSUs shall be as soon as practicable following the PSU Vesting Date, and in any event, the earlier of a date that is within sixty (60) days of the PSU Vesting Date or December 15 of the calendar year in which the PSU Vesting Date occurred. Payment of the vested PSUs shall be made by the Corporation



to the Participant on the corresponding Settlement Date in accordance with Section 7.

- (f) Vesting Dates, Settlement Dates and Adjustment of IIUs: Subject to this Section 6, (and subject to the Board's determination, in its absolute and sole discretion, to establish a vesting schedule other than the vesting schedules identified below, provided that such alternative vesting schedule complies with the other terms and conditions of the Plan and the Tax Act), the Integration Vesting Date for any and all IIUs shall be December 31, 2020.

Immediately prior to the applicable Settlement Date in respect of IIUs, the number of Share(s) notionally underlying each IIU shall be adjusted by multiplying such number by (i) the Adjustment Ratio applicable to such IIU; (ii) thereafter, by the quotient of:

$$\frac{\text{Time at Work}}{\text{Total number of days in Grant Cycle}}$$

and (iii) thereafter, by the Integration Payout Multiplier applicable to such IIU.

Subject to this Section 6 and unless otherwise determined by the Board at the time of grant, the Settlement Date for IIUs shall be as soon as practicable following the 2020 Annual Board Meeting, and in any event, within thirty (30) days of the 2020 Annual Board Meeting. Payment of the vested IIUs shall be made by the Corporation to the Participant on the corresponding Settlement Date in accordance with Section 7.

7. SETTLEMENT OF SHARE UNITS

- (a) Subject to Section 12, on the Settlement Date, the Corporation shall satisfy all amounts owing or payable to a Participant in respect of a vested Share Unit that has become payable pursuant to the Plan by, at the option of the Board, in its sole discretion, either of the following methods or by a combination thereof:
- (i) delivering to the Participant a cash payment equal to the Fair Market Value of the Shares that would be otherwise deliverable on such Settlement Date under the applicable Share Unit (the "**Settlement Amount**"); or
 - (ii) delivering to the Participant a number of Shares issued from treasury that are deliverable to the Participant on the applicable Settlement Date under the applicable Share Unit;

in each case as adjusted in accordance with the relevant provisions set forth in Section 6(e), as applicable, and in consideration for the deemed surrender by the Participant to the Corporation of such vested Share



Units. The Corporation shall not be required to determine whether the payment method shall take the form of cash or Shares until the Settlement Date, or some reasonable time prior thereto. A holder of a Share Unit shall not have any right to demand the form of payment in respect of the Settlement Amount, at any time. Notwithstanding any election by the Corporation to settle any Settlement Amount, or portion thereof, in cash or Shares, the Corporation reserves the right to change its election in respect thereof at any time up until payment is actually made, and the holder of such Share Unit shall not have the right, at any time, to enforce settlement in any particular form of payment.

- (b) Notwithstanding the foregoing, in lieu of delivering the cash payment or the treasury issued Shares as contemplated in paragraph (a) above, the Corporation may elect to, through a qualified broker, acquire on behalf of such Participant, the number of whole Shares to be issued under a Share Unit on the Settlement Date (less any amounts in respect of applicable tax withholding obligations); provided that no such election shall be made during a Black-Out Period. If the Corporation elects to arrange for the purchase of Shares by a qualified broker on behalf of the Participant, the Corporation shall contribute to the qualified broker an amount of cash sufficient, together with any reasonable brokerage fees or commission fees related thereto, to purchase on the Settlement Date, the whole number of Shares to which the Participant is entitled (less any amounts in respect of applicable tax withholding obligations) and the qualified broker shall purchase those Shares, on behalf of such Participant, on the Exchange.
- (c) The Corporation (or other Affiliate) shall be entitled to withhold from the Settlement Amount or the Shares delivered to the Participant all amounts as may be required by law in the manner contemplated by Section 12 hereof.
- (d) Following receipt of the Shares or Settlement Amount as contemplated in paragraphs (a) or (b) above, the Share Units so settled shall be of no value whatsoever and shall be struck from the Participant's notional account.
- (e) Notwithstanding any other provision of this Plan, if a Settlement Date falls on, or within nine (9) business days immediately following a date upon which a Participant is subject to trading restrictions due to a black-out period or other trading restriction imposed by the Corporation (but, for greater certainty, not a cease trade order or other restriction imposed by any person other than the Corporation) (a "**Black-Out Period**"), then the Settlement Date will be automatically extended to the tenth (10th) business day following the date the relevant Black-Out Period or other trading restriction imposed by the Corporation is lifted, terminated or removed.



8. SHARE UNIT AGREEMENT

- (a) All grants of Share Units under the Plan will be evidenced by a written confirmation document (the “**Share Unit Agreement**”), which shall designate such award as either an award of RSUs, PSUs or IIUs, as applicable, the term and vesting conditions, the Performance Measures and the Performance Period in respect of PSUs, the Integration Measures and the Integration Period in respect of IIUs, the RSU Vesting Date, PSU Vesting Date or Integration Vesting Date, as applicable, the circumstances when the vesting of the Share Unit may be accelerated, if any, and any other terms approved by the Board, all in accordance with the provisions of this Plan. The Share Unit Agreement will be in such form as the Board may from time to time approve or authorize the Corporation to enter into and may contain such terms as may be considered necessary in order that the Share Unit will comply with any provision respecting the Share Unit in the Tax Act or other applicable laws or regulations having jurisdiction over the Corporation. Such agreements may also contain such other provisions not inconsistent with the provision hereof as the Board may determine.
- (b) In the event of a conflict between the terms of this Plan and the terms of any Share Unit Agreement between a Participant and the Corporation, the terms of this Plan shall prevail.

9. TERMINATION

- (a) Except as otherwise determined by the Board, in its sole and absolute discretion, or except as otherwise provided in the Participant’s Share Unit Agreement or any written employment agreement governing the Participant’s role with the Corporation and regardless of any adverse or potentially adverse tax or other consequences resulting from the following:
 - (i) Termination for Cause: if a Participant ceases to be an Eligible Person as a result of such Participant’s termination for Cause or resignation for any reason other than Constructive Dismissal or as a result of such Participant’s death or Disability, any unvested Share Units held by such Participant shall expire on the Termination Date and be of no further force or effect whatsoever and such Participant shall no longer be eligible for a grant of Share Units; and
 - (ii) Termination not for Cause: if a Participant ceases to be an Eligible Person as a result of the Participant’s termination without Cause or resignation as a result of Constructive Dismissal, or as a result of such Participant’s death or Disability:
 - (A) any unvested RSUs shall vest on the Termination Date and the number of underlying Shares shall be proportionately adjusted by multiplying the number of



RSUs by (i) the Adjustment Ratio; and (ii) thereafter by the quotient of:

$$\frac{\text{Time at Work}}{\text{Total number of days in Grant Cycle}}$$

and the Corporation shall satisfy all amounts owing or payable to the Participant as soon as practicable following the Termination Date;

- (B) any unvested PSUs shall vest on the Termination Date and the number of underlying Shares shall be proportionately adjusted by multiplying the number of PSUs by (i) the Adjustment Ratio; (ii) thereafter by the quotient of:

$$\frac{\text{Time at Work}}{\text{Total number of days in Grant Cycle}}$$

and (iii) thereafter by multiplying by the Payout Multiplier and the Corporation shall satisfy all amounts owing or payable to the Participant within sixty (60) days following the third anniversary of the Grant Date, subject to the Board's discretion, acting reasonably; and

- (C) any unvested IIUs shall vest on the Termination Date and the number of underlying Shares shall be proportionately adjusted by multiplying the number of Integration Incentive Units by (i) the Adjustment Ratio; and (ii) thereafter by the quotient of:

$$\frac{\text{Time at Work}}{\text{Total number of days in Grant Cycle}}$$

and (iii) thereafter by multiplying by the Integration Payout Multiplier and the Corporation shall satisfy all amounts owing or payable to the Participant within thirty (30) days of the 2020 Annual Board Meeting, subject to the Board's discretion, acting reasonably.



10. CITIZENS AND RESIDENTS OF THE UNITED STATES OF AMERICA

The terms of the Plan shall, subject to the modifications in this Section 10, constitute the rules of the Plan for an Eligible Person who is a citizen or resident of the United States (a "**U.S. Participant**"). For avoidance of doubt, the provisions in this Section 10 shall supersede any conflicting terms of the Plan applicable to U.S. Participants.

- (a) Share Units granted to U.S. Participants under the Plan are intended to comply with Section 409A or an exemption therefrom and will be construed and administered in accordance with such intent. If an award granted under the Plan to a U.S. Participant is subject to Section 409A, the Share Unit Agreement evidencing such award shall incorporate such terms and conditions as the Board may deem necessary or appropriate to comply with Section 409A. The Board reserves the right to adopt such amendments to the Plan and any outstanding award or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, including amendments or actions that would reduce the value of an outstanding award, in each case, without the consent of the affected U.S. Participant, that the Board determines are necessary or appropriate to (i) exempt the award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the award, or (ii) comply with the requirements of Section 409A and thereby avoid the application of any penalty taxes under Section 409A or mitigate any additional tax, interest and/or penalties or other adverse tax consequences that may apply under Section 409A if compliance is not practical.
- (b) To the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A with respect to Share Units granted to a U.S. Participant:
 - (i) A U.S. Participant shall not be considered to have terminated employment with the Corporation for purposes of the Plan and no settlement of vested Share Units shall be required until such U.S. Participant incurs a "separation from service" (within the meaning of Section 409A) from the Corporation;
 - (ii) The term "Constructive Dismissal" means, with respect to a U.S. Participant, such U.S. Participant's voluntary termination of employment from the Corporation within 3 months of the first to occur of (A) a more than 15% reduction in the U.S. Participant's total compensation without his or her consent (unless such reduction, regardless of quantum, is applied in a consistent manner to all or substantially all employees of the Corporation), or (B) a material diminution of the U.S. Participant's authority, duties, or responsibilities without his or her consent (other than a change in duties where such change is reasonably required pursuant to a reorganization or restructuring of the Corporation),



provided, in either case, that (X) the U.S. Participant notifies the Corporation of such event within thirty (30) days of the initial occurrence of such event, and (Y) the Corporation does not cure the condition within thirty (30) days following its receipt of such notice;

- (iii) The term "Disability" means, with respect to a U.S. Participant, a Disability (as defined in Section 2(r) above) that also constitutes a "disability" within the meaning of Section 409A; and
 - (iv) The term "Change of Control" means a Change of Control (as defined in Section 2(n) above) that also constitutes a "change in the ownership of a corporation," a "change in the effective control of a corporation," or a "change in the ownership of a substantial portion of a corporation's assets," in each case within the meaning Section 409A.
- (c) Each Share Unit Agreement with a U.S. Participant shall provide that, upon the occurrence of a Change of Control, (i) the Share Units will continue to vest in accordance with their terms and the Plan will continue in full force and effect, or (ii) the Share Units will become fully vested. In the absence of either such provision in a U.S. Participant's Share Unit Agreement, the Share Units covered by such agreement will become fully vested upon the occurrence of a Change of Control.
- (d) The Corporation and its Affiliates make no representations that the payments and benefits provided under this Plan comply with Section 409A and in no event will the Corporation or any of its Affiliates be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by a U.S. Participant on account of non-compliance with Section 409A.
- (e) Shares will not be issued to a U.S. Participant under this Plan unless the issuance and delivery of such Shares will comply with all applicable laws, including, without limitation, the U.S. Securities Exchange Act of 1934, as amended, the U.S. Securities Act of 1933, as amended, and any other applicable U.S. laws, and will be further subject to the approval of counsel for the Corporation with respect to such compliance. Any resale or transfer of Shares issued to a U.S. Participant under the Plan must also comply with all applicable laws governing the resale or transfer of the Shares. The Corporation may impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any sales of Shares issued to a U.S. Participant under the Plan or other subsequent transfers by a U.S. Participant of any such Shares, including without limitation (i) restrictions that may be necessary in the absence of an effective registration statement under the U.S. Securities Act of 1933, as amended, and (ii) restrictions as to the use of a specified brokerage firm or other agent for such sales or transfers. The Corporation shall be under no obligation to register any of the Shares



issued to U.S. Participants under this Plan under the U.S. Securities Act of 1933, as amended.

11. CHANGE OF CONTROL

- (a) In the event of a Change of Control, the surviving, continuing, successor or purchasing corporation or Affiliate thereof, as the case may be (the "**Successor Corporation**"), may either assume the Corporation's rights and obligations under outstanding Share Units or substitute for outstanding Share Units substantially equivalent securities in the Successor Corporation in a manner that substantially preserves and does not impair the rights of the Participants thereunder in any material respect.
- (b) In the event that an assumption or substitution of Share Units is not made by the Successor Corporation in accordance with paragraph (a) prior to or in connection with a Change of Control, all Share Units held by a Participant as at the date of the Change of Control, whether vested or unvested, will automatically vest as of the date of the Change of Control.
- (c) If the employment of a Participant is terminated by the Corporation during the one (1) year period after a Change of Control for any reason other than for Cause, or the Participant resigns from his employment as a result of Constructive Dismissal, then any unvested Share Units held by the Participant as at the date of the Change of Control shall accelerate and will fully vest effective on the date of the Change of Control and all Share Units that are vested shall be settled by the Corporation within 30 days from the Termination Date, and the Payout Multiplier applicable to any PSUs and Integration Payout Multiplier applicable to any IIUs shall be determined by the Board, acting reasonably.

12. TAXES, REPORTING AND WITHHOLDING

Notwithstanding anything else contained herein, the Corporation shall have the power and right to deduct or withhold, or require a Participant as a condition to receiving treasury issued Shares on a Settlement Date, to remit to the Corporation, the required amount to satisfy, in whole or in part, federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld or remitted with respect to the settlement of the Share Units on the Settlement Date. With respect to the required withholding or remittance, the Corporation shall have the irrevocable right to (i) set off any amounts required to be withheld or remitted, in whole or in part, against the Settlement Amount or any amounts otherwise owing by the Corporation to a Participant (whether arising pursuant to the Participant's relationship as an officer or employee of the Corporation or as a result of the Participant providing services on an ongoing basis to the Corporation or otherwise), (ii) as a condition to receiving treasury issued Shares on the Settlement Date, require the Participant to pay to the Corporation such amounts as may be due in connection with any withholding or remittance obligation of the Corporation; or (iii) make such other arrangements as are



satisfactory to the Corporation, in its sole discretion. In addition, the Corporation may elect, in its sole discretion, to satisfy the withholding or remittance requirement, in whole or in part, by withholding and selling in the open market as agent for the Participant such number of Shares as it determines are required to satisfy the withholding or remittance obligation (after deducting all selling costs which shall be the responsibility of the Participant and deducted from the proceeds of sale). The Corporation will not be in any way responsible for the price obtained on the sale of such Shares. Any reference in this Plan to the issuance of Shares or a payment of cash in connection with a Share Unit is expressly subject to this Section 12.

13. ADJUSTMENTS

In the event that the outstanding number of Shares of the Corporation is increased or decreased, or changed into, or exchanged for a different number or kind of shares or other securities of the Corporation or another corporation, whether through a stock dividend, stock split, consolidation, recapitalization, amalgamation, reorganization, arrangement or other transaction, and such transaction or event is not a Change in Control, the Board may make appropriate adjustment in the number or kind of shares or securities upon which Share Units are based under the Plan, and as regards to Share Units previously granted or to be granted pursuant to the Plan, in the number and kind of shares or securities upon which the Share Units are based, subject to the rules and regulations of, and any approval required by, the Exchange.

14. TRANSFERABILITY

Share Units are not assignable or transferable other than by legally valid will or according to the laws of descent and distribution.

15. EMPLOYMENT

Nothing contained in the Plan will confer upon any Participant any right with respect to employment or continuance of employment with, or the provision of services to, the Corporation or any Subsidiary of the Corporation, or interfere in any way with the right of the Corporation or any Subsidiary of the Corporation to terminate the Participant's employment or services at any time. Participation in the Plan by a Participant is voluntary.

16. COMPLIANCE WITH LEGISLATION

- (a) This Plan, the terms of the issue or grant of, and the grant of, any Share Units under this Plan, and the Corporation's obligation to deliver a payment or issue Shares, is subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of the Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Corporation is not obliged by any provision of this Plan or the grant of any Share Units under this Plan to issue Shares if, in the opinion of the Board, such action would constitute a violation by the Corporation or a Participant of any laws, rules and regulations or any condition of such approvals. Further, the Corporation may, without



amending this Plan, modify the terms of Share Units granted to Participants who are foreign nationals or who provide services to the Corporation from outside of Canada in order to comply with the applicable laws of such foreign jurisdictions, with such modification to this Plan with respect to a particular Participant to be reflected in the Share Unit Agreement for such Participant, all as may be determined by the Board is its discretion.

- (b) The Participant agrees to fully cooperate with the Corporation in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance by the Corporation with such laws, rule and requirements, including all tax withholding and remittance obligations.
- (c) No Share Unit shall be granted and no Shares issued under this Plan, where such grant or issue would require registration of this Plan or of Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Share Unit or purported issue of Shares under this Plan in violation of this provision is void.
- (d) If Shares cannot be issued to a Participant upon the settlement of a Share Unit due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares will terminate. For greater certainty, where the obligation of the Corporation to issue Shares terminates pursuant to this paragraph (d), the Board in its discretion will consider a suitable alternative compensation arrangement having regard to the particular affected Participant.

17. NOTICE

Any notice required to be given by this Plan must be in writing and be given by registered mail, prepaid postage, or delivered by courier or by facsimile transmission addressed, if to the Corporation, to the office of the Corporation; or if to a Participant, to such Participant at his address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

18. RIGHTS OF PARTICIPANTS

- (a) No person entitled to exercise any Share Unit granted under this Plan has any of the rights or privileges of a Shareholder in respect of any underlying Shares issuable upon settlement of such Share Unit until such Share Unit has been settled and such underlying Shares have been issued to such person. For greater certainty, nothing contained in this Plan nor in any Share Unit granted in accordance with this Plan is deemed to give any Participant any interest or title in or to any Shares or any other legal or equitable right against the Corporation or any of its



Affiliates whatsoever other than as set forth in this Plan and pursuant to the settlement of any Share Unit.

- (b) The Participant shall have no entitlement to damages, other compensation or any other remedy available at common law arising from or related to not receiving any awards which would have vested or accrued to the Participant after the Termination Date. However, nothing herein is intended to limit any statutory entitlements on termination and such statutory entitlements shall, if required, apply despite this language to the contrary.

19. RIGHT TO ISSUE OTHER SHARES

The Corporation is not by virtue of this Plan restricted in any way from declaring and paying stock dividends, issuing further Shares, repurchasing Shares or varying or amending its share capital or corporate structure, in any way.

20. GOVERNING LAW

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

21. EFFECTIVE DATE

This Plan has been amended and restated effective as of December 31, 2018 and the amendments do not constitute, in whole or in part, a new incentive unit plan or a new grant of Share Units or a novation of the Plan or any Share Units granted under the Plan prior to December 31, 2018.

Appendix D

TERVITA DSU PLAN

(See attached)

DEFERRED SHARE UNIT PLAN



EARTH MATTERS



DEFERRED SHARE UNIT PLAN

1. PURPOSE

The purpose of the Plan is to:

- (a) assist in attracting, retaining, engaging, and rewarding Non-employee Directors of the Corporation; and
- (b) promote a proprietary interest in the Corporation and aligning the interests of Non-employee Directors with Shareholders of the Corporation.

2. DEFINED TERMS

In this Plan (including any schedules to this Plan):

- (a) "**ABCA**" means the *Business Corporations Act* (Alberta);
- (b) "**Acknowledgement and Election Form**" means a document substantially in the form of Schedule "A";
- (c) "**Adjustment Ratio**" means, with respect to any Deferred Share Unit, the ratio used on each Dividend Payment Date to adjust the number of Shares underlying such Deferred Share Unit and to be issued on the applicable Payment Date, subject to and in accordance with the terms of the Plan; and in respect of each Deferred Share Unit, the Adjustment Ratio shall initially be equal to one, and shall be cumulatively adjusted thereafter on each Dividend Payment Date until the Payment Date by increasing the Adjustment Ratio on each Dividend Payment Date by an amount, rounded to the nearest five decimal places, equal to the product of (i) the Adjustment Ratio immediately prior to such Dividend Payment Date and (ii) the fraction, having as its numerator the Dividend expressed as an amount per Share paid on that Dividend Payment Date, and, having as its denominator, the Fair Market Value of a Share, calculated at the close of business on the first business day following the Dividend Record Date in respect of such Dividend;
- (d) "**Affiliate**" has the meaning given to that term in the Securities Act;
- (e) "**Applicable Withholding Taxes**" has the meaning given to that term in Section 4(h);
- (f) "**Approval Date**" means the date an Award is approved by the Board;
- (g) "**Associate**" has the meaning given to that term in the Securities Act;
- (h) "**Award**" means a grant of Deferred Share Units to a Participant pursuant to the Plan;



- (i) **"Black-Out Period"** has the meaning given to that term in Section 9(f);
- (j) **"Board"** means the Board of Directors of the Corporation or if applicable, to the extent the Board has delegated duties and powers to the HRCC, the term "Board" shall be deemed to include the HRCC;
- (k) **"Corporation"** means Tervita Corporation, and includes any Affiliate, Subsidiary or successor entity thereof;
- (l) **"Director"** means a member of the Board;
- (m) **"Director's Retainer"** means the basic retainer payable to a Non-employee Director for service as a member of the Board during a calendar year and, for greater certainty, shall include, if any, Board or committee chairperson retainers and committee member retainers, but shall not include special remuneration for ad hoc services rendered to the Board, reimbursement for expenses or any discretionary grant of Deferred Share Unit.
- (n) **"Deferred Share Unit"** means a unit equivalent in value to the Fair Market Value of a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Section 8(f);
- (o) **"Deferred Share Unit Agreement"** has the meaning given to that term in Section 8(d);
- (p) **"Discretionary Grant"** has the meaning given to that term in Section 8(a);
- (q) **"Dividend"** means a dividend paid by the Corporation in respect of the Shares, expressed as an amount per Share;
- (r) **"Dividend Payment Date"** means any date that a Dividend is paid to Shareholders;
- (s) **"Dividend Record Date"** means the applicable record date in respect of any Dividend used to determine the Shareholders entitled to receive such Dividend;
- (t) **"Effective Date"** has the meaning given to that term in Section 3;
- (u) **"Exchange"** means the Toronto Stock Exchange or such other stock exchange on which the Shares are listed and posted for trading;
- (v) **"Fair Market Value"** on a particular day means the volume weighted average trading price of the Shares on the Exchange (or if the Shares are listed on more than one Exchange, on such Exchange as may be designated by the Board for such purpose) for the five Trading Days immediately preceding the particular day and, for this purpose, the volume weighted average trading price shall be calculated by dividing



the total value by the total volume of Shares traded for such period. If the Corporation is not a public issuer such that there is no public trade of the Shares on the date in question, then the Fair Market Value of the Shares will be determined using the most recent fair market valuation of the Shares, as determined by the Board in its sole discretion (having regard to the Board's fiduciary obligations under applicable laws) from time to time;

- (w) "**HRCC**" means the Human Resources & Compensation Committee of the Board, established and duly authorized to act in accordance with the By-Laws of the Corporation and the ABCA;
- (x) "**Insider**" has the meaning given to that term in the TSX Company Manual;
- (y) "**Insider Participation Limits**" means, collectively, the limits set out in Sections 6(d) and 6(e);
- (z) "**Non-employee Director**" means any member of the Board who is not employed by the Corporation or any of its Subsidiaries;
- (aa) "**Participant**" means a current or former Non-employee Director, or pursuant to Section 6(c), a Shareholder, who has been or is eligible to be credited with Deferred Share Units under the Plan;
- (bb) "**Payment Date**" means a date after a Participant's Termination Date irrevocably elected by a Participant by completing the form attached hereto as Schedule "B", in a timely manner as described in Section 9(d) of the Plan, provided that a Participant may not be permitted to elect a date which is earlier than the ninetieth (90) day following the Termination Date and in any event, in accordance with Section 9, all of the Participant's Deferred Share Units must be paid out prior to December 15 of the calendar year following the calendar year in which the Termination Date occurs.
- (cc) "**Plan**" means this Deferred Share Unit Plan of the Corporation, and as the same may be duly amended or varied from time to time in accordance with the provisions of this Plan;
- (dd) "**Securities Act**" means the *Securities Act* (Alberta), including the rules and regulations promulgated thereunder, as may be amended from time to time;
- (ee) "**Security Based Compensation Arrangement**" has the meaning given to that term in the TSX Company Manual;
- (ff) "**Share**" means a common share in the capital of the Corporation;
- (gg) "**Shareholder**" means a holder of one or more Shares;



- (hh) “**Subsidiary**” has the meaning given to that term in the Securities Act;
- (ii) “**Tax Act**” means the *Income Tax Act* (Canada), including the regulations promulgated thereunder;
- (jj) “**Termination Date**” means the date on which a Participant has ceased to be a director of the Corporation except as a result of death of the Participant; and
- (kk) “**Trading Day**” means any day on which the Exchange is open for trading.

3. EFFECTIVE DATE

The effective date of the Plan shall be December 31, 2018 (“**Effective Date**”). The Board shall review and confirm the terms of the Plan from time to time.

4. GOVERNANCE

- (a) The Board will administer the Plan in its sole discretion. The Board will have the full power and sole responsibility to interpret the provisions of the Plan and to make regulations and formulate administrative provisions for its implementation, and to make such changes in the regulations and administrative procedures as, from time to time, the Board deems proper and in the best interests of the Corporation. Such regulations and provisions may include the delegation to the HRCC of such administrative duties and powers of the Board as it may, in its sole discretion, deem fit. The determinations of the Board in the administration of the Plan will be final and conclusive.
- (b) The Board may, at any time and from time to time, without the approval of the Shareholders (other than any required regulatory, Exchange or Shareholder approvals), suspend, discontinue or amend this Plan or any Deferred Share Unit provided that all actions of the Board shall be such that the Plan continuously meets the requirements of the Tax Act and its regulations, including paragraph 6801(d) of the regulations to the Tax Act, and any applicable provincial tax laws and regulations, or any successor provisions thereto. Examples of the types of amendments that may be made by the Board without Shareholder approval include, without limitation, the following:
 - (i) amendments to ensure continuing compliance with applicable laws, regulations, requirements, rules or policies or any governmental authority or any stock exchange;
 - (ii) amendments of a “housekeeping” nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained herein;
 - (iii) amendments respecting the administration of the Plan;



- (iv) any other amendment that does not require the approval of Shareholders under paragraph (c).
- (c) Notwithstanding paragraph (b), matters requiring specific Shareholder approval include, without limitation:
 - (i) any increase in the maximum number of Shares that may be issuable pursuant to Deferred Share Unit granted under this Plan;
 - (ii) any amendment to remove or to exceed the Insider Participation Limits; and
 - (iii) any amendment to this Section 4.
- (d) Any suspension, discontinuance or amendment to the Plan or amendment to any outstanding Deferred Share Unit that may be considered to be materially adverse to a Participant may only be made with the consent of the Participant.
- (e) In order to facilitate participation in the Plan, the Board may provide for such special terms applicable to Participants who are citizens or residents of a foreign jurisdiction, or who are employed outside of Canada, as the Board may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Board may approve such supplements to, or amendments, restatements or alternative versions of, this Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of this Plan as in effect for any other purpose. No such special terms, supplements, amendments or restatements will include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the Shareholders.
- (f) All administrative costs of the Plan will be paid by the Corporation.
- (g) Should the Shares not be publicly traded on the Exchange at the relevant time such that the Fair Market Value cannot be determined in accordance with the formulae set out in the definitions of those terms, such values shall be determined by the Board acting in good faith.
- (h) The Corporation shall be authorized to deduct from any amount paid or credited hereunder such amount of withholding taxes and other source deductions as it may be required by law to withhold pursuant to applicable law, in such manner as it determines (the "**Applicable Withholding Taxes**").
- (i) Each Participant shall provide the Corporation with all information it requires in order to administer the Plan.



5. NUMBER OF SHARES RESERVED UNDER THE PLAN

The total number of Shares issuable under this Plan, and under all other Security Based Compensation Arrangements of the Corporation, shall not exceed 10% of the total number of Shares issued and outstanding from time to time (calculated on a non-diluted basis). Any Shares subject to a Deferred Share Unit which has been settled or for any reason is cancelled or terminated without having been settled, will again be available for grants under this Plan, and under all other Security Based Compensation Arrangements of the Corporation.

6. PARTICIPATION IN THE PLAN

- (a) All Participants that are Non-employee Directors at the Effective Date may participate in the Plan at the Effective Date.
- (b) All Participants that are elected or appointed as Non-employee Directors after the Effective Date may participate in the Plan from the date of their election or appointment (determined in accordance with the Corporation's policies and practices), as applicable.
- (c) In the event a Non-employee Director is a director representative of a Shareholder, the Shareholder may participate in the Plan from the date of the election or appointment of the applicable Non-employee Director until the Termination Date of such Non-employee Director. The Corporation may pay and/or issue and settle, as the case may be, the Director's Retainer to the Shareholder on the same terms and conditions as if the Director's Retainer was paid and/or issued and settled to the Non-employee Director pursuant to this Plan.
- (d) The maximum number of Shares issuable to Participants who are Insiders and their Associates at any time pursuant to the settlement of Deferred Share Units granted under this Plan and securities granted under any other Security Based Compensation Arrangement must not exceed 10% of the aggregate number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).
- (e) The maximum number of Shares issued to Participants who are Insiders and their Associates within any one year period pursuant to the settlement of Deferred Share Units granted under this Plan and securities granted under any other Security Based Compensation Arrangement must not exceed 10% of the aggregate number of Shares issued and outstanding from time to time (calculated on a non-diluted basis)

7. PAYMENT OF NON-EMPLOYEE DIRECTOR'S RETAINER

A Non-employee Director shall have the right, each calendar year, to elect the manner in which the Participant wishes to receive, and the Corporation shall pay and/or issue, as the case may be, the Director's Retainer (i.e., in Deferred Share Units or a



combination of Deferred Share Units and cash) by completing, signing and delivering to the Chief Financial Officer, the Acknowledgement and Election Form:

- (a) in the case of a current Non-employee Director on the Effective Date, by December 31, 2018 with such election to apply in respect of the Director's Retainer payable to such Non-employee Director for services as a member of the Board for the following year; or
- (b) in the case of a newly appointed or elected Non-employee Director, within thirty (30) days after the Non-employee Director's appointment with such election to be effective as of the first day of the calendar quarter immediately following the date of the Corporation's receipt of such election and shall continue in effect until the last day of the calendar year in which such new Participant is appointed or elected; and
- (c) in respect of each subsequent calendar year, the election shall be delivered by December 31 of the year prior to the commencement of that year. If no election is made, the election made in respect of the previous calendar year shall apply.

An election made in accordance with the foregoing shall be effective for the year, or balance thereof, in respect of which it is made. A Non-employee Director may elect to receive up to 100% of his or her Director's Retainer in Deferred Share Units but must elect to receive at least 60% of his or her Director's Retainer in Deferred Share Units, and a failure to make an election pursuant this Section 7 shall be deemed to be an election to receive 60% of the Director's Retainer in Deferred Share Units.

Notwithstanding the foregoing, if a blackout period is in effect in respect of the Participant, no election may be made and the foregoing deadlines will be extended until after the end of the fifth trading day following the end of such blackout period.

8. DEFERRED SHARE UNITS

- (a) Discretionary Grants: The Board may, in its sole discretion, from time to time, approve a grant ("**Discretionary Grants**") of Deferred Share Units to a Participant. Notwithstanding the foregoing, no grants shall be made under the Plan until the end of the fifth trading day following the end of any applicable blackout period. The number of Deferred Share Units (including fractional Deferred Share Units) to be credited to a Participant's notional account as a Discretionary Grant shall be determined by dividing (a) the dollar amount of the Discretionary Grant by (b) the Fair Market Value on the Approval Date.
- (b) Director's Retainer: The number of Deferred Share Units (including fractional Deferred Share Units) to be credited in respect of the Director's Retainer shall be determined and granted on an annual basis on March 31st, the last day of the first calendar quarter, by dividing (a) the amount of the Director's Retainer to be paid in Deferred Share Units as elected by the director in the Acknowledgement and Election Form by



- (b) the Fair Market Value of the Shares on the last day of the first calendar quarter.
- (c) Number of Deferred Share Units: All Deferred Share Units received by a Participant shall be credited to the Participant's notional account as of the date of grant. One quarter of the Deferred Share Units credited to a Participant's account on March 31 of a particular year shall vest on that date and the remaining three quarters shall vest as follows: one quarter vesting on each of the last day of the second, third and fourth calendar quarters of such calendar year.
- (d) Record of Award: The Award of Deferred Share Units to a Participant shall be evidenced by a written confirmation document ("**Deferred Share Unit Agreement**") which will be in such form as the Board may from time to time approve or authorize the Directors, officers or employees of the Corporation to enter into and may contain such terms as may be considered necessary in order that the Deferred Share Unit will comply with any provision respecting the Deferred Share Unit in the Tax Act or other applicable laws or regulations having jurisdiction over the Corporation.
- (e) Adjustment Ratio: The number of Shares notionally underlying each Deferred Share Unit shall be adjusted on each Dividend Payment Date by multiplying such number by the Adjustment Ratio applicable to such Deferred Share Unit.
- (f) Participant's notional account and reporting of Deferred Share Units: The Corporation shall maintain, or cause to be maintained, a notional account for each Participant recording at all times the number of Deferred Share Units credited to the Participant. Statements of the notional account will be provided to the Participants on an annual basis. Upon payment in satisfaction of Deferred Share Units in accordance with Section 9, such Deferred Share Units shall be cancelled.

9. SETTLEMENT OF DEFERRED SHARE UNITS

- (a) After the Termination Date with respect to a Participant, the Corporation shall, in satisfaction of its obligations hereunder deliver to the Participant as soon as reasonably practicable after the applicable Payment Date by, at the option of the Board, in its sole discretion, either of the following methods or a combination thereof:
- (i) a lump sum cash payment equal to the number of vested Deferred Share Units credited to the Participant's notional account as of the Payment Date multiplied by the Fair Market Value of a Share on such date, less any Applicable Withholding Taxes; or
- (ii) a number of Shares issued from treasury equal to the number of vested Deferred Share Units credited to the Participant's notional



account as of the Payment Date, less any Applicable Withholding Taxes,

in each case as adjusted in accordance with Sections 8(e) and 11, as applicable, in consideration for the deemed surrender by the Participant to the Corporation of such Deferred Share Units. The Corporation shall not be required to determine whether the payment method shall take the form of cash or Shares until the Payment Date, or some reasonable time prior thereto. A holder of a Deferred Share Unit shall not have any right to demand the form of payment at any time. Notwithstanding any election by the Corporation to settle the Deferred Share Units, or portion thereof, in cash or Shares, the Corporation reserves the right to change its election in respect thereof at any time up until payment is actually made, and the holder of such Deferred Share Unit shall not have the right, at any time, to enforce settlement in any particular form of payment.

- (b) Notwithstanding the foregoing, in lieu of delivering the cash payment or the treasury issued Shares as contemplated in paragraph (a) above, the Corporation may elect to, through a qualified broker, acquire on behalf of such Participant, the number of whole Shares to be issued under a vested Deferred Share Unit on the Payment Date (less any amounts in respect of applicable tax withholding obligations); provided that no such election shall be made during a Black-Out Period. If the Corporation elects to arrange for the purchase of Shares by a qualified broker on behalf of the Participant, the Corporation shall contribute to the qualified broker an amount of cash sufficient, together with any reasonable brokerage fees or commission fees related thereto, to purchase on the Payment Date, the whole number of Shares to which the Participant is entitled (less any amounts in respect of applicable tax withholding obligations) and the qualified broker shall purchase those Shares, on behalf of such Participant, on the Exchange.
- (c) Upon satisfaction of the full of the value of the vested Deferred Share Units, the Deferred Share Units shall be cancelled and no further payment shall be made to the Participant under the Plan. All unvested Deferred Share Units as of the Termination Date shall be automatically cancelled and terminated.
- (d) A Payment Date shall be elected in a timely manner in the form attached hereto as Schedule "B". A Payment Date shall be deemed to be elected "in a timely manner" if it specifies the percentage of the Deferred Share Units the Participant wishes to have the Corporation satisfy hereunder and the election, in the form attached hereto as Schedule "B", is delivered prior to the Termination Date to the Chief Financial Officer. If no Payment Date is elected, or if it is not elected in a timely manner, the Payment Date shall mean the first business day following the six-month anniversary of the Termination Date.



- (e) A Payment Date shall not be elected by a Participant if a blackout period is in effect.
- (f) Notwithstanding any other provision of this Plan, if a Payment Date falls on, or within nine (9) Business Days immediately following a date upon which a Participant is subject to trading restrictions due to a black-out period or other trading restriction imposed by the Corporation (but, for greater certainty, not a cease trade order or other restriction imposed by any person other than the Corporation) (a "**Black-Out Period**"), then the Payment Date will be automatically extended to the tenth (10th) Business Day following the date the relevant Black-Out Period or other trading restriction imposed by the Corporation is lifted, terminated or removed.
- (g) Notwithstanding any other provision of this Plan, all amounts payable to, or in respect of, a Participant hereunder shall be paid on or before December 15 of the calendar year commencing immediately after the Participant's Termination Date.

10. DEATH OF A PARTICIPANT PRIOR TO DISTRIBUTION

Upon the death of a Participant prior to the distribution of the Deferred Share Units credited to the Participant's notional account under the Plan, a cash payment or Shares shall be made to the estate of such Participant, less Applicable Withholding Taxes, on or about the thirtieth (30th) day after the Corporation is notified of the death of the Participant. Such cash payment or Shares shall be equivalent to the amount or number of Shares which would have been paid to the Participant pursuant to and subject to Section 9, calculated on the basis that the day on which the Participant dies is the Payment Date. Upon satisfaction in full of the value of all of the vested Deferred Share Units that become payable under this Section 10, the Deferred Share Units shall be cancelled and no further payments will be made from the Plan in relation to the Participant. All unvested Deferred Share Units shall be automatically cancelled and terminated on the day on which the Participation dies.

11. ADJUSTMENTS

In the event of any change in the outstanding Shares by reason of a (a) a stock split, spin-out, share dividend or share combination, or (b) reclassification, recapitalization, merger or similar event that results in a holder thereof being entitled to a different class or type of security or other property, the Board may, subject to applicable law, adjust appropriately the notional account of each Participant and the Deferred Share Units outstanding under the Plan shall be adjusted in such manner, if any, as the Board may in its discretion deem appropriate to preserve proportionally the interests of Participants under the Plan.



12. CITIZENS AND RESIDENTS OF THE UNITED STATES OF AMERICA

Notwithstanding anything to the contrary in the Plan, Schedule "C" shall apply to Participants who are US Taxpayers (as defined in Schedule "C").

13. AMENDMENT, SUSPENSION OR TERMINATION OF PLAN

The Board may from time to time amend or suspend the Plan in whole or in part and may at any time terminate the Plan without prior notice. However, any such amendment, suspension, or termination shall not adversely affect the Deferred Share Units previously granted to a Participant at the time of such amendment, suspension or termination, without the consent of the affected Participant. No amendment may be made to the Plan that would cause the Plan to cease to meet the requirements of paragraph 6801(d) of the regulations to the Tax Act.

If the Board terminates the Plan, no new Deferred Share Units (other than Deferred Share Units referred to in Section 8(e)) will be credited to the Participant's notional account, but previously credited Deferred Share Units shall be settled in accordance with the terms and conditions of the Plan existing at the time of termination. The Plan will finally cease to operate for all purposes when the last remaining Participant receives consideration of all Deferred Share Units recorded in the Participant's notional account.

14. TRANSFERABILITY

Deferred Share Units are not assignable or transferable other than by legally valid will or according to the laws of descent and distribution.

15. EMPLOYMENT

Neither participation in the Plan nor any action taken under the Plan shall give or be deemed to give any Participant a right to continued appointment as a member of the Board or a right to employment with the Corporation or a Subsidiary and shall not interfere with any right of the shareholders of the Corporation to remove any Participant as a member of the Board of the Corporation at any time. Participation in the Plan by a Participant is voluntary.

16. COMPLIANCE WITH LEGISLATION

- (a) This Plan, the terms of the issue or grant of, and the grant of, any Deferred Share Units under this Plan, and the Corporation's obligation to deliver a payment, is subject to all applicable federal, provincial and foreign laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. Further, the Corporation may, without amending this Plan, modify the terms of Deferred Share Units granted to Participants who are foreign nationals or who provide services to the Corporation from outside of Canada in order to comply with the applicable laws of such foreign jurisdictions, with such modification to this Plan with respect to a particular Participant to be reflected in the



Deferred Share Unit Agreement for such Participant, all as may be determined by the Board is its discretion.

- (b) The Participant agrees to fully cooperate with the Corporation in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance by the Corporation with such laws, rule and requirements, including all tax withholding and remittance obligations.
- (c) No Deferred Share Unit shall be granted under this Plan, where such grant or issue would require registration of this Plan under the securities laws of any foreign jurisdiction, and any purported grant of any Deferred Share Unit under this Plan in violation of this provision is void.

17. NOTICE

Any notice required to be given by this Plan must be in writing and be given by registered mail, prepaid postage, or delivered by courier or by facsimile transmission addressed, if to the Corporation, to the office of the Corporation; or if to a Participant, to such Participant at his address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

18. RIGHTS OF PARTICIPANTS

Under no circumstances shall Deferred Share Units be considered Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Shares, nor shall any Participant be considered the owner of the Shares by virtue of the award of Deferred Share Units. Notwithstanding the foregoing, for the purposes of any share ownership guidelines established for directors, Deferred Share Units (on the basis of one (1) Deferred Share Unit being equivalent to one (1) Share) will be considered as Shares.

19. RIGHT TO ISSUE OTHER SHARES

The Corporation is not by virtue of this Plan restricted in any way from declaring and paying stock dividends, issuing further Shares, repurchasing Shares or varying or amending its share capital or corporate structure, in any way.

20. UNFUNDED AND UNSECURED PLAN

The Plan shall be unfunded and the Corporation will not secure its obligations under the Plan. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Deferred Share Units under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation.



21. NO PAYMENT UNTIL PAYMENT DATE

A Participant shall not be entitled to require settlement of any Deferred Share Units credited to his or her notional account prior to the calculation of the Fair Market Value on his or her Payment Date(s) in accordance with the terms of the Plan.

22. GOVERNING LAW

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.



SCHEDULE "A"

[Redacted]



SCHEDULE "B"

[Redacted]



SCHEDULE "C"

Special Provisions Applicable to US Taxpayers

This Schedule sets forth special provisions of the Plan that apply to US Taxpayers (as defined below). Terms defined in the Plan and used herein shall have the meanings set forth in the Plan, as amended from time to time.

1. DEFINITIONS

1.1 For purposes of this Schedule:

- (a) "**Code**" means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder.
- (b) "**Section 409A**" means section 409A of the Code.
- (c) "**Separation From Service**" shall mean a "separation from service" as defined in United States Treasury Regulation Section 1.409A-1(h), which for greater certainty, shall not be prior to the Participant's death or ceasing to be a Director.
- (d) "**Specified Employee**" means a US Taxpayer who meets the definition of "specified employee," as defined in Section 409A(a)(2)(B)(i) of the Code.
- (e) "**US Taxpayer**" means a Participant who is a US citizen or a US resident whose compensation from the Corporation is subject to US federal income tax, regardless of whether the Participant actually incurs US federal income taxes with respect to such compensation.

2. COMPLIANCE WITH SECTION 409A

- 2.1 In General. Notwithstanding any provision of the Plan to the contrary, it is intended that the provisions of the Plan comply with Section 409A, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such US Taxpayer in connection with the Plan or any other plan maintained by the Corporation (including any taxes and penalties under Section 409A), and neither the Corporation nor any affiliate of the Corporation shall have any obligation to indemnify or otherwise hold such US Taxpayer (or any beneficiary) harmless from any or all of such taxes or penalties.
- 2.2 Elections for Newly Eligible US Taxpayers. Section 7(b) of the Plan applicable to Non-Employee Directors shall be applied in a manner consistent with United States Treasury Regulation Section 1.409A-2(a)(7) and any successor provision. Without limiting the generality of the foregoing, during a US Taxpayer's first calendar year of eligibility in the Plan (as described in United



States Treasury Regulation Section 1.409A-2(a)(7)) such US Taxpayer may elect to participate in the Plan after the beginning of such calendar year solely with respect to compensation to be paid for services to be performed after the date such election is made.

- 2.3 Distributions to US Taxpayers. Notwithstanding Section 9 of the Plan to the contrary, a lump sum payment in respect of the Deferred Share Units credited to a US Taxpayer's Participant account shall be made 30 days following the US Taxpayer's Separation From Service, unless a different fixed settlement date specified by the Board in compliance with Section 409A (if applicable) has been communicated to the US Taxpayer in writing in a grant agreement or other notice of eligibility to participate in the Plan. The amount of the lump sum cash payment shall be equal to the number of Deferred Share Units credited to the US Taxpayer's Participant account as of the date of the US Taxpayer's Separation From Service multiplied by the Fair Market Value of one (1) Share on such date.
- 2.4 Distributions to Specified Employees. Solely to the extent required by Section 409A, any payment in respect of Deferred Share Units which has become payable on or following Separation From Service to any Participant who is determined to be a Specified Employee at the time of his or her Separation from Service shall not be paid before the date which is 6 months after such Specified Employee's Separation From Service (or, if earlier, the date of death of such Specified Employee). Following any applicable 6 month delay of payment, all such delayed payments shall be made to the Specified Employee in a lump sum on the earliest possible payment date.
- 2.5 Tax Withholding. A US Taxpayer shall be required to pay to the Corporation, and the Corporation shall have the right and is hereby authorized to withhold, from any cash or other compensation payable under the Plan, or from any other compensation or amounts owing to the US Taxpayer, the amount of any required withholding taxes in respect of amounts paid under the Plan and to take such other action as may be necessary in the opinion of the Corporation to satisfy all obligations for the payment of such withholding and taxes.

3. AMENDMENT OF SCHEDULE

- 3.1 Notwithstanding Section 13 of the Plan, the Board shall retain the power and authority to amend or modify this Schedule to the extent the Board in its sole discretion deems necessary or advisable to comply with any guidance issued under Section 409A. Such amendments may be made without the approval of any US Taxpayer.

Appendix E

INFORMATION RELATING TO THE TERVITA RSU PLAN

The information presented in this Appendix "C" is provided given the Tervita RSU Plan was the operative plan until December 31, 2018.

Summary of the Tervita RSU Plan

General Information

The Tervita RSU Plan enables the Board to grant Restricted Share Units to Tervita employees, officers and directors of Tervita. The purpose of the Restricted Share Units are to promote a proprietary interest in the Corporation and greater alignment of interests between officers and employees of the Corporation and the Shareholders, to provide variable compensation contingent on Tervita's long-term performance and to attract and retain experienced individuals.

Securities Issuable

The number of Shares to be reserved for issuance pursuant to Restricted Share Units to be granted under the Tervita RSU Plan, and under all other security based compensation arrangements of Tervita (including, but not limited to, the Tervita Option Plan) will not exceed 10% of the issued and outstanding Shares from time to time (on a non-diluted basis). Any Shares that will be subject to a Tervita RSU that will have been settled or cancelled or terminated (for any reason) without having been settled will again be available for grants under the Tervita RSU Plan and all other security based compensation arrangements of Tervita.

The maximum number of Shares that may be issued and reserved for issuance to insiders pursuant to Restricted Share Units granted under the Tervita RSU Plan and securities granted under any other share-based compensation arrangement of Tervita (including, but not limited to, the Tervita Option Plan) will be subject to the "insider participation limits" prescribed by the policies of the TSX. Accordingly, the number of Shares issuable to insiders at any time on exercise or settlement of all outstanding Restricted Share Units, Options and other securities granted under any other security based compensation arrangements will not exceed 10% of the outstanding Shares (on a non-diluted basis), and the number of Shares issued to insiders within any one-year period on exercise or settlement of all outstanding Restricted Share Units, Options and other securities granted under any other security based compensation arrangements will not exceed 10% of the outstanding Shares (on a non-diluted basis).

The number of Shares underlying the outstanding Restricted Share Units under the Tervita RSU Plan as at December 31, 2018 is 1,000,503, representing 0.9% of the Shares outstanding.

The number of Shares underlying outstanding Restricted Share Units under the Tervita RSU Plan available for future grants as at December 31, 2018 is 8,451,480 representing 7.7% of the Shares outstanding.

Vesting

Unless otherwise determined by the Board, each Restricted Share Unit will have a fixed term of 36 months and shall vest on the date that is 36 months following the grant date (the "**Maturity Date**").

Settlement Provisions

All vested Restricted Share Units will be settled within 60 days of their Maturity Date and, in any event, no later than December 15 of the third year following the end of the year in which the Restricted Share Unit will be granted (the "**Settlement Date**"). If a Settlement Date falls on, or within nine business days

immediately following a date upon which a holder of Restricted Share Units will be subject to trading restrictions due to a Black-Out Period then the Settlement Date will be automatically extended to the 10th business day following the date the relevant Black-Out Period ends.

Tervita may, in its sole and absolute discretion, settle the vested Restricted Share Units by either (i) delivering to the Restricted Share Unit holder a cash payment equal to the volume weighted average trading price of the Shares on the TSX for the five trading days immediately preceding the Settlement Date or (ii) delivering to the Restricted Share Unit holder a number of Shares issued from treasury or purchased on the market equal to the number of vested Restricted Share Units to be settled.

Restricted Share Units will not be assignable, other than by legally valid will or according to the laws of descent and distribution.

Termination of Rights

The Tervita RSU Plan provides that in the event a holder of Restricted Share Units ceases to be a director of Tervita, has his or her employment with Tervita terminated for Cause (as such term is defined below) or resigns from Tervita for any reason other than Constructive Dismissal (as such term is defined below), any unvested Restricted Share Units held by such holder will automatically terminate and become void immediately upon the date that such holder ceases to be a director or ceases to be employed by Tervita. In the event a holder of Restricted Share Units has his or her employment with Tervita terminated without Cause, resigns as a result of Constructive Dismissal or has his or her employment with Tervita terminated due to death or Disability (as such term is defined below), then any unvested Restricted Share Units will vest on the date that such holder ceases to be employed by Tervita.

Change of Control

A Change of Control is defined in the Tervita RSU Plan as (i) the consummation of any transaction pursuant to which any person or group of persons acquires 50% or more of the aggregate voting power of all of Tervita's then outstanding securities entitled to vote in the election of directors of Tervita; (ii) a consummated arrangement, amalgamation, merger, consolidation, takeover bid, compulsory acquisition or similar transaction involving (directly or indirectly) Tervita if, immediately after the consummation of such transaction, the shareholders of Tervita do not own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such transaction; (iii) the sale, lease, exchange, license or other disposition of all or substantially all of Tervita's assets to a person that is not an affiliate of Tervita at the time of such sale, other than a sale to an entity in which more than fifty percent of the combined voting securities are beneficially owned by shareholders of Tervita immediately prior to such sale; (iv) the passing of a resolution by the Board or holders of Shares to substantially liquidate or wind up the business or significantly rearrange Tervita's affairs; or (v) a change to the majority of the Board (other than where new Board members were approved or recommended by a majority vote of the members of the existing Board).

In the event of a Change of Control, all Restricted Share Units will either continue to vest in accordance with their terms and the Tervita RSU Plan will continue in full force and effect or the Board may determine, in its sole discretion, to accelerate the vesting of all unvested Restricted Share Units

If a Change of Control occurs and the holder's employment with Tervita is terminated by Tervita within 90 days of a Change of Control for any reason other than Cause, or the holder resigns as a result of Constructive Dismissal, then any unvested Restricted Share Units held by such optionholder as at the date of the Change of Control will accelerate and will fully vest effective on the date of the Change of Control and all Restricted Share Units that are vested or deemed to be vested may be exercised by the holder within 30 days from such termination date.

Adjustments

Restricted Share Units will be able to be adjusted in the sole discretion of the Board as a result of a stock split, consolidation, recapitalization, amalgamation, reorganization, arrangement or other transaction that is not a Change of Control transaction. Restricted Share Unit holders' accounts will also be credited with additional units in accordance with the Tervita RSU Plan in the event Tervita pays dividends on the Shares.

Amendment

The Tervita RSU Plan will be able to be amended, suspended or discontinued by the Board at any time provided that no such amendment that may be considered to be materially adverse to any Tervita RSU previously granted will be made without the consent of the holder thereof. Any amendment to the Tervita RSU Plan will be subject to any required approval of the TSX and holders of Shares. However, amendments relating to the following matters may be approved by the Tervita Board without the approval of Tervita Shareholders, provided that such amendments do not contravene the requirements of the TSX or applicable securities law: (i) changing the vesting provisions of any Restricted Share Units; (ii) amendments respecting the administration of the Tervita RSU Plan; and (iii) other amendments of a "housekeeping" nature.

Termination and Change of Control Under the Tervita RSU Plan

If an NEO has his or her employment with Tervita terminated for Cause or resigns from Tervita for any reason other than Constructive Dismissal, any unvested Restricted Share Units held by such holder will automatically terminate and become void immediately upon the date that the NEO ceases to be employed by Tervita.

In the event the NEO has his or her employment with Tervita terminated without Cause, resigns as a result of Constructive Dismissal or has his or her employment with Tervita terminated due to death or Disability, then any unvested Restricted Share Units will vest on the date that the NEO ceases to be employed by Tervita.

If a Change of Control occurs and the NEO's employment with Tervita is terminated by Tervita within 90 days of a Change of Control (either preceding or subsequent to) for any reason other than Cause, or the NEO resigns as a result of Constructive Dismissal, then any unvested Restricted Share Units held by the NEO as at the date of the Change of Control will accelerate and will fully vest effective on the date of the Change of Control and all Restricted Share Units that are vested or deemed to be vested shall be settled by the holder within 30 days from such termination date.

For the purposes of the Tervita RSU Plan:

- **"Cause"** means any act, omission or conduct of the employee which would at common law permit an employer to, without notice, payment in lieu of notice or any form of termination or severance pay, terminate the employment of an employee for just cause, including without limitation: wilful and serious misconduct; habitual and deliberate neglect of duty; incompetent performance of duties; wilful disobedience of the Corporation's instructions; or dishonesty, including, without limitation, any circumstance in which the employee is convicted of a criminal act relating to or otherwise affecting the Corporation or the employee's employment with the Corporation.
- **"Change of Control"** has the meaning described above under "*Summary of the Tervita RSU Plan*".
- **"Constructive Dismissal"** means constructive dismissal as defined at common law, however, it does not include any of the following with respect to an NEO: a reduction in compensation

unless greater than 20% of the NEO's total compensation or such reduction is applied in a similar manner to all or substantially all employees; a change in duties where such change is reasonably required pursuant to a reorganization or restructuring of the Corporation; a re-location of position; any material change to the NEO's terms and conditions of employment made with the consent of the NEO; and a promotion.

- **"Disability"** has the meaning given to such term in any written employment or retainer agreement between such employee and the Corporation, and absent any such agreement containing such definition, means a mental or physical disability whereby such employee: (a) is unable, due to illness, disease, mental or physical disability or similar cause, to fulfill such employee's obligations as an employee of the Corporation either for three consecutive months or for a cumulative period of six months out of 12 consecutive calendar months; or (b) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing such employee's affairs.

Estimated Termination and Change of Control Amounts – Tervita RSU Plan

The following table illustrates the estimated incremental payments, payables and benefits that that would have been made to each of the NEOs pursuant to the Restricted Share Units held by them as a result of the triggering events identified below, in each case assuming that such event occurred on December 31, 2018.

The table does not include the value of payments, payables and benefits already available to the NEO as at December 31, 2018, such as any Restricted Share Units that had already vested at such date. The meaning of each triggering event shall have the meaning ascribed thereto in the Tervita RSU Plan.

Name	Triggering Event	Payment pursuant to Accelerated Vesting of Restricted Share Units Triggered by Termination (\$)
John Cooper	Termination without Cause	74,142
	Termination with Cause	0
	Change of Control	157,000
	Resignation	0
Robert Dawson	Termination without Cause	0
	Termination with Cause	0
	Change of Control	0
	Resignation	0
Brad Dlouhy	Termination without Cause	0
	Termination with Cause	0
	Change of Control	0
	Resignation	0
Duane Burkard	Termination without Cause	0
	Termination with Cause	0
	Change of Control	0
	Resignation	0

Shandor Vida	Termination without Cause	0
	Termination with Cause	0
	Change of Control	0
	Resignation	0

Securities Authorized for Issuance under Incentive Plans

Set forth below is information in respect of Tervita's equity compensation plans as at December 31, 2018. The below information assumes the Tervita DSU Plan is not approved by Shareholders at the Meeting.

Plan Category	Number of Shares to be issued upon exercise of outstanding Options and Restricted Share Units	Weighted-average exercise price of outstanding Options	Number of Shares remaining for future issuance under equity compensation plans (excluding outstanding Options, Restricted Share Units)
Equity compensation plans approved by Shareholders Tervita Option Plan Tervita RSU Plan	3,304,231	\$9.57	8,451,480
Equity compensation plans not approved by Tervita Shareholders	N/A	N/A	N/A
Total	3,304,231	9.57	8,451,480

Burn Rates

The annual burn rates over the last two financial years for Shares granted annual under each the Tervita RSU Plan are as set out in the table below. In accordance with TSX rules, the burn rate is calculated by dividing the number of share-based awards granted under the share-based compensation arrangement during the applicable fiscal year by the weighted average number of securities outstanding for the applicable fiscal year, expressed as a percentage.

Share-settled compensation arrangement	2018	2017
Tervita RSU Plan	0.4%	0.5%

Appendix F

MANDATE OF THE BOARD OF DIRECTORS

(See attached)



**MANDATE OF THE BOARD OF DIRECTORS
OF TERVITA CORPORATION**



EARTH MATTERS



MANDATE OF THE BOARD OF DIRECTORS

1. PURPOSE

This mandate (this "**Mandate**") has been prepared to provide guidance to the board of directors (the "**Board**") of Tervita Corporation (the "**Corporation**") and its chair (the "**Chairman of the Board**"), as well as the various committees (the "**Committees**") of the Board and their chairpersons (the "**Committee Chairs**"), on corporate governance matters. It shall also serve as the primary source of information concerning governance in the orientation of newly appointed directors.

These guidelines are intended to be flexible and to provide direction to the Board as a whole and to individual Board members in connection with their legal obligations and mandate from the shareholders to oversee and direct the business and affairs of the Corporation.

The Board will review and modify this Mandate, as applicable, to reflect changes to the business environment, industry standards on matters of corporate governance, accountability to the Corporation's shareholders and the adoption and implementation of relevant laws and policies.

2. COMPOSITION AND MEMBERSHIP

The composition of the Board, including the qualifications of each director, will comply with all requirements of the *Business Corporations Act* (Alberta) (the "**ABCA**"), the articles and by-laws of the Corporation, applicable securities legislation and the rules of any stock exchange upon which the shares of the Corporation are listed for trading.

All Board members will have the skills and abilities appropriate to their appointment as directors. It is recognized that the proper balance of experiences, competencies and attributes will allow the Board to carry out its duties and responsibilities in the most effective manner.

To ensure the effectiveness of Board and the Committees, each director will:

- (a) prepare for each Board and Committee meeting by reading the reports and background materials provided for the meeting; and
- (b) maintain a strong Board and Committee meeting attendance record.⁽¹⁾

2.1 Size of Board

The number of directors shall be not less than the minimum and not more than the maximum number specified in the Corporation's articles and the number of directors

⁽¹⁾ The target is 100% attendance. Anything less than 80%, without extenuating circumstances, would require further discussion with the Chairman of the Board.



shall be fixed from time to time within such limits by resolutions of the shareholders or as may be permitted by the Corporation's constating documents and applicable law.

The Board shall consider the size and composition of the Board for the purpose of establishing a Board comprised of members who facilitate effective decision making and have or obtain sufficient knowledge of the Corporation and its business and operations to assist in providing advice and counsel on relevant issues.

2.2 Independence

The majority of the Board shall be "independent" of the Corporation, as such standard is set out in National Instrument 58-101 *Disclosure of Corporate Governance Practices*, which follows the definition of independence found at section 1.4 of National Instrument 52-110 *Audit Committees*. Independent directors have no direct or indirect material relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of independent judgment in carrying out their responsibilities.

The Board will analyze the application of the "independent" standard to individual members of the Board on an annual basis.

The Board will consider and approve such structures and procedures as may be deemed necessary to permit the Board to function independently of management.

2.3 Nomination and Appointment of Directors

Directors are elected to hold office until the next annual meeting of shareholders of the Corporation at which directors are elected or until their successors are either elected or appointed. At least 25% of the directors must be Canadian residents in accordance with the ABCA.

The Board shall consider, and if deemed appropriate, adopt a process to:

- (a) consider what competencies and skills the Board, as a whole, should possess; and
- (b) assess what competencies and skills each existing director possesses and which the Board therefore as a whole possesses.

3. MEETINGS

The Board shall have a minimum of four (4) regularly scheduled meetings annually. Additional or special meetings shall be called as necessary.

A Board meeting may be called by the Chairman of the Board, any two directors, or the Chief Executive Officer of the Corporation (the "**CEO**").

The CEO shall be available to advise the Board on the business and operations of the Corporation. The Board may invite to a meeting any other officers or employees of the Corporation, legal counsel, advisors or other persons whose attendance it considers



necessary or advisable in order to carry out its responsibilities. The Board, and each individual Board member, shall have authority to (i) engage independent counsel and other advisors or consultants as they may determine necessary in the discharge of their respective duties and responsibilities, and (ii) set and authorize the payment of the compensation for any advisors so engaged.

The Board shall, as practicable, hold an *in camera* meeting of independent directors in connection with all Board and Committee meetings.

3.1 Notice

A notice of time and place of every meeting of the Board shall be given in writing to each director at least 48 hours prior to the time fixed for such meeting, unless waived. Attendance of a director at a meeting of the Board shall constitute waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not properly called.

3.2 Quorum

A quorum for meetings of the Board shall be a majority of its members present in person or by telephone or video conference. However, the directors shall not transact business at a meeting other than filling a vacancy, unless at least twenty-five per cent of the directors present are resident Canadians; unless the required resident Canadian(s) unable to attend provide(s) approval of the business to be transacted at the meeting.

3.3 Decisions

Decisions of the Board shall be determined by a majority of the votes cast.

Subject to the requirements of any applicable laws, regulations or rules, any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if consent in writing, setting forth the action so taken, is signed by all of the members of the Board. Such written consent shall have the same force as a unanimous vote of the Board. A copy of any such written consent shall be kept with the minutes of the proceedings of the Board.

3.4 Minutes

The Board shall appoint a director or officer of the Corporation, legal counsel or another person acceptable to the Board to act as secretary at each meeting for the purpose of recording the minutes of each meeting. Minutes of every meeting shall be kept with the Corporation's corporate records.

The minutes of Board meetings shall be in sufficient detail to convey the substance of all discussions held, and shall accurately record the decisions reached, as well as attendance of members of the Board at each meeting.



4. SPECIFIC DUTIES

As recommended by the provisions of National Policy 58-201 *Corporate Governance Guidelines*, the Board explicitly acknowledges responsibility for the stewardship of the Corporation as set out below.

4.1 Oversight and Management Duties

In fulfilling its responsibilities to the Corporation, the Board shall be specifically responsible for:

- (a) overseeing management of the business and affairs of the Corporation, and to act with a view to the best interests of the Corporation, growing value and maximizing returns to its shareholders;
- (b) overseeing management who ensure that legal requirements have been met, and documents and records have been properly prepared, approved and maintained;
- (c) overseeing the management of the business and affairs of the Corporation including the relationships among the Corporation, its affiliates and their executives, shareholders, directors and officers;
- (d) approving and assessing the Corporation's policies and procedures and monitoring compliance with such policies and procedures;
- (e) developing an approach to corporate governance;
- (f) developing the terms of references for the following positions:
 - (i) Chairman of the Board;
 - (ii) Committee Chairs; and
 - (iii) CEO;
- (g) approving budgets, monitoring operating performance and ensuring that the Board has the necessary information, including key business and competitive indicators, to enable it to discharge this duty and take any remedial action necessary; and
- (h) to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers of the Corporation and ensuring the CEO and other executive officers create and promote a culture of integrity throughout the Corporation.



4.2 Legal Requirements

- (a) The Board has the responsibility to oversee the Corporation's legal requirements for the proper preparation, approval and maintenance of the Corporation's documents and records.
- (b) The Board has a fiduciary responsibility to:
 - (i) manage or oversee the management of the business and affairs of the Corporation;
 - (ii) to act honestly and in good faith with a view to the best interests of the Corporation;
 - (iii) exercise the care, diligence and skill that responsible, prudent people would employ in comparable circumstances; and
 - (iv) act in accordance with its obligations as set out in the ABCA, the articles and by-laws of the Corporation, applicable laws and regulations and any restrictions imposed by any applicable regulatory authority or stock exchange requirements.
- (c) The Board has the statutory responsibility to consider the following matters as a full Board which may not (by law) be delegated to management or to a Committee:
 - (i) any submission to the shareholders of a question or matter requiring the approval of the shareholders;
 - (ii) the filling of a vacancy among the directors;
 - (iii) the appointment of additional directors;
 - (iv) the issuance of securities except in the manner and on the terms authorized by the Board;
 - (v) the declaration of dividends;
 - (vi) the purchase, redemption or any other form of acquisition of shares issued by the Corporation, except in the manner and on the terms authorized by the Board;
 - (vii) the payment of a commission to a person in consideration of such person's purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any shares of the Corporation;



- (viii) the approval of management proxy circulars and annual financial statements to be placed before the shareholders of the Corporation at an annual general meeting; and
- (ix) the adoption, amendment or repeal of any by-laws of the Corporation.

4.3 Strategic Duties

The Board shall adopt a strategic planning process for the Corporation, approving, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the Corporation's business and monitoring of performance against the plan.

4.4 Managing Risks

The Board oversees management who are responsible for identifying the principal risks of the Corporation's business and ensuring that appropriate risk management systems are in place, adopting policies and procedures to identify business risks, addressing which risks are acceptable to the Corporation and ensuring that systems are put in place to manage them. Risks to be considered include both:

- (a) strategic risks such as those related to: acquisitions, expansion and divestitures; competition; Tervita's market share; political matters; commodity prices; economic factors; onsite contract development; and third party contracts; and
- (b) operational risks such as those related to: the integration of operations following acquisitions; project evaluation and pricing; matters affecting business reputation and innovation and technology development.

4.5 Managing Communication and Reporting

The Board shall be responsible for developing and overseeing policies regarding the effective and timely disclosure of information (consistent with the guidance provided in National Instrument 51-102 *Continuous Disclosure Obligations*) to shareholders, other stakeholders, analysts and the public generally, as well as the Corporation's measures for receiving feedback on the business of the Corporation and other matters, whether through investor relations, the CEO or other mechanics independent of management.

4.6 Internal Controls and Management Information Systems

The Board, through discussions with management, the audit committee (the "**Audit Committee**") of the Board and the external auditor, shall be responsible for reviewing and monitoring management's implementation of internal controls and management information systems adequate for ensuring financial reporting is done in a way that is reliable, complete, accurate and transparent.



4.7 Code of Business Conduct and Ethics

The Board shall be responsible for adopting a written code of business conduct and ethics (the Corporation's *Code of Conduct and Conflict of Interest Guidelines* (the "**Code**")) applicable to directors, officers and employees which contains standards that are reasonably designed to promote integrity and deter wrongdoing, and address:

- (a) conflicts of interest (including transactions and agreements in which a director or executive officer has a material interest);
- (b) protection and proper use of the Corporation's assets and opportunities;
- (c) confidentiality of corporate information;
- (d) fair dealing with shareholders, customers, suppliers, competitors, employees and other stakeholders of the Corporation;
- (e) compliance with laws, rules and regulations; and
- (f) reporting of any illegal or unethical behaviour.

The Board monitors compliance with the Code by receiving Management's assurance regarding completion of annual Code of Conduct certification by directors, officers employees, consultants and contractors. Any waivers sought by directors or executive officers are required to be approved only by the Board or by a Committee. In the instance that there is a material departure from the code which constitutes a material change to the issuer, the Board shall file a material change report containing the date of the departure, the parties involved, the reason why the Board has or has not sanctioned the departure, and any measures the Board has taken to address or remedy the departure.

4.8 Monitoring Management

The Board has the responsibility to:

- (a) in consultation with the governance committee (the "**Governance Committee**") of the Board, develop a succession plan for the Board;
- (b) in consultation with the human resources and compensation committee (the "**Human Resources and Compensation Committee**") of the Board and the CEO, develop a succession plan for the senior management of the Corporation; and
- (c) in consultation with the Human Resources and Compensation Committee and the Governance Committee, review and approve the compensation of directors as deemed appropriate; and
- (d) in consultation with the Governance Committee and the Human Resources and Compensation Committee, develop terms of reference for the CEO that delineates management's responsibilities. The Board



annually develops or approves the corporate goals and objectives that the CEO is responsible for meeting.

4.9 Orientation and Education

The Board shall provide new directors with a comprehensive orientation regarding both the business of the Corporation. Furthermore, directors shall be provided with continuing education opportunities so they may maintain or enhance their skills and abilities as directors, as well as their knowledge and understanding of the Corporation's business.

4.10 Other Activities

The Board may perform any other activities consistent with this Mandate, the articles and by-laws of the Corporation and any applicable laws and regulatory or stock exchange requirements as the Board deems necessary or appropriate including, but not limited to:

- (a) preparing and distributing the schedule of Board meetings for each upcoming year;
- (b) calling meetings of the Board at such time and place and providing notice of such meetings to all members of the Board in accordance with the by-laws of the Corporation; and
- (c) ensuring that all regularly scheduled Board meetings and Committee meetings are properly attended by directors, in person or by telephone.

5. COMMITTEES

5.1 Standing Committees

Appointment of members to the Committees shall be the responsibility of the Board, based upon consultations with the members of the Board. Committee Chairs will be selected in accordance with the mandates of the Committees. The Committee Chairs will be responsible for determining the agenda of meetings of the respective Committees and determining the frequency and length of meetings, provided that each Committee must meet at least semi-annually. Committee meetings may be called at any time upon 48 hours' notice, by the Chairman of the Board, the applicable Chair or any member of the applicable Committee.

The Board shall, at this time, have the following standing committees to assist in the discharge of its duties:

- (i) Audit Committee;
- (ii) Governance Committee;
- (iii) Human Resources and Compensation Committee; and



(iv) Health, Safety, Environment and Quality Committee.

Each standing committee of the Corporation has a written mandate that establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operations (including any authority to delegate to individual members or subcommittees), and the manner of reporting to the Board.

5.2 Additional Committees

The Board may establish any additional Committees or *ad hoc* Committees to deal with special purposes, as required from time to time in the discretion of the Board. Appointment of members to such Committees shall be the responsibility of the Board. The Board shall prepare written mandates for any additional or *ad hoc* Committee as it deems necessary.

6. STANDARD OF LIABILITY

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Corporation. Subject to all applicable laws, regulations and listing requirements, as well as the Corporation's articles and by-laws, it is not intended to establish any legally binding obligations.