

HARDWOODS DISTRIBUTION INC.
(the “Corporation”)

TERMS OF REFERENCE FOR THE CHAIR OF THE BOARD OF DIRECTORS

I. INTRODUCTION

The Chair, as the presiding Board member, fosters these relationships in the best interests of the Corporation. In performing this role, the Chair works with the CEO, manages the Board, and together with the CEO fosters effective relations with shareholders.

The Chair, while working closely with the CEO, retains an independent perspective to best represent the interests of the Corporation, shareholders, other stakeholders and the Board.

II. WORKING WITH MANAGEMENT

The Chair shall:

- (a) Act as the principal sounding board and counsellor for the CEO, including helping to define problems, reviewing strategy, maintaining accountability, building relationships and ensuring the CEO is aware of concerns of the Board, shareholders and other stakeholders.
- (b) Lead the Board in monitoring and evaluating the performance of the CEO. This includes assuming responsibility for the accountability of the CEO and in monitoring the implementation of management succession and development plans.
- (c) Coordinate with the CEO to ensure that management strategy, plans and performance are appropriately represented to the Board, shareholders and other stakeholders as appropriate.

III. MANAGING THE BOARD

The Chair shall:

- (d) Ensure that the Board has full governance of the Corporations business and affairs and that the Board is alert to its obligations to the Corporation, shareholders, management, other stakeholders and under the law.
- (e) Provide leadership to the Board, assist the Board in reviewing and monitoring the aims, strategy, policy and directions of the Corporation and the achievement of its objectives.
- (f) Communicate with the Board to keep it up to date on all major developments, including timely discussion of potential developments and directing management to ensure that the Board has sufficient knowledge to permit it to make major decisions when such decisions are required.
- (g) Set the frequency of the Board meetings and review such frequency from time to time as considered appropriate or as requested by the Board.
- (h) Coordinate the agenda, information packages and related events for Board meetings with the CEO and the CFO.

- (i) Chair Board meetings.
- (j) Attend committee meetings where appropriate.
- (k) Act in a manner such that Board and committee meetings are conducted in an efficient, effective and focused manner.

IV. RELATIONS WITH OTHER STAKEHOLDERS AND THE PUBLIC

At the request of the CEO, take steps such that the Corporations management and, where applicable, the Board are appropriately represented at official functions and meetings with major shareholder groups, other stakeholder groups (including suppliers, customers, employees, governments, regulators and local communities), financial analysts, financial press, and debt and equity providers.