



THE NORTH WEST COMPANY INC.

Notice of Meeting & Management
Information Circular for an
Annual General and Special
Meeting of Shareholders of
The North West Company Inc.

APRIL 11, 2018



The North West Company Inc.



April 11, 2018

Dear Shareholder:

You are invited to attend an annual general and special meeting (the “**Meeting**”) of the shareholders of the common voting shares and variable voting shares of The North West Company Inc. (“**North West**”) to be held in the Muriel Richardson Auditorium, Winnipeg Art Gallery, 300 Memorial Boulevard, Winnipeg, Manitoba on Wednesday, June 13, 2018 at 11:30 a.m. (Central Time).

This Notice of Meeting and Management Information Circular (the “**Circular**”) describes the business to be conducted at the Meeting, the resolutions to be voted upon and the voting process, and provides information on executive compensation and corporate governance at North West. We hope that you will take the time to read the Circular in advance of the Meeting as it provides background information that will help you exercise your right to vote on a number of important matters. We encourage you to exercise your vote by voting as outlined in the accompanying Circular.

You can find our 2017 Annual Report, which includes our consolidated financial statements and the auditor’s report to shareholders for the financial year ended January 31, 2018, and the Management’s Discussion and Analysis, on our website at www.northwest.ca or on SEDAR at www.sedar.com.

The Meeting also presents an opportunity for you to meet and ask questions of the Board of Directors of North West and the senior management team. At the end of the formal portion of the Meeting, there will be a presentation on our progress during the past year and first quarter of this year, and a question and answer period.

At the Meeting, you will also be asked to consider and vote upon:

- approval of a special resolution (the full text of which is set out under the heading “*Business of the Meeting — Approval of Amendment to Articles*”) to amend our articles of arrangement (“**Articles**”) to increase the maximum number of directors from twelve to thirteen;
- the election of the directors of North West, who will serve until the next annual general meeting of shareholders;
- the appointment of PricewaterhouseCoopers LLP as external auditor, who will serve until the next annual general meeting of shareholders, and to authorize the directors to set the auditor’s compensation;
- an advisory resolution on North West’s approach to executive compensation; and
- approval of the First Amended and Restated Performance Share Unit Plan (the “**PSU Plan**”).

On behalf of the Board of Directors, we would like to thank you for your continued support of North West. We look forward to seeing you at the Meeting.

Sincerely,

"H. Sanford Riley"

H. Sanford Riley
Chairman of the Board

"Edward S. Kennedy"

Edward Kennedy
President and Chief Executive Officer

Notice of Annual General and Special Meeting of Shareholders

You are invited to the 2018 Annual General and Special Meeting of common and variable voting shareholders (the "**Meeting**") of The North West Company Inc. ("**North West**").

Date: Wednesday, June 13, 2018

Place: Muriel Richardson Auditorium
Winnipeg Art Gallery
300 Memorial Boulevard
Winnipeg, Manitoba

Time: 11:30 a.m. (Central Time)

The Meeting will have the following purposes:

1. to receive North West's consolidated annual financial statements for the year ended January 31, 2018, including the external auditor's report;
2. to consider, and if thought appropriate, to approve by special resolution an amendment to the Articles to increase the maximum number of directors from twelve to thirteen;
3. to elect the directors of North West, who will serve until the next annual general meeting of shareholders;
4. to appoint PricewaterhouseCoopers LLP as external auditor, who will serve until the next annual general meeting of shareholders, and to authorize the directors to set the auditor's compensation;
5. to consider an advisory resolution on North West's approach to executive compensation disclosed in the Management Information Circular dated April 11, 2018 (the "**Circular**");
6. to consider, and if thought appropriate, to approve by ordinary resolution the First Amended and Restated Performance Share Unit Plan; and
7. to consider any other business which may be properly brought before the Meeting, and any and all adjournments thereof.

The accompanying Circular provides detailed information relating to the above matters. You have the right to vote at the Meeting as set out in the Circular if you are a holder of North West common voting shares or variable voting shares as of the close of business on May 9, 2018. For those shareholders who cannot attend the Meeting, North West has made arrangements to provide a live webcast of the Meeting. Details on how shareholders may view the webcast can be found at www.northwest.ca and

will also be provided in a media release prior to the Meeting. Shareholders viewing the webcast will not be permitted to vote through the webcast facilities.

**BY ORDER OF THE BOARD
OF DIRECTORS OF
THE NORTH WEST COMPANY INC.**

"Amanda Sutton"

Winnipeg, Manitoba
April 11, 2018

Amanda Sutton
Vice President, Legal and Corporate Secretary
The North West Company Inc.

Management Information Circular

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Management Information Circular

FORWARD-LOOKING STATEMENTS

This management information circular contains forward-looking statements about North West, including its business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects”, “anticipates”, “plans”, “believes”, “estimates”, “intends”, “targets”, “projects”, “forecasts” or negative versions thereof and other similar expressions, or future or conditional future financial performance (including sales, earnings, growth rates, capital expenditures, dividends, debt levels, financial capacity, access to capital, and liquidity), ongoing business strategies or prospects, and possible future action by North West.

Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about North West, economic factors and the retail industry in general. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements made by North West due to, but not limited to, important factors such as general economic, political and market factors in North America and internationally, interest and foreign exchange rates, changes in accounting policies and methods used to report financial condition, including uncertainties associated with critical accounting assumptions and estimates, the effect of applying future accounting changes, business competition, technological change, changes in government regulations and legislation, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, the Corporation’s ability to complete strategic transactions and integrate acquisitions and the Corporation’s success in anticipating and managing the foregoing risks. The reader is cautioned that the foregoing list of important factors is not exhaustive. Other risks are outlined in the section entitled “Description of the Business — Risk Factors” in North West’s annual information form dated April 11, 2018, under the heading “Risk Management” in our Annual Report for the year ended January 31, 2018, and in our most recent consolidated financial statements, management information circular, material change reports and news releases.

The reader is also cautioned to consider these and other factors carefully and not place undue reliance on forward-looking statements. Other than as specifically required by applicable law, North West is under no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise. Additional information on North West can be found on SEDAR at www.sedar.com or on North West’s website at www.northwest.ca.

NON-GAAP FINANCIAL MEASURES

This management information circular refers to “EBITDA”, which is not a recognized financial measure under International Financial Reporting Standards. North West’s method of calculating EBITDA may differ from other companies and may not be comparable to measures used by other companies. See the “Non-GAAP” measures section of North West’s Annual Report for the year ended January 31, 2018 for further information.

Part I — Voting Information

Unless stated otherwise, information contained in this Management Information Circular (the “**Circular**”) is given as of April 11, 2018.

WHAT MATTERS WILL I BE VOTING UPON?

Shareholders will be asked to vote upon the following matters:

1. to receive North West’s consolidated annual financial statements for the year ended January 31, 2018, including the external auditor’s report;
2. to consider, and if thought appropriate, to approve by special resolution an amendment to the Articles to increase the maximum number of directors from twelve to thirteen;
3. to elect the directors of North West, who will serve until the next annual general meeting of Shareholders;
4. to appoint PricewaterhouseCoopers LLP as external auditor, who will serve until the next annual general meeting of Shareholders, and to authorize the directors to set the auditor’s compensation;
5. to consider an advisory resolution on North West’s approach to executive compensation disclosed in the Circular;
6. to consider, and if thought appropriate, to approve by ordinary resolution the First Amended and Restated Performance Share Unit Plan; and
7. to consider any other business which may be properly brought before the Meeting, and any and all adjournments thereof.

WHO CAN VOTE?

You are entitled to one vote for each North West common voting share (“**Common Voting Share**”) and North West variable voting share (“**Variable Voting Share**”) (collectively, “**Shares**”) you own as of the record date (the “**Shareholder**” or “**Shareholders**”), subject to the voting restrictions and adjustments attached to the Variable Voting Shares, as discussed below under “*Restrictions on Voting*”. The Board

of Directors of North West (the “**Board**” or the “**Directors**”) have set May 9, 2018 as the record date (the “**Record Date**”).

REGISTERED SHAREHOLDERS

You are a registered Shareholder if your name appears on your Share certificate (a “**Registered Shareholder**”). The enclosed form of proxy indicates whether you are a Registered Shareholder. Please also see “How Do I Vote If I Am a Registered Shareholder?” below.

Each Shareholder is entitled to one vote for each Share registered in his, her or its name as of the Record Date. If a Shareholder sells some or all of the Shares that he, she or it owns after the record date, the person who purchased the Shares will become a Shareholder, but is not eligible to vote at the Meeting.

NON-REGISTERED BENEFICIAL SHAREHOLDERS

You may be a non-registered beneficial Shareholder (as opposed to a registered Shareholder) if your Shares are held on your behalf, or for your account, by a broker, a securities dealer, a bank, a trust company or another similar entity (called an “**Intermediary**”). If you are a non-registered beneficial Shareholder, your Intermediary will be the entity legally entitled to vote your Shares. In order to vote your Shares, you must carefully follow the instructions that your Intermediary delivered to you with this Circular. Instead of completing the form of proxy that is printed on blue paper and may be enclosed with this Circular, you will likely be asked to complete and deliver a different form to your Intermediary. This form will instruct the Intermediary how to vote your Shares at the Meeting on your behalf. As a non-registered beneficial Shareholder, while you are invited to attend the Meeting, you will not be entitled to vote at the Meeting, unless you submit all required information to your Intermediary well in advance of the Meeting and carefully follow its instructions and procedures. Please also see “How Do I Vote If I Am a Non-Registered Beneficial Shareholder?” below.

HOW DO I VOTE IF I AM A REGISTERED SHAREHOLDER?

You can vote your Shares by proxy prior to the Meeting, or in person at the Meeting if you are a Registered Shareholder.

VOTING BY PROXY

Vote by email. Scan and email your proxy to *proxyvote@astfinancial.com*. You do not need to return your form of proxy.

Vote by fax. Fax your proxy (both sides) to 416-368-2502 or toll free in Canada and United States to 1-866-781-3111. You do not need to return your form of proxy.

Vote by mail. By completing, dating and signing the enclosed form of proxy and returning same in the envelope provided or send to AST Trust Company (Canada), PO Box 721, Agincourt, ON Canada M1S 0A1.

VOTING IN PERSON

If you attend the Meeting and are a Registered Shareholder, you may cast one vote for each of your registered Shares on any and all resolutions put before the Meeting. If you do not wish to vote in favour of any matter proposed at the Meeting you may withhold your vote from, or vote your Shares against, any resolution at the Meeting, depending on the specific resolution.

INSTRUCTIONS FOR REGISTERED SHAREHOLDERS

The following instructions are for Registered Shareholders only. If you are a non-registered beneficial Shareholder, please follow your intermediary's instructions on how to vote your Shares and see the discussion under the heading "How Do I Vote If I Am a Non-Registered Beneficial Shareholder?" below.

If you are unable to attend the Meeting, or if you do not wish to personally cast your votes, you may still make your votes count by authorizing another person who will be at the Meeting to vote on your behalf. You may either tell that person how you want to vote, or let him or her choose for you. This is called voting by proxy.

What Is a Proxy?

A proxy is a document that you may sign in order to authorize another person to cast your votes for you at the Meeting. The form of proxy that is printed on blue paper and is enclosed with this Circular is a form of proxy that you may use to authorize another person to vote on your behalf at the Meeting. You may use this form of proxy to assign your votes to the Chairman (or his alternate) or to any other person of your choice. You may also use any other legal form of proxy.

Appointing a Proxyholder

Your proxyholder is the person that you appoint to cast your votes at the Meeting on your behalf. You may choose the Chairman (or his alternate) or any other person that you want to be your proxyholder. Please note that your proxyholder is not required to be another Shareholder. If you want to authorize the Chairman (or his alternate) as your proxyholder, please leave the line near the top of the form of proxy blank, as the Chairman's name (and the name of his alternate) are already pre-printed on the form. If you want to authorize another person as your proxyholder, fill in that person's name in the blank space located near the top of the enclosed form of proxy and cross out the name of the Chairman and his alternate.

Your proxy authorizes the proxyholder to vote and otherwise act for you at the Meeting, including any continuation of the Meeting that may occur in the event that the Meeting is postponed or adjourned. If you return the attached form of proxy to AST Trust Company (Canada), and have left the line for the proxyholder's name blank, then the Chairman (or his alternate) will automatically become your proxyholder.

Depositing Your Proxy

To be valid, the form of proxy must be filled out, correctly signed (exactly as your name appears on the form of proxy), and returned to the transfer agent for the Shares, AST Trust Company (Canada), by no later than 11:30 a.m. (Central Time) on June 11, 2018 (or at least 24 hours prior to the commencement of any reconvened meeting in the event of any adjournment or postponement of the Meeting). Your proxyholder may then vote on your behalf at the Meeting.

You may instruct your proxyholder how you want to vote on the issues listed in the Notice of Meeting by checking the appropriate boxes on the form of proxy. If you have specified on the form of proxy how you want to vote on a particular issue, then your proxyholder must cast your votes as instructed. Depending on the particular resolution, if you do not wish to vote in favour of a matter proposed at the Meeting you may, as applicable to the specific resolution, withhold your vote from, or vote your Shares against, such resolution at the Meeting. By checking "WITHHOLD FROM VOTING" on the form of proxy, where applicable, you will be abstaining from voting. By checking "AGAINST" on the form of proxy, where applicable, you will be voting against the particular resolution.

If you have NOT specified how to vote on a particular matter, your proxyholder is entitled to vote your Shares as he or she sees fit. Please note that if your form of proxy does not specify how to vote on any particular matter, and if you have authorized the Chairman (or his alternate) to act as your proxyholder (by leaving the line for the proxyholder's name blank on the form of proxy), your Shares will be voted at the Meeting as follows:

- **"FOR"** the amendment of North West's Articles to increase the maximum number of directors from twelve to thirteen;
- **"FOR"** the election of the twelve nominees to the Board;
- **"FOR"** the re-appointment of PricewaterhouseCoopers LLP as auditors of North West and to authorize the audit committee of the Board to fix the auditor's remuneration;
- **"FOR"** the advisory resolution on North West's approach to executive compensation;
- **"FOR"** the First Amended and Restated Performance Share Unit Plan; and
- **"FOR"** management proposals generally.

For more information on these matters, please see "PART II — BUSINESS OF THE MEETING". If any other issues properly arise at the Meeting that are not described in the Notice of Meeting, or if any amendments or variations are proposed to the matters described in the Notice of Meeting, your proxyholder is entitled to vote your Shares as he or she sees fit. The Notice of Meeting sets out all the matters to be determined at the Meeting that are known to the Directors as of April 11, 2018.

Can I Change My Vote?

If you want to change your vote or revoke your proxy after you have signed and delivered it to AST Trust Company (Canada), you may do so by delivering another properly executed form of proxy bearing a later date and delivering it as set out above under the heading "Depositing Your Proxy" by no later than 11:30 a.m. (Central Time) on June 11, 2018 (or at least 24 hours prior to any reconvened meeting in the event of any adjournment(s) or postponement(s) of the Meeting), or in any other manner permitted by law.

If you revoke your proxy and do not replace it with another form of proxy that is deposited with AST Trust Company (Canada) on or before the deadline at 11:30 a.m. (Central Time) on June 11, 2018, you may still vote your own Shares in person at the Meeting provided you are a Registered Shareholder whose name appeared on the Shareholders' register of North West as at May 9, 2018.

HOW DO I VOTE IF I AM A NON-REGISTERED BENEFICIAL SHAREHOLDER?

The information set forth in this section is important to many Shareholders, as a substantial number of persons do not hold Shares in their own name.

Holders who do not hold their Shares in their own name ("**Beneficial Shareholders**" collectively or "**Beneficial Shareholder**" individually) should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Shareholders whose names appear on the records maintained by or on behalf of North West as the registered holders of Shares on the Record Date. If such Shares are listed in an account statement provided to a Shareholder by a broker or other Intermediary, then in almost all cases those Shares will not be registered in that holder's name on the records of North West. Such Shares will more likely be registered under the name of the holder's broker, an agent or nominee of that broker or another intermediary. In Canada, the vast majority of such Shares are typically registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms. Shares held by brokers or their agents or nominees or another intermediary can only be voted upon the instructions of the Beneficial Shareholder. Without specific instructions, the intermediaries are prohibited from voting the Shares for their clients. North West does not know for whose benefit Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholder meetings. Every intermediary/broker 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 Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker 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 brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a

scannable voting instruction form in lieu of the form of proxy. The Beneficial Shareholder is requested to complete and return the voting instruction form to Broadridge as instructed by Broadridge. Alternatively the Beneficial Shareholder can call a toll-free telephone number or access the internet to provide instructions regarding the voting of the Shares held by the beneficial holder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at a meeting. A Beneficial Shareholder receiving a voting instruction form 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 well in advance of the Meeting in order to have such Shares voted.

If you are a Beneficial Shareholder, you may only attend the Meeting as a proxyholder for the registered holder and vote your Shares, as applicable, in that capacity. If you wish to attend the Meeting and vote your own Shares, you must do so as proxyholder for the registered holder. To do this, you should enter your own name in the blank space on the applicable form of proxy or voting instruction form provided to you (and cross out the name of the Chairman and his alternate) and return the document to your broker or other intermediary (or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker or intermediary well in advance of the Meeting and carefully follow its instructions and procedures.

IS MY VOTE CONFIDENTIAL?

The transfer agent protects the confidentiality of individual Shareholder votes, except where (a) the Shareholder clearly intends to communicate his or her individual position to management; and (b) as necessary to comply with legal requirements. All proxies are considered confidential and will be returned to North West's transfer agent, AST Trust Company (Canada). The transfer agent will also act as the Meeting's scrutineers and will count the proxies and tabulate and verify the results. The transfer agent will refer a proxy to North West if it has a comment or is intended for North West's management, or in connection with the applicable legal requirements.

HOW MANY SHARES ARE ENTITLED TO VOTE?

As of April 11, 2018, the Common Voting Shares and the Variable Voting Shares are the only classes of Shares of North West outstanding which entitle holders to vote at meetings of Shareholders. As of April 11, 2018, 36,133,161 Common Voting Shares and 12,557,051 Variable Voting Shares were outstanding. Each Shareholder is entitled to one vote per Share on all matters to be voted on at Shareholder meetings, subject to the voting restrictions and adjustments attached to the Variable Voting Shares, as discussed below under "*Restrictions on Voting*".

A quorum is required to conduct the business of the Meeting. Two or more individuals present in person either holding personally or representing as proxies not less in aggregate than 25% of the outstanding Shares will constitute a quorum at the Meeting. North West's list of Shareholders as of the Record Date will be used to deliver

to Shareholders both the Notice of Meeting and this Circular, as well as to determine who is eligible to vote.

ARE THERE ANY PRINCIPAL HOLDERS OF SHARES?

As at April 11, 2018, based on publicly available filings, to the knowledge of the Board and the officers of North West, there are no principal holders of North West's voting securities.

RESTRICTIONS ON VOTING

Why does North West have Common Voting Shares and Variable Voting Shares?

North West's Articles provide restrictions with respect to subscriptions, issues, transfers or purchases of Common Voting Shares which would cause North West to cease to be "Canadian" as defined in the *Canada Transportation Act*. The applicable provisions of the *Canada Transportation Act* require that North West, as a corporation which will hold a scheduled domestic license, be Canadian; that is, controlled in fact by Canadians and that at least 75% of its voting interests be owned and controlled by Canadians.

The definition of "Canadian" under Section 55(1) of the *Canada Transportation Act* may be summarized as follows:

- (a) Canadian citizen or a permanent resident within the meaning of the *Immigration and Refugee Protection Act* (Canada);
- (b) a government in Canada or an agent of such government; or
- (c) a corporation or other entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least 75%, or such lesser percentage permitted by the *Canada Transportation Act* or as the Governor in Council may by regulation specify, of the voting interests are owned and controlled by Canadians.

On March 12, 2009, Bill C-10, the *Budget Implementation Act* was assented to by the Canadian Parliament. This Act contains amendments to the *Canada Transportation Act*, however, at the date hereof, these amendments have not been proclaimed into force. When in force, these amendments will replace the current definition of Canadian within the *Canada Transportation Act* that prescribes a 25% limit on the voting interests owned and controlled by non-Canadians, and will instead provide the Governor in Council with the authority to implement new regulations under the *Canada Transportation Act* specifying the limit on the voting interests owned and controlled by non-Canadians, subject to a limit of 49% on the voting interests owned and controlled by all non-Canadians, or a limit of 49% on the voting interests owned and controlled by any specified class of non-Canadians prescribed in such regulations. These amendments to the *Canada Transportation Act* will come into force on a date to be fixed by order of the Governor in Council made on the recommendation of the Minister. On October 8, 2009, the *Canadian Transportation Agency* commenced a

consultation process with stakeholders regarding the implementation of these new regulations, which will be implemented in conjunction with the coming into force of the amendments to the *Canada Transportation Act* described above. We are unable to predict the form such regulations will take, the timing for their enactment, or the potential effect on us or our capital structure.

The Articles, By-laws and policies of North West grant to the Board the powers necessary to give effect to the ownership restrictions and to allow North West to qualify as “Canadian” within the meaning of the *Canada Transportation Act*. North West has adopted certain policies, procedures and processes in order to monitor the number of its Shares owned by Canadians to ensure that the provisions of its Articles, By-laws and the *Canada Transportation Act* are complied with.

Effective June 15, 2017 the Common Voting Shares and the Variable Voting Shares commenced trading on the Toronto Stock Exchange (“**TSX**”) under a single ticker designated “NWC”, as if they were a single class of securities. The Common Voting Shares and Variable Voting Shares are designated, for the purposes of trading on the TSX and reporting in brokerage accounts, under the single designation of “Variable and Common Voting Shares” of North West. The trading of Common Voting Shares and Variable Voting Shares under a single ticker was made solely for the administration of trading of such shares on the TSX.

Please note that regardless of how your Shares are held, you must complete the declaration on your instrument of proxy or voting instruction form regarding whether or not the Shares you represent are owned or controlled by a “Canadian” for the purposes of North West’s ownership restrictions. If you do not complete such a declaration, or complete it improperly, the voting rights attached to the Shares you represent will not be counted.

Who can own or control Common Voting Shares?

Common Voting Shares may only be beneficially owned and controlled, directly or indirectly, by Canadians. Any Common Voting Shares beneficially owned or controlled, directly or indirectly, by a person who is not a Canadian is automatically converted to a Variable Voting Share.

What is the voting right attached to a Common Voting Share?

Each Common Voting Share confers the right to one vote at all meetings of North West’s Shareholder.

Who can own or control Variable Voting Shares?

Variable Voting Shares may only be beneficially owned or controlled, directly or indirectly, by non-Canadians. Therefore, any Variable Voting Share owned or controlled, directly or indirectly, by a person who is Canadian is automatically converted to a Common Voting Share.

What is the voting right attached to a Variable Voting Share?

Variable Voting Shares carry one vote per Variable Voting Share held, except where (i) the number of issued and outstanding Variable Voting Shares exceeds 25% of the total number of all issued and outstanding Shares, including securities convertible into such Shares and currently exercisable options and rights to acquire such Shares or such convertible securities (or any greater percentage permitted by the *Canada Transportation Act* or that the Governor in Council may specify pursuant to the *Canada Transportation Act*), or (ii) the total number of votes cast by or on behalf of the holders of Variable Voting Shares at any meeting exceeds 25% (or any greater percentage permitted by the *Canada Transportation Act* or that the Governor in Council may specify pursuant to the *Canada Transportation Act*) of the total number of votes that may be cast at such meeting. If either of the above-noted thresholds is surpassed at any time, the number of votes attached to each Variable Voting Share will decrease automatically without further act or formality to equal the maximum permitted vote per Variable Voting Share.

Under the circumstances described in (i) in the immediately preceding paragraph, the Variable Voting Shares as a class cannot carry more than 25% (or any greater percentage permitted by the *Canada Transportation Act* or that the Governor in Council may specify pursuant to the *Canada Transportation Act*) of the total voting rights attached to the aggregate number of issued and outstanding Shares, including securities convertible into such Shares and currently exercisable options and rights to acquire such Shares or such convertible securities. Under the circumstances described in (ii) in the immediately preceding paragraph, the Variable Voting Shares as a class cannot, for a given Shareholders' meeting, carry more than 25% (or any greater percentage permitted by the *Canada Transportation Act* or that the Governor in Council may specify pursuant to the *Canada Transportation Act*) of the total number of votes that can be exercised at the meeting.

If the total number of votes cast by or on behalf of the holders of Variable Voting Shares on any matter on which a vote is to be taken at the Meeting exceeds 25% (or any greater percentage permitted by the *Canada Transportation Act* or that the Governor in Council may specify pursuant to the *Canada Transportation Act*) of the aggregate votes that may be cast on such matter, the number of votes attached to each Variable Voting Share will decrease automatically and proportionately such that the total votes attached to the Variable Voting Shares cast on the matter shall not exceed 25% of the aggregate votes.

The constraints described above do not apply to Variable Voting Shares held by a non-Canadian by way of security only, subject to compliance with certain requirements set forth in North West's Articles, or to Variable Voting Shares held by one or more underwriters solely for the purpose of distributing the Variable Voting Shares to the public, or by any person acting in relation to the Variable Voting Shares solely in its capacity as an intermediary in the payment of funds or the delivery of securities, or both, in connection with trades in securities and that provides centralized facilities for the clearing of trades in securities.

SOLICITATION OF PROXIES

North West requests that you fill out your form of proxy to ensure your votes are cast at the Meeting. If you leave the form of proxy blank, and if you do not specify how your Shares are to be voted on particular resolutions, the Chairman (or his alternate) will vote your Shares as described above under the heading “How Do I Vote If I Am A Registered Shareholder? — Instructions for Registered Shareholders — Depositing Your Proxy”. This solicitation of your proxy (your vote) is made by or on behalf of the Board.

North West will pay the costs related to the foregoing solicitation of your proxy. This solicitation will be made primarily by mail. Employees of North West and its subsidiaries, or representatives of AST Trust Company (Canada), may also ask for proxies to be returned, but will not be paid any additional compensation for doing so.

HOW IS A VOTE PASSED?

The matters scheduled to be voted upon at the Meeting consist of special and ordinary resolutions. Special resolutions are passed by a majority of not less than two-thirds of the votes cast, meaning that if more than two-thirds of the votes that are cast are in favour, then the resolution passes. Ordinary resolutions are passed by a simple majority, meaning that if more than half of the votes that are cast are in favour, then the resolution passes.

WILL THERE BE ANY OTHER BUSINESS CONDUCTED AT THE MEETING?

As of April 11, 2018, management and the Directors do not know of any matters to be brought before the Meeting other than those set forth in the Notice of Meeting accompanying this Circular.

Part II — Business of the Meeting

1. RECEIVING OUR ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

Our Annual Consolidated Financial Statements for the financial year ended January 31, 2018, including the external auditor’s report, will be presented at the Meeting, and are included in our 2017 Annual Report. The financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

Our 2017 Annual Report has been mailed to registered and beneficial Shareholders who have requested that these materials be sent to them. These documents are also available on North West’s website at www.northwest.ca and under North West’s profile on SEDAR at www.sedar.com.

2. APPOINTING OUR AUDITOR

The Board proposes the appointment of PricewaterhouseCoopers LLP (“**PWC**”) as our auditor until the next annual meeting of Shareholders. PWC have been the auditors of North West since January 1, 2011, and auditors of its predecessor companies since June 10, 1987. Representatives from PWC will be at the Meeting to answer any of your questions.

If you return a form of proxy but do not specify how you want your Shares voted, the persons named as proxyholders will cast the votes represented by proxy at the Meeting “FOR” the reappointment of PricewaterhouseCoopers LLP, Chartered Accountants, Winnipeg, Manitoba, as auditors of North West to hold office until the next annual meeting of Shareholders at a remuneration to be determined by the Audit Committee of the Board.

AUDIT FEES

Fees payable to PWC for the financial years ended January 31, 2018 and 2017 are set out in the table below.

Type of Fees (\$ in thousands)	Fiscal 2017	% of		% of	
		Total Fees	Fiscal 2016	Total Fees	Total Fees
Audit Fees	\$447	87.5	\$399	83.0	
Audit-Related Fees	19	3.7	16	3.3	
Tax Fees	44	8.6	66	13.7	
All other Fees	–	–	–	–	
Total	\$510	100	\$481	100	

The nature of each category of fees is described below:

Audit Fees

Audit fees were paid for professional services rendered by the auditors for the audit of North West’s annual consolidated financial statements or services provided in connection with statutory and regulatory filings or engagements, and the review of North West’s interim consolidated financial statements.

Audit Related Fees

Audit related fees pertain to professional services for store audit procedures, review of procedures for North West, confirmation on compliance with debt covenants, due diligence, completion of procedures required by contract and advice on new accounting standards.

Tax-Related Fees

Tax related fees include professional services for tax compliance services and advice, commodity tax consultation, reorganizations, acquisitions and other tax related matters.

All Other Fees

Generally these fees include professional services for business consulting.

PRE-APPROVAL POLICIES AND PROCEDURES

As part of North West's governance structure, the Audit Committee annually reviews and approves the terms of the external auditor's engagement. To further ensure the independence of the auditors is not compromised, the Audit Committee also pre-approves all engagements of the auditors for non-audit related services in accordance with its pre-approval policy.

3. APPROVAL OF AMENDMENT TO ARTICLES

North West's Articles currently provide that the Board must consist of a minimum of three and a maximum of twelve Directors. The Board has considered issues relating to its size and determined, on recommendation of the Governance Committee, that the maximum size of the Board should be increased to thirteen directors. The Board has determined that it is in the best interest of North West and its Shareholders to increase the maximum size of the Board in order to (i) increase the diversity of experience among members of the Board, (ii) enhance the ability of the Board and its Committees to play an effective role in overseeing the management of North West, and (iii) facilitate a smooth transition in advance of the anticipated retirement of several Director in the coming years.

The holders of Shares will be asked at the Meeting to consider and, if deemed advisable, to approve the following special resolution:

"BE IT RESOLVED THAT:

- 1. The articles of North West be amended to increase the maximum number of directors from twelve to thirteen.**
- 2. Any one director or officer of North West be authorized and directed to execute and deliver all such documents and instruments, including articles of amendment in prescribed form, and to take such other actions, as may be necessary or desirable to give effect to this resolution."**

The Board recommends that Shareholders vote "FOR" the special resolution to approve the amendment to our Articles. The nominees named in the accompanying form of proxy will vote the shares representing thereby "FOR" the amendment to our Articles, unless the Shareholder has given contrary instructions in such form of proxy. In order to be approved, not less than two-thirds of the votes cast by the holders of Shares present

in person or represented by proxy at the Meeting must be voted "FOR" the special resolution.

4. ELECTING OUR BOARD OF DIRECTORS

Our Articles, if amended as described above, will provide that the Board may consist of a minimum of three and a maximum of thirteen Directors. The Board has determined to nominate each of the twelve persons listed below for election as a director at the Meeting. Our Board is currently composed of twelve Directors. The Board recommends that Shareholders vote "FOR" the election of each of the twelve nominees as Directors.

You will vote on electing the following twelve nominees to the Board:

- H. Sanford Riley
- Brock Bulbuck
- Deepak Chopra
- Frank J. Coleman
- Wendy F. Evans
- Stewart Glendinning
- Edward S. Kennedy
- Robert J. Kennedy
- Annalisa King
- Violet (Vi) A.M. Konkle
- Eric L. Stefanson
- Victor Tootoo

Each Director elected at the Meeting shall hold office until the close of the next annual meeting of Shareholders or until a successor has been elected or appointed in accordance with our Articles and By-laws.

North West does not contemplate that any of the nominees will be unable to serve as a Director, but if it should occur for any reason prior to the Meeting or any postponement or adjournment thereof it is intended that discretionary authority shall be exercised by the persons named in the accompanying form of proxy to vote any proxy for the election of the remaining nominees and any other person or persons in place of any nominee or nominees unable to serve.

All nominated Directors are currently Directors of North West. The Director profiles starting on page 19 of this Circular give you detailed information about each of these nominees.

If you return a form of proxy but do not specify how you want your Shares to be voted, the persons named as proxy holders will cast the votes represented by proxy at the Meeting "FOR" the listed Director nominees. Each Director elected will hold office until the next annual meeting or until his or her successor is elected or appointed, unless his or her office is vacated earlier.

5. ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION APPROACH

The Board, through the Human Resources, Compensation and Pension Committee (the "**Compensation Committee**"), is responsible for formulating and monitoring the effectiveness of North West's executive compensation program. In creating North West's executive compensation program, North West is guided by the goal of

aligning the interests of North West's executives with the long-term interests of the Shareholders. Please read our 2017 report on executive compensation, starting on page 49 of this Circular. We describe our compensation philosophy, the objectives and elements of each program, and the way we measure and assess the performance and make compensation decisions. We explain how and why a large portion of our executive's compensation is linked to performance and earned over the longer term.

You will have an opportunity to vote on our approach to executive compensation at the upcoming Meeting. Your vote is advisory and non-binding, and will provide the Board and the Compensation Committee with important feedback.

“RESOLVED on an advisory basis and not to diminish the role and responsibilities of the Board, that the Shareholders accept the approach to executive compensation disclosed in North West’s Circular delivered in advance of the 2018 annual general and special meeting of Shareholders.”

Approval of this resolution will require that it be passed by a majority of the votes cast by Shareholders. As this is an advisory vote, the results will not be binding on the Board. However, the Board and the Compensation Committee will consider the outcome of the vote as part of its ongoing review of North West's executive compensation program.

At the 2017 Annual General Meeting, North West's approach to executive compensation was approved by 96.69% of the Shares voted on the advisory vote.

North West encourages Shareholders with specific concerns to contact the Board directly by writing to the Chairman of the Board, 77 Main Street, Winnipeg, Manitoba R3C 2C1.

If you return a form of proxy but do not specify how you want your Shares voted, the persons named as proxy holders will cast the votes represented by proxy at the Meeting “FOR” the advisory resolution.

North West will disclose the results of the advisory vote in its report on the 2018 annual general and special meeting voting results.

6. APPROVAL OF FIRST AMENDED AND RESTATED PERFORMANCE SHARE UNIT PLAN

The Board has, subject to Shareholder approval and final approval of the TSX, adopted a resolution approving the First Amended and Restated Performance Share Unit Plan (the “**PSU Plan**”). The following is a summary of certain material terms of the PSU Plan and is qualified in its entirety by the full text of the PSU Plan, a copy of which is attached hereto as Schedule “A”.

The PSU Plan, which amends and restates the Performance Share Unit Plan entered into by North West on July 21, 2011 (the “**Original Plan**”), has been established to assist North West in the recruitment and retention of qualified individuals by providing

a means to reward superior performance, to motivate participants to achieve important corporate and personal objectives and align the interest of the participants with the long-term interests of Shareholders. Pursuant to the PSU Plan, participants are defined as each employee of North West or any subsidiary of North West who is approved for participation in the PSU Plan (the "**Participants**").

The Board intends to use performance share units ("**PSUs**") issued under the PSU Plan, as part of North West's overall executive compensation plan. Since the value of PSUs increase or decrease with the market price of the Shares, PSUs reflect a philosophy of aligning the interest of Participants with those of Shareholders by tying compensation to share price performance. In addition, PSUs assist in the retention of qualified and experienced employees by rewarding those individuals who make a long-term commitment to North West. The PSU Plan is being amended to allow for certain cash-settled PSUs to be redeemed over the exchange and granting share-settled PSUs which can be held by executives for a longer period of time than cash-settled PSUs which expire after three years. This longer duration more closely aligns executive compensation with the time horizon of their work.

The PSU Plan amends the Original Plan by setting a fixed maximum number of Shares that may be issued under the PSU Plan (being 860,000 Shares, representing approximately 1.8% of North West's current issued and outstanding Shares as of the date of this Circular) and introduces share settled share units as a grant option for the plan administrators in addition to the cash settled share units available under the Original Plan. Under the Original Plan, share units were granted by the plan administrators and redeemed and settled for the fair market value per share of each share unit as of the vesting date (set as the third fiscal year-end following the date of the grant of share units (the "**Vesting Date**")) for such earned performance share units in cash, net applicable withholding taxes (the "**Cash Settled PSUs**"). Under the PSU Plan, in addition to the Cash Settled PSUs available for grant and redemption, the plan administrators may grant all or a portion of the performance share units as share settled share units to be redeemed by either: (a) Shares issued out of North West's treasury; or (b) Shares purchased over the TSX (the "**Share Settled PSUs**"). Should the plan administrators grant Share Settled PSUs to a Participant, the Participant may elect at any time, on at least ten business days advance notice, to redeem the Share Settled PSUs in treasury Shares or in the form of Shares purchased on the TSX, on any date or dates after the Vesting Date and on or before the seventh anniversary of the grant date; provided that the redemption and settlement of the Share Settled PSUs shall in no case be later than the seventh anniversary of the grant date. If a Participant elects to redeem a Share Settled PSU during a blackout period under North West's Insider Trading Policy, the redemption date for such Share Settled PSUs is extended until two business days after the end of the blackout period. For clarity, any treasury Shares issued for a Participant's Share Settled PSUs, or to satisfy applicable withholding taxes of such treasury Shares, will be considered part of the fixed maximum number of Shares that may be issued under the PSU Plan.

The PSU Plan considers voluntary and involuntary termination in certain instances. In the event a Participant retires from employment, and such retirement is approved by the plan administrators as a qualified retirement, or in the event of a Participant's

death, all earned PSUs credited to the Participant will be redeemed and settled per the terms of the PSU Plan and 100% of outstanding PSUs that are not considered earned PSUs will be deemed earned PSUs and will be redeemed and settled as of the Participant's termination date or death respectively. In the event a Participant voluntarily resigns, retires (such that it is not deemed a qualified retirement) or is terminated for just cause (as defined in the PSU Plan), all PSUs, other than previously earned PSUs, will be forfeited and cancelled for no consideration and all earned PSUs will be redeemed and settled per the terms of the PSU Plan. In the event a Participant is terminated or Participant's termination is without just cause or disability, all earned PSUs will be redeemed and settled per the terms of the PSU Plan and all unearned PSUs that have been credited to the Participant will be prorated and deemed to be earned PSUs. In all termination events, settlement of the PSUs will be with the Participant, or its legal representative in the event of the Participant's death, and such Participant or legal representative will have no further rights respecting any PSUs that have been redeemed and settled.

The PSU Plan is administered by the Compensation Committee of the Board. Under the PSU Plan, Participants will be eligible to be considered for a grant of PSUs annually, which will normally be granted effective February 1 of each fiscal year. The grants of PSUs to Participants will be subject to performance criteria as set out by the administrators in each Participant's PSU notice provided to each Participant by North West. If dividends are paid on the Shares, additional PSUs will be credited to the Participant as of the dividend payment date and will be granted, subject to the same performance criteria as the PSUs, vesting at the same time and of the same type of PSU as the underlying PSUs.

The PSU Plan may be amended or modified by the Board in their discretion without Shareholder approval (including, but not limited to, amendments of a housekeeping nature, a change to the termination provisions of a PSU, and a discontinuance of the PSU Plan), provided that any such amendment or modification which would, among other things, (a) increase the maximum number of Shares issuable under the PSU Plan; (b) reduce any applicable exercise price or cancellation and reissue of share units or other entitlements; (c) extend the term of any share settled share unit beyond its original expiry date; (d) permit share units to be transferable or assignable other than for normal estate settlement purposes; or (e) change the eligible Participants under the PSU Plan, shall only be effective upon such amendment or modification being approved by the shareholders of North West if required by the TSX or any other applicable regulatory authority. No rights under the PSU Plan are assignable or transferable by any participant (other than to the participant's estate in certain circumstances).

As of the date of this Circular, no Share Settled PSUs have been granted under the PSU Plan. Unless Shareholder approval is obtained, North West will not be permitted to grant any Share Settled PSUs under the PSU Plan but will still be permitted to grant Cash Settled PSUs in accordance with the Original Plan.

The PSU Plan does not limit the participation of insiders (as defined by the TSX). The aggregate number of Shares: (a) issuable to insiders of North West at any one time;

and (b) issued to insiders of North West within any one year period, could exceed 10% of North West's issued and outstanding common shares. TSX rules provide that the votes attached to the securities held by all insiders eligible to participate in the PSU Plan ("**Eligible Insiders**") must be excluded. Accordingly, Shareholders of North West, other than the Eligible Insiders, are being asked to approve the increase by a majority of votes cast.

The holders of Shares who are not Eligible Insiders will be asked at the Meeting to consider, and if deemed advisable, to approve the following resolution adopting the PSU Plan:

"BE IT RESOLVED THAT:

- (a) the First Amended and Restated Performance Share Unit Plan, providing for the issuance of up to 860,000 Shares, substantially in form as described in North West's Management Information Circular dated April 11, 2018, subject to any modifications by the Toronto Stock Exchange, be and is hereby approved; and**
- (b) Any one director or officer of North West be authorized and directed to execute and deliver all such documents and instruments, and to take such other actions, as may be necessary or desirable to give effect to this resolution.**
- (c) The Board recommends that Shareholders vote "FOR" the adoption of the PSU Plan resolution. To be effective, the PSU Plan must be approved by not less than a majority of the votes cast by the Shareholders of North West who vote in respect of such resolution present in person, or represented by proxy, at the Meeting, excluding votes attaching to securities beneficially owned by Eligible Insiders. Accordingly, the votes attached to 582,871 securities beneficially owned by Eligible Insiders, representing approximately 1.2% of the issued and outstanding Shares of North West as of the date of this Circular, will be disqualified in counting the votes for the PSU Plan resolution.**

The full text of the PSU Plan is attached hereto as Schedule "A".

Unless otherwise instructed by a Shareholder, the persons named in the accompanying form of proxy will vote "FOR" the PSU Plan.

7. OTHER BUSINESS

North West will consider any other business that may properly come before the Meeting. As at the date of this Circular, we are not aware of any other business to be considered at the Meeting.

Part III — Director Information

1. DIRECTOR NOMINEES

The Articles of North West currently provide that the Board shall consist of a minimum of three directors and a maximum of twelve Directors, with the actual number to be determined from time to time by the Board. The Board has determined that, at the present time, the appropriate number of Directors to be elected at the Meeting is twelve.

The following biographies highlight the experience, attributes and qualifications of each Director nominee. Specifically, the following tables states their name and ages, a summary of their career experience, the period during which they have served as a Director of North West, their independence status, their non-public and public company board memberships, their meeting attendance, their equity ownership in North West, and the voting results for each incumbent Director from last year's election.

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H. Sanford Riley**Independent**

Winnipeg, Manitoba
Canada

Age: 67
Director Since: 2003

Mr. Riley was appointed Chairman of North West in June 2008. Mr. Riley has been President and Chief Executive Officer of Richardson Financial Group Limited since 2003. He held the positions of Chairman of Investors Group Inc. from 2001 to 2002, and President and Chief Executive Officer of Investors Group Inc. from 1992 to 2001. In addition to the public company directorships set out below, Mr. Riley is a director of Richardson GMP and Chairman of the University of Winnipeg Foundation. Mr. Riley was appointed to the Order of Canada in July 2002.

Board/Committee Membership	Attendance	Attendance (Total)
Board of Directors (Chair) ⁽¹⁾	6 of 6	100%

Other Current Public Company Directorships

Molson Coors Brewing Company; Canadian Western Bank; Manitoba Hydro (Chairman)

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSUs)	Total # Shares & DSUs	Total \$ Value of Shares and DSUs ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2017	11,000	76,528	87,528	2,550,566		
2016	11,000	67,129	78,129	2,287,617	322,500	Yes
Net Change	–	9,399	9,399	262,939		

Voting Results for 2017 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
25,500,420	96.30%	979,784	3.70%	26,480,204

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Winnipeg, Manitoba
Canada

Age: 58

Director Since: 2018

Mr. Bulbuck is the Chief Executive Officer of Boyd Group Income Fund. He has been Chief Executive Officer since 2010, but since joining Boyd in 1993, Mr. Bulbuck has served in many senior leadership roles and has played a leading role in the overall development and growth of Boyd Group's business. In his current leadership role at Boyd, he has overall responsibility for the affairs of Boyd, including strategy, operations and performance. In addition to his executive management position at Boyd, Mr. Bulbuck also serves on the Board of Trustees of Boyd Group Income Fund. He is also a past Chairperson of the Winnipeg Football Club Board of Directors, a past member of the Canadian Football League Board of Governors and a current Director of the Pan Am Clinic Foundation. Mr. Bulbuck has a Bachelor of Commerce (Honors) degree from the University of Manitoba and is a Chartered Professional Accountant.

Board/Committee Membership		Attendance		Attendance (Total)		
	n/a	n/a	n/a	n/a	n/a	
Other Current Public Company Directorships						
Boyd Group Income Fund						
Equity Ownership ⁽³⁾						
Year	Shares	Deferred Share Units (DSUs)	Total # Shares & DSUs	Total \$ Value of Shares and DSUs ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2017	–	–	–	–	255,000	No ⁽⁶⁾
2016	–	–	–	–		
Voting Results for 2017 Annual Shareholders Meeting						
Votes For	% of Votes For	Votes Withheld	% of Votes Withheld		Total Votes	
n/a	n/a	n/a	n/a		n/a	

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Toronto, Ontario
Canada

Age: 55
Director Since: 2018

Mr. Chopra most recently served as President and Chief Executive Officer of Canada Post Corporation from February 2011 to March 2018. Mr. Chopra has more than 30 years of global experience in the financial services, technology, retail and logistics & supply-chain industries. Prior to that he worked for Pitney Bowes Inc., a NYSE-traded technology company known for postage meters, mail automation and location intelligence services, for more than 20 years. He served as President of Pitney Bowes Canada and Latin America from 2006 to 2010. He held a number of increasingly senior executive roles in Europe, Asia Pacific and Middle East regions. He has previously served on the boards of Canada Post Corporation, Puroator Holdings Ltd., SCI Group, the Canada Post Community Foundation and the Toronto Region Board of Trade. He currently sits on the board of the Conference Board of Canada. Mr. Chopra is a Fellow of the Institute of Chartered Professional Accountants of Canada.

Board/Committee Membership	Attendance		Attendance (Total)	
	n/a	n/a	n/a	n/a

Other Current Public Company Directorships

Celestica, Inc. (effective April 26, 2018)

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSUs)	Total # Shares & DSUs	Total \$ Value of Shares and DSUs ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2017	–	–	–	–	255,000	No ⁽⁶⁾
2016	–	–	–	–		

Voting Results for 2017 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
n/a	n/a	n/a	n/a	n/a

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Mr. Coleman has been the President and Chief Executive Officer of the Coleman Group of Companies since 1991. This includes retail food, retail furniture and clothing operations throughout the Province of Newfoundland and Labrador. He is a past Director of the Distribution Council of Canada, The Canadian Federation of Independent Grocers, Emera Newfoundland & Labrador Holdings Incorporated., Fishery Products Ltd., and Newfoundland Power (a subsidiary of Fortis). He is currently the Honorary Lieutenant Col. of the Royal Newfoundland Regiment Battalion 2.

Corner Brook,
Newfoundland and Labrador
Canada

Age: 64
Director Since: 1999

Board/Committee Membership	Attendance	Attendance (Total)
Board of Directors	6 of 6	100%
Governance Committee	6 of 6	100%
Audit	4 of 4	100%

Other Current Public Company Directorships

Rocky Mountain Liquor Inc. (Chairman)

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSUs)	Total # Shares & DSUs	Total \$ Value of Shares and DSUs ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2017	24,500	28,827	53,327	1,553,949		
2016	24,500	24,616	49,116	1,438,116	255,000	Yes
Net Change	-	4,211	4,211	115,833		

Voting Results for 2017 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
25,652,279	96.87%	827,925	3.13%	26,480,204

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Toronto, Ontario
Canada

Age: 67

Director Since: 2005

Ms. Evans is President of Evans and Company Consultants Inc., which she founded in 1987. The company provides international expansion, strategic planning, marketing and research services to clients across North America. Previously she held executive positions with several national retailers. From 1992 to 2016 she also served as an Adjunct Professor in the Ted Rogers School of Retail Management, at Ryerson University. Currently she is a Director on the boards of the Canadian Executive Services Organization and the City Living Foundation. She is the author of "Border Crossings, Retailers Doing Business in the U.S." Ms. Evans has served as a Director on a number of boards, including Sun Life Financial Trust where she was Chair of the Conduct Review Committee, Chair of the Ontario Retail Sector Strategy Board, member of the Dean's Advisory Council in the Ted Rogers School of Management, and Director on the Canadian Cancer Society board. Ms. Evans obtained her ICD.D Designation from the Institute of Corporate Directors in 2016.

Board/Committee Membership	Attendance	Attendance (Total)
Board of Directors	6 of 6	100%
Compensation Committee	5 of 5	100%
Governance Committee (Chair)	6 of 6	100%

Other Current Public Company Directorships

n/a

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSUs)	Total # Shares & DSUs	Total \$ Value of Shares and DSUs ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2017	5,300	32,433	37,733	1,099,540		
2016	5,300	29,343	34,643	1,072,907	255,000	Yes
Net Change	–	3,090	3,090	26,633		

Voting Results for 2017 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
26,213,638	98.99%	266,566	1.01%	26,480,204

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Ocean Ridge, Florida
United States

Age: 52

Director Since: 2014

Mr. Glendinning has been the Executive Vice President and Chief Financial Officer of Tyson Foods since 2017. Prior to that he worked with Molson Coors Brewing Company beginning in 2005 where he held the positions of (i) Chief Financial Officer, Molson Coors UK, (ii) Global Chief Financial Officer, Molson Coors Brewing Company, (iii) President and Chief Executive Officer, Molson Coors UK, (iv) President and Chief Executive Officer, Molson Coors Canada, and (v) President and Chief Executive Officer of Molson Coors International. Before joining Molson Coors, Mr. Glendinning worked with KPMG and The Hackett Group, both professional services companies where he held various senior audit and consulting roles, working with a broad array of multinational clients. He has also served with various organizations within the U.S. Naval Reserve.

Board/Committee Membership	Attendance	Attendance (Total)
Board of Directors	6 of 6	100%
Audit Committee	4 of 4	100%
Compensation Committee	5 of 5	100%

Other Current Public Company Directorships

n/a

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSUs)	Total # Shares & DSUs	Total \$ Value of Shares and DSUs ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2017	–	12,334	12,334	359,413		
2016	–	8,134	8,134	238,164	255,000	Yes
Net Change	–	4,200	4,200	121,249		

Voting Results for 2017 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
26,008,583	98.22%	471,621	1.78%	26,480,204

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Edward S. Kennedy**Non-independent
(President and Chief Executive Officer)**

Mr. Kennedy, who joined North West in 1989, was appointed President and Chief Executive Officer of North West in 1997. He is currently a Director of United Grocers Inc., the Canada West Foundation and Canada's History Society. Mr. Kennedy has served on several profit and not-for-profit boards and has received retail industry and community leadership recognitions, both locally and nationally.

Winnipeg, Manitoba
Canada

Age: 58
Director Since: 1996

Board/Committee Membership	Attendance	Attendance (Total)
Board of Directors ⁽²⁾	6 of 6	100%

Other Current Public Company Directorships

n/a

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSUs) ⁽⁴⁾	Total # Shares & DSUs	Total \$ Value of Shares and DSUs ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2017	304,212	–	304,212	8,864,738		
2016	304,113	–	304,113	8,904,429	255,000	Yes
Net Change	99	–	99	(39,691)		

Voting Results for 2017 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
25,809,935	97.47%	670,269	2.53%	26,480,204

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Mr. Kennedy has been the Chief Executive Officer and founder of WiBand Communications Corp. since 1999. He was an acquisition consultant for IBM Corporation from 1997 to 1999. Mr. Kennedy was President, Chief Executive Officer and founder of PBSC Computer Training Centres from 1985 to 1997 and President, Chief Executive Officer and founder of ComputerLand Stores Western Canada from 1978 to 1987.

Winnipeg, Manitoba
Canada

Age: 68
Director Since: 2003

Board/Committee Membership	Attendance	Attendance (Total)
Board of Directors	6 of 6	100%
Compensation Committee (Chair)	5 of 5	100%
Governance Committee	6 of 6	100%

Other Current Public Company Directorships

n/a

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSUs)	Total # Shares & DSUs	Total \$ Value of Shares and DSUs ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2017	3,000	43,553	46,553	1,356,554		
2016	3,000	40,319	43,319	1,268,380	255,000	Yes
Net Change	–	3,234	3,234	88,174		

Voting Results for 2017 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
25,400,470	95.92%	1,079,734	4.08%	26,480,204

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Ms. King is the former Senior Vice President and Chief Financial Officer of Best Buy Canada Ltd., serving in this position from 2008 through 2016. Prior to that, Ms. King was Senior Vice President of Business Transformation for Maple Leaf Foods Inc. She has also held senior positions, primarily in finance, throughout her career at consumer packaged goods companies, Kraft and Pillsbury Canada. In addition to the public company directorship set out below, Ms. King is a director, and Chair of the Governance Committee for the Vancouver Airport Authority and a director of the Templeton DOC General Partnership Ltd. Ms. King obtained her ICD.D Designation from the Institute of Corporate Directors in 2014.

Vancouver, British Columbia
Canada

Age: 51

Director Since: 2014

Board/Committee Membership	Attendance	Attendance (Total)
Board of Directors	5 of 6	83%
Audit Committee	4 of 4	100%
Compensation Committee	5 of 5	100%

Other Current Public Company Directorships

Saputo Inc.; First Capital Realty Inc.

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSUs)	Total # Shares & DSUs	Total \$ Value of Shares and DSUs ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2017	4,946	4,910	9,856	287,204		
2016	4,500	3,247	7,747	226,832	255,000	Yes
Net Change	446	1,663	2,109	60,372		

Voting Results for 2017 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
26,411,136	99.74%	69,068	0.26%	26,480,204

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Fenwick, Ontario
Canada

Age: 64

Director Since: 2014

Ms. Konkle is the past President and Chief Executive Officer of The Brick Ltd. Prior to joining The Brick in 2010 as President of Business Support; she held a number of positions with Walmart Canada, including Chief Operating Officer and Chief Customer Officer. Ms. Konkle also held a number of senior executive positions with Loblaw Companies Ltd., including Executive Vice President, Atlantic Wholesale Division. Ms. Konkle is a director of Boyd Group Income Fund, Bailey Metal Products and Elswood Investment Corporation. She is also on the advisory Board of Longo's Fruit Markets Inc. She is a past director of Dare Foods, The Brick Ltd., Trans Global Insurance, the Canadian Chamber of Commerce and Habitat for Humanity. Ms. Konkle obtained her ICD.D Designation from the Institute of Corporate Directors in 2014.

Board/Committee Membership	Attendance	Attendance (Total)
Board of Directors	6 of 6	100%
Audit Committee	4 of 4	100%
Compensation Committee	5 of 5	100%
	15 of 15	100%

Other Current Public Company Directorships

Boyd Group Income Fund

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSUs)	Total # Shares & DSUs	Total \$ Value of Shares and DSUs ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2017	3,650	12,097	15,747	458,868		
2016	3,650	8,892	12,542	367,230	255,000	Yes
Net Change	–	3,205	3,205	91,638		

Voting Results for 2017 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
26,438,723	99.84%	41,481	0.16%	26,480,204

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Winnipeg, Manitoba
Canada

Age: 67

Director Since: 2012

Mr. Stefanson was the managing partner of the Central Canada Region for BDO Canada LLP Chartered Accountants and Advisors from 2004 to 2009. He also held various positions with Assante Canada, including the position of Chief Financial Officer from 2001 to 2004. Mr. Stefanson was a member of the Legislative Assembly of Manitoba from 1990 to 2000 and held various portfolios, including the position of Finance Minister and Chair of the Treasury Board from 1993 to 1999. Mr. Stefanson was a Winnipeg City Councillor from 1982 to 1989 and served as Deputy Mayor. He was a member of the Board of Directors of Via Rail Canada from 2007 to 2016 (serving as Chair of the Audit Committee and as Interim Chairman). Mr. Stefanson is the former Chair of the Audit Committee for FWS Holdings Ltd., the former Chair of the Investment Committee of the Winnipeg Civic Employees' Benefits Program, the former Chair of the Audit Committee for the Winnipeg Foundation and the former Chair of the Board for the Health Sciences Centre Foundation. In 2000, Mr. Stefanson received the Icelandic Order of the Falcon from the President of Iceland. In 2013, Mr. Stefanson was the recipient of the Lifetime Achievement Award from the Institute of Chartered Accountants in Manitoba.

Board/Committee Membership	Attendance	Attendance (Total)	
Board of Directors	6 of 6	100%	
Audit Committee (Chair)	4 of 4	100%	16 of 16
Governance Committee	6 of 6	100%	

Other Current Public Company Directorships

People Corporation (Chair of Audit and Risk Committee)

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSUs)	Total # Shares & DSUs	Total \$ Value of Shares and DSUs ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2017	3,653	12,730	16,383	477,401		
2016	3,336	11,097	14,433	422,598	255,000	Yes
Net Change	317	1,633	1,950	54,803		

Voting Results for 2017 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
25,922,823	97.90%	557,381	2.10%	26,480,204

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Iqaluit, Nunavut
Canada

Age: 53
Director Since: 2015

Mr. Tootoo is the Vice President of NVision Insight Group, which specializes in strategy, budgeting and reporting for local development projects with all levels of government and Inuit organizations in Northern Canada. He is also the President of Northern Allied Nunavut Travel, a travel management company which caters to corporations in Northern Canada; the President of Kivallingmiut Aviation, which provides helicopter and charter services in Northern Canada; and President of Nahanni Nunavut Construction, which provides civil project management and general contractor services. Prior to launching his commercial career, Mr. Tootoo held numerous positions with various governments in the North. Mr. Tootoo holds a Certified General Accounting designation, and also attended Assiniboine Community College where he obtained a Diploma in Business Administration, Management and Operations.

Board/Committee Membership	Attendance	Attendance (Total)
Board of Directors	6 of 6	100%
Audit Committee	4 of 4	100%
Compensation Committee	5 of 5	100%
		15 of 15
		100%

Other Current Public Company Directorships

n/a

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSUs)	Total # Shares & DSUs	Total \$ Value of Shares and DSUs ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2017	–	5,111	5,111	148,935		
2016	–	3,229	3,229	94,545	255,000	No ⁽⁶⁾
Net Change	–	1,882	1,882	54,390		

Voting Results for 2017 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
26,419,625	99.77%	60,579	0.23%	26,480,204

Notes

- (1) The Chairman of the Board is an ex-officio member of all Board committees.
- (2) The President and Chief Executive Officer attends Board committee meetings as an invited guest.
- (3) The table shows the number and value of Shares and DSUs as at January 31, 2018, valued at the closing price of the Shares at January 31, 2018 of \$29.14. The table also shows the number of and value of Shares and DSUs as at January 31, 2017, valued at the closing price as at January 31, 2017 of \$29.28.
- (4) Mr. Edward Kennedy is not eligible to participate in the Director Deferred Share Unit Plan, as he is an employee of North West.
- (5) Indicates Shares owned either directly or subject to the Director's control and direction.
- (6) Directors have five years from his/her date of initial appointment to the Board to meet the minimum shareholding requirement. The minimum share ownership requirement for Directors was increased from \$225,000 to \$255,000 in 2016. Mr. Tootoo was appointed to the Board in July 2015, Mr. Bulbuck was appointed to the Board in March 2018 and Mr. Chopra was appointed to the Board in April 2018.

2. DIRECTOR COMPENSATION

DIRECTOR FEES

The Governance and Nominating Committee (the “**Governance Committee**”) is responsible for reviewing Director compensation and recommending to the Board the amount and structure of Director compensation. The compensation program for Directors is designed to attract and retain highly qualified Directors with a desired range of skills, expertise and experience, as well as being aligned with Shareholder interests. The Governance Committee conducts an in-depth market review every three years to assess the market competitiveness of Director compensation, including share ownership requirements. The Governance Committee retained Hugessen Consulting in 2016 as its consultant to conduct this review.

The comparator group selected to benchmark Director compensation was updated to remove the largest companies, and consisted of 17 companies listed below in the Canadian retail sector with industry similarity. North West’s revenue is positioned at the 42nd percentile relative to this peer group, and its market capitalization is positioned at the 50th percentile.

Loblaw Companies Ltd.	Alimentation Couche-Tard Inc.	Empire Company Ltd.
Metro Inc.	Leon’s Furniture Ltd.	Canadian Tire Corp. Ltd.
Sears Canada Inc.	BMTC Group Inc.	Jean Coutu Group Inc.
Dollarama Inc.	Birks Group Inc.	Reitmans (Canada) Ltd.
Indigo Books & Music Inc.	Hudson’s Bay Company	Richelieu Hardware Ltd.
Le Chateau Inc.	Goeasy Ltd.	

The Governance Committee concluded that North West’s Director compensation was below the median of the comparator group. As a result, with the recommendation of Hugessen Consulting and the Governance Committee, the Board increased Director compensation for non-management Directors in 2016.

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The following table provides a detailed breakdown of the retainer and meeting fee schedule for non-management Directors in fiscal 2017.

	Fiscal 2017 (\$)
Annual Cash Retainer	
Chairperson of the Board ⁽¹⁾	172,500
Board Members ⁽²⁾	40,000
Audit Committee Chairperson ⁽²⁾	15,000
Governance and Nominating Committee Chairperson ⁽²⁾	8,000
Human Resources, Compensation and Pension Committee Chairperson ⁽²⁾	12,000
Committee Retainer (Committee members and Committee Chairs) ⁽²⁾	5,000
Annual Equity Retainer⁽³⁾	
Chairperson of the Board	67,500
Board Members	45,000
Meeting Attendance Fees⁽⁴⁾	
Board meeting (in person or by conference call)	1,500
Any Committee meeting of the Board (in person or by conference call)	1,500
Travel Fees (> 3 hours each way)	1,500

Notes

- (1) The Chairperson of the Board is not paid any meeting attendance fees. This Annual Retainer is divided into four equal payments and paid per fiscal quarter (either by cash or the grant of deferred Share units at the discretion of the Chairperson).
- (2) These Annual Retainers are divided into four equal payments and paid per fiscal quarter (either by cash or the grant of deferred Share units at the discretion of the Director).
- (3) The Annual Equity Retainer is paid by the grant of deferred Share units in July of each year.
- (4) Each Board member and Committee Chairperson, other than the Chairperson of the Board, are entitled to meeting attendance fees of \$1,500 per meeting, in addition to their Annual Cash Retainers. These fees are paid either by cash or the grant of deferred Share units at the discretion of the Director.

DIRECTOR DEFERRED SHARE UNIT PLAN

North West offers a deferred share unit plan for independent Directors (the “**DSU Plan**”). The purpose of the DSU Plan is to enhance the ability of North West to attract and retain independent Directors whose training, experience and ability will contribute to the effective governance of North West, and to directly align their interests with the interests of Shareholders by providing compensation for services to North West in the form of deferred share units (“**DSUs**”).

DSUs Granted Prior to December 2016

For DSUs granted prior to December 2016, Directors were credited with DSUs for the amount of the annual equity retainer, and for the portion of the annual cash retainer and meeting fees each Director elected to allocate on an annual basis to the DSU Plan. Participants were credited with DSUs on a quarterly basis. The number of DSUs underlying an award was calculated on the date of grant by dividing the portion of the Director's fees that were payable to the participant in DSUs for the current quarter, by the fair market value of the Shares on the date that the award was granted. Fair market value was determined by calculating the weighted average trading price of the Shares on the TSX for the five trading days on which the Shares traded immediately preceding such date. The grant for DSUs could not exceed \$100,000 per calendar year for any Director.

Each DSU entitles the holder to receive one Share at the time of exercise. A participant may elect at the time of exercise of any DSUs granted prior to December 2016, subject to the consent of North West, to receive an amount in cash equal to the aggregate current market value of the Shares, determined based on the closing price of the Shares on the TSX on the trading day preceding the exercise date, in consideration for the surrender by the participant to North West the right to receive Shares from the exercising of the DSUs.

The DSUs, which vested immediately on the grant date, can be exercised by the holder at any time after the Director resigns or retires from the Board, but no later than December 31 of the first calendar year commencing after the holder ceases to be a Director.

DSUs Granted After December 2016

Effective December 2016, the DSU Plan was amended to change the terms of those DSUs credited to Directors for the portion of the annual cash retainer and meeting fees each Director elects to allocate on an annual basis to the DSU Plan after December 31, 2016, and now also entitles Directors to allocate on an annual basis, any Committee cash retainers to the DSU Plan (individually and collectively, the "**Cash DSUs**"). Participants are credited with Cash DSUs on a quarterly basis. The number of Cash DSUs underlying an award remains the same, and is calculated on the date of grant by dividing the portion of the Director's fees that were payable to the participant in Cash DSUs for the current quarter, by the fair market value of the Shares on the date that the award was granted.

Under the terms of the amended DSU plan, the holders of any DSUs granted after December 31, 2016 for the Cash DSUs are entitled to receive at the time of exercise, an amount in cash equal to the aggregate current market value of the Shares, determined based on the closing price of the Shares on the TSX on the trading day preceding the exercise date. Directors are not entitled to receive Shares for the Cash DSUs at the time of exercise. There is no limit for the amount of Cash DSUs that can be granted to any Director.

Directors remain entitled to receive one Share at the time of exercise for any DSUs credited for the amount of the annual equity retainer (the “**Share DSUs**”). The grant for the Share DSUs cannot exceed \$100,000 per calendar year for any Director.

The remaining terms of the original DSU Plan remain unchanged for both the Cash DSUs and the Share DSUs.

There were 249,108 DSUs outstanding as at April 11, 2018. No DSUs were exercised during the financial year ended January 31, 2018. See “Part III — DIRECTOR INFORMATION — DIRECTOR NOMINEES starting on page 19 of this Circular for the number of current DSUs held by individual Directors.

DIRECTOR TOTAL COMPENSATION FOR FISCAL 2017

The following table shows the amounts, before withholdings, earned by the non-management Directors during the year ended January 31, 2018 in respect of membership and attendance on the North West Board and its Board committees. The Directors are also reimbursed for reasonable travel and other expenses properly

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incurred by them in attending Board or Board Committee meetings in connection with their services as Directors.

Name	Fees Earned (\$) ⁽¹⁾	Share-based awards (\$) ⁽²⁾	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation	Total (\$)
H. Sanford Riley ⁽³⁾	43,125	196,875	–	–	–	–	240,000
Brock Bulbuck ⁽⁴⁾	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Deepak Chopra ⁽⁵⁾	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Frank Coleman ⁽⁶⁾	30,000	95,000	–	–	–	–	125,000
Wendy Evans ⁽⁷⁾	76,500	55,000	–	–	–	–	131,500
Stewart Glendinning ⁽⁸⁾	–	120,500	–	–	–	–	120,500
Robert Kennedy	90,500	45,000	–	–	–	–	135,500
Annalisa King	74,000	45,000	–	–	–	–	119,000
Violet (Vi) Konkle ⁽⁹⁾	35,500	85,000	–	–	–	–	120,500
Gary Merasty ⁽¹⁰⁾⁽¹¹⁾	32,500	85,000	–	–	–	–	117,500
Eric Stefanson ⁽¹²⁾	74,250	61,250	–	–	–	–	135,500
Victor Tootoo ⁽¹³⁾	75,500	49,500	–	–	–	–	125,000

Notes

- (1) Represents fees paid to the Director in cash.
- (2) Represents awards under the DSU Plan for the fiscal year ended January 31, 2018.
- (3) Mr. Riley received \$67,500 in Share DSUs and \$129,375 in Cash DSUs.
- (4) Mr. Bulbuck was appointed to the Board in March 2018.
- (5) Mr. Chopra was appointed to the Board in April 2018.
- (6) Mr. Coleman received \$45,000 in Share DSUs and \$50,000 in Cash DSUs.
- (7) Ms. Evans received \$45,000 in Share DSUs and \$10,000 in Cash DSUs.
- (8) Mr. Glendinning received \$45,000 in Share DSUs and \$75,500 in Cash DSUs.
- (9) Ms. Konkle received \$45,000 in Share DSUs and \$40,000 in Cash DSUs.
- (10) Mr. Merasty received \$45,000 in Share DSUs and \$40,000 in Cash DSUs.
- (11) Mr. Merasty resigned from the Board in April 2018.
- (12) Mr. Stefanson received \$45,000 in Share DSUs and \$16,250 in Cash DSUs.
- (13) Mr. Tootoo received \$45,000 in Share DSUs and \$4,500 in Cash DSUs.

DIRECTOR SHARE OWNERSHIP REQUIREMENTS

To ensure Directors are aligned with Shareholder interests, all non-management Directors of North West are required to hold Shares or deferred Share units at levels set by the Board.

North West's share ownership requirements were reviewed in 2016 by Hugessen Consulting to ensure alignment with market and best governance practice. As a result of overall increases made to Director compensation in 2016, minimum share ownership requirements for Directors was increased to \$255,000 (three times the annual cash and equity retainer), and to \$322,500 for the Chairman of the Board (three times the annual cash retainer for all Directors and the Chairman's equity retainer). Directors have five years from their initial appointment to the Board to comply with these minimum Share ownership requirements.

3. CORPORATE GOVERNANCE

INTRODUCTION

The Board is committed to fulfilling its mandate to supervise the management of the business and affairs of North West with the highest standards of ethical conduct and in the best interests of the Shareholders of North West. It is focused on processes that truly matter in creating and sustaining investor value and long-term health of our enterprise. The Board has, in light of governance requirements and best practice standards in Canada, implemented a comprehensive set of governance systems and materials. In addition to the governance practices set out in National Policy 58-201 — *Corporate Governance Guidelines and National Instrument — Disclosure of Corporate Governance Practices*, North West is subject to rules of the Canadian Securities Administrators regarding both audit committees and the certification of certain annual and interim filings, and the TSX.

The responsibility of the Board is to oversee the conduct of North West's business. The Board discharges its responsibilities either directly, or through its committees. The Directors are kept informed of North West's operations at meetings of the Board and its Committees, and through reports and discussions with management.

The Board currently consists of twelve Directors. North West believes that, subject to the successful passing of the amendment to the Articles to increase the maximum number of directors, thirteen Directors is appropriate for an issuer of the size of North West and believes that the range of expertise and skills on its Board facilitates Board effectiveness.

North West's corporate governance framework is supported by clearly defined roles for its Board and Committees. The Governance Committee provides direction, reviews best governance practices, monitors compliance, and makes recommendations to the Board to enhance corporate governance and Board effectiveness. The Board has approved the disclosure of corporate governance practices and structure as set out in this section.

ABOUT THE BOARD

The Board's mandate provides that the Board is responsible for the stewardship and oversight of management of North West and its business. A copy of this mandate is attached as Schedule "B" to this Circular. The Board reviews its mandate on a regular basis. The Board's principal duties include overseeing North West's business strategy

and strategic planning process, succession planning, as well as approving policies, procedures and systems for implementing strategy and managing risk.

The Board holds four regular meetings each year, as well as additional meetings as required. At each regularly scheduled meeting, the Board receives presentations from executives of North West. At the end of every regularly scheduled Board meeting, in order to facilitate an open and candid discussion among independent Directors, a session is held without any management present, including the CEO.

Strategy and Risk Management

The Board oversees the development of North West's strategic direction and the implementation by management of the strategic goals. North West strategy is an important priority of the Board, and at least one part of a Board meeting is dedicated to the review of North West's strategy on an annual basis. The Board also receives quarterly strategic updates from management and considers changes to North West's strategic direction.

North West's Board is responsible for risk oversight. The Board has approved the adoption and implementation of a formal Enterprise Risk Management framework across North West on an integrated basis. The primary goal of risk management is to ensure that the outcomes of risk-taking are consistent with North West's business activities, strategies and risk appetite. As part of the risk management framework, North West management provides the Board and the Audit Committee with regular updates on key risks.

Structure and Committees

The Board exercises its duties through its Committees. The Board has three Committees who oversee the activities of North West. The Chairperson of the Board is an ex-officio non-voting member of all Committees of the Board. The President and CEO attends Board Committee meetings as an invited guest.

Governance and Nominating Committee ("Governance Committee")

The Governance Committee is composed of four Directors, namely Wendy Evans (Chairperson), Frank Coleman, Robert Kennedy and Eric Stefanson, all of whom are independent as defined in National Instrument 52-110.

The Governance Committee is responsible for developing and monitoring North West's approach to corporate governance in accordance with good corporate practice and applicable laws and policies. In particular, the Governance Committee is responsible for overseeing the role, composition, and effectiveness of the Board and its Committees. In this regard, the Governance Committee is responsible for such matters as establishing and reviewing the mandate of the Board and its Committees; identifying and evaluating candidates for nomination to the Board; overseeing the orientation and education programs for the Directors; assessing the effectiveness of the Board, its Committees and individual Directors; and establishing and reviewing

general corporate policies and practices, such as related party transaction policies and insider trading guidelines.

Human Resources, Compensation and Pension Committee ("Compensation Committee")

The Compensation Committee is composed of seven Directors, namely Robert Kennedy (Chairperson), Brock Bulbuck, Wendy Evans, Stewart Glendinning, Annalisa King, Vi Konkle and Victor Tootoo, all of whom are independent as defined in National Instrument 52-110.

The Compensation Committee is responsible for ensuring that appropriate and effective human resource recruitment, development, compensation, retention, succession planning, and performance evaluation programs are developed and implemented in conformity with North West's strategic objectives, and with a view to attract and retain the best qualified executives, management and employees. See "PART IV — COMPENSATION DISCUSSION AND ANALYSIS" starting on page 49 of this Circular for the report presented this year on executive compensation.

Audit Committee

The Audit Committee is composed of seven Directors, namely Eric Stefanson (Chairperson), Brock Bulbuck, Frank Coleman, Stewart Glendinning, Vi Konkle, Annalisa King and Victor Tootoo, all of whom are independent and financially literate, as those terms are defined in National Instrument 52-110.

The Audit Committee is responsible for overseeing the integrity of North West's financial statements. In this regard, the primary duties of the Audit Committee involve reviewing North West's disclosure controls and procedures, overseeing the internal controls over financial reporting, and reviewing all significant accounting policies and any proposed changes thereto.

The Audit Committee reviews and recommends to the Board the approval of North West's quarterly financial statements and the annual audited financial statements, and is responsible for recommending to the Board the appointment of the external auditors and their compensation. It is also responsible for approving the external audit plan, evaluating the external auditors' performance, assessing the independence of the external auditors, and pre-approving all non-audit related fees.

The Audit Committee oversees the internal audit function, and approves the internal audit plan and reviews internal audit reports. It is responsible for overseeing North West's processes for identifying and assessing major financial risk exposures and the steps taken to monitor and control such risks.

In-Camera Sessions

The Board and its Committees conduct "in-camera" sessions at each quarterly meeting and as required at other meetings, at which no management Directors or other members of management are present. The in-camera sessions are intended not only to encourage the Board and its Committees to fully and independently fulfil their

mandates, but also to facilitate the performance of fiduciary duties and responsibilities of the Board and its committees on behalf of the Shareholders.

Independent Board Chair

H. Sanford Riley is the Chair of the Board. Mr. Riley is an independent Director as defined in National Instrument 58-101. As Chairperson of the Board, his responsibilities include ensuring the Board functions effectively and independently of management, and that it meets its obligations and responsibilities as set out in its mandate. The Board Chair sets the “tone” for the Board and its members to foster ethical and responsible decision making, appropriate oversight of management, and effective governance practices. The Board has developed and approved a written position description of the Chair of the Board.

CEO Position Description

A written position description for the CEO has been developed and approved by the Board. The CEO reports to the Board and has general supervision and control over the business and affairs of North West. The CEO provides effective leadership and vision for North West to grow value responsibly, in a profitable and sustainable manner. The CEO sets the “tone” for management to foster ethical and responsible decision making, appropriate management, and effective governance practices.

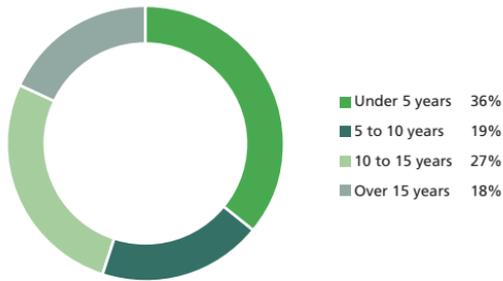
BOARD NOMINATION, COMPOSITION AND RENEWAL

Majority Voting Policy

North West’s majority voting policy provides that any nominee who receives more withheld votes than votes in his or her favor in an uncontested election of Directors will tender his or her resignation to the Chair of the Board promptly following the Meeting. The Governance Committee will consider the Director’s offer to resign (within 90 days of the Meeting) and make a recommendation to the Board whether to accept it. The Governance Committee and the Board will consider if there are exceptional circumstances whereby the Director’s resignation should not be accepted, consistent with the Board’s fiduciary duty to act in the best interests of North West. Any Director who tenders his or her resignation will not participate in any meetings at which the resignation is considered. The Board will announce its decision in a press release as soon as practically possible after the Meeting. If the Board rejects the resignation, it will disclose the reasons why.

Subject to the requirements of the *Canada Business Corporations Act*, the Board may leave any resulting vacancy unfilled until the next annual meeting of Shareholders or fill the vacancy through the appointment of a new Director.

Board Tenure and Term Limits



Pursuant to North West's Corporate Governance Policy, Directors are not permitted to stand for re-election after reaching the age of 70 years. At this time, the Board does not believe arbitrary term limits are appropriate, nor does it believe that Directors should expect to be re-nominated annually until they reach the normal retirement age

established by the Board. The Board relies on regular formal Board, Board Committee, and Director assessments for evaluating Board members and the overall performance of the Board and its Committees. The Board strives to be constituted to achieve a balance between experience, on the one hand, and the need for renewal and fresh perspectives, on the other.

North West's current average Board tenure is ten years. As at April 11, 2018, five Directors have served on the Board for a period of less than five years, two Directors have served for between five and ten years, three Directors have served between ten and fifteen years, and two Directors have served for more than fifteen years.

Over the past five years, with a number of longer-serving Directors retiring, North West has welcomed five new independent Directors to the Board.

Expertise and Composition of the Board

The Governance Committee annually reviews both the size and composition of the Board. In considering new nominees for the Board, the Governance Committee assesses the skill, expertise and experience of incumbent Directors in order to determine the skills, expertise and experience it should seek in new Board members to add value to the Board. The Governance Committee then makes recommendations on candidates to the Board.

North West believes a board of directors is most effective when it can draw from a variety of skills and experience. The Board looks for the following skills and experience when recruiting new Directors: corporate governance experience; retail experience; operations experience; human resources and executive compensation experience; community affairs/government relations experience; financial expertise/literacy; risk management experience; information technology experience; international experience; indigenous experience; community experience; logistics/supply chain/transportation experience; and e-commerce experience. In addition, a candidate's diversity of gender, indigenous heritage, nationality, geography, age, experience, and other attributes are considered favorably in the assessment of a candidate.

Skills Matrix

The Board believes that it has the appropriate diversity of skill, experience and expertise on the Board required to perform effectively and to act in the best interests of North West and its Shareholders. The skills matrix set out below is used to assess the Board's overall strengths and to assist in the Board's ongoing renewal process, which balances the need for experience and knowledge of North West's business with the benefit of board renewal and diversity. Although the directors have a breadth of experience in many areas, the skills matrix lists thirteen important qualifications determined by the Board and highlights various key skills for each director. The matrix is not intended to be an exhaustive list of each director's skills.

Skills	Riley	Bulbuck	Chopra	Coleman	Evans	Glendinning	Kennedy, E.	Kennedy, R.	King	Konkle	Stefanson	Tootoo
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Retail			✓	✓	✓		✓		✓	✓	✓	
Operations	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	
Human Resources / Executive Compensation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Community Affairs / Government Relations	✓		✓			✓	✓				✓	✓
Financial Expertise / Literacy	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Risk Management		✓				✓				✓	✓	
Information Technology						✓	✓	✓	✓			✓
International		✓	✓		✓	✓	✓					
Indigenous							✓					✓
Community Experience Within the Markets North West Operates							✓					✓
Logistics / Supply Chain / Transportation			✓				✓			✓		
E-commerce			✓						✓			

Board Diversity

North West's Corporate Governance Policy (the "**Governance Policy**") and Board Diversity Policy (the "**Diversity Policy**") are based on the belief that a Board comprised of men and women representing different points of view add greater value than a Board comprised of directors with similar backgrounds. The Governance Policy and the Diversity Policy both expressly encourage diversity in the composition of the Board in the broadest sense and with respect to a wide range of attributes such as diversity of gender, indigenous heritage, nationality, geography, experience, and other attributes. The Board accordingly aims to be comprised of directors who have a range of perspectives, insights and views in relation to the opportunities and issues facing North West, with an emphasis on finding the best qualified candidate given the needs and circumstances.

Although targets relating to the nomination of female directors have not been adopted to date, the Board has emphasized its commitment to the recruitment of

women in recent years by making the identification of candidates who are female a key search criterion in the director selection and nomination process it has undertaken. Currently, as to gender, the Board is comprised of three (25%) female directors and nine (75%) male directors, of which one is of indigenous heritage and one is of Indian (South Asian) heritage. The Board has determined that, at this time, a target would not be the most effective way of ensuring it is comprised of diverse attributes and backgrounds. North West will continue to focus on encouraging diversity in the composition of the Board as a key search criterion when selecting directors.

DIVERSITY OF NORTH WEST MANAGEMENT

North West believes that a diversity of backgrounds, opinions, and perspectives and a culture of inclusion helps create a healthy and dynamic workplace, which improves overall business performance. North West also recognizes that supporting a diverse workplace is a business imperative that helps North West attract and retain the brightest and most talented individuals for its leadership team.

Specific targets or quotas for gender or other diversity representation have not been adopted for executive officer positions due to the need to consider a balance of criteria in each individual appointment. This includes the importance that appointments are made, and are perceived to be made, on the merits of the individual and the needs of North West at the relevant time. In addition, targets or quotas based on specific criteria could limit North West's ability to ensure the overall composition of its leadership team meets the needs of North West and its shareholders. One exception is that North West is considering the creation of more targeted career paths for executive candidates of indigenous heritage.

With respect specifically to gender diversity, the current composition is four women out of twenty (20%) total executive officers (as defined in National Instrument 51-102 *Continuous Disclosure Obligations*). North West has an inclusive talent-based workplace and this is reflected in the diversity of its employee base. At more senior levels diversity continues to increase over time with year to year variability driven by strategy, structure and succession planning factors.

DIRECTOR REQUIREMENTS AND EXPECTATIONS

The Board has developed written position descriptions for individual Directors, which sets out the expectations for each Director.

Board Independence

The Board has reviewed the status of each of its Directors to determine whether such Director is "independent" as defined under National Instrument 58-101. Such review is based on the applicable factual circumstances, including financial, contractual and other relationships.

Of the twelve nominee Directors, eleven are independent within the meaning of NI 58-101. Each of H. Sanford Riley, Brock Bulbuck, Deepak Chopra, Frank Coleman, Wendy Evans, Stewart Glendinning, Robert Kennedy, Annalisa King, Vi Konkle, Eric

Stefanson and Victor Tootoo, is an independent Director. Edward Kennedy, the President and Chief Executive Officer of North West, is not independent.

The independent Directors meet separately from management at all regular meetings and as necessary at special meetings.

Code of Ethical Conduct and Disclosure

The Board believes that a culture of strong corporate governance and ethical business conduct must be endorsed by the Board and all employees. The Code (as defined below) addresses many areas of business conduct.

North West has a written code of conduct for its Directors and employees (the “**Code of Conduct**”). A copy of the Code of Conduct can be found on www.sedar.com. Management is responsible to advise the Board on any compliance issues relating to the Code of Conduct. To the knowledge of the Board, there have been no departures from the Code of Conduct during fiscal 2017 that would have required the filing of a material change report.

Each Director and employee of North West must possess and exhibit the highest degree of integrity, professionalism and values, and must never be in a conflict of interest with North West. A Director who has a conflict of interest regarding any particular matter under consideration should advise the Board, refrain from debate on the matter and abstain from any vote regarding it.

In addition, North West’s Whistleblower Policy provides a procedure for employees to raise concerns or questions regarding questionable audit or accounting matters.

North West has also adopted a Corporate Disclosure Policy which is reviewed by the Board on a regular basis. Quarterly and annual disclosure and financial packages are reviewed by the Disclosure Committee of Management prior to being recommended for Board approval and CEO/CFO certification of annual filings.

Attendance of Directors at Board and Committee Meetings

Each Director is expected to attend all meetings of the Board, and the Committees upon which they serve and to come to such meetings fully prepared. The following table provides a summary of the Board and Board Committee meetings held during the twelve month period ended January 31, 2018. Each Director nominee’s attendance record for such meetings, as applicable, is set forth above starting on page 19 of this

Circular in their respective biographies. Overall, the Directors attended 99% of applicable Board and Committee meetings in fiscal 2017.

Type of Meeting Held	Number of Meetings	Attendance
Board of Directors	6	97%
Audit Committee	4	100%
Human Resources, Compensation and Pension Committee	5	98%
Governance and Nominating Committee	6	100%

Related Party Transactions and Conflicts of Interest

In the event a Director or officer has a material interest in any transaction or agreement entered into by North West, such interest must be declared and recorded. If the transaction or agreement is being considered by the Board, the Director is also required to exclude him or herself from any discussions or vote relating to such transaction or agreement.

Public Company Directorships

The Board has not implemented a formal policy which limits the number of public company directorships its Directors can hold. The Board believes that its Director evaluation program is the best method for ensuring that Directors remain accountable and continue to discharge their duties as North West Directors. The Board also monitors and is guided by industry best practices with respect to limiting the number of public company directorships each Director can hold.

The names of all other reporting issuers on which each Director of North West serves as a Director is set out in this Circular is set forth above starting on page 19 of this Circular in their respective biographies.

Ms. Violet (Vi) A.M. Konkle sits on the Board of Trustees of Boyd Group Income Fund and Mr. Brock Bulbuck is the Chief Executive Officer of Boyd Group Income Fund and he also sits on the Board of Trustees. The Board does not believe that this relationship impacts the ability of these Directors to act in North West's best interests.

DIRECTOR DEVELOPMENT AND ASSESSMENT

New Director Orientation

North West has a formal orientation process for new Directors. Directors are required to read and become familiar with North West's various corporate policies, all Board and Committee mandates, corporate by-laws, and various corporate reports. Directors meet with the Corporate Secretary who provides the Director with an overview of North West's corporate structure and governance practices. Directors also meet with all other members of senior management, at which time management provides the new Director with an overview of North West's business, operations and initiatives.

Directors are requested to tour or work at one or more of the major store banners during the first eighteen months of their appointment. Private meetings with other Directors are encouraged to establish rapport and understand Board dynamics. An incumbent Director is also assigned a mentor during their first year to assist them with any issues they encounter during their first year of service.

Director Continuing Education

Directors are kept informed as to matters impacting North West's operations through reports and presentations at Board meetings. In addition, at each quarterly Board meeting, the Board receives information on the operations of North West, including a report from the CEO, a report on corporate development activities, a report on operations and strategic initiatives, a financial overview and other pertinent information. All executives are available for discussions with Directors concerning any questions or comments which may arise between Board meetings.

Each September the Board travels to a different store division or geographic area to visit stores and meet customers, community leaders, management and staff to better understand North West's operations in both urban and remote communities. Third parties also provide presentations to the Board at Board meetings and at Board dinners on topics of interest.

Directors have the opportunity to meet one-on-one with North West's executive team members and to accompany such members on store tours in order to become familiar with the communities in which North West operates. Directors also have the opportunity to participate in external director education events through North West's membership in the Institute of Corporate Directors. North West will also fund 50% of the tuition if a Director wishes to enroll in the ICD Directors Education Program.

Individual Directors may, with the consent of the Chair of the Governance Committee, engage outside advisors at the expense of North West.

Board and Director Assessment

Assessment of the Board, Board Committees and Board and Committee Chairs

The performance and effectiveness of the Board and its Committees, the Chairman of the Board and individual Directors (including in their capacity as Committee members), are regularly assessed under the Governance Committee's oversight through processes that are intended to encourage candid and constructive commentary.

Each year, each Director completes an on-line survey of their assessment of the functioning of the Board. Directors are asked to rate the Board's performance based on criteria which address, among other things, the Board's composition and practices, relationship with management, and the oversight of North West's strategy, risk, financial reporting, and CEO succession and performance. The senior management team is also included in the assessment process and are asked to complete a separate Board assessment survey.

The annual on-line survey also requires each Director to assess each Board Committee. Directors are asked to rate the performance of each Committee against a set of criteria, including each Committee's composition, practices, relationship with the Board and management, and performance of its duties.

The assessment of the performance of the Chairman of the Board and the Chairs of each Committee are also included in the annual on-line survey.

The results of the evaluations are reviewed by the Chairperson of the Governance Committee with the Chairman of the Board, and are also discussed at the meetings of the Governance Committee and the Board. The Governance Committee is also responsible for creating a plan to address any deficiency or implementing any suggestions elicited through the assessment process.

Individual Director Assessments

Peer evaluations of independent Directors are completed through an on-line survey every two years. Directors are asked to evaluate each other's skills, knowledge and participation on the Board. The peer evaluation is intended to ensure that each Director is contributing to the ongoing stewardship of North West. Results of the peer reviews are reviewed by the Chairman of the Board, who then meets with each Director to provide feedback on the results of the survey.

COMMUNICATION WITH SHAREHOLDERS

North West is committed to transparent and effective communication with its Shareholders. In support of this commitment, the Board has developed practices to facilitate Shareholder engagement.

North West has adopted a Corporate Disclosure Policy, which is reviewed on a regular basis. Quarterly and annual financial disclosures are reviewed by an internal Disclosure Committee prior to being recommended for Board approval and CEO/CFO certification of annual and interim filings. North West's quarterly conference calls with analysts and institutional investors are accessible on a recorded basis to interested retail investors, the media and members of the public for seven days. North West includes all significant disclosure documents on its website at www.northwest.ca.

Inquiries and requests for information from Shareholders and potential investors receive prompt attention from an appropriate officer. North West's President and Chief Executive Officer and Executive Vice President and Chief Financial Officer are responsible for maintaining communications with the investing public.

North West encourages feedback from its Shareholders and engages in regular communications with financial analysts and institutional investors. North West also solicits feedback through its "Say on Pay" advisory resolution on executive compensation.

CORPORATE CEASE ORDERS OR BANKRUPTCIES

No Director is, or has been within the past ten years, a director or executive officer or promoter of any other company that, while such person was acting in that capacity:

- (i) was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days;
- (ii) was subject to an event that resulted, after the person ceased to be a director or executive officer, in the issuer being the subject of a cease trade order or similar order or an order denying statutory exemption; or
- (iii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been 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 that person.

No Director has, within the ten years preceding the date hereof, been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

No Director is, or has become, within the ten years preceding the date hereof, bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been 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 that individual.

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Part IV — Compensation Discussion and Analysis

LETTER TO OUR SHAREHOLDERS

We believe that it is important for North West's Shareholders to clearly understand our compensation plans and programs, as well as the philosophies that underlie them. Compensation is used to attract, motivate, and retain outstanding talent, link compensation to business results and individual performance, and to promote decision making that delivers threshold returns to our Shareholders on a sustainable and consistent basis.

The Human Resources, Compensation and Pension Committee (the "**Compensation Committee**") is responsible for recommending performance-based compensation awards for Board approval. We work carefully to structure North West's compensation programs to deliver the right outcomes for our Shareholders, our customers, and our employees. These programs introduce a level of variability in our compensation expense which protects Shareholders in difficult years, and rewards management in years of superior performance. We rely on specific pre-determined performance targets, benchmarks, independent experts, and rigorous analysis, but we also rely on our own experience, expertise and considered application of the Board's business judgment when setting compensation.

At North West, we view ourselves as a total return company. Our fundamental objective is to deliver to Shareholders a strong and growing dividend, supported by consistent earnings gains. Our total return orientation is supported through North West's compensation policies. Annual incentives are driven by how well management performs against income targets, adjusted for capital efficiency. Payments are quickly reduced to minimum levels if results fall short. Our long-term compensation plans center around equity awards which recognize the importance of dividends to our Shareholders.

In 2017, the Compensation Committee, working in consultation with Meridian Compensation Partners Inc., reviewed the components of equity-based compensation. The Compensation Committee and the Board of Directors are recommending that Shareholders approve amendments to the Performance Share Unit Plan ("**PSU Plan**") to allow us to redeem certain cash-settled Performance Share Units ("**PSUs**") over the exchange and grant share-settled PSUs. Share-settled PSUs can be held by executives for a longer period of time than cash-settled PSUs which expire after three years. This longer duration more closely aligns executive compensation with the time horizon of their work. Share-settled PSUs also eliminate mark-to-market accounting which will reduce the volatility in net earnings caused by changes in the Company's share price. In addition to the implementation of share-settled PSUs, the Compensation Committee will also be changing the allocation of equity-based compensation for executives to reflect a 50% weighting on PSUs, a 25% weighting on share options and a 25% weighting on time vested share units. This shift in weighting

increases the emphasis on performance contingent long term equity-based compensation. A summary of the Amended and Restated PSU Plan is provided on page 15 and the full text of the PSU Plan is attached hereto as Schedule "A".

2017 was a very productive but challenging year at North West. The Company made a record capital investment of \$165.9 million, led by the completion of two strategic acquisitions; Roadtown Wholesale Trading Ltd., the leading retail and wholesale business in the British Virgin Islands; and North Star Air Ltd., a regional cargo and passenger airline based in Thunder Bay, Ontario. In addition to these acquisitions, the Company continued to make important investments in its Top Markets, Top Categories and new information technology through Project Enterprise. These investments contributed to the financial performance for the year but more importantly position the business for future growth. During the year our employees and customers were impacted by the devastating hurricanes in the Caribbean and the wildfires in northern Manitoba which also had an impact on the Company's financial results. While the performance of our store associates and support office teams exceeded expectations considering the work that was completed and the challenges the business faced, the financial results for the year fell short of target which resulted in below target annual incentive payments to the named executive officers. These payments reflect the pay-for-performance design of our compensation plans.

We believe our approach to executive compensation is working as intended. In the following pages you will find a straightforward and transparent description of our executive pay practices, and the specific, corporate and individual measures of performance that factored into North West's compensation program for 2017, and the payments NEOs received in 2017 from these programs. The Board believes it is important to give Shareholders an effective way to provide input to our approach to executive compensation. We hope you will review the information presented below, and that you will cast your "say-on-pay" vote at the upcoming Annual General and Special Meeting of Shareholders. We recommend that Shareholders vote "FOR" the advisory resolution on our approach to executive compensation. We also recommend that Shareholders vote "FOR" the approval of the First Amended and Restated Performance Share Unit Plan.

On behalf of the members of the Compensation Committee and the Board, we want to thank you for your continued support of North West.

Sincerely,

"Bob Kennedy"

Robert J. Kennedy
Chairman, Human Resources,
Compensation and Pension Committee

"Sandy Riley"

H. Sanford Riley
Chairman of the Board

INTRODUCTION

The following Compensation Discussion and Analysis (“**CD&A**”) is intended to provide North West’s Shareholders with a description of the processes and decisions involved in the design, oversight and payout of our compensation programs for the named executive officers (“**NEOs**”) for the fiscal year ended January 31, 2018. Although the CD&A focuses on the compensation policies and practices for NEOs, these programs generally apply to North West’s entire executive team.

The NEOs during fiscal 2017 were as follows:

- Edward Kennedy, President and Chief Executive Officer;
- John King, Executive Vice President and Chief Financial Officer;
- Craig Gilpin, Executive Vice President and Chief Corporate Officer;
- Christie Frazier-Coleman, Executive Vice President, Chief Marketing Officer, Canadian Food Procurement and Marketing; and
- Dan McConnell, President, International Retail.

COMPENSATION GOVERNANCE

The Compensation Committee assists the Board in establishing North West’s compensation philosophy and structure, and in discharging its oversight accountabilities relating to the compensation and retention of key senior management employees, and in particular, the President and Chief Executive Officer. The Compensation Committee is comprised of seven independent Directors: Robert Kennedy, who serves as Chairperson, Brock Bulbuck, Wendy Evans, Stewart Glendinning, Annalisa King, Vi Konkle and Victor Tootoo. No member of the Compensation Committee has ever been an officer or employee of North West or any of its affiliates.

All members have direct experience in compensation matters as either current or former chief executive officers, executive officers, elected government officials, as a retail consultant, or through board of director positions in other publicly traded companies. Additional information regarding the Compensation Committee members is provided in the individual Director biographies found in the Director Nomination section found starting on page 19 of this Circular. The Chairperson of the Board also participates in all Compensation Committee meetings as an ex-officio member. Collectively, this experience provides the Compensation Committee with the knowledge, skills, experience and background in executive compensation and human resource matters to make decisions on the suitability of North West’s compensation policies and practices.

The responsibilities, powers and operation of the Compensation Committee are set out in its mandate, which is attached as Schedule “C” to this Circular.

The Compensation Committee held five meetings in fiscal 2017. The President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, Executive Vice President and Chief Corporate Officer, and Vice President Legal and Corporate Secretary attend meetings of the Compensation Committee, but do not have the right to vote on any matter. Other senior executives may also attend parts of a meeting for

presentation purposes. No executive, including the President and Chief Executive Officer, is present when his or her compensation is discussed.

The Compensation Committee has instituted good governance practices that enhance the Compensation Committee's ability to effectively carry out its accountabilities. These practices include:

- utilizing a work plan which sets out the timetable of all regularly occurring matters for which the Compensation Committee has accountability;
- retaining an external independent advisor to advise the Compensation Committee on compensation levels and structure, and requiring their attendance when their reports are discussed and when requested to attend by the Chairperson of the Compensation Committee; and
- holding in-camera sessions without management present during every Compensation Committee meeting.

In addition, the Compensation Committee receives feedback from Shareholders on compensation matters through an annual advisory resolution on North West's approach to executive compensation.

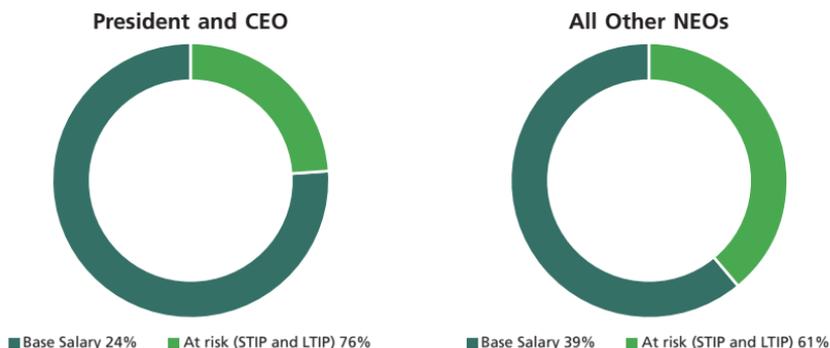
EXECUTIVE COMPENSATION PHILOSOPHY

Since its formation 31 years ago, North West has embraced an organization wide and market competitive pay-for-performance compensation philosophy linked to the delivery of superior total returns to its Shareholders through a focus on both earnings growth and annual cash dividend yield. North West's total compensation objective for executives is to provide target pay that is aligned with the median of the market which will deliver actual pay in the upper quartile of the market when sustainable upper quartile performance is achieved. A significant portion of each executive's compensation is also "at risk" in order to motivate executives and align their interests with the creation of long-term Shareholder value.

North West's executive compensation program is designed to accomplish the following goals:

- attract and retain top talent;
- motivate superior performance;
- align rewards to the time horizon of the position;
- focus on key performance measures that drive dividend yield and annual growth for Shareholders; and
- be consistent with better practices of good governance.

Total compensation is linked to a combination of the achievement of operational and strategic targets, and total returns compared to other public Canadian retailers. The executive compensation philosophy is to provide a reasonable level of annual base compensation commensurate with the responsibilities of the executive, with all other compensation elements except benefits, based on pay-for-performance. The mix of incentive awards is aligned to the planning horizon associated with the executive's role. The following charts illustrate what portion of each NEOs compensation is "at risk" or performance based.



Compensation planning in the context of the short term or annual incentive (“**STIP**”) is integrated with the annual business planning and budgeting process, and 100% of this award is “at risk” if corporate performance is not met for the year. Annual corporate performance, business unit performance and individual performance targets for executives are set based on the overall strategic plan and business priorities for the year. For executives above the Vice President level, if the executive does not meet at least 90% of his or her performance target for the year, the executive does not receive any payment under the STIP. In addition, if the corporate performance achieved is less than 80% of target for the year, the Board retains the discretion to not pay any award, even if business unit and individual performance targets were achieved by the executive for that year. See **ELEMENTS OF 2017 EXECUTIVE COMPENSATION — 2017 Short Term Incentive Plan (“**STIP**”)** found on page 58 of this Circular for more details on the short term incentive plan.

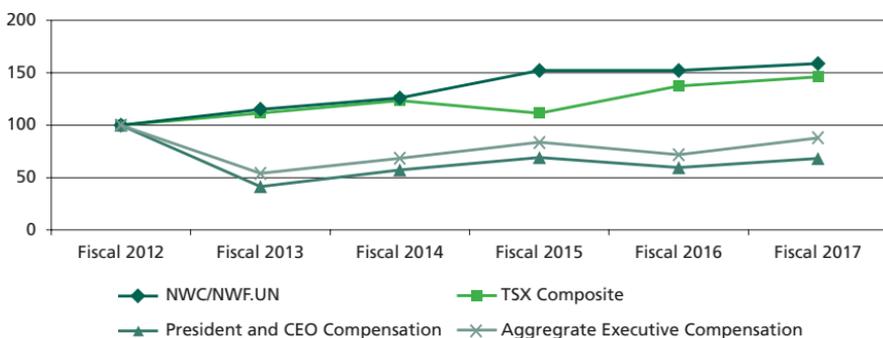
Performance in the context of the long-term incentive (“**LTIP**”) is based on value creation for its Shareholders and is designed to encourage executives to remain with North West over the long term. A significant portion of the long-term incentive is also “at risk”. 1/3 of the payment of performance share units at the end of each 3-year vesting cycle is based on the 3-year actual average STIP performance and 1/3 of the payment is based on the total shareholder return relative to a defined peer group for the three year period. The remaining 1/3 of the payment is time-based. North West’s share option plan is specifically designed to reinforce North West’s performance goal of delivering superior total shareholder returns, consisting of higher than average sustainable dividends and earnings growth. See “**ELEMENTS OF 2017 EXECUTIVE COMPENSATION — Performance Share Units (“**PSUs**”) and Share Option Plan**” found on page 60 of this Circular for more details.

SHAREHOLDER RETURN AND EXECUTIVE COMPENSATION

Below is a comparison of the cumulative total return between North West and the TSX Composite Index for the fiscal years ended January 31, 2013 (“**Fiscal 2012**”) to January 31, 2018 (“**Fiscal 2017**”). This comparison assumes \$100 was invested on January 31, 2012 and all distributions/dividends were reinvested. The table and graph below also shows the trend in total compensation earned by the President and Chief Executive Officer for the fiscal years 2012 to 2017, and the compensation earned by all of North West’s NEOs for the same period, and compares this compensation to

North West's return to Shareholders over this same period, as well as returns under the TSX Composite Index.

Total compensation for the purposes of this comparison include all compensation set out in the Summary Compensation Table for the President and Chief Executive Officer, and for all NEOs that year, other than the termination allowance of \$615,387 paid to the Executive Vice President, Northern Canada Retail in Fiscal 2012 ("**Total Compensation**"). To provide a consistent basis of comparison, the figures for Fiscal 2012 include the compensation for only the top five named executive officers. The methodology used by North West has been adopted solely for the purposes of the comparison described below. It is not a recognized or prescribed methodology for this purpose, and may not be comparable to methodologies used by other issuers for this purpose.



	Fiscal 2012 ⁽¹⁾⁽²⁾	Fiscal 2013	Fiscal 2014 ⁽⁴⁾	Fiscal 2015	Fiscal 2016	Fiscal 2017 ⁽⁵⁾	1 year annual return (2016-2017)	5 year compounded annual return
NWF/NWC	100	115	126	152	152	158	3.7%	9.5%
TSX Composite	100	111	123	111	137	146	6.7%	7.8%
President & CEO Compensation	100	41	55	69	59	67		
Aggregate Executive Compensation ⁽³⁾	100	54	68	84	71	88		

Notes

- (1) For fiscal 2012, the Total Compensation for all NEOs was impacted by the significant increase in Pension Value. The year-end Pension Value is determined by projecting the previous calendar year pensionable earnings to retirement age for each NEO. Pensionable earnings in fiscal 2012 for NEOs were over 50% higher compared to fiscal 2011 due to the nominal STIP paid in fiscal 2011. See PART IV — COMPENSATION DISCUSSION AND ANALYSIS — Summary Compensation Table — Note 4 on page 68 of this Circular for more details on how the Pension Value is calculated.
- (2) Does not include Rex Wilhelm for fiscal 2012, as only 5 NEOs are included for the comparison of the trend in North West's compensation to executive officers to the total return to North West Shareholders.
- (3) Does not include the termination payment made to the Executive Vice President, Northern Canada Retail when his employment ended on January 11, 2013.

- (4) The positions of Executive Vice President, Chief Financial Officer, Executive Vice President, Chief Operating Officer and Executive Vice President, Chief Development Officer were added in April 2014, and are included in the total compensation numbers for Fiscal Year 2014. The position of Executive Vice President and Chief Corporate Officer was eliminated.
- (5) The positions of (i) Executive Vice President and Chief Corporate Officer, (ii) Executive Vice President, Chief Marketing Officer, Canadian Food Procurement and Marketing, and (iii) President, International Retail were added in December 2017, and are included in the total compensation numbers for Fiscal Year 2017. The positions of Executive Vice President and Chief Operating Officer, (ii) Executive Vice President and Chief Merchandising Officer, and (iii) Executive Vice President and Chief Development Officer were eliminated.

As shown in the graph and table above, over the past five year period, North West Shares have generally outperformed the TSX Composite Index each year. Over the same five year period, North West Shares produced a compound annual return of 9.5%, compared to the TSX Composite Index return of 7.8%. In Fiscal 2017 however, total return to North West's Shareholders was 3.7%, while the TSX Composite Index return was 6.7%.

North West believes that its executive compensation program supports a strong relationship between compensation earned by a NEO and the returns received by the Shareholder. It is structured to reduce the fixed cost component of compensation by paying market median salaries, while enhancing potential overall compensation through incentive-based plans tied to corporate performance. For stock options and PSUs, there is a direct correlation between our Share price performance and the actual gains realized by North West executives. For PSUs, there is an additional factor of performance relative to that of our peer group which will result in higher or lower payments.

DESIGN OF COMPENSATION PROGRAM AND ROLE OF COMPENSATION CONSULTANTS

The objective of North West's compensation program is to align the performance drivers of the business with those factors that should enhance total returns to Shareholders. This is intended to be accomplished by the direct relationship between the various drivers of North West's performance and performance-based pay, the significant weightings of share-based incentives in the executive compensation mix, and the methodology used to determine PSU awards.

North West conducts an in-depth market review every three years to ensure base pay, incentives and total compensation is competitive and aligned with its performance goals. Meridian Compensation Partners Inc. ("**Meridian**") was retained by the Compensation Committee in late 2016 to provide independent advice and to assist the Committee in its in-depth review, to provide recommendations with respect to the competitiveness and design of North West's executive compensation and generally to be available to provide advice to the Compensation Committee.

The analysis and advice requested from Meridian included executive compensation philosophy, market competitiveness of compensation, pay-for-performance analysis, incentive plan review, and performance calibration. During its review, Meridian

evaluated North West's executive compensation levels relative to market for each of the following elements: a) base salary; b) annual incentives; c) total cash compensation (the sum of base salary and annual incentives); d) expected value of long term incentives at time of grant; and e) total direct compensation (the sum of total cash compensation and the expected value of long-term incentives).

The Canadian Retail Group was selected by the Compensation Committee as the core comparator group to benchmark compensation for North West executives, based on industry similarity in addition to being our primary competitors for talent. The companies comprising the core comparator peer group used in benchmarking compensation by the Compensation Committee in 2017 are listed below. North West's revenue was positioned at approximately the 57th percentile relative to this peer group, its market cap was positioned at the 66th percentile and North West's assets were positioned at the 49th percentile.

Birks Group Inc.	Goeasy Ltd.	Liquor Stores N.A. Ltd.
BMTC Group Inc.	Hudson's Bay Company	Metro Inc.
Canadian Tire Corp. Ltd.	Indigo Books & Music Inc.	Reitmans (Canada) Ltd.
Cara Operations Ltd.	Jean Coutu Group Inc.	Richelieu Hardware Ltd.
Dollarama Inc.	Le Chateau Inc.	Sears Canada Inc.
Empire Company Ltd.	Leons Furniture Ltd.	Sleep Country Canada Holdings Inc.

In considering total compensation for each executive, factors such as individual performance, relevant experience, scope of the role, internal equity and retention potential were also considered.

The Compensation Committee concluded as a result of the review that total remuneration for the NEOs was generally positioned competitively relative to the comparator group. As a result, while the Board did not make any significant changes to compensation levels for the NEOs in the 2017 fiscal year due to competitive positioning, it made adjustments where appropriate. The Compensation Committee will continue its review of North West's compensation design through 2018.

North West has not engaged Meridian to provide any services other than executive compensation advisory services to the Compensation Committee in 2016 and 2017. The pre-approval of the Compensation Committee is required prior to engaging Meridian to provide any other services to North West. The following presents the aggregate fees billed for executive compensation services by external independent consultants to the Compensation Committee for its fiscal years ended January 31, 2016, 2017 and 2018.

Advisor	Fiscal Year (January 31)	Fees (\$ in Thousands)
Meridian	2017	132
Meridian	2016	14
Mercer	2016	26
Mercer	2015	56

ELEMENTS OF 2017 EXECUTIVE COMPENSATION

The key elements included in determining the total compensation of executives during 2017 were (i) annual base salary; (ii) short term incentive awards; and (iii) long term incentive awards (performance share units and options). Other elements of executive compensation include group benefits, pension benefits and perquisites.

The following chart illustrates, as a percentage for each element, each NEOs target total compensation mix for 2017. This mix reflects the proportionate amount of influence and focus each level has on decision making and business results within the respective planning horizon, while reinforcing the pay-for-performance link and alignment with Shareholder interests.

Edward Kennedy, President and CEO



■ Base Salary 24% ■ STIP 17%
 ■ Performance Share Units 30% ■ Options 29%

All Other NEOs



■ Base Salary 39% ■ STIP 21%
 ■ Performance Share Units 23% ■ Options 17%

The following chart shows the compensation mix described above as a percentage of base salary.

Edward Kennedy, President and CEO



■ STIP Target 75% ■ Performance Share Units 80%
 ■ Options 120%

All Other NEOs



■ STIP Target 60% ■ Performance Share Units 40%
 ■ Options 40%

ANNUAL BASE SALARY

Base salary is used to provide a level of income certainty and for attraction and retention. Annual increases to base salary are generally within the range applied to all employees of North West. Additional increases beyond this percentage may be made to reflect additional responsibilities, or to bring an executive's base salary within the median range of the comparator market compensation data. Such was the case with Dan McConnell who assumed responsibility for the operation of newly acquired Roadtown Wholesale Trading in addition to his Executive Vice President and Chief Development Officer accountabilities. John King's and Christie Frazier-Coleman's base salary increases reflected adjustments stemming from Meridian's Competitive Analysis of Executive Compensation produced in March 2017.

Consistent with North West's approach to salary increases described above and the exceptions noted, the following base salaries were approved by the Board in 2017 and became effective in May 2017.

NEO	2017 Base Salary (\$)	2016 Base Salary (\$)	Base Salary Increase (%)
Edward Kennedy	806,775	787,098	2.5
John King	380,000	351,985	8.0
Craig Gilpin	452,000	441,263	2.4
Christie Frazier-Coleman ⁽¹⁾	341,000	324,685	5.0
Dan McConnell	400,000	315,188	26.9

Note

(1) Amounts are in USD.

SHORT TERM INCENTIVE PLAN ("STIP")

The STIP consists of an annual cash payment, and is made to recognize achievement against operational and strategic performance initiatives and targets set by the Board on an annual basis. The value of the STIP is based on a percentage of the executive's base salary. The following describes the STIP target awards each NEO is eligible to receive as a percentage of base salary.

NEO	STIP Design (STIP target as a % of base salary)
Edward Kennedy	75%
All other NEOs	60%

The following describes the payout curves for STIP performance related to target STIP earnings for the NEOs.

NEO	90% of Target STIP Performance (Threshold)	Target STIP Performance	110% of Target STIP Performance (Maximum)
All NEOs ⁽¹⁾	0%	100%	200%

Note

- (1) Linear curve between threshold and target performance and target and maximum performance, starting at 0% when STIP performance achieves 90% of target.

The maximum STIP weightings for each NEO for 2017 are broken down between the following measures:

NEO	Corporate Performance⁽¹⁾	Business Unit/ Individual Performance⁽²⁾
All NEOs	75%	25%

Notes

- (1) Corporate Performance: EBIT adjusted for cost of capital and other normalizing factors. If the maximum STIP weightings for Business Unit Performance or Individual Performance are not applied to any NEO in any given year, the unallocated balance must be applied to Corporate Performance.
- (2) Business Unit Performance: Common performance measures, including earnings and individual performance initiatives shared by leadership of the business unit. Individual Component: Objectives unique to function, and aligned with corporate or business unit objectives.

The earned STIP award may be reduced by 5% or 10%, if leadership behaviours and North West's core principles are not demonstrated by the executive.

Refer to the "2017 PERFORMANCE AND COMPENSATION — 2017 STIP AWARDS" on page 69 of this Circular for actual STIP awards earned by each NEO for 2017 performance.

LONG TERM INCENTIVE PLANS ("LTIP")

The LTIP is designed to motivate and reward executives to deliver total returns (share price growth and strong dividends), and to recognize both consistent achievement against operational and strategic targets and North West's total returns compared to other public Canadian and U.S. retailers.

The following describes the LTIP awards each NEO is entitled to receive, expressed as a percentage of base salary:

NEO/Position	LTIP (as a % of base salary)
Edward Kennedy	200%
John King, EVP and Chief Financial Officer	80%
Craig Gilpin, EVP and Chief Corporate Officer	80%
Christie Frazier-Coleman, EVP and Chief Marketing Officer, Canadian Food Procurement and Marketing	80%
Dan McConnell, President, International Retail	80%

Performance Share Units (PSUs)

The payment of PSUs at the end of each three year vesting cycle is based on three criteria as follows:

1. Retention: $\frac{1}{3}$ of each PSU grant is time-based. All awards fully vest at the end of the third year of the performance cycle;
2. Operating: $\frac{1}{3}$ of each PSU grant is based on a three year actual average STIP performance relative to target STIP for each employee; and
3. Relative: $\frac{1}{3}$ of each PSU grant is based on total shareholder return ("TSR") relative to a defined peer group for the three year period.

For the portion of all PSUs linked to operating performance:

- The average overall STIP performance factor by individual is determined for each three year period;
- There is no award if three year actual average STIP performance is less than 85% of target;
- All PSUs will fully vest if three year actual average STIP performance is 95% of target; and
- The maximum award pays 200% for the President and Chief Executive Officer and all other NEOs if three year actual average STIP performance is 105% of target.

The actual PSU operating portion of the award is interpolated as follows for each NEO:

0% of Target PSU at Threshold⁽¹⁾	100% of Target PSU at Target Performance⁽¹⁾	200% of Target PSU at Maximum Performance⁽¹⁾
85% of 3 year STIP Performance	95% of 3 year STIP Performance	105% of 3 year STIP Performance

Note

(1) PSU payout is interpolated between threshold and target performance, and between target and maximum performance.

The following TSR comparator group was used to determine the relative portion of each PSU grant (collectively, the **"TSR Comparator Group"**) for the PSUs granted in 2014. At the time of the PSU grant, these entities within the TSR Comparator Group either had a growth and yield, total return, or performance objective similar to North West, or were representative of the retail sectors within which North West competed.

Empire Company Ltd.	Liquor Stores N.A. Ltd.	A&W Revenue Royalties
Pizza Pizza Revenue Royalty	Shoppers Drug Mart Corp.	Reitmans (Canada) Ltd.
Dollarama Inc.	Safeway Inc.	Leon's Furniture Ltd.
Loblaw Companies Ltd.	Metro Inc.	Wal-mart Stores Inc.
Canadian Tire Corporation Ltd.		

The Compensation Committee retains the discretion to add entities to the TSR Comparator Group to replace any entities that are delisted as a publicly traded issuer, or are for other reasons no longer an appropriate entity to be included in the TSR Comparator Group.

The Board retained Mercer Consulting ("**Mercer**") in 2015 to review the TSR Comparator Group for PSU grants, as Shoppers Drug Mart Corp. and Safeway Inc. were delisted after they were acquired in 2014 and 2015 respectively. Based upon the recommendation of Mercer, a revised TSR Comparator Group was established in 2015, for PSUs granted in 2015 and 2016. Similar to the former TSR Comparator Group, these entities either have a growth and yield, total return, or performance objective similar to North West, or are representative of the retail sectors within which North West competes.

A&W Revenue Royalties	Dollarama Inc.	Loblaw Companies Ltd.
Alimentation Couche-Tard Inc.	Empire Company Ltd.	Metro Inc.
BMTC Group Inc.	Hudson's Bay Company	Parkland Fuel Corp.
Canadian Tire Corp. Ltd.	Jean Coutu Group Inc.	Pizza Pizza Royalty Corp.
Cineplex Inc.	Leon's Furniture Ltd.	Wal-mart Stores Inc.
Costco Wholesale Corp.	Liquor Stores N.A. Ltd.	Boston Pizza Royalties Inc.

The Board retained Meridian in 2017 to review the TSR Comparator Group for PSU grants as part of the Compensation Committee's continued review of North West's compensation design through 2018.

The actual PSU relative portion of the award is interpolated as follows for NEOs.

0% of Target PSU at Threshold	100% of Target PSU at Target Performance	200% of Target PSU at Maximum Performance
25th percentile of TSR Group based on 3-year annualized TSR ⁽¹⁾	50th percentile of TSR Group based on 3-year annualized TSR ⁽¹⁾	75th percentile of TSR Group based on 3-year annualized TSR ⁽¹⁾

Note

(1) Payout starts after North West's historical 3-year performance reaches the 25th percentile of the TSR Group, and increases on a linear basis to a maximum of 200% when North West's historical 3-year performance reaches the 75th percentile of the TSR Group.

The vesting period for PSUs is three years, and dividend equivalents are paid for the three year period at the time the PSU's vest and to the same extent as the performance criteria for the PSUs are achieved.

Refer to the "2017 PERFORMANCE AND COMPENSATION — Summary Compensation Table/STIP AND LTIP AWARDS" on starting on page 67 of this Circular for information on actual PSU awards granted to each NEO in 2017 and for amounts paid out under existing PSU grants in 2017.

Share Option Plan

North West currently has two share option plan designs in place. The Original Option Plan was implemented in 2009, and options were granted in 2009 and 2010 under this plan. Options granted under the Original Option Plan to North West executives are time vested awards that vest one-third per year at the end of years three, four and five, with expiry of options at the end of year ten. The purpose of this plan was to promote long-term shareholder value creation by fostering greater alignment of interests between the executives and Shareholders of North West.

The delivery of top-quartile total returns through an equal emphasis on growth and dividend yield is a key long-term objective of North West. In June 2011 the Shareholders approved an Amended and Restated Option Plan to include a partially declining strike price option for Canadian executives with a seven year term. This feature was added to recognize that a significant portion of North West's long-term total return to Shareholders will continue to depend on its dividend performance in addition to growth, and that this element should accordingly be part of the long-term incentive award to North West executives. Apart from this feature, the purpose of this

Amended and Restated Option Plan is similar to that of the Original Option Plan, namely:

- fostering greater alignment of interests between participating executives of North West and Shareholders, by providing a long-term incentive vehicle that allows them to accumulate a meaningful financial interest in North West, commensurate with the responsibility, time horizon of the role, commitment and risk associated with their role; and
- assisting North West in attracting, retaining, and motivating qualified individuals with the experience and ability to deliver strong results and support their business strategy.

Under this plan, a plan participant who is not subject to income taxes in the United States is entitled to elect at the time of exercise of the option, either: a) an option with an exercise price set on the grant date (the “**Standard Option**”); or b) an option to acquire the same number of Shares that may be acquired pursuant, and on the identical terms and conditions, to the corresponding Standard Option, except the exercise price for this option will be calculated by deducting from the exercise price applicable to the corresponding Standard Option, the portion of the dividends paid that exceed the hurdle rate set by the Board on an annual basis at the time of the grant (the “**Partially Declining Exercise Price Option**”). Under the current *Income Tax Act* (Canada), the plan participant will pay tax on one-half of the “in the money amount” at the time of exercise if he or she elects the Standard Option, and will pay tax on the full “in the money amount” at the time of exercise if he or she elects the Partially Declining Exercise Price Option. Employees that are subject to income taxes in the United States are only entitled to receive Standard Options.

The exercise price for all options granted under the Partially Declining Exercise Price Option is calculated by deducting from the exercise price applicable to the Standard Option, the portion of all quarterly dividends paid, on a per Share basis, that exceed a dividend yield of 2% for North West.

Refer to the “2017 PERFORMANCE AND COMPENSATION — Summary Compensation Table/Outstanding Equity-Based Awards” starting on page 74 of this Circular for information on actual LTIP awards granted to each NEO in 2017.

OTHER ELEMENTS OF 2017 COMPENSATION

Benefits

Executives are eligible to receive benefits which include medical and dental insurance, life insurance, accidental death insurance, short term disability insurance and employee paid long term disability insurance. In addition, Canadian executives are eligible for an annual executive wellness assessment designed for health awareness and preventive care. In lieu of executive perquisites such as company cars, memberships, financial counselling and tax preparation, senior executives of North West, with the exclusion of those employed with the International division, receive a benefit payable in cash equal to 10% of base salary.

Pension Plan

All current executives in Canada participate in a non-contributory Defined Benefit Pension Plan, where the normal retirement age is set at age 65. The annual benefit payable upon retirement is based on a range of 1.4% to 1.7% per year of service as an executive, of the final average earnings (base salary and STIP) prior to retirement (based on highest three consecutive years of annual earnings in the ten year period preceding retirement). Upon death, reduced payments continue to the spouse, if applicable. Executives may elect to contribute to the plan to provide for ancillary benefits. For retirement prior to 65 years of age, the total benefit payable is reduced by 3% per year. The Board has the discretion not to reduce the benefit payable per year of service as set out above for early retirement at age 60, if the member has ten years of service as an executive of North West at the time of retirement.

Executives may elect to accumulate their benefits through an alternative defined contribution arrangement. The benefits under this option are based on the balance accumulated in their defined contribution account. Currently, there are no active participants in this program.

Executives in North West's International division have the option to participate in North West's International 401(k) Plan, a defined contribution plan qualified under sections 401(a) and 401(k) of the Internal Revenue Code. Eligible employees may elect to contribute a portion of their salary to the plan, and North West provides 100% matching contributions on the employee's first 3% of contributions and 50% matching on the next 2% of contributions where North West's maximum match is 4%.

See the "2017 PERFORMANCE AND COMPENSATION — Summary Compensation Table/Present Value of Accumulated Pension Benefits" on page 73 of this Circular for additional information regarding the value of these pension benefits.

Employee Share Ownership Plan

Executives are entitled to participate in North West's Employee Share Ownership Plan ("**EOP Plan**"). Under the EOP Plan, North West contributes \$1 for every \$3 contributed by the employee for the purchase of North West Shares, subject to a maximum contribution by North West equal to 2% of the employee's base salary. North West pays all normal administrative costs, including broker's commissions on Share purchases.

Executive Deferred Share Unit Plan

In December 2014 the Board approved an Executive Deferred Share Unit Plan (the "**Executive DSU Plan**"), under which all executives are eligible to convert their annual STIP award into deferred Share units. The Executive DSU Plan is designed to directly align executive's interests with the interests of Shareholders by encouraging financial commitment to North West through deferred Share units.

Elections to participate in the Executive DSU Plan must be made by an executive prior to December 31 of the calendar year immediately prior to the performance year to

which the annual STIP award relates. For example, an election by an executive officer to defer a portion of their approved STIP award for the 2018 fiscal year of North West, must have been made prior to December 31, 2017. Such elections, once made, are irrevocable. An account (a “**DSU Account**”), is maintained by North West for each executive participating in the Executive DSU Plan, and will be credited with the executive’s award of deferred Share units from time to time as well as the date and price at which deferred Share units were granted. Except with the prior approval of the Board, the maximum number of deferred Share units which are permitted to be credited to an executive’s DSU Account (prior to any adjustments for dividends), shall not exceed:

- (a) for an executive, whose minimum share ownership Requirements are one times his or her base salary, 50% of the executive’s base salary in value based on the fair market value of the Shares underlying the deferred Share units at the original award date; and
- (b) for an executive, whose minimum share ownership Requirements are two or more times his or her base salary, 100% of the executive’s base salary in value based on the fair market value of the Shares underlying the deferred Share units at the original award date.

Participants are credited with deferred Share units at the time the annual STIP award is paid. The number of deferred Share units underlying an award is calculated on the date of grant by dividing the portion of the STIP award that is payable to the participant in deferred Share units by the fair market value of the Shares on the date that the award is granted. Fair market value is determined by calculating the weighted average trading price of the Shares on the TSX for the five trading days on which the Shares traded immediately preceding such date.

Deferred Share units credited to an executive vest immediately and are payable in cash only following the cessation of employment with North West. Deferred Share units attract additional deferred Share units equivalent to dividends declared by the Board to be payable on Shares. The deferred Share unit holdings of North West executive officers are included in their respective equity ownership levels for purposes of share ownership requirements discussed in this Circular.

Deferred Share units were granted commencing in 2017. See “PART IV—COMPENSATION DISCUSSION AND ANALYSIS—SHARE OWNERSHIP GUIDELINES” on page 75 of this Circular for more details. As at April 11, 2018, there are 23,208 deferred Share units outstanding.

RISK MANAGEMENT

Through the combination of short and long term incentives, North West’s executive compensation program provides for a significant portion of each executive’s compensation to be “at risk”. Consequently, it is important that these incentives do not result in North West’s executives taking actions that may conflict with North West’s short and long term interests. North West believes that its compensation policies and

practices achieve an appropriate balance in relation to overall business strategy and do not encourage an executive to expose North West to inappropriate or excessive risks.

As required by its mandate, the Compensation Committee regularly reviews and ensures its executive compensation plan through its design, structure and application, has a clear link between pay and performance and does not encourage excessive risk taking. Key areas of risk management include the following measures:

- the compensation program is designed to compensate all executives based on the same or substantially equivalent performance goals and is consistent with North West's compensation philosophy;
- the balance between short term performance incentives is coupled with equity-based awards that vest over time;
- the short term and long term incentive plans with performance goals contain minimum and maximum thresholds. Actual results are measured against pre-approved metrics that are defined at the beginning of the fiscal year, and are substantially linked to North West's financial performance;
- North West's Share ownership guidelines encourage executives to own, directly or indirectly, Shares valued at a pre-defined percentage of their base salary; and
- the feature of the declining strike price options reward executives for both equity growth and maintaining sustainable dividends.

EXECUTIVE COMPENSATION CLAWBACK POLICY

The Board adopted an executive compensation clawback policy concerning awards made after March 14, 2013 under North West's STIP and LTIP plans. The clawback provision is triggered at the discretion of the Board upon any misstatement in, or restatement of, North West's financial statements, or upon any act of fraud, gross negligence or intentional misconduct by an executive or former executive where the incentive compensation received would have been lower had the financial results been correctly reported.

HEDGING AND SPECULATIVE TRADING

North West's share trading restrictions prohibit North West's employees, officers and Directors from purchasing or selling North West Shares for short term speculative purposes, from engaging in short selling of or trading in options in securities of North West. Employees, officers and Directors are also prohibited from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by employees.

2017 PERFORMANCE AND COMPENSATION

SUMMARY COMPENSATION TABLE

The following table summarizes the base salary, incentive-based awards, and other compensation awarded to the NEOs for the fiscal year ended January 31, 2018.

Name/Principal Position	Year	Salary (\$)	Share Based Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽²⁾	Annual (Non-Equity) Incentive Plans (\$) ⁽³⁾	Pension Value (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾	Total Annual Compensation (\$)
Edward Kennedy ⁽⁶⁾ President and CEO	2017	802,235	645,420	968,130	551,475	411,200	84,843	3,463,303
	2016	782,668	629,678	944,518	366,572	247,400	83,351	3,054,187
	2015	763,562	614,320	921,480	885,209	267,400	82,426	3,534,397
John King EVP and CFO	2017	370,458	152,000	152,000	210,754	310,600	39,302	1,235,114
	2016	350,004	140,794	140,794	136,342	128,000	37,690	933,624
	2015	341,461	137,360	137,360	316,719	142,500	46,098	1,121,498
Craig Gilpin EVP and CCO	2017	449,522	180,800	180,800	222,548	235,000	56,489	1,325,159
	2016	438,779	176,505	176,505	147,692	170,400	55,745	1,165,626
	2015	428,077	172,200	172,200	380,740	187,400	55,339	1,395,956
Christie Frazier-Coleman ⁽⁷⁾ EVP and CMO	2017	337,232	136,400	136,400	170,537	28,233	10,800	819,602
	2016	307,950	129,874	129,874	112,424	21,203	16,225	717,550
	2015	284,912	120,600	120,600	277,468	20,366	6,937	850,343
Dan McConnell ⁽⁸⁾ President, International Retail	2017	380,428	194,075	194,075	225,937	317,500	47,897	1,359,912
	2016	313,414	126,075	126,075	136,776	78,400	40,226	820,966
	2015	305,769	123,000	123,000	279,771	85,000	40,746	957,286

Notes

- (1) Represents the dollar amount based on the fair value on the grant date of the award for the fiscal year under North West's PSU Plan multiplied by the number of Shares granted. The fair market value at the grant date was calculated by using the volume weighted average closing market price for the five days prior to February 1 of the grant year. The total PSUs granted in 2015, 2016 and 2017 to each NEO are summarized below. The PSUs granted in 2015 vested on January 31, 2018 and were paid out in April 2018.

NEO	2015 PSU Grant	2016 PSU Grant	2017 PSU Grant
Edward Kennedy	23,546	21,432	21,916
John King	5,265	4,792	5,161
Craig Gilpin	6,600	6,008	6,139
Christie Frazier-Coleman	4,622	4,420	4,632
Dan McConnell	4,714	4,291	6,590

- (2) Represents the dollar amount based on the fair value of options on the grant date. Fair value was calculated by Mercer Consulting using the Black-Scholes methodology to produce a Monte-Carlo simulation model. North West has chosen to use the Black-Scholes model as the methodology for calculating the fair value of the options granted as this methodology is commonly used by issuers. The Black-Scholes factor was multiplied by the number of options granted and the volume weighted average closing price of the Shares

on the TSX for the five trading days immediately preceding the grant date to calculate fair value. See “Outstanding Equity-Based Awards” on page 74 of this Circular for details.

- (3) Represents the dollar value of all amounts earned for services performed during the fiscal year that are related to awards under non-equity incentive plans and all earnings on any such outstanding awards. See “Annual STIP Awards” on pages 58, 70 and 71 of this Circular for details.
- (4) See table called “Present Value of Accumulated Pension Benefits” for details.
- (5) See table called “All Other Compensation” for details.
- (6) Mr. Kennedy does not receive compensation in his capacity as a Director.
- (7) Amounts are in USD.
- (8) The Share-Based Award and Option Award for Dan McConnell reflect the increased accountabilities assumed for the operation of the newly acquired Roadtown Wholesale Trading in addition to his Executive Vice President and Chief Development Officer accountabilities.

STIP and LTIP Awards

The table below shows the STIP and LTIP awards by each NEO that were vested or earned during the fiscal year ended January 31, 2018.

Name	Option-Based Awards/Value Vested During the Year (\$) ⁽¹⁾	Option-Based Awards/Value Exercised During the Year (\$) ⁽²⁾	Share-Based Awards/Value Vested During the Year (\$) ⁽³⁾	Non-Equity Incentive Plan Compensation/Value Earned During the Year (\$) ⁽⁴⁾
Edward Kennedy	1,205,055	–	1,009,406	551,475
John King	165,656	160,306	226,504	210,754
Craig Gilpin	206,935	–	277,071	222,548
Christie Frazier-Coleman ⁽⁵⁾	56,414	–	196,154	170,537
Dan McConnell	73,860	–	204,073	225,937

Notes

- (1) The value of the option-based awards which vesting during the fiscal year ended January 31, 2018 is calculated as follows:
 - (a) 2012 grant — \$7.68 per option-based on the difference between the fair value of the option as at January 31, 2018 of \$21.86 and the declining strike pricing of \$29.54.
 - (b) 2013 grant — \$6.332 per option-based on the difference between the fair value of the option as at January 31, 2018 of \$23.208 and the declining strike price of \$29.54.
 - (c) 2014 grant — \$4.75 per option-based on the difference between the fair value of the option as at January 31, 2018 of \$24.79 and the declining strike price of \$29.54. Fair value was determined as the closing price of the Shares on the TSX on January 30, 2018.
- (2) Represents the pre-tax amount received by each NEO from options exercised during the fiscal year ended January 31, 2018.
- (3) The value of the Share-based awards that vested during the year was calculated by the number of PSUs that vested by \$29.54, which is the fair market value of North West Shares at January 31, 2018. Fair market value was calculated by using the volume weighted average closing price of the Shares on the TSX for the five trading days immediately

preceding the Vesting Date of February 1, 2018. The value also includes the equivalent of dividends earned up to January 31, 2018 on vested PSUs.

- (4) Please refer to “2017 PERFORMANCE AND COMPENSATION — 2017 STIP Awards” on page 70 of this Circular for information on the calculation of the STIP awards.
- (5) Amounts are in USD.

2017 STIP Awards

The following summarizes North West’s performance against the STIP targets set for each of the NEOs for the 2017 fiscal year. The weighing of each initiative varies by each NEO. See “2017 PERFORMANCE AND COMPENSATION — 2017 STIP Awards” on page 58 of this Circular for information on the calculation of the STIP awards.

North West will not provide further details about these measures as the STIP targets and objectives are aligned with North West’s main priorities, and constitute targets and ongoing projects which are confidential and highly strategic, the disclosure of which could seriously jeopardize their completion. Please refer to the “Strategies” section in North West’s 2017 Annual Report for more details on these initiatives, which can be found at www.northwest.ca or at www.sedar.com.

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2017 STIP Performance Measure	Performance Against Target	Edward Kennedy	John King	Craig Gilpin	Dan McConnell	Christie Frazier-Coleman
Consolidated STIP Earnings: 2017 Consolidated EBIT Target (adjusted for normalizing factors and cost of capital)	Partially Met 98.5%	●	●	●	●	●
Business Unit Measures⁽¹⁾						
Top Markets This measure applies to the quality, quantity, timing and cost of market plans related to North West's largest and highest sales and profit potential locations. As store projects are completed, the measure focuses on actual cost and operating performance versus target.		●		●	●	●
Top Categories This measure assesses the quality, quantity, timing and cost versus target of Top Category plans.		●		●		●
Top People This measure relates to an initiative that ensures key roles in all North West stores are being filled with qualified individuals and that store vacancies are being equally addressed.		●		●		
New Markets This measure relates to the quality, quantity, timing and cost related to investments in new markets and complementary businesses through acquisitions and store openings.		●	●		●	
Project Enterprise This measure relates to the quality, quantity, timing and cost related to a project to implement new work force management, point-of-sale and merchandise management systems.		●	●	●		●
Get Sales This measure relates to capturing higher sales targets during seasonal occasions and during monthly government payouts.				●		●
Store Connect This measure assesses the quality of internal support service provided to stores using targeted service levels as well as the effective use of a service technology platform called "Store Connect".		●	●	●	●	●
Individual Measures⁽¹⁾						
Inventory Control This measure relates to achieving inventory targets and reducing inventory shrink.			●	●		●
Other Initiatives These are individual measures for each businesses unit which support North West's strategy and key corporate initiatives.		●	●	●	●	●
PERFORMANCE AGAINST TARGET ON COMBINED BUSINESS UNIT/INDIVIDUAL MEASURES (%)⁽²⁾		101.1	101.6	99.5	102.3	98.0

Notes

- (1) A "bullet" indicates the inclusion of the NEO in the specific Business Unit Measure or Individual Measure and is not an indication of performance versus target for the specific measure.
- (2) This is the performance against target achieved for each NEOs combined business unit/individual targets. Each NEO had some measures which exceeded target performance, some measures which met target performance, and some measures which did not meet target performance.

The following sets out the individual STIP awards in fiscal 2017 for each NEO. No discretionary adjustment was used in determining individual NEO awards.

NEO	STIP Performance Measure	% Weight of Measure	% of Base Salary Target	% of Base Salary Paid	Earned STIP \$
Edward Kennedy	Consolidated STIP Earnings Combined Business Unit/Individual Targets	75%	56.2%		383,564
		25%	18.8%		167,911
	TOTAL	100%	75.0%	68.4%	551,475
John King	Consolidated STIP Earnings Combined Business Unit/Individual Targets	75%	45.0%		144,530
		25%	15.0%		66,224
	TOTAL	100%	60.0%	55.5%	210,754
Craig Gilpin	Consolidated STIP Earnings Combined Business Unit/Individual Targets	75%	45.0%		171,915
		25%	15.0%		50,632
	TOTAL	100%	60.0%	49.2%	222,548
Christie Frazier-Coleman ⁽¹⁾	Consolidated STIP Earnings Combined Business Unit/Individual Targets	75%	45.0%		129,697
		25%	15.0%		40,840
	TOTAL	100%	60.0%	50.0%	170,537
Dan McConnell	Consolidated STIP Earnings Combined Business Unit/Individual Targets	75%	45.0%		152,137
		25%	15.0%		73,800
	TOTAL	100%	60.0%	56.5%	225,937

Note

(1) Amounts are in USD.

PSUs Vested in 2017

The following sets out the calculation of the individual PSUs earned or vested during the fiscal year ended January 31, 2018 for each NEO. These PSUs vested on January 31, 2018, and will be paid out in April 2018. No discretionary adjustment was used by the Board in determining individual PSU payments.

NEO	Retention ⁽¹⁾	Operating ⁽¹⁾		Relative ⁽¹⁾		Amount of PSU Paid (\$) ⁽³⁾
	Vesting %	Average of 2015-2017 STIP Performance	Vesting %	TSR ⁽²⁾ Performance	Vesting %	
Edward Kennedy	100	100%	152	P58	130	1,009,406
John King	100	100%	154	P58	130	226,504
Craig Gilpin	100	99%	144	P58	130	277,071
Christie Frazier-Coleman ⁽⁴⁾	100	100%	148	P58	130	196,154
Dan McConnell	100	101%	156	P58	130	204,073

Notes

(1) See “ELEMENTS OF 2017 EXECUTIVE COMPENSATION — Performance Share Units” on page 60 of this Circular for further details on the methodology used to calculate the number of PSUs that vested.

- (2) TSR relative performance was calculated by Meridian, and represents the data point that is higher than 36% of all other data in the sample when ranked from low to high.
- (3) The value of the PSU awards was calculated by multiplying the number of PSUs that vested by \$29.54, which is the fair market value of North West Shares. Fair market value was calculated by using the volume weighted average closing price of the Shares on the TSX for the five trading days immediately preceding the Vesting Date. The value also includes the equivalent of dividends earned up to January 31, 2018 on vested PSUs.
- (4) Amounts are in USD.

All Other Compensation

The following table shows the breakdown of "All Other Compensation" in the Summary Compensation Table for 2015 to 2017. These amounts reflect the aggregate incremental costs to North West.

NEO	Year	Flexible Benefits (\$)	Interest Subsidy on Loan (\$)	Employee Ownership (\$)	Other (\$)	Total All Other Compensation (\$)
Edward Kennedy	2017	80,223	1,077	173	3,373	84,843
	2016	78,267	1,077	173	3,834	83,351
	2015	76,356	1,075	173	4,822	82,426
John King	2017	37,046	–	–	2,256	39,302
	2016	35,000	–	–	2,690	37,690
	2015	34,146	–	6,934	5,018	46,098
Craig Gilpin	2017	44,952	–	8,990	2,547	56,489
	2016	43,878	–	8,775	3,092	55,745
	2015	42,807	–	8,560	3,972	55,339
Christie Frazier-Coleman ⁽¹⁾	2017	–	–	–	13,998	10,800
	2016	–	–	–	16,225	16,225
	2015	–	–	–	26,397	26,397
Dan McConnell	2017	38,043	–	7,608	2,246	47,897
	2016	31,341	–	6,267	2,658	40,226
	2015	30,576	–	6,115	4,055	40,746

Note

(1) Amounts are in USD.

Present Value of Accumulated Pension Benefits

The following is a summary of North West's present value of accumulated pension benefits for each of its NEOs. Please refer to "Other Elements of 2017 Compensation" on page 63 of this Circular for information regarding the terms and conditions of payments and benefits under the plan, including the formula for determining benefits.

Name	# of Years of credited service	Annual benefits payable at year end (\$)	Annual benefits payable at age 65 (\$)	Accrued obligation at start of year (\$)	Compensatory Change (\$)	Non-Compensatory Change (\$)	Accrued Obligation at year end (\$) ⁽¹⁾
Edward Kennedy	23.17	551,800	708,600	7,932,600	411,200	1,390,000	9,734,400
John King	11.58	119,700	260,300	1,575,800	310,600	321,900	2,208,300
Craig Gilpin	7.83	96,300	239,200	1,272,800	235,000	247,100	1,754,900
Dan McConnell	9.33	74,200	336,200	707,500	317,500	268,500	1,293,500

Name	Accumulated Value At Start of Year (\$)	Compensatory Change (\$)	Non-Compensatory Change (\$)	Accumulated Value at End of Year (\$)
Christie Frazier-Coleman ⁽²⁾	130,030	28,233	34,406	192,669

Notes

- (1) Pensionable earnings are determined on a calendar-year basis, and include base salary and STIP. The estimated future benefits payable under the defined benefit pension plan are calculated by North West's independent actuaries based on the same valuation method and significant assumptions used in determining the present value of the defined benefit obligations as disclosed in the notes to North West's audited Consolidated Financial Statements for the year-ended January 31, 2018. The underlying assumption used by the actuary is a 4% annual increase in pensionable earnings. Pensionable earnings in excess of 4% are allocated into the compensatory amount which comprises the Pension Value as shown in this table (the reverse also applies in the event pensionable earnings grow less than 4%, which results in a negative amount for the year). The year-end Pension Value is determined by projecting the previous calendar year pensionable earnings to retirement age for each NEO. The actuary determines the highest three calendar years of pensionable earnings to determine the accrued pension and obligation. In most situations this is the last or final three years.
- (2) Amounts are in USD.

OUTSTANDING EQUITY-BASED AWARDS

The following are the total unexercised Share-based awards and option-based awards granted to North West's NEOs as at January 31, 2018.

Name	Share-based Awards			Option-based Awards			
	# of Shares that have not vested (rounded to nearest Share) ⁽¹⁾	Market or payout value of Share-based awards that have not vested (\$) ⁽²⁾	Market or payout value of vested Share-based awards not paid out or distributed ⁽³⁾	# of securities underlying unexercised options	Option exercise price/ (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽⁴⁾
Edward Kennedy	46,217	455,082	1,009,406	176,515	20.62	July 21, 2018	10,391,395
				182,484	21.86	April 12, 2019	
				197,468	23.21	April 11, 2020	
				106,700	19.11	April 16, 2020	
				202,805	24.79	April 14, 2021	
				269,313	25.63	April 14, 2022	
				243,569	28.81	April 13, 2023	
				225,174	32.40	June 23, 2024	
John King	10,606	104,436	226,504	24,315	21.86	April 12, 2019	992,019
				26,315	23.21	April 11, 2020	
				30,232	24.79	April 14, 2021	
				40,145	25.63	April 14, 2022	
				36,308	28.81	April 13, 2023	
				35,354	32.40	June 23, 2024	
Craig Gilpin	12,951	127,523	277,071	10,110	21.86	April 12, 2019	915,393
				21,882	23.21	April 11, 2020	
				37,903	24.79	April 14, 2021	
				50,328	25.63	April 14, 2022	
				45,517	28.81	April 13, 2023	
				42,052	32.40	June 23, 2024	
Christie Frazier-Coleman ⁽⁵⁾	9,649	95,006	196,154	7,255	20.62	July 21, 2018	430,036
				8,180	21.86	April 12, 2019	
				8,751	23.21	April 11, 2020	
				10,737	24.79	April 14, 2021	
				55,489	25.63	April 14, 2022	
				46,331	28.81	April 13, 2023	
				43,671	32.40	June 23, 2024	
				43,671	32.40	June 23, 2024	
Dan McConnell	11,551	113,735	204,073	1,913	20.62	July 21, 2018	565,877
				4,266	21.86	April 12, 2019	
				6,924	23.21	April 11, 2020	
				27,074	24.79	April 14, 2021	
				35,949	25.63	April 14, 2022	
				32,512	28.81	April 13, 2023	
				45,140	32.40	June 23, 2024	

Notes

- (1) Includes the number of unvested PSUs outstanding as at January 31, 2018.
- (2) The market value of the unvested Share-based awards is calculated by multiplying the portion of the outstanding PSUs which are time-based ($\frac{1}{3}$ of the PSU grants for 2016 and 2017) granted to the NEO by the fair market value of the Shares as at February 1, 2018 (\$29.54). Fair market value is calculated based on the volume weighted average closing price of the Shares on the TSX for the five trading days immediately preceding February 1, 2018. The $\frac{2}{3}$ portion of the outstanding PSU grants for 2016 and 2017 which

are subject to performance conditions are valued at the minimum possible payout of zero on this table. The final amounts in the table include dividends earned up to January 31, 2018 on granted PSUs. No assumption is made for future dividends.

- (3) Includes the PSUs granted in 2015 that vested on January 31, 2018 and which were paid out in April 2018.
- (4) The market value of all unexercised in-the-money original options granted in 2010, are calculated based on the difference between \$29.14, the closing price of a common Share on January 31, 2018, and the option exercise price. The market value of unexercised in-the-money declining strike price options for Canadian NEOs granted in 2011, 2012, 2013, 2014, 2015, 2016 and 2017 are calculated based on the difference between \$29.14, the closing price of a common Share on January 31, 2018, and the declining strike price of \$16.34 for 2011, the declining strike price of \$18.01 for 2012, the declining strike price of \$20.00 for 2013, the declining strike price of \$22.23 for 2014, the declining strike price of \$23.74 for 2015, the declining strike price of \$27.62 for 2016 and the declining strike price of \$31.89 for 2017. A rolling 365 day volume weighted average yield calculation was used for the calculation of the revised strike price. The portion of all quarterly dividends paid since the 2011, 2012, 2013, 2014, 2015, 2016 and 2017 grants, on a per Share basis, that exceed a dividend yield of 2% for North West, is also deducted from the strike price.
- (5) Amounts are in USD.

SHARE OWNERSHIP GUIDELINES

The Board established a Share Ownership Policy, effective December 11, 2014, outlining the minimum levels of share ownership required for all executives. The policy is designed to align the interests of those executives with the interests of Shareholders, to demonstrate financial commitment to North West through personal Share ownership, and to promote North West's long term commitment to sound corporate governance.

The following are included as "Shares" for the purposes of determining the share ownership level for each executive:

- all Shares owned by the executive, an executive's spouse and any dependent children living in the same household (either purchased through the open market or those obtained from North West treasury through the exercise of stock options);
- the time-based portion of any PSUs granted to an executive; and
- any vested deferred Share units granted to an executive.

Once an executive achieves the guidelines, if the Share price declines and the market value of the Shares held drops below the minimum, as long as the executive holds the minimum number of Shares (at peak price) going forward, the executive is considered to be in compliance with the guidelines.

Executives are required to maintain ownership levels that meet or exceed the guidelines within five years of being appointed or promoted to their current position. Should an executive be promoted to a higher employment status (i.e. Vice President to Executive Vice President or Executive Vice President to President and Chief Executive

Officer), the executive will have a further five years from the date of his/her promotion to attain the Share ownership multiple required for their new position.

North West believes that given the short and long term incentive programs in place for executives, that there are sufficient mechanisms available to assist an executive to reach required ownership levels. Executives who are subject to this policy are required to abide by the following until their minimum Share ownership requirement is met:

- convert 100% of after-tax performance share units into Shares;
- purchase Shares equivalent to the after-tax value of any stock options exercised by the executive; and
- fully participate in North West's Employee Share Ownership Plan.

The table below shows the market value of Shares held by each of the NEOs as of January 31, 2018, based on the closing price of North West on the TSX on January 31, 2018 and the actual ownership as a multiple of their respective base salary.

NEO	Market Value of Shares (\$)⁽¹⁾	Net Ownership as a multiple of base salary	Minimum Ownership as a multiple of salary
Edward Kennedy	9,313,659	11.5	4.0
John King	2,703,522	7.1	2.0
Craig Gilpin	918,917	2.0	2.0
Christie Frazier-Coleman ⁽²⁾	108,498	0.3	2.0
Dan McConnell	911,808	2.3	2.0

Notes

(1) Includes any Shares purchased through the open market, and 100% of outstanding time-based portion of PSUs, any vested deferred Share units; all multiplied by the January 31, 2018 closing price of \$29.14.

(2) Amounts are in USD.

SUMMARY OF SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The total number of underlying Shares issuable to any participant pursuant to North West's share option plans and the DSU Plan and all other equity compensation plans of North West will not exceed 10% of the issued and outstanding Shares at the date of any grants. The maximum number of Shares available for issuance under the share option plans is a fixed number set at 4,354,020. The maximum number of Shares available for issuance under the DSU Plan is a fixed number set at 484,970. The

following table provides information on securities authorized for issuance under equity compensation plans as at January 31, 2018:

Equity Compensation Plan	Securities to be issued upon exercise of outstanding options and Director deferred share units (A)	Weighted average exercise price of outstanding options and Director deferred share units (B)	Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A)
Declining Strike Price Options ⁽¹⁾	2,464,940	\$26.18	NA
Standard Options ⁽¹⁾	454,177	\$24.28	NA
Total Options ⁽¹⁾	2,919,117	\$25.88	1,261,231
Director Deferred Share Units	249,108	NA	231,266

- (1) The outstanding options have a weighted average remaining life of 3.68 years with the declining strike price having a weighted average remaining life of 3.76 years and standard options having a weighted average remaining life of 3.23 years. Further information on share options and deferred Share units is provided Note 13 to the Company's audited consolidated financial statements for the year ended January 31, 2018 which is available on SEDAR as www.sedar.com or the Company's website at www.northwest.ca.

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ADDITIONAL INFORMATION ON EQUITY COMPENSATION PLANS

The following table provides additional information on the Director Deferred Share Unit Plan and the Share Option Plan for the past three years:

	2018	2017	2016
Total shares issued and outstanding as at January 31	48,690,212	48,542,514	48,523,341
Total weighted average shares issued and outstanding for the year ended January 31	48,679,837	48,523,883	48,508,925
Director Deferred Share Units (“DSUs”)			
Number of underlying shares reserved for issuance upon exercise of all DSUs	249,108	212,166	180,152
DSU Dilution — shares reserved under the DSU Plan as a % of total shares issued and outstanding as at January 31	0.51%	0.44%	0.37%
Number of DSUs granted during the period fiscal year (February 1 to January 31)	27,334	23,374	23,835
DSU Burn Rate — % of DSUs granted during the fiscal year as a % of weighted average shares outstanding for the year ended January 31	0.06%	0.05%	0.05%
Number of DSUs available for future issuance under equity compensation plans	231,266	272,804	304,818
Share Option Plan (“Options”)			
Number of underlying Shares reserved for issuance upon exercise of all options	2,919,117	2,525,534	2,059,709
Option Dilution — shares reserved under share options plans as a % of total shares issued and outstanding as at January 31	6.00%	5.20%	4.24%
Number of options granted during the period February 1, 2017 to January 31, 2018)	505,112	522,621	572,557
Option Burn Rate — % of options granted during fiscal year as a % of weighted average shares outstanding for the year ended January 31	1.04%	1.08%	1.18%
Number of options available for future issuance under equity compensation plans	1,261,231	1,663,972	2,148,970
Total Equity Compensation Plans			
Total Dilution — shares reserved under all equity compensation plans as a % of total Shares issued and outstanding as at January 31	6.51%	5.64%	4.62%
Total Burn Rate — options and DSUs granted during the fiscal year as a % of weighted average shares outstanding as at January 31	1.09%	1.13%	1.23%
Total Overhang — options and DSUs available for future issuance plus options and DSUs outstanding but not exercised as a % of shares issued and outstanding as at January 31	9.57%	9.63%	9.67%

TERMINATION AND CHANGE OF CONTROL BENEFITS

Mr. Edward Kennedy has a formal employment agreement in place which provides for termination and change of control benefits. Mr. Craig Gilpin's offer of employment also includes provisions relating to termination and change of control benefits. In addition, the provisions contained in the plan documents for the PSU Plan and in the Original Option Plan and Amended and Restated Option Plan for termination and change of control apply to all NEOs.

The following table summarizes the payments that would be received by each NEO pursuant to contractual provisions where the executive ceases to be employed by North West. The amounts calculated are based on compensation as at January 31, 2018.

The actual amount that each NEO could receive in the future as a result of termination of employment or change of control could differ materially from the amounts set forth as a result of a variety of factors, such as changes in Share price or base salary, timing of the termination or change of control, and the vesting and granting of additional Share awards. The following table also does not include any potential common law entitlements arising in the event of termination or change of control, or any amounts that may be agreed upon at the time of termination, or amounts paid at the discretion of the Board.

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	For Cause (\$)	Without Cause (\$)	Change of control (\$)	Retirement (\$) ⁽²⁾	Death or Disability (\$)	Resignation (\$)
Edward Kennedy⁽¹⁾						
Base/Bonus/Perquisite	–	4,010,652	4,010,652	–	–	–
PSUs ⁽³⁾	–	2,157,322	2,157,322	2,157,322	2,157,322	–
Options ⁽⁴⁾	–	6,981,841	6,981,841	6,981,841	6,981,841	–
Total	–	13,149,814	13,149,814	9,139,163	9,139,163	–
John King						
Base/Bonus/Perquisite	–	–	–	–	–	–
PSUs ⁽³⁾	–	256,603	630,452	630,452	256,603	–
Options ⁽⁴⁾	–	324,913	617,514	617,514	324,913	–
Total	–	581,516	1,247,965	1,247,965	581,516	–
Craig Gilpin						
Base/Bonus/Perquisite	–	1,151,763	1,151,763	–	–	–
PSUs ⁽³⁾	–	405,079	751,899	751,899	405,079	–
Options ⁽⁴⁾	–	193,461	559,955	559,955	193,461	–
Total	–	1,750,303	2,463,617	1,311,854	598,540	–
Christie Frazier-Coleman⁽³⁾						
Base/Bonus/Perquisite	–	–	–	–	–	–
PSUs ⁽⁴⁾	–	295,145	440,515	440,515	295,145	–
Options ⁽⁵⁾	–	171,539	431,559	431,559	171,539	–
Total	–	466,684	872,074	872,074	466,684	–
Dan McConnell						
Base/Bonus/Perquisite	–	–	–	–	–	–
PSUs ⁽³⁾	–	499,795	577,109	577,109	499,795	–
Options ⁽⁴⁾	–	113,992	343,110	343,110	113,992	–
Total	–	613,786	920,219	920,219	613,786	–

Notes

- (1) The amounts for Mr. Kennedy's retirement reflect his entitlement at age 58 years of age.
- (2) The amounts for all NEOs (other than Mr. Kennedy) for retirement assume the NEO retires on or after the age of 55, and that they have been approved as a "Qualified Retirement" by the Board pursuant to the terms of these incentive plans.
- (3) Amounts are in USD.
- (4) This amount reflects the amounts payable under the plan document for North West's PSU Plan. The value of the PSUs is calculated by multiplying the number of qualified Share units by the fair market value as determined under the PSU Plan (\$29.54) as at February 1, 2018. With respect to death or disability, the amounts are prorated as at January 31, 2018 pursuant to the terms of the PSU Plan. For Mr. Kennedy, the amounts are calculated pursuant to the terms of his employment agreement.
- (5) These amounts reflect the amounts payable under the Original Option Plan and Amended and Restated Option Plan. With respect to the amounts payable upon retirement, the amounts payable assume that all NEOs were approved for "Qualified Retirement" under the Original Option Plan and Amended and Restated Option Plan. The value of the options

is calculated by multiplying the number of qualified options by the January 31, 2018 closing Share price of \$29.14, and subtracting from that amount the number of qualified options multiplied by the exercise price or declining strike price of each option. For Mr. Kennedy, the amounts are calculated pursuant to the terms of his employment agreement.

Employment Agreements/Offers of Employment

President and Chief Executive Officer

Mr. Kennedy, who is 58 years of age, has been the President and Chief Executive Officer of North West for the past 22 years, and an executive of North West for the past 29 years. In recognition of Mr. Kennedy's tenure with North West, combined with his significant contributions to North West's performance, and in order to encourage the continued leadership of North West until he reaches his normal retirement age, North West entered into an employment agreement with Mr. Kennedy effective February 1, 2011. The key terms of the agreement relating to termination and change of control are as follows:

UPLP Loan⁽¹⁾

North West provided a loan to Mr. Kennedy in the sum of \$107,450 without interest, to reimburse Mr. Kennedy for the net cost incurred by Mr. Kennedy for terminating his participation in North West's former UPLP program, which terminated effective December 31, 2011. This loan is repayable upon the termination of Mr. Kennedy's employment with North West.

⁽¹⁾ North West's policy is not to grant loans to executives, however this UPLP loan is intended to reimburse Mr. Kennedy for the actual loss he incurred as a result of the requirement to sell the Shares he owned pursuant to the termination of the UPLP program in order to repay the loan that had been extended to Mr. Kennedy for the purpose of purchasing Shares through the open market under this program.

Termination For Cause

North West may immediately terminate Mr. Kennedy's employment contract for cause. In the event of termination for cause, North West is obligated to pay base salary and expenses owing at the termination date. Mr. Kennedy is entitled to any vested RSUs PSUs and options, and all vested and unvested Special RSUs. Any unvested RSUs, PSUs and Share options are forfeited with no further value.

**Resignation for
“Good Reason” as
defined in the
Employment
Agreement; or
“Change of Control”**

Mr. Kennedy is entitled to the equivalent of 2.5 times the annual average of his base salary, perquisite allowance and STIP paid to Mr. Kennedy in the three years in which Mr. Kennedy was paid the greatest base salary, perquisite allowance and STIP. In addition, all RSUs and PSUs (including all Special RSUs) granted to Mr. Kennedy shall be deemed to be earned and shall vest at the time of termination. Mr. Kennedy is also entitled to any unvested options, and North West shall pay Mr. Kennedy an amount equal to the Share value of all unvested options as of the date the “termination” occurs. For any vested options, the expiry of these options accelerate to the earlier of 90 days after termination or until all vested options expire in accordance with the option plan. (collectively, the **“Termination Payment”**).

**Change of Control
Definition**

Change of control occurs if: a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions occurs where existing Shareholders then hold less than 50% of the voting Shares; b) the sale, lease, exchange or other disposition of assets, rights, or properties of North West which have an aggregate book value of greater than 60% of the book value of North West on a consolidated basis; c) a resolution to windup, dissolve or liquidate North West; d) any person or entity, acting jointly or in concert, acquires control or direction over the voting Shares, which, when added to the voting Shares over which the acquirer exercises control or direction over, would entitle the acquirer to cast a vote of 50% or more of the votes attached to all of the voting securities; e) as a result of or in connection with the contested election of Directors of North West, the nominees named in the most recent management information circular shall not constitute a majority of Directors of North West immediately prior to such an event; f) any person or entity acting jointly or in concert with each other, acquired beneficial ownership acquires ownership by way of takeover bid provisions of more than 50% of the voting Shares; or g) the Board adopts a resolution to the effect that a change of control as defined in this paragraph has occurred or is imminent.

Mr. Kennedy must exercise his right to termination of employment within twelve months after the change of control event occurred, provided that his employment agreement has not otherwise been terminated.

Termination Without Cause after July 29, 2014

Mr. Kennedy is entitled to the Termination Payment as defined above until he reaches the age of 58. Upon reaching the age of 58, Mr. Kennedy will be entitled to 2/3 of the Termination Payment. Upon reaching the age of 59, Mr. Kennedy will be entitled to receive 1/3 of the Termination Payment. Upon and after reaching the age of 60, Mr. Kennedy is no longer entitled to receive the Termination Payment, but shall be entitled to 1 times his Base Salary. Upon reaching the age of 60, he shall also be entitled to all vested and unvested RSUs, PSUs and options, and all unvested RSUs, PSUs and options shall vest in accordance with their respective plans. In the event Mr. Kennedy engages in a competitive activity as defined in his contract for a period of two years following his termination after age 60, all unvested RSUs, PSUs and options existing at that time shall be forfeited with no further value.

Resignation after July 29, 2014

Mr. Kennedy is required to provide six months' notice, and upon the expiry of such notice, Mr. Kennedy will enter into a twelve month consulting agreement with North West, and shall be entitled to his base salary for this twelve month period. He shall also be entitled to all vested and unvested RSUs, PSUs and options, and all unvested RSUs, PSUs and options shall vest in accordance with their respective plans. In the event Mr. Kennedy engages in a competitive activity as defined in his contract for a period of two years following his resignation, all unvested RSUs, PSUs and options existing at that time shall be forfeited with no further value.

Death or Disability

All RSUs, Special RSUs and PSUs granted to Mr. Kennedy shall be deemed to be earned and shall vest at the time of death or disability. Mr. Kennedy is also entitled to any unvested options, and North West shall pay Mr. Kennedy an amount equal to the Share value of all unvested options as of the date the death or disability occurs. For any vested options, the expiry of these options accelerate ending on the earlier of: a) the expiry time of such vested option set forth in the option agreement; and b) the date that is one year from the date of the grant of probate of the will or letters of administration of the estate of the deceased.

**Retirement After
July 29, 2014**

Mr. Kennedy shall be entitled to all vested and unvested RSUs, PSUs and options, and all unvested RSUs, PSUs and options shall vest in accordance with their respective plans. In the event Mr. Kennedy engages in a competitive activity as defined in his contract for a period of two years following his retirement, all unvested RSUs, PSUs and options existing at that time shall be forfeited with no further value.

**Non-Competition/
Non-Solicit**

For a period of two years following the termination of his employment with North West however caused, Mr. Kennedy shall not as an individual or in any other capacity, either directly or indirectly, own, operate, carry on or be engaged in or be concerned with or interested in or connected with or advise, lend money to, guarantee the debts or obligations of, or permit his name or any part thereof to be used in or employed by any party engaged in any business or activity in any province or state in which North West carries on business whose business or activities compete directly with a material retail business or activity of North West. In addition, for the same two year period, Mr. Kennedy shall not influence any supplier of North West to withdraw, cancel, or curtail business with North West; nor attempt to induce any employee, officer, or consultant of North West to terminate his employment or relationship with North West, or attempt to offer such person employment with or engagement by any other party other than North West.

Executive Vice President and Chief Corporate Officer

Mr. Craig Gilpin's offer of employment contains provisions relating to termination and change of control as follows:

**Termination For
Cause**

North West may immediately terminate Mr. Gilpin's employment contract for cause. In the event of termination for cause, North West is obligated to pay base salary and expenses owing at the termination date. All vested and unvested options, and any vested and unvested RSUs and PSUs are forfeited with no further value.

Termination Without Cause

For service less than five years with North West, Mr. Gilpin is entitled to a payment equal to one and a half times base salary plus his perquisite allowance. This increases to two times his base salary and perquisite allowance for service of five years or greater. In addition for any length of service, if Mr. Gilpin has worked six months or more during the year of his termination, he is also entitled to his STIP payment on a prorata basis, determined by averaging STIP payout percentage for the preceding three years. In addition, Mr. Gilpin is entitled to any vested and unvested, RSUs, PSUs and options as set out in the respective incentive plan documents.

Change of Control

Mr. Gilpin is entitled to a payment equal to two times base salary and perquisite allowance, and the average STIP payment paid to Mr. Gilpin for the three years prior to the change of control. In addition, Mr. Gilpin is entitled to any unvested and vested PSUs and options as set out in the respective incentive plan documents.

In order to receive severance payments for base salary and STIP as set out above, change of control is defined if one or both of the following events occur: a) the majority of all assets of North West are sold; and/or b) a third party acquires more than 50% of North West's voting Shares. In addition to the above criteria, Mr. Gilpin must be terminated following the change of control other than for cause, death, retirement, permanent disability, or if Mr. Gilpin resigns for "Good Reason", which includes unilateral reductions in cash compensation or benefits, forced geographical locations, reductions in levels of responsibility or title/function, or changes to North West's corporate structure that negatively effects Mr. Gilpin's position in the corporate hierarchy. Mr. Gilpin must exercise his right to terminate his employment within twelve months following the actual change of control event.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVES

None of the Directors or executives of North West or its affiliated entities, nor any associate or affiliate of any of them, is or was indebted, directly or indirectly, to North West or any of its affiliated entities at any time since February 1, 2015, the beginning of the most recently completed financial year, other than as set out below.

As a term of Mr. Edward Kennedy's employment agreement entered into effective February 1, 2011, North West agreed to loan Mr. Edward Kennedy the sum of \$107,450 without interest, in order to reimburse Mr. Kennedy for the net cost incurred

by Mr. Kennedy for terminating his participation in North West's former Unit Purchase Loan Program that was terminated effective December 31, 2010. This loan is repayable upon the termination of Mr. Kennedy's employment with North West (see "PART IV — COMPENSATION DISCUSSION AND ANALYSIS — Termination and Change of Control Benefits — Employment Agreements/Offers of Employment" on page 79 of this Circular).

DIRECTOR AND OFFICER LIABILITY INSURANCE

North West maintains a Director and Officer liability insurance policy. The policy covers costs to defend and settle claims against North West's Directors and officers to an annual limit of \$40 million, with additional \$25 million coverage in Side A DIC coverage. The policy includes a \$100,000 deductible for an indemnifiable occurrence with no deductible for a non-indemnifiable occurrence. The cost of coverage for the period June 1, 2017 to July 1, 2018 was approximately \$162,593. Directors and officers do not pay premiums, and no indemnity claims were made or paid in 2017.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management of North West is not aware of any material interest, direct or indirect, of any informed person (being a director or executive officer of North West or a person who beneficially owns or controls, directly or indirectly, more than 10% of the voting rights attached to Shares of North West) or any associate or affiliate of any of the foregoing persons, in any transaction since the commencement of our most recently completed financial year or in any proposed transaction which has materially affected or would materially affect us or any of our subsidiaries.

Part V — Additional Information

Current financial information for North West is provided in North West's comparative financial statements and management's discussion and analysis for the most recently completed financial year. This information and additional information relating to North West can be found under North West's profile on the SEDAR website at www.sedar.com and on North West's website at www.northwest.ca.

Copies of North West's Annual Information Form, Annual Report (including Management's Discussion and Analysis), financial statements, and this Circular may be obtained upon request to the Corporate Secretary of North West. North West may require the payment of a reasonable charge if the request is made by a person who is not a Shareholder of North West.

Part VI — Directors' Approval

The contents and the sending of this Circular have been approved by the Board.

Winnipeg, Manitoba, Canada
April 11, 2018.

By ORDER OF THE BOARD OF DIRECTORS

"Amanda Sutton"

Amanda Sutton
Vice President, Legal and Corporate Secretary
The North West Company Inc.

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Schedule “A” — First Amended and Restated Performance Share Unit Plan

The North West Company Inc.

FIRST AMENDED AND RESTATED PERFORMANCE SHARE UNIT PLAN

ARTICLE 1

INTERPRETATION AND ADMINISTRATIVE PROVISIONS

1.1 Purpose

This document constitutes the First Amended and Restated Performance Share Unit Plan of The North West Company Inc. (hereinafter referred to as the “**Plan**”), effective April 11, 2018.

The purpose of the Plan is to:

- (a) promote a greater alignment of interests between participating employees of The North West Company Inc. (the “**Company**”) and Participating Companies, and Shareholders of the Company, by providing a long-term incentive vehicle that allows them to accumulate a meaningful financial interest in the Company, commensurate with the responsibility, time horizon of the role, commitment and risk associated with their role;
- (b) to support a compensation plan that is competitive and rewards long-term success of the Company as measured in total Shareholder returns for the Company, and other performance metrics as determined from time to time; and
- (c) to assist the Company’s ability to attract, retain, and motivate qualified individuals with the experience and ability to deliver strong results and support the Company’s business strategy.

The Plan shall not give any Participant the right to be employed by any Participating Company nor to continue to be employed by Participating Company.

1.2 Definitions and Interpretation

For the purposes of the Plan, the following terms have the following meanings:

“**1933 Act**” means the United States Securities Act of 1933, as amended;

“**1934 Act**” means the *United States Securities Exchange Act of 1934*, as amended;

“**Administrators**” refers to the Board or any committee of the Board responsible for the administration of the Plan as designated by the Board and the Committee shall, unless otherwise changed by the Board, be the “Administrators”;

"Affiliate" means, with respect to a person or entity (the **"first person"**), a person or entity that: (i) is controlled by the first person; or (ii) is under common control with the first person;

"Applicable Withholding Taxes" has the meaning ascribed thereto in Section 3.4;

"Associate" has the meaning ascribed to such term in subsection 1(1) of *The Securities Act* (Manitoba);

"Board" means the Board of Directors of the Company;

"Broker" means a registered broker, independent from the Company who has been designated by the Administrators as the broker that will purchase Shares on behalf of a Participant in accordance with this Plan, and who is a member of the Exchange;

"Business Day" means any day of the year, other than a Saturday, a Sunday or a day on which major banks are closed for business in Winnipeg, Manitoba;

"CEO" means the Chief Executive Officer of the Company;

"Change of Control" means the occurrence of any one or more of the following events:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its Subsidiaries and another corporation or entity; as a result of which the Shareholders immediately prior to the completion of the transaction hold less than 50% of the Voting Securities of the Company or the successor entity, as the case may be after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights, properties of the Company and/or any of its Subsidiaries which have an aggregate book value of greater than 60% of the book value of the Company and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to an Affiliate of the Company in the course of an internal reorganization of the Company and its Affiliates or the assets thereof;
- (c) a resolution adopted to wind-up, dissolve or liquidate the Company (or any successor to the Company, if applicable), other than in the course of an internal reorganization of the Company and its Affiliates, or the assets thereof;
- (d) any person, entity or group of persons or entities acting jointly or in concert (an **"Acquiror"**) acquiring control or direction over (including without limitation the right to vote or direct the voting) of, Voting Securities of the Company (or any successor to the Company, if applicable) which, when added to the Voting Securities over which the Acquiror exercises control or direction over (or otherwise has the right to vote), would entitle the Acquiror and/or the Associates and/or

Affiliates of the Acquiror to cast or to direct the casting of 50% or more of the votes attached to all of the outstanding Voting Securities of the Company (or of the successor entity to the Company, if applicable) which may be cast to elect directors of the Company, or the directors, as applicable, of any successor to the Company) (regardless of whether a meeting has been called to elect directors of the Company or directors of the successor entity, if applicable);

- (e) as a result of or in connection with (i) a contested election of directors of the Company (or directors of a successor entity to the Company, if applicable); and (ii) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its Subsidiaries and another entity, the nominees named in the most recent management information circular of the Company for election as directors of the Company (or directors of a successor entity to the Company) shall not constitute a majority of the directors of the Company immediately prior to such event;
- (f) any person or entity or group of persons or entities acting jointly or in concert with each other as contemplated by Section 13(d)(3) of the 1934 Act or by applicable Canadian securities laws, acquires beneficial ownership, as determined by Rules 13 d-3 and 13 d-5 under the 1934 Act (or by the take-over bid provisions of applicable Canadian securities laws), of more than 50% of the Voting Securities of the Company (or of the successor entity of the Company, if applicable) (based upon voting power); or
- (g) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent;

“Code” means the U.S. Internal Revenue Code of 1986, as amended;

“Committee” means the Human Resource, Compensation and Pension Committee of the Board or such other Committee of the Board as may be so mandated by the Board;

“Company” means The North West Company Inc. and includes any successor thereof;

“Earned SU” has the meaning set out in Section 2.8;

“Exchange” means the Toronto Stock Exchange and any other exchange on which the Shares are or may be listed from time to time;

“Fair Market Value” means the volume weighted average trading price of the Shares on the Exchange for the five trading days immediately preceding the day on which the Fair Market Value is to be determined;

“Participant” means each employee of a Participating Company approved for participation in this Plan. The CEO will recommend such employees for participation in the Plan, and the Administrators will consider such recommendation and grant final approval as deemed appropriate. Non-employee directors of the Company will not be permitted to participate in the Plan;

“Participating Company” means the Company and any Subsidiaries as are designated by the Board from time to time;

“Performance Criteria” has the meaning set out in Section 2.7;

“Plan” means the First Amended and Restated Performance Share Unit Plan dated April 11, 2018;

“Qualified Retirement” means, in respect of a Participant, the retirement of the Participant which the Administrators have approved as a Qualified Retirement for the purposes of this Plan in their sole discretion, which approval may, at the discretion of the Administrators, require, among other things, the Participant to execute certain restrictive covenants including, but not limited to, a non-compete agreement in a form and substance acceptable to the Administrators;

“Regular SU” means an SU granted by the Company to a Participant pursuant to this Plan settled in the manner set out in Section 2.9(c);

“Regular Earned SU” means the Regular SUs that have been earned as set out in Section 2.8;

“Share” or **“Shares”** means the common voting shares and variable voting shares in the capital of the Company;

“Shareholders” means the holders of Shares from time to time;

“Share Unit” or **“SU”** means a right granted by the Company to a Participant pursuant to this Plan;

“Share Settled SU” means an SU granted by the Company to a Participant pursuant to this Plan settled in the manner set out in Section 2.10(d);

“Share Settled Earned SU” means the Share Settled SUs that have been earned as set out in Section 2.8;

“SU Account” means the notional account maintained by the Company for each Participant which will be credited with grants of SUs in accordance with the terms of this Plan;

“SU Notice” means a notice from the Company to a Participant informing the Participant that he or she has been credited with SUs;

“Subsidiary” means an affiliate directly or indirectly controlled by the Company, that satisfies one of the following: (i) more than 50 percent of its outstanding securities representing the right to vote for the election of directors are owned by the Company or its other Subsidiaries; (ii) it is a limited partnership in which the Company owns all of the partnership interests, directly or indirectly, and controls all aspects of its business operations; or (iii) for so long as the Company is relying on Rule 701 under the 1933 Act with respect to the Participants in the United States, is otherwise a “majority-owned subsidiary” within the meaning of Rule 405 under the 1933 Act;

“Target Performance” means the target performance as set out in the Performance Share Unit Notice for each grant of SUs;

“Termination Date” means the date on which a Participant ceases to hold any position with a Participating Company, (such date shall be deemed to be the date on which the Participant ceases active employment with a Participating Company and which shall not include any period of notice, salary continuation or severance), provided that with respect to U.S. Participants, the Termination Date is the date on which a “Separation from Service” with the Company takes place as defined in Section 409A(a)(2)(A)(i) of the Code;

“U.S. Participant” means a Participant who is a citizen of the United States or a resident of the United States, in each case as defined in section 7701(a)(30)(A) and section 7701(b)(1) of the Code and any other Participant whose Share Units are subject to tax under the Code;

“Vesting Date” has the meaning set out in Section 2.8; and

“Voting Securities” means, in respect of an issuer, the securities of the issuer that entitle the holder thereof to vote for the election of the directors, as applicable, of such issuer and shall be deemed to include any securities which are convertible into or exchangeable for, such securities (including without limitation options and warrants to purchase such securities) and, without limiting the generality of the foregoing, includes the Shares with respect to the Company.

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders. In this Plan, references to “Sections” or “Subsections” are references to sections or subsections in this Plan.

1.3 Administration

Subject to the Committee reporting to the Board on all matters relating to this Plan and obtaining approval of the Board for those matters required by the Committee’s mandate, this Plan will be administered by the Committee which has the sole and absolute discretion to: (i) interpret and administer the Plan; (ii) establish, amend and rescind any rules and regulations relating to the Plan; and (iii) make any other determinations that the Committee deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan, in the manner and to the extent the Committee deems, in its sole and absolute discretion, necessary or desirable. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be conclusive and binding on the Participants. The amount of any redemption and settlement payment incurred by the Company in relation to employees of any Participating Company, shall be reimbursed to the Company by such Participating Company.

1.4 Governing Law

The Plan shall be governed by, and construed and interpreted in accordance with the laws of the Province of Manitoba and the federal laws of Canada applicable therein.

1.5 Total Shares Subject to Awards

- (a) Subject to adjustment as provided for in Section 3.1 and any subsequent amendment to this Plan, the aggregate number of Shares reserved for issuance pursuant to Share Units granted under this Plan is 860,000 Shares. For clarity, any Shares issued to the Participant or to satisfy Applicable Withholding Taxes under Section 2.10(e) will be considered issued under this Plan.
- (b) To the extent any Share Units (or portion(s) thereof) under this Plan are terminated or cancelled for any reason prior to exercise in full, any Shares subject to such Share Units (or portion(s) thereof) shall be added back to the number of Shares reserved for issuance under this Plan.
- (c) Any Shares issued by the Company through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Shares available for issuance pursuant to the exercise of Share Units granted under this Plan.

ARTICLE 2

GRANTS OF PERFORMANCE SHARE UNITS UNDER THE PLAN

2.1 Share Unit Participation

Each year, as part of the Company's long-term incentive program, Participants will be eligible to be considered for a grant of SUs under the terms and conditions of this Plan. Under normal circumstances, SUs will be granted effective February 1 of each fiscal year and subject to Performance Criteria in respect of that fiscal year and the following two fiscal years.

2.2 Date SUs are Credited

The Company shall credit SUs to a Participant's SU Account on the date that such grant is approved by the Administrators, or the effective date as set out in Section 2.1 above, as determined by the Administrators.

2.3 Number of SUs Credited

The number of SUs (including fractional SUs, if any) to be credited to a Participant's SU Account and the type of SUs granted to a Participant (whether Regular SUs, Share Settled SUs or any combination thereof) shall be established by the Administrators, in their sole discretion.

2.4 SU Notice

The Company shall deliver to the Participant an executed Performance Share Unit Notice in respect of each award of SUs setting out the details of the SUs credited to such Participant, including the number of Regular SUs and Share Settled SUs granted, and all Performance Criteria for all SU's granted, substantially in the form attached as 0

or, for grants to Participants in the United States, the form attached as Schedule “B”, or such other form as may be approved by the Administrators from time to time.

2.5 Dividend Equivalents

If dividends are paid on Shares, additional SUs shall be credited to the Participant’s SU Account as of the dividend payment date. The number of additional SUs (including fractional SUs, if any) to be credited to the Participant’s SU Account shall be determined by dividing the dollar amount of the dividends payable in respect of the number of Shares equal to the number of SUs credited to the Participant’s SU Account by the closing Share price on the date of dividend payment. Such additional SUs shall be granted subject to the same performance criteria, vesting at the same time, and be the same type of SU (whether Regular SU or Share Settled SU) as the underlying SUs, and the date of grant of such additional SUs for the purposes of Sections 2.7 and 2.8 shall be deemed to be the date of the grant of the underlying SUs to which such additional SUs relate.

2.6 Account Statements

Information pertaining to the SUs in Participants’ SU Accounts will be made available to Participants at least annually.

2.7 Performance Criteria

SUs shall be subject to the performance criteria approved by the Administrators at the date of grant, which will be set out in the Performance Share Unit Notice provided to each Participant pursuant to Section 2.4. Such performance criteria may include such measures as the passage of time, individual performance, the requirement for certain financial results to be achieved, total Shareholder return relative to a defined peer group, or any other criteria approved by the Administrators in support of the purposes of this Plan from time to time (the “**Performance Criteria**”). The Administrators shall have sole discretion in evaluating and determining whether the Performance Criteria has been achieved for each Participant.

2.8 Earned SUs Eligible for Redemption

The “**Vesting Date**” for the SUs means the date set out in the Performance Share Unit Notice, and, if no Vesting Date is so provided, means the date of the third fiscal year-end following the date of the grant of SUs, provided that for Regular SUs the Vesting Date shall not be later than December 31 of the third year following the year in respect of which the SUs were awarded. The Administrators shall assess the Participant against the Performance Criteria set out in Section 2.7 and determine the number of such Regular SUs and Share Settled SUs that have been earned (individually the “**Regular Earned SUs**” and “**Share Settled Earned SUs**” and together the “**Earned SUs**”). Except as otherwise provided herein, such Earned SUs shall be redeemed in accordance with Section 2.9(a) and Section 2.10(a), as applicable. Any SUs that are not determined to be Earned SUs in accordance with the second sentence of this Section, shall be deemed to be forfeited and cancelled effective as of the applicable Vesting Date.

2.9 Redemption of Regular Earned SUs

- (a) Subject to earlier redemption and settlement as set forth in Subsection 2.9(b), Regular Earned SUs shall be redeemed and settled based on the assessment of the performance criteria for Earned SUs as set out in Section 2.8; provided that the redemption and settlement shall in no case be later than December 31 of the calendar year which includes the Vesting Date as determined under Section 2.8;
- (b) Any Regular SUs that are deemed to be Regular Earned SUs pursuant to Section 2.11 or 2.12(b), (c) or (d) shall be redeemed and settled by the earlier of 15th day of the third month following the Termination Date and December 31 of the calendar year in which the Vesting Date as determined under Section 2.8 would have occurred provided, however, that for U.S. Participants who are “specified employees” as of the Termination Date, such redemption will be subject to the six (6) month delay as provided in Section 3.15(b), to the extent it is applicable;
- (c) The Participant’s entitlement upon redemption pursuant to Section 2.9(a) and (b) above shall be
 - (i) the cash equivalent of the number of Regular Earned SUs multiplied by the Fair Market Value per Share as of the Vesting Date in accordance with Section 2.9(d), or
 - (ii) for any Participant other than a U.S. Participant, one Share per Regular Earned SU to be acquired by a Broker on the Exchange in accordance with Section 2.9(e),in each case as determined by the Company in its sole discretion.
- (d) **Payment in Cash** — Where the Company elects to settle the Regular Earned SUs through cash payment, the Participant’s entitlement upon redemption pursuant to Section 2.9(a) shall be calculated as the number of Regular Earned SUs multiplied by the Fair Market Value per Share as of the Vesting Date for such Regular Earned SUs. The settlement of the Participant’s entitlement shall be made in cash, net of Applicable Withholding Taxes.
- (e) **Payment in the Form of Shares Purchased on the Exchange** — Where the Company elects to settle Regular Earned SUs through Shares purchased over the Exchange pursuant to Section 2.9(c)(ii), an amount of cash sufficient to permit the purchase of one (1) Share per Earned SU on the Exchange for each Earned SU to be redeemed, net of Applicable Withholding Taxes, shall be paid by the Company, on behalf of the Participant, to a Broker to acquire, as soon as reasonably practicable after receipt of such cash payment, and in any event not later than December 31 of the calendar year which includes the Vesting Date, Shares on the Exchange (such amount and Applicable

Withholding Taxes shall be deemed to have been received by the Participant).

Where the Participant would be entitled to receive a fractional Share in respect of any Regular Earned SU, the Company shall round up the number of Shares to be covered by the Regular Earned SU to the nearest whole number. Shares purchased by the Broker, on behalf of the Participant, shall be delivered to the Participant as soon as reasonably practicable after their purchase and in any event not later than December 31 of the calendar year which includes the Vesting Date. The Company will pay all brokerage fees and commissions arising in connection with the purchase of Shares by the Broker, on behalf of the Participant, in accordance with the Plan.

2.10 Redemption of Share Settled Earned SUs

- (a) Subject to the provisions of Sections 2.11 and 2.12, Participants who are not U.S. Participants may elect at any time, on at least 10 Business Days advance notice, to redeem Share Settled Earned SUs, on any date or dates after the Vesting Date and on or before the seventh anniversary of the grant date (the “**Redemption Date**”); provided that the redemption and settlement shall in no case be later than the seventh anniversary of the grant date;
- (b) Share Settled Earned SUs of U.S. Participants will be redeemed as soon as administratively feasible and in all cases within 90 days following the Vesting Date as defined in Section 2.8, and the U.S. Participant shall have no ability to influence the taxable year in which such redemption occurs. Notwithstanding the foregoing, if, prior to the Vesting Date, a U.S. Participant becomes entitled to redemption of SUs under Section 2.11 as a result of the U.S. Participant’s Separation from Service following a Change of Control, or under Section 2.12 as a result of a Qualified Retirement, termination without just cause or due to Disability or death, then Share Settled Earned SUs will be redeemed and settled by the 15th day of the third month following the Termination Date in accordance with Section 2.10(c), but subject to the 6 month delay in redemption/settlement for “specified employees” as provided in Section 3.15(b), to the extent it is applicable;
- (c) Any Share Settled Earned SUs that are to be redeemed pursuant to Section 2.11 or 2.12(b), (c) or (d) shall be redeemed and settled by the 15th day of the third month following the Termination Date;
- (d) Subject to adjustment pursuant to Section 3.1, the Participant’s entitlement upon redemption pursuant to Section 2.10(a), (b) and (c) above shall be
 - (i) one Share per Share Settled Earned SU issued from treasury in accordance with Section 2.10(e), or

- (ii) for any Participant other than a U.S. Participant, one Share per Share Settled Earned SU to be acquired by a Broker on the Exchange in accordance with Section 2.10(f),

in each case as determined by the Participant in its sole discretion.

- (e) **Payment in Treasury Shares**— Where a Participant elects to receive Shares from treasury pursuant to Section 2.10(d)(i), the Company shall issue the Shares from treasury as fully paid and non-assessable shares in consideration of past services valued by the Board at no less than the Fair Market Value of the number of Shares covered by the Share Settled Earned SU. The Company shall be entitled to withhold a portion of the Shares issued from treasury, and be entitled to sell, on behalf of the Participant, such withheld Shares, as is necessary to satisfy the Company's obligations to withhold and remit the Applicable Withholding Taxes in respect of such issuance of Shares. Any such sales shall be made outside the United States in compliance with applicable securities laws.

For greater certainty and without limiting the foregoing, the number of Shares issued to a Participant will be equal to the number of Shares covered by the Share Settled Earned SU as at the relevant Redemption Date, provided that, where a Participant would be entitled to receive a fractional Share in respect of any Share Settled Earned SU, the Company shall round the number of Shares to be issued up to the nearest whole number.

- (f) **Payment in the Form of Shares Purchased on the Exchange**— Where a Participant elects to receive Shares purchased over the Exchange pursuant to Section 2.10(d)(ii), an amount of cash sufficient to permit the purchase of one (1) Share per Earned SU on the Exchange for each Earned SU to be redeemed, net of Applicable Withholding Taxes, shall be paid by the Company, on behalf of the Participant, to a Broker to acquire, as soon as reasonably practicable after receipt of such cash payment, Shares on the Exchange (such amount and Applicable Withholding Taxes shall be deemed to have been received by the Participant).

Where the Participant would be entitled to receive a fractional Share in respect of any Share Settled Earned SU, the Company shall round up the number of Shares to be covered by the Share Settled Earned SU to the nearest whole number. Shares purchased by the Broker, on behalf of the Participant, shall be delivered to the Participant as soon as reasonably practicable after their purchase. The Company will pay all brokerage fees and commissions arising in connection with the purchase of Shares by the Broker, on behalf of the Participant, in accordance with the Plan.

- (g) **No Redemption upon Blackout**— Where a Participant elects to redeem a Share Settled Earned SU during a blackout period under the

Company's Insider Trading Policy, the Redemption Date for such Share Settled Earned SU shall be extended until two Business Days after the end of the blackout period.

2.11 Change of Control

Subject to the terms of any employment agreement, where a Participant is terminated without cause or if the Participant resigns in circumstances constituting constructive dismissal termination within 24 months following a Change of Control (i) all Earned SUs (including any fractional SUs) credited to the Participant's SU Account will be redeemed and settled in accordance with Section 2.9(b) or 2.10(c) (as applicable), and (ii) the outstanding SUs that are not Earned SUs held in the Participant's SU Account at the Termination Date shall be measured against the Performance Criteria applicable to such SUs (which Performance Criteria shall be applied by the Administrators in their discretion) as of the date of the Change of Control and shall be deemed to be Earned SUs to the extent the Performance Criteria are achieved and the Vesting Date of such SUs shall be deemed to be the Termination Date and such Earned SUs shall be redeemed and settled in accordance with Section 2.9(b) or 2.10(c) (as applicable), subject to Section 3.15(b).

2.12 Voluntary and Involuntary Termination

- (a) **Qualified Retirement.** If a Participant retires from employment with any Participating Company, and such retirement is approved by the Administrators as a Qualified Retirement, (i) all Earned SUs (including any fractional SUs) credited to the Participant's SU Account will be redeemed and settled in accordance with Section 2.9(a) or 2.10(a) (as applicable), and (ii) 100% of the outstanding SUs that are not Earned SUs held in the Participant's SU Account at the Termination Date shall be deemed to be Earned SUs as if Target Performance had been achieved and the Vesting Date of such SUs shall be deemed to be the Termination Date and such Earned SUs shall be redeemed and settled in accordance with Section 2.9(a) or 2.10(a) (as applicable), subject to Section 3.15(b).
- (b) **Voluntary Resignation, Retirement (if not a Qualified Retirement), and Termination for Just Cause.** Following a Participant's termination by reason of voluntary resignation, termination with cause, or retirement (other than a Qualified Retirement) from all positions with any Participating Company, all SUs other than Earned SUs shall be immediately forfeited and cancelled for no consideration. All Earned SUs shall be redeemed and settled in accordance with Section 2.9(b) or 2.10(c) (as applicable).
- (c) **Termination Without Just Cause and Disability.** Following a Participant's termination by reason of termination without cause or disability from all positions with any Participating Company, all Earned SUs (including any fractional SUs) credited to the Participant's SU Account will be redeemed and settled by the Company in accordance

with Section 2.9(b) or 2.10(c) (as applicable). Any SUs credited to the Participants' SU Account which are not Earned SUs will be prorated based on the proportionate amount of time worked in the performance cycle and such pro-rated number of SUs shall be deemed to be Earned SUs as if Target Performance had been achieved and the Vesting Date of such Earned SUs shall be deemed to be the Termination Date and such Earned SUs shall be redeemed and settled in accordance with Section 2.9(b) or 2.10(c) (as applicable), subject to Section 3.15(b).

- (d) **Death of Participant.** If a Participant dies (i) all Earned SUs (including any fractional SUs) credited to the Participant's SU Account will be redeemed and settled in accordance with Section 2.9(b) or 2.10(c) (as applicable), and (ii) 100% of the outstanding SUs that are not Earned SUs held in the Participant's SU Account at the date of the Participant's death shall be deemed to be Earned SUs as if Target Performance had been achieved. The Vesting Date of such Earned SUs shall be deemed to be the date of the Participant's death and such Earned SUs shall be redeemed and settled in accordance with Section 2.9(b) or 2.10(c) (as applicable) except that the settlement of the Participant's entitlement shall be with the Participant's legal representative.
- (e) **Effect of Redemption of Earned SUs and SUs.** A Participant shall have no further rights respecting any SU which has been redeemed and settled.

ARTICLE 3 GENERAL

3.1 Capital Adjustments

In the event of any share distribution, share split, combination or exchange of Shares, merger, consolidation, spin-off or other distribution, other than normal cash dividends, of the Company's assets to Shareholders, or any other change in the capital of the Company affecting Shares, the Administrators will make such proportionate adjustments, if any, as the Administrators in their discretion may deem appropriate to reflect such change, with respect to the number of SUs. The intent is to ensure that the value of SUs held before such a capital adjustment is equal to the value after such a capital adjustment.

Should the Shares no longer be publicly traded at the relevant time such that Fair Market Value cannot be determined in accordance with the formula set out herein, the Fair Market Value of a Share shall be determined by the Board in its sole discretion.

3.2 Recoupment

Notwithstanding any other terms of this Plan, SUs may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Company or the relevant Subsidiary and in effect at the date of grant of the SUs, or as set out in the Participant's employment agreement, Performance Share Unit Notice or other written agreement, or as otherwise required by law or the rules of the Exchange. The Administrators may at any time waive the application of this Section 3.2 to any Participant or category of Participants.

3.3 Anti-Hedging Policy

By accepting an award of SUs each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of the SUs.

3.4 Withholding Taxes

A Participant shall be solely responsible for all federal, provincial, state, local and foreign taxes resulting from his or her receipt of an SU, a Share or other property or cash pursuant to the Plan. The Company shall be authorized to deduct from any amount paid or credited to a particular Participant hereunder or from any other amount payable to such Participant, such taxes and other amounts as it may be required by law to withhold (the "**Applicable Withholding Taxes**"), and the Administrators may, in their discretion, adopt and apply such rules and regulations that in its opinion will ensure that the Company will be able to so comply.

3.5 Non-Exclusivity

Nothing contained herein will prevent the Board from adopting other or additional compensation arrangements for the benefit of any Participant, subject to any required regulatory or Shareholder approval.

3.6 Unfunded Plan

To the extent any individual holds any rights under the Plan, such rights shall be no greater than the rights of an unsecured general creditor of the Company, unless otherwise determined by the Administrators.

3.7 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the legal representative of a Participant, or any receiver or trustee in bankruptcy or representative of the Company's or Participant's creditors.

3.8 Transferability of Awards

Rights respecting SUs shall not be transferable or assignable other than by will or the laws of descent and distribution.

For greater certainty, a Participant may not mortgage, hypothecate, pledge or grant a security interest in any SU. Further, until the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the 1934 Act, or after the Board determines that it is, will, or may no longer be relying on the relief from the registration requirements under the 1934 Act provided by no action letter from the U.S. Securities and Exchange Commission ("**SEC**") to Fenwick & West LLP dated February 13, 2012 (the "**No Action Letter**"), an SU, or prior to redemption, the Shares subject to the SU, may not be pledged, hypothecated or otherwise transferred or disposed of, in any manner, including by entering into any short position, any "put equivalent position" or any "call equivalent position" (as defined in Rule 16a-1(h) and Rule 16a-1(f) promulgated under the 1934 Act, respectively), other than to (i) persons who are "family members" (as defined in Rule 701(c)(3) under the 1933 Act) through gifts or domestic relations orders, or (ii) to an executor or guardian of the Participant upon the death or disability of the Participant. Notwithstanding the foregoing sentence, the Board, in its sole discretion, may determine to permit transfers to the Company or in connection with a Change of Control or other acquisition transaction involving the Company to the extent permitted by the No Action Letter.

3.9 Amendment and Termination

- (a) Subject to Section 3.10 below, the Administrators may amend, suspend or terminate this Plan or any portion thereof at any time in their discretion and without shareholder approval, including, but not limited to:
 - (i) amendments of a "housekeeping" nature, including, without limitation, amendments for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
 - (ii) a change to the termination provisions of an SU or the Plan; and
 - (iii) a discontinuance of the Plan.

No amendment, suspension or termination may materially adversely affect any SUs, or any rights pursuant thereto, granted previously to any Participant without the consent of that Participant. Notwithstanding the foregoing, any amendment of the Plan shall ensure that the Plan is continuously excluded from the definition of "salary deferral arrangement" under subsection 248(1) of the *Income Tax Act* (Canada) or any successor rules, and comply with any guidance issued under Code Section 409A as applicable to Participants who are taxpayers of the United States of America.

- (b) If this Plan is terminated, the provisions of this Plan and any administrative guidelines, and other rules adopted by the Administrators and in force at the time of this Plan, will continue in effect as long as a SU or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Administrators may make any amendments to the Plan or the SUs it would be entitled to make if the Plan were still in effect.
- (c) With the consent of the Participant affected thereby, the Administrators may amend or modify any outstanding SUs in any manner to the extent that the Administrators would have had the authority to initially grant the award as so modified or amended.

3.10 Shareholder Approval

Notwithstanding Section 3.9 and subject to any rules of the Exchange, approval of the holders of the Shares shall be required for any amendment, modification or change that:

- (a) increases the maximum number of Shares issuable under the Plan, either as a fixed number or a fixed percentage of Shares, except pursuant to the provisions in the Plan which permit the Administrators to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (b) reduces any applicable exercise price or cancellation and reissue of SUs or other entitlements;
- (c) extends the term of any Share Settled SU beyond the date on which such Share Settled SU would originally have expired;
- (d) permits SUs to be transferable or assignable other than for normal estate settlement purposes;
- (e) changes the eligible Participants; or
- (f) amends the range of amendments which require approval of Shareholders under this Section 3.10.

3.11 No Special Rights

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. Nothing contained in the Plan or in any SUs will confer upon any Participant any right to the continuation of the Participant's position with a Participating Company or interfere in any way with the right of the Shareholders of any Participating Company at any time to terminate that position or to increase or decrease the compensation of the Participant. SUs shall not 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 Shares by virtue of their participation in this Plan.

3.12 International Participants

With respect to Participants who reside or work outside Canada, the Administrators may, in their discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or SUs with respect to such Participants in order to conform such terms with the provisions of local law, and the Administrators may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

3.13 Tax Consequences

It is the responsibility of the Participant to complete and file any tax returns which may be required under Canadian tax laws (or any other tax laws which may pertain to a particular Participant) within the periods specified in those laws as a result of the Participant's participation in the Plan. The Company shall not be held responsible for any tax consequences to the Participant as a result of the Participant's participation in the Plan.

3.14 No Liability

None of the Participating Companies shall be liable to any Participant for any loss resulting from a decline in the market value of any Shares.

3.15 Provisions Applicable to U.S. Participants

Notwithstanding anything to the contrary in the Plan, the following provisions of this Section 3.15 will apply to SUs awarded to U.S. Participants, but only to the extent that such SUs are subject to Section 409A of the Code and are not exempted from such requirements.

- (a) A U.S. Participant (or the U.S. Participant's legal representative, as the case may be) shall have no right to dictate the taxable year in which any payment hereunder that is subject to Section 409A of the Code will be paid;
- (b) If a U.S. Participant becomes entitled to redemption of Earned SUs as a result of Separation from Service pursuant to Section 2.11, other than in the case of his or her death, and at the time of such Separation from Service he or she is a "specified employee" as defined in Section 409A of the Code, no payment or benefit that results from his or her separation from service shall be provided until the date that is six months after the date of his or her Separation from Service (or, if earlier, his or her date of death);
- (c) For U.S. Participants (other than a U.S. Participant that is resident in Canada for purposes of the *Income Tax Act* (Canada)) whose SUs are subject to Section 409A of the Code, the Administrators may make such

modifications to this Plan or the terms of the grants of SUs as it determines advisable to avoid adverse tax consequences under Section 409A of the Code.

3.16 Information to Participants

Beginning on the earlier of (i) the date that the aggregate number of Participants under this Plan is five hundred (500) or more and the Company is relying on the relief provided by the No Action Letter and (ii) the date that the Company is required to deliver information to Participants pursuant to Rule 701 of the 1933 Act, and until such time as the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the 1934 Act, is no longer relying on the relief provided by the No Action Letter or is no longer required to deliver information to Participants pursuant to Rule 701 of the 1933 Act, the Company shall provide to each Participant the information described in paragraphs (e)(3), (4) and (5) of Rule 701 under the 1933 Act not less frequently than every six (6) months with the financial statements being not more than 180 days old and with such information provided either by physical or electronic delivery to the Participants or by written notice to the Participants of the availability of the information on an Internet site that may be password-protected and of any password needed to access the information. The Company may request that Participants agree to keep the information to be provided pursuant to this section confidential. If a Participant does not agree to keep the information to be provided pursuant to this section confidential, then the Company will not be required to provide the information unless otherwise required pursuant to Rule 12h-1(f)(1) under the 1934 Act (as required under the No Action Letter) or Rule 701 under the 1933 Act.

3.17 Submission to Jurisdiction

The Company and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Manitoba in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of SUs and any issuance of Shares made in accordance with the Plan.

3.18 Effective Date

This Plan will become effective upon approval of the Board.

IN WITNESS WHEREOF this Plan has been executed by the Company effective this 11 day of April, 2018.

THE NORTH WEST COMPANY INC.

Amanda Sutton
Vice President, Legal and Corporate
Secretary

SCHEDULE "A" — PERFORMANCE SHARE UNIT NOTICE

The North West Company Inc. (the "**Company**") hereby grants the following Performance Share Units to the Participant named below, in accordance with and subject to the terms, conditions and restrictions herein, together with the provisions of The North West Company Inc. First Amended and Restated Performance Share Unit Plan (the "**Plan**") dated effective April 11, 2018:

Name of Participant: _____

Date of Grant: _____

Fair Market Value used: _____

Number of Regular Share Units Granted: _____

Number of Share Settled Share Units Granted: _____

Total Number of Performance Share Units Granted: _____

Performance Criteria (including Target Performance):

[include all Performance Criteria for all performance share units]

Additional terms applicable to such award:

1. The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this SU Notice and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.
2. Nothing in the Plan or in this SU Notice will affect the Company's right, or that of any other Participating Company, to terminate the employment or term of office of a Participant at any time for any reason whatsoever.
3. This SU Notice has been made in and is to be construed under and in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

THE NORTH WEST COMPANY INC.

By: _____

Authorized Signature

SCHEDULE "B" — PERFORMANCE SHARE UNIT NOTICE FOR PARTICIPANTS IN THE UNITED STATES

The North West Company Inc. (the "**Company**") hereby grants the following Performance Share Units to the Participant named below, in accordance with and subject to the terms, conditions and restrictions herein, together with the provisions of The North West Company Inc. First Amended and Restated Performance Share Unit Plan (the "**Plan**") dated effective April 11, 2018:

Name of Participant: _____

Date of Grant: _____

Fair Market Value used: _____

Number of Regular Share Units Granted: _____

Number of Share Settled Share Units Granted: _____

Total Number of Performance Share Units Granted: _____

Performance Criteria (including Target Performance):

[include all Performance Criteria for all performance share units]

Additional terms applicable to such award:

1. The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this SU Notice and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.
2. Nothing in the Plan or in this SU Notice will affect the Company's right, or that of any other Participating Company, to terminate the employment or term of office of a Participant at any time for any reason whatsoever.
3. This SU Notice has been made in and is to be construed under and in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.
4. The Participant acknowledges that the SUs and any Shares issued upon redemption of an SU have not been and will not be registered under the 1933 Act or any U.S. state securities laws, and the SUs are being awarded and any such Shares will be issued to the Participant in reliance upon exemptions from such registration requirements.

5. The Participant acknowledges and agrees that the SUs may be, and upon redemption any Shares will be, "restricted securities" within the meaning of Rule 144 under the 1933 Act and, accordingly, such securities cannot be offered, sold or otherwise transferred by the Participant except in compliance with an available exemption from the registration requirements of the 1933 Act and all applicable U.S. state securities laws. Upon the issuance of any Shares, and until no longer required under the 1933 Act or any applicable U.S. state securities laws, the certificates representing any Shares issued pursuant to this SU Notice, and any certificates issued in exchange or substitution therefor, shall bear a legend substantially in the following form or such other form as may be required pursuant to applicable securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR UNDER ANY STATES SECURITIES LAWS. THERE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE COMPANY THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT, (C) IN ACCORDANCE WITH RULE 144, IF AVAILABLE, AND IN ACCORDANCE WITH THE APPLICABLE STATE SECURITIES LAWS, OR (D) IN ACCORDANCE WITH ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA

THE NORTH WEST COMPANY INC.

By: _____
Authorized Signature

Accepted: _____, 20

Signature of Participant

Schedule “B” — Mandate of the Board of Directors

The Board of Directors (the “Board”) of The North West Company Inc. (“North West”) is responsible for the stewardship of North West, providing independent and effective leadership in supervising the business and affairs of North West. The Board will discharge this responsibility by developing and determining policies by which the business and affairs of North West are to be managed, and by overseeing the management of North West.

A. COMPOSITION, BOARD ORGANIZATION, AND MEETINGS

- The Board will be comprised of between seven and twelve Directors, with the number of Directors from time to time being fixed by the Board. The Board will be constituted with a majority of individuals who are “independent” within the meaning of the corporate governance policies of *National Policy 58-201 Corporate Governance Guidelines*.
- All Directors will have the skills and abilities appropriate to their appointment as a Director.
- The Directors will be elected at each annual meeting of shareholders subject to North West’s bylaws, and may be elected at a special meeting of shareholders, in each case to hold office for a term expiring at the close of the next annual meeting of shareholders following such an election.
- The Board is responsible for establishing formal delegations of authority, which define the limits of management’s power and authority, and delegating to management certain powers to manage the affairs of North West. The Board has delegated to the Chief Executive Officer (“CEO”) certain powers and authorities to manage the business and affairs of North West, subject to the limitations of North West’s governing legislation. Any power or authority not so delegated remains within the Board.
- The Board has established the following committees to assist in discharging its duties: the Audit Committee, the Governance and Nominating Committee, and the Human Resources, Compensation and Pension Committee. Each committee has its own Board approved mandate. The Board may establish additional Committees or merge or dispose of any committee, as circumstances require. The Board is responsible for overseeing the duties delegated to each committee.
- In fulfilling its responsibilities, the Board shall have unrestricted access to management, and authority to select, retain, terminate and approve the fees of any independent advisor to assist it in performing its responsibilities. It is the policy of the Board to conduct portions of regularly scheduled meetings in the absence of management.

- Minutes of the Board and its committees shall be recorded and maintained by the Corporate Secretary, and subsequently presented to the Board or its committees for approval.

B. DUTIES AND RESPONSIBILITIES

The Board's duties include:

1. Strategic Planning

- Providing oversight and guidance on the strategic issues facing North West.
- Requiring the CEO, in collaboration with the Board, to develop and present to the Board for approval, North West's long term strategic plan.
- Approving North West's financial objectives and annual operating plan, including capital allocations, expenditures, and transactions exceeding threshold amounts set by the Board.
- Monitoring implementation and effectiveness of the approved strategic and operating plans.
- Approving major business decisions not specifically delegated to management.

2. Identification and Management of Risks

- Ensuring that processes are in place to identify and manage the principal risks inherent in North West's business and operations.
- Reviewing the systems that are implemented by management to manage and monitor those risks.
- Reviewing the processes that ensure compliance with applicable legal and regulatory requirements.

3. Financial Performance and Internal Controls

- Overseeing the financial reporting and disclosure obligations of the Board.
- Recommending the appointment and remuneration of North West's external auditors to North West's shareholders.
- Overseeing the integrity of North West's management information systems and the effectiveness of North West's internal controls.
- Reviewing and approving North West's annual and quarterly financial statements, management's discussion and analysis, annual information form, management proxy circular, and other public disclosure documents that require board approval.
- Overseeing compliance with applicable audit and accounting requirements.

- Approving the issuance of securities and the declaration of dividends.

4. Communications and Public Disclosure

- Approving North West's communication policies.
- Overseeing establishment of processes for accurate, timely, and appropriate full public disclosure.
- Approving a written disclosure policy, and monitoring compliance of such policy and applicable corporate, securities and exchange requirements.

5. Human Resources Management, Succession Planning and Executive Compensation

- Supervising the succession planning processes of North West, and approving the selection, appointment, development, evaluation and compensation of the CEO and other senior officers.
- Overseeing North West's executive compensation program and overall compensation philosophy for all other employees.
- Monitoring North West's approach to human resource management.
- Ensuring there are policies and practices in place to enable North West to attract, develop, and retain the human resources required by North West to meet its business objectives.

6. Governance

- Developing a set of corporate governance principles and guidelines.
- Establishing appropriate structures and procedures to allow the Board to function independently of management.
- Establishing Board committees and defining their mandates to assist the Board in carrying out its roles and responsibilities.
- Approving the compensation of the Directors and the Chairperson of the Board.
- Setting expectations and responsibilities of Directors, including attendance at, preparation for, and participation in meetings.
- Undertaking regular evaluations of the Board, its committees, its members, and reviewing its composition with a view to the effectiveness and independence of the Board and its members.
- Ensuring that each new Director engages in a comprehensive orientation process and that all directors are provided with continuing education opportunities.

- Identifying competencies and skills necessary for the Board as a whole and for each individual Director.
- Identifying individuals qualified to become new Directors.
- Reviewing the Board mandate on a regular basis, or as a result of legislative or regulatory changes, to ensure it appropriately reflects the Board's stewardship responsibilities.

7. Integrity, Ethics and Social Responsibility

- Establishing North West's values, including approving North West's Code of Conduct.
- Monitoring compliance with the Code of Conduct.
- Approving other policies and practices for dealing with matters related to integrity, ethics and social responsibility.
- To the extent possible, satisfying itself of the integrity of the CEO and other senior officers and that the CEO and other senior officers create a culture of integrity throughout North West.

Approved by the Board of Directors effective March 12, 2015.

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Schedule “C” — Human Resources, Compensation and Pension Committee Mandate

The Human Resources, Compensation, and Pension Committee (“Committee”) of the Board of Directors (the “Board”) of The North West Company Inc. (“North West”) has the oversight responsibility and specific duties described below.

1. Purpose:

The primary purpose of the Committee is to assist the Board in fulfilling its oversight or direct responsibilities with respect to:

- (a) development, compensation, and retention of Senior Management and Executives of North West and its subsidiaries (as defined herein);
- (b) recruitment, appointment, development, performance evaluation, compensation and retention of the Chief Executive Officer (“CEO”) of North West;
- (c) key compensation and human resources strategies and policies;
- (d) succession planning systems and processes relating to the CEO, Executives and Senior Management;
- (e) regulatory duties related to compensation, benefit plans and pension plans; and
- (f) Share ownership guidelines for the CEO and Executives.

2. Committee Composition:

- (a) The Committee will be comprised of at least three Directors. All Committee members will be independent Directors (within the meaning of National Policy 58-210 Corporate Governance Guidelines). Any Committee member who, for any reason, is no longer independent immediately ceases to be a Committee member.
- (b) The membership of the Committee will represent a diverse background of experience and skills, including members with retail, human resources (including executive compensation), financial and management experience.
- (c) Committee members will be appointed and removed by the Board. The Committee Chairperson will be appointed by the Board.

3. Reports

The Committee shall report to the Board on a regular basis, including before the public disclosure by North West of its Management Information Circular, or as required by continuous disclosure legislation on executive compensation.

4. Responsibilities

Subject to the powers and duties of the Board, and with the requirement that the Committee provides timely summary reports to the Board on its activities, the Board hereby delegates to the Committee the following powers and duties to be performed by the Committee on behalf of and for the Board:

(a) Appointment and Compensation of Key Personnel

The Committee:

- (i) shall review and recommend to the Board, the appointment and terms of employment of the CEO.
- (ii) shall review and approve the appointment and terms of employment of any members of senior management who report directly to the CEO ("Executives"),
- (iii) shall review and approve annually a salary grid level for senior management who are not Executives, and who hold the title of either "Vice President", "Director" or "General Manager" for North West and its subsidiaries ("Senior Management").
- (iv) may obtain compensation data as necessary concerning entities that would be comparable to North West, and other data deemed appropriate by the Committee, and to the extent possible, understand the basis upon which comparable entities compensate their Executives and Senior Management.
- (v) shall review and recommend to the Board the compensation and design of incentive plans for the CEO, Executives, and Senior Management. In its review the Committee will assess the linkage of its compensation philosophy and incentive plans to North West's financial and non-financial performance, support for North West's business strategy, and alignment with North West's employee compensation philosophy;
- (vi) shall review and recommend to the Board, periodic changes to compensation guidelines and benefit plans;
- (vii) shall review and recommend to the Board:
 - payouts and grants pursuant to North West's Share based incentive plans for the CEO, Executives and Senior Management;

- the CEO's annual short term incentive plan payment and measures;
 - any discretionary bonuses for the CEO; and
 - the adjudication of any matters impacting North West's incentive plans relating to the CEO.
- (viii) shall review and approve, for Executives and Senior Management:
- payouts and grants pursuant to North West's Share based incentive plans;
 - any discretionary bonuses for Executives and Senior Management proposed by the CEO;
 - for Executives, the payments and measures under North West's annual short term incentive plan; and
 - the adjudication of matters impacting North West's incentive plans relating to Executives and Senior Management.
- (ix) shall annually review and recommend for approval to the Board, the Compensation Discussion and Analysis for inclusion in the Management Proxy Circular.

(b) Human Resource Leadership

The Committee shall:

- (i) review North West's key human resources strategies and policies for general adequacy, competitiveness, internal equity and cost effectiveness and, in the Committee's discretion, make recommendations to the Board for consideration;
- (ii) approve in each instance, the participation by the CEO on the board of Directors of any other commercial entity (not including a not-for-profit board), not directly related to the interests of the North West (an "Outside Board"), and the Committee shall review participation by any Executive of North West, as approved by the CEO, to any Outside Board (except for any appointment to a not-for-profit Outside Board);
- (iii) periodically review any policy on Share ownership for Executives and Senior Management, and at the Committee's discretion, make recommendations to the Board for consideration. The Committee shall review as required the actual ownership position relative to ownership guidelines; and
- (iv) review the results of periodic employee opinion surveys.

(c) Chief Executive Officer (CEO)

The Committee shall:

- (i) annually review, and in the Committee's discretion, make recommendations to the Board for consideration regarding the CEO's corporate goals and objectives, performance measurement indicators; compensation, and incentive plans; and
- (ii) annually evaluate the performance of the CEO, and based on the evaluation, in the Committee's discretion, make recommendations to the Board for consideration.

(d) Succession and Development

The Committee shall:

- (i) obtain reasonable assurance that North West has appropriate strategies, systems and processes for the evaluation of Executive and Senior Management, talent development and succession within North West, and shall review at least annually with the CEO the performance of and potential for advancement of each Executive and Senior Management. The Committee may also at its discretion request information on the management resources of any part of the North West or its subsidiaries;
- (ii) report to the Board at least annually its appraisal of the North West's Executive and Senior Management succession circumstances and practices, including the effectiveness of identifying, training and preparing high-potential candidates for advancement;
- (iii) determine periodically, as a separate and supplementary contingency plan to the succession process, the identity of immediate replacements in the event of an emergency for the CEO and the Chief Financial Officer, and make recommendations to the Board for consideration; and
- (iv) review and approve any proposed appointments of Executive, and the organizational structure of Executive and Senior Management reporting directly to the CEO, and as recommended by the CEO, and if such changes are material in nature as determined by the Committee, recommend approval to the Board.

(e) Executive Pension Plan

Plan Design

The Committee shall:

- (i) review and recommend to the Board for approval all decisions to initiate, merge or terminate the Executive Pension Plan, or otherwise fundamentally change the nature of the pension arrangement for the Executive Pension Plan, taking into account among other things,

North West's attraction and retention goals for its Executive and Senior Management;

- (ii) approve any trust agreement with North West as the sponsor of the Executive Pension Plan; and
- (iii) review and recommend to the Board for approval, all amendments to the Executive Pension Plan.

Valuation and Funding

The Committee Shall:

- (i) review and recommend to the Board for its approval on a regular basis, a funding policy which sets out guidelines with respect to the valuation and funding of the liabilities of the Executive Pension Plan;
- (ii) review and approve, at least annually, the major actuarial assumptions for the valuation and funding of the liabilities of the Executive Pension Plan, as recommended by the Chief Financial Officer of North West;
- (iii) review and approve, at least annually, the actuarial report of the Executive Pension Plan; and
- (iv) review and recommend for approval to the Board, at least annually, the contributions to the pension funds of the Executive Pension Plan, as recommended by the Chief Financial Officer of North West.

Risk Management

The Committee shall:

- (i) establish and periodically review, the goals, objectives and long-term asset mix policy for the Executive Pension Plan, in terms of the proportion of the assets to be invested in various asset classes on average over the long term;
- (ii) establish and periodically review, the goals, objectives and investment program for the Executive Pension Plan, in terms of the number and types of investment options to be offered to the members of the plan;
- (iii) periodically review the performance of the investments for The Executive Pension Plan and meet annually with the investment advisor for the Executive Pension Plan; and
- (iv) meet as required with any advisors of the Executive Pension Plan.

Communication and Education

The Committee shall review and approve the communications plan and any material individual communications to members of the Executive

Pension Plan relating to the education of such members of the pension plan.

Operations and Implementation

The Committee shall:

- (i) approve and periodically review and approve a pension expense policy which sets out guidelines for the payment of expenses incurred in the management and administration of the Executive Pension Plan from the assets of the pension funds;
- (ii) periodically review the pension administration policies approved management, in order to ensure that it sets out appropriate guidelines and procedures for the effective administration of the Executive Pension Plan, and ensuring compliance with any applicable legislation;
- (iii) appoint the actuary of the Executive Pension Plan;
- (iv) appoint an investment manager for the Executive Pension Plan; and
- (v) appoint a service provider for the Executive Pension Plan.

(f) Staff Pension Plan

The Pension Benefits Act of Manitoba (“Act”) and The North West Company Staff Pension Plan (the “Plan”) provide that the Pension Committee established pursuant to the Act (the “Pension Committee”) may delegate all or part of its powers and responsibilities to the Board or the Committee. Pursuant to the Delegation Agreement entered into between the Pension Committee and North West effective September 28, 2011, the Committee shall:

- (i) recommend to the Board for approval, the adoption, amendment, merger or consolidation, and windup of the Plan and related documentation, including changes requiring amendments related to Plan design, benefit structure, and membership eligibility;
- (ii) recommend to the Board for approval, the Plan’s governance structure and the Plan’s governance objectives;
- (iii) receive the report of the Plan’s auditor;
- (iv) receive and approve the Plan’s audited financial statements, and accounting policies;
- (v) approve, and at the Committee’s discretion, delegate to the CEO, the appointment and removal of North West’s representatives on the Pension Committee;
- (vi) recommend to the Board for approval, the Plan’s funding policies;

- (vii) authorize Executives of North West to accept such delegation from the Pension Committee as they deem appropriate;
- (viii) provide a report to the Board on the Plan, at least on an annual basis, on relevant pension and compliance issues;
- (ix) generally oversee the administration of the Plan and the related fund;
- (x) approve the statement of investment policies and procedures for the Plan and to monitor compliance with such documents;
- (xi) appoint, retain, or terminate certain persons who provide goods or services in respect of the Plan, including but not limited to investment managers, trustee, custodian, auditor, actuary, advisors and DC record keeper with respect to the administration of the Plan;
- (xii) approve the asset mix structure and target and strategic ranges of asset class allocations for the defined benefit portion of the Plan;
- (xiii) make such regulations for itself as to the conduct of its activities as the Committee deems appropriate; and
- (xiv) provide a report to the Pension Committee of its activities, not less annually, in such form and content as the Pension Committee deems appropriate to fulfill its general duty of oversight of the Plan, and to meet its obligations as administrator of the Plan.

5. Structure

- (a) The Board shall appoint one of the Committee members to act as Chairperson of the Committee.
- (b) The Committee will appoint the Corporate Secretary of North West as secretary of the Committee, who will keep minutes of all meetings. In absence of the Corporate Secretary, the Committee will appoint an acting secretary who will keep minutes of the meeting.
- (c) The Committee will meet as many times as is necessary to carry out its responsibilities but in no event will the Committee meet less than quarterly each year. Meetings will be at the call of the Chairperson. Notwithstanding the foregoing, any member of the Committee may call a meeting of the Committee. The Committee may hold a meeting by telephone conference call.
- (d) No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum provided that if the number of members of the Committee is an even number one half of the number of members plus one shall constitute a quorum.

- (e) Any member of the Committee may be removed or replaced at any time by the Board or shall cease to be a member of the Committee as soon as such member ceases to be a Director. Subject to the foregoing, each member of the Committee shall hold such office until the next annual meeting of shareholders.
- (f) The time at which and the place where the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meeting shall be determined by the Committee, unless otherwise provided for in North West's bylaws, or otherwise determined by resolution of the Board.
- (g) Members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

6. Chairperson of the Committee

The Chairperson of the Committee (the "Chairperson") is responsible for the effective functioning of the Committee.

7. Independent Advice

The Committee shall:

- (a) have sole authority to retain, oversee, compensate and terminate independent advisors who assist the Committee in its activities. The Committee shall pre-approve all services to be provided by the independent compensation consultant. The Committee may, at its discretion, delegate to the Chairperson the authority to grant pre-approvals provided that those pre-approvals are presented in writing to the Committee at the next regularly scheduled meeting;
- (b) evaluate any independent compensation consultant's qualifications and performance, and take all reasonable steps to be confident that the independent compensation consultant does not provide services that would bring into question its independence; and
- (c) receive adequate funding from North West for any independent advisors and ordinary administrative expenses that are needed or appropriate for the Committee to carry out its duties.

8. Evaluation

The Committee shall:

- (a) regularly review and assess the adequacy of its Mandate, and recommend any proposed changes to the Governance and Nominating Committee, for recommendation to the Board for approval; and
- (b) participate in a regular performance evaluation of the Committee, the results of which will be reviewed by the Governance and Nominating Committee, and the Board.

Approved by the Board of Directors: Effective December 10, 2014.



Nor'Westers are associated with the vision, perseverance, and enterprising spirit of the voyageurs who pushed past limits to further our Company's growth during the fur trade. We trace our roots to 1668, and the establishment of one of North America's early trading posts at Waskaganish on James Bay. Today, we continue to embrace this pioneering culture as true "frontier merchants."

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