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THE NORTH WEST COMPANY INC.

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

APRIL 8, 2016



The North West Company Inc.



April 8, 2016

Dear Shareholder:

You are invited to attend an annual general meeting (the "**Meeting**") of the shareholders of the common 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 8, 2016 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, 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 2015 Annual Report, which includes our consolidated financial statements and the auditor's report to shareholders for the financial year ended January 31, 2016, 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.

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

The North West Company Inc.

Notice of Annual General Meeting of Shareholders

You are invited to the 2016 Annual General Meeting of common shareholders (the "**Meeting**") of The North West Company Inc. ("**North West**").

Date: Wednesday, June 8, 2016

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, 2016, including the external auditor's report;
2. to elect the directors of North West, who will serve until the next annual meeting of shareholders;
3. to appoint PricewaterhouseCoopers LLP as external auditor, who will serve until the next annual meeting of shareholders, and to authorize the directors to set the auditor's compensation;
4. to consider an advisory resolution on North West's approach to executive compensation disclosed in the Circular; and
5. to consider any other business which may be properly brought before the Meeting, and any and all adjournments thereof.

The accompanying Management Information Circular (the "**Circular**") provides detailed information relating to the above matters.

You have the right to vote at the Meeting as set out in the accompanying Circular if you are a North West shareholder as of the close of business on April 25, 2016. 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.**

"Paulina Hiebert"

Winnipeg, Manitoba
April 8, 2016

Paulina Hiebert
Vice President, Legal and Corporate Secretary
The North West Company Inc.

Management Information Circular

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Management Information Circular

Part I — Voting Information

Unless stated otherwise, information contained in this Management Information Circular (the “Circular”) is given as of April 8, 2016.

WHAT MATTERS WILL I BE VOTING UPON?

Shareholders will be asked to vote upon the following matters:

- to receive North West’s consolidated annual financial statements for the year ended January 31, 2016, including the external auditor’s report;
- to elect the directors of North West, who will serve until the next annual meeting of Shareholders;
- to appoint PricewaterhouseCoopers LLP as external auditor, who will serve until the next annual meeting of Shareholders, and to authorize the directors to set the auditor’s compensation;
- to consider an advisory resolution on North West’s approach to executive compensation disclosed in the Circular; and
- 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 share you own (the “Share” or “Shares”) as of the record date (the “Shareholder” or “Shareholders”). The Board of Directors of North West (the “Board” or the “Directors”) have set April 25, 2016 as 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 on the internet. Go to www.cstvotemyproxy.com and follow the instructions on the screen. You will need the control number located on the enclosed form of proxy. You do not need to return your form of proxy.

Vote using your smartphone. Scan the QR Code located on your proxy and follow the instructions on the screen. You will need the control number located on the enclosed form of proxy. You do not need to return your form of proxy.

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

Vote by fax. Fax your proxy 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.

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 CST Trust Company, 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, CT Trust Company, by no later than 4:30 p.m. (Central Time) on June 6, 2016 (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 election of the 11 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; 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 8, 2016.

Can I Change My Vote?

If you want to change your vote or revoke your proxy after you have signed and delivered it to CST Trust Company, 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 4:30 p.m. (Central Time) on June 6, 2016 (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 CST Trust Company on or before the deadline at 4:30 p.m. (Central Time) on June 6, 2016, 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 April 25, 2016.

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**" 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, CST Trust Company. 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 8, 2016, the common Shares are the only class of Shares of North West outstanding which entitle holders to vote at meetings of Shareholders. As of April 8, 2016, there were 48,523,341 Shares issued and outstanding. Each Shareholder is entitled to one vote per Share on all matters to be voted on at Shareholder meetings.

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 8, 2016, based on publicly available filings, to the knowledge of the Directors and the officers of North West, Franklin Resources, Inc., beneficially owns, or controls or directs, directly or indirectly, 4,730,515 or 9.77% of North West's voting 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 CST Trust Company, 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 ordinary resolutions. 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 8, 2016, 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. FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The financial statements of North West for the year ended January 31, 2016 and the auditor's report to the Shareholders of North West will be presented at the Meeting. The financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. These financial statements are posted on SEDAR at www.sedar.com and at www.northwest.ca.

2. APPOINTMENT OF AUDITORS

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.

PricewaterhouseCoopers LLP have been the auditors of North West since January 1, 2011, and auditors of its predecessor companies since June 10, 1987.

AUDITOR FEES

The following table lists the fees incurred by North West for services from PricewaterhouseCoopers LLP, by category, for the last two fiscal years.

Type of Fees (\$ in thousands)	Fiscal 2015	% of Total Fees	Fiscal 2014	% of Total Fees
Audit Fees	\$380	87.0	\$388	85.6
Audit-Related Fees	14	3.2	13	2.9
Tax Fees	43	9.8	52	11.5
All other Fees	—	—	—	—
Total	\$437	100	\$453	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 the 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. ELECTION OF DIRECTORS OF NORTH WEST

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 following 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.

The following persons have been nominated for election:

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

All nominated Directors are currently Directors of North West. See "Part III — ABOUT THE NOMINATED DIRECTORS" for further information on the nominated Directors.

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 Chairman of the Board promptly following the Meeting. The Governance and Nominating Committee (the "**Governance Committee**") will promptly 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* ("**CBCA**"), 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.

Mandatory Retirement Age

North West's mandatory retirement policy provides that all Directors must retire from the Board upon completion of their term of office at the annual meeting of Shareholders following their 70th birthday. Please refer to Schedule "A" of this Circular for more information on North West's Board tenure and retirement policy, and for more information on North West's position on Board diversity.

4. ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION APPROACH

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 Human Resources, Compensation and Pension Committee (the "**Compensation Committee**") with important feedback.

The Board, through 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. The Board believes that Shareholders should have the opportunity to express their opinion on North West's executive compensation program by voting for or against the following resolution:

"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 2016 annual general 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.

Prior to voting on this resolution, North West urges Shareholders to read the "Compensation Discussion and Analysis" section of the 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. 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 2016 annual general meeting voting results.

5. 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 — About the Nominated Directors

The articles of North West provide that the Board shall consist of a minimum of seven 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 at eleven.

H. Sanford Riley		Independent				
 <p>Winnipeg, Manitoba Canada</p> <p>Age: 65 Director Since: 2003</p>	Mr. Riley was appointed Chairman of North West in June, 2008. Mr. Riley has been President and CEO of Richardson Financial Group Limited since 2003. He held the positions of Chairman of Investors Group Inc. from 2001 to 2002, and President and CEO of Investors Group Inc. from 1992 to 2001. In addition to the public company directorships set out below, Mr. Riley is the 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⁾		9 of 9	100%	9 of 9	100%
Other Current Public Company Directorships						
GMP Capital Inc.; Manitoba Telecom Services Inc.; Molson Coors Brewing Company; Canadian Western Bank						
Equity Ownership⁽³⁾						
Year	Shares	Deferred Share Units (DSU's)	Total # Shares & DSU's	Total \$ Value of Common Shares and DSU's ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2015	11,000	60,595	71,595	2,185,795		
2014	11,000	54,420	65,420	1,737,555	292,500	Yes
Net Change	–	6,175	6,175	448,240		
Voting Results for 2015 Annual Shareholders Meeting						
Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes		
27,787,538	97.72%	649,164	2.28%	28,436,702		

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Corner Brook,
Newfoundland and
Labrador
Canada

Age: 62
Director Since: 1999

Mr. Coleman has been the President and Chief Executive Officer of the Coleman Group of Companies since 1991. 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 the former President and Chief Executive Officer of Atlantic Consulting Economists Ltd., Humber Valley Paving Ltd. and Humber Valley Aggregates and Asphalt Ltd. He is currently the Honorary Lieutenant Col. of the Royal Newfoundland Regiment Battalion 2.

Board/Committee Membership	Attendance	Attendance (Total)	
Board of Directors	9 of 9	100%	
Governance Committee	6 of 6	100%	20 of 20
Audit	5 of 5	100%	100%

Other Current Public Company Directorships

Rocky Mountain Liquor Inc. (Chairman)

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSU's)	Total # Shares & DSU's	Total \$ Value of Common Shares and DSU's ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2015	24,500	20,740	45,240	1,381,177		
2014	24,500	17,173	41,673	1,106,835	225,000	Yes
Net Change	-	3,567	3,567	274,342		

Voting Results for 2015 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
28,003,956	98.48%	432,746	1.52%	28,436,702

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Wendy F. Evans**Independent**

Toronto, Ontario
Canada

Age: 65
Director Since: 2005

Ms. Evans is President of Evans and Company Consultants Inc., which she founded in 1987. The company provides international marketing, financial and management services to clients across North America. She is also an Associate of Cambridge Corporate Development and an Adjunct Professor, since 1992, in the Ted Rogers School of Management, Ryerson University. She is currently a Director of the Canadian Executive Services Organization, Director of the City Living Foundation, and author of "Border Crossings, Doing Business in the U.S." Ms. Evans has served as a director on a number of boards, including Sun Life Financial Trust, the Ontario Retail Sector Strategy Advisory Board, Dean's Council in the Ted Rogers School of Management, and the Canadian Cancer Society. She is also the past President and Chair of Granite Ltd.

Board/Committee Membership	Attendance	Attendance (Total)
Board of Directors	9 of 9	100%
Compensation Committee	6 of 6	100%
Governance Committee ⁽⁹⁾	6 of 6	100%

Other Current Public Company Directorships

n/a

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSU's)	Total # Shares & DSU's	Total \$ Value of Common Shares and DSU's ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2015	5,300	26,545	31,845	972,228		
2014	5,300	23,790	29,090	772,630	225,000	Yes
Net Change	-	2,755	2,755	199,598		

Voting Results for 2015 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
28,124,177	98.90%	312,525	1.10%	28,436,702

Stewart Glendinning**Independent**

Toronto, Ontario
Canada

Age: 50
Director Since: 2014

Mr. Glendinning has been the President and Chief Executive Officer of Molson Coors Canada since 2013. Since joining Molson Coors in 2005, he has also held the positions of Chief Financial Officer, Molson Coors UK, Global Chief Financial Officer, Molson Coors Brewing Company, and President and Chief Executive Officer, Molson Coors UK. 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	9 of 9	100%
Audit Committee	5 of 5	100%
Compensation Committee	6 of 6	100%

Other Current Public Company Directorships

n/a

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSU's)	Total # Shares & DSU's	Total \$ Value of Common Shares and DSU's ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2015	-	4,215	4,215	128,683		
2014	-	345	345	9,163	225,000	No ⁽⁷⁾
Net Change	-	3,870	3,870	119,520		

Voting Results for 2015 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
28,067,806	98.70%	368,896	1.30%	28,436,702

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

Mr. Kennedy, who joined North West in 1989, was appointed President & 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 received several retail industry and community leadership recognitions, both locally and nationally.

Winnipeg, Manitoba
Canada

Age: 56
Director Since: 1996

Board/Committee Membership	Attendance	Attendance (Total)
Board of Directors ⁽²⁾	9 of 9	100%

Other Current Public Company Directorships

n/a

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSU's) ⁽⁴⁾	Total # Shares & DSU's	Total \$ Value of Common Shares and DSU's ⁽⁶⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2015	304,015	–	304,015	9,281,578		
2014	303,919	–	303,919	8,069,459	225,000	Yes
Net Change	96	–	96	1,212,119		

Voting Results for 2015 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
28,141,258	98.96%	295,444	1.04%	28,436,702

Robert J. Kennedy**Independent**

Mr. Kennedy has been President and 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: 66
Director Since: 2003

Board/Committee Membership	Attendance	Attendance (Total)
Board of Directors	9 of 9	100%
Compensation Committee	6 of 6	100%
Governance Committee	6 of 6	100%

Other Current Public Company Directorships

n/a

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSU's)	Total # Shares & DSU's	Total \$ Value of Common Shares and DSU's ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2015	3,000	37,129	40,129	1,225,138		
2014	3,000	33,913	36,913	980,409	225,000	Yes
Net Change	–	3,216	3,216	244,729		

Voting Results for 2015 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
28,062,094	98.68%	374,608	1.32%	28,436,702



Ms. King has been Senior Vice President and Chief Financial Officer of Best Buy Canada Ltd. since 2008. Prior to her current position, 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 of the Vancouver Airport Authority.

Vancouver, British Columbia, Canada

Age: 49
Director Since: 2014

Board/Committee Membership	Attendance	Attendance (Total)	
Board of Directors	9 of 9	100%	
Audit Committee	5 of 5	100%	20 of 20
Compensation Committee	6 of 6	100%	100%

Other Current Public Company Directorships

Saputo Inc.

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSU's)	Total # Shares & DSU's	Total \$ Value of Common Shares and DSU's ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2015	2,000	1,680	3,680	112,350		
2014	–	–	–	–	225,000	No ⁽⁷⁾
Net Change	2,000	1,680	3,680	112,350		

Voting Results for 2015 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
28,202,102	99.18%	234,600	0.82%	28,436,702

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Fenwick, Ontario
CanadaAge: 62
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, 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 Dare Foods (a privately held Canadian based food manufacturer), the National Board of Habitat for Humanity, and Bailey Metal Products (a privately held Canadian company). She is a past director of The Brick Ltd., Trans Global Insurance, and the Canadian Chamber of Commerce.

Board/Committee Membership	Attendance	Attendance (Total)	
Board of Directors	9 of 9	100%	
Audit Committee	5 of 5	100%	20 of 20
Compensation Committee	6 of 6	100%	100%

Other Current Public Company Directorships

n/a

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSU's)	Total # Shares & DSU's	Total \$ Value of Common Shares and DSU's ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2015	3,650	5,776	9,426	287,776		
2014	–	2,859	2,859	79,935	225,000	Yes
Net Change	3,650	2,917	6,567	207,840		

Voting Results for 2015 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
28,366,071	99.75%	70,631	0.25%	28,436,702

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Saskatoon,
Saskatchewan
Canada

Age: 51
Director Since: 2011

Mr. Merasty is the President and Chief Operating Officer of Des Nedhe Development, an English River First Nation owned group of companies which operates a comprehensive business portfolio including: a) construction and mining; b) retail; c) property development; and d) investments. He previously held the positions of Vice President Corporate Social Responsibility and Communications for Cameco Corporation, Member of Parliament for the Desnethe Missinippi Churchill River Riding, the Grand Chief for the Prince Albert Grand Chief Council in Northern Saskatchewan, Chief of Staff of the Federation of Saskatchewan Indian Nation, and the Educational Coordinator for Peter Ballantyne Cree Nation. A director for the Canada West Foundation, Meadow Lake Tribal Council Industrial Investments, and Chairperson for Northern Career Quest. Former Chairman and Director for the Saskatchewan Indian Gaming Authority, and former director of the Saskatchewan Indian Institute of Technology, the Northern Lights Community Development, Westwind Aviation Ltd., and the Saskatoon Airport Authority. Mr. Merasty has received the numerous local and national awards for his achievements.

Board/Committee Membership	Attendance	Attendance (Total)
Board of Directors	8 of 9	89%
Compensation Committee	6 of 6	100%
Governance Committee	6 of 6	100%

Other Current Public Company Directorships

n/a

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSU's)	Total # Shares & DSU's	Total \$ Value of Common Shares and DSU's ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2015	–	13,562	13,562	414,048		
2014	–	10,308	10,308	273,780	225,000	Yes
Net Change	–	3,254	3,254	140,268		

Voting Results for 2015 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
27,932,528	98.23%	504,174	1.77%	28,436,702

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Winnipeg, Manitoba
CanadaAge: 65
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. In addition to the public company directorship set out below, Mr. Stefanson is a director of FWS Holdings Ltd. (Chair of Audit Committee), and Chair of the Investment Committee of the Winnipeg Civic Employees' Benefits Program. 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), Chair of the Audit Committee for the Winnipeg Foundation from 2005 to 2011, and a past member and Chair of the Board for the Health Sciences Centre Foundation from 2009 to 2012. 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	9 of 9	100%
Audit Committee	5 of 5	100%
Governance Committee	6 of 6	100%

Other Current Public Company Directorships

People Corporation (Chair of Audit Committee)

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSU's)	Total # Shares & DSU's	Total \$ Value of Common Shares and DSU's ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2015	2,244	8,230	10,474	319,771		
2014	1,839	6,266	8,105	215,269	225,000	Yes
Net Change	405	2,114	2,624	75,942		

Voting Results for 2015 Annual Shareholders Meeting

Votes For	% of Votes For	Votes Withheld	% of Votes Withheld	Total Votes
27,879,749	98.04%	556,953	1.96%	28,436,702

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Mr. Tootoo is the President of Aarluk Consulting, 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.

Iqaluit, Nunavut,
Canada

Age: 51
Director Since: 2015

Board/Committee Membership ⁽⁶⁾	Attendance	Attendance (Total)
Board of Directors	3 of 3	100%
Audit Committee	2 of 2	100%
Compensation Committee	1 of 1	100%

Other Current Public Company Directorships

n/a

Equity Ownership⁽³⁾

Year	Shares	Deferred Share Units (DSU's)	Total # Shares & DSU's	Total \$ Value of Common Shares and DSU's ⁽⁵⁾	Minimum Required to Meet Ownership Guidelines (\$)	Meets Share Ownership Target
2015	–	1,680	1,680	51,290	225,000	No ⁽⁷⁾

Voting Results for 2015 Annual Shareholders Meeting⁽⁶⁾

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 DSU's as at January 31, 2016, valued at the closing price of the Shares at January 31, 2016 of \$30.53. The table also shows the number of and value of Shares and DSU's as at January 31, 2015, valued at the closing price as at January 31, 2015 of \$26.56.
- (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) Mr. Victor Tootoo was appointed to the Board on July 13, 2015.
- (7) 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 \$90,000 to \$225,000 in 2013. Mr. Glendinning and Ms. King were appointed to the Board in December, 2014, and Mr. Tootoo was appointed to the Board in July, 2015.

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ATTENDANCE OF DIRECTORS AT BOARD AND COMMITTEE MEETINGS

The table below sets forth the number of Board meetings and Board committee meetings held during the twelve month period ended January 31, 2016, and the number of meetings attended by each Director.

Director Name	Full Board (9 Meetings)		Audit Committee (5 Meetings)		Governance and Nominating Committee (6 Meetings)		Human Resources, Compensation and Pension Committee (6 Meetings)		Total Attendance	
	#	%	#	%	#	%	#	%	#	%
	H. Sanford Riley ⁽¹⁾	9/9	100	–	–	–	–	–	–	9/9
Frank Coleman	9/9	100	5/5	100	6/6	100	–	–	20/20	100
Wendy Evans	9/9	100	–	–	6/6	100	6/6	100	21/21	100
Stewart Glendinning	9/9	100	5/5	100	–	–	6/6	100	20/20	100
Edward Kennedy ⁽²⁾	9/9	100	–	–	–	–	–	–	9/9	100
Robert Kennedy	9/9	100	–	–	6/6	100	6/6	100	21/21	100
Annalisa King	9/9	100	5/5	100	–	–	6/6	100	20/20	100
Violet (Vi) Konkle	9/9	100	5/5	100	–	–	6/6	100	20/20	100
Gary Merasty	8/9	89	–	–	6/6	100	6/6	100	20/21	95
Eric Stefanson	9/9	100	5/5	100	6/6	100	–	–	20/20	100
Victor Tootoo ⁽³⁾	3/3	100	2/2	100	–	–	1/1	100	6/6	100
Average Percentage	92/93	99	27/27	100	30/30	100	37/37	100	186/187	99

Notes

- (1) The Chairman of the Board is an ex-officio member of all Board committees.
- (2) The President and Chief Executive Officer attends all Board committee meetings as an invited guest.
- (3) Mr. Tootoo joined the Board on July 13, 2015.

IN-CAMERA SESSIONS

The Board and its committees regularly conduct “in-camera” sessions, 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.

EXPERTISE AND COMPOSITION OF THE BOARD

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 literacy; risk management experience; information technology experience; international experience; and indigenous 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. The Board believes that it has the appropriate diversity of experience and expertise on the Board required to perform effectively and to act in the best interests of North West and its Shareholders. Please refer to Schedule “A” of this Circular for more information on North West’s diversity policies and practices.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

North West is committed to high standards of corporate governance, and is focused on processes that truly matter in creating and sustaining investor value and the long-term health of our enterprise. The corporate governance practices and structure of North West are set out in Schedule "A" attached to this Circular.

PUBLIC COMPANY DIRECTORSHIPS AND INTERLOCKING DIRECTORSHIPS

The Board has not implemented a 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.

While North West does not have any nominees who both sit together on boards of other public companies as at April 8, 2016, Mr. H. Sanford Riley is a director of Molson Coors Brewing Company and Mr. Stewart Glendinning is the President and Chief Executive Officer of Molson Coors Canada, a subsidiary of Molson Coors Brewing Company. The Board does not believe that this interlocking relationship impacts the ability of these Directors to act in North West's best interests.

DIRECTOR FEES

North West conducts an in-depth market review every three years to assess the market competitiveness of Director compensation, including share ownership requirements. The Governance and Nominating Committee (the "**Governance Committee**") retained Towers Watson in 2013 as its consultant to conduct this review.

The primary comparator group selected to benchmark Director compensation comprised of 15 similar sized companies in the Canadian retail sector, supplemented by three companies with interlocking director relationships of similar size (the "**Primary Comparator Group**"). North West's revenue was positioned at the 50th percentile relative to this peer group and its market capitalization was positioned at the 56th percentile (the data point that is higher than 50% and 56% respectively, of all other data in the sample when ranked low to high). This group of companies is listed below.

AutoCanada Inc.	Hudsons Bay Company	Reitmans Canada Ltd.
BMTC Group Inc.	Indigo Books and Music Inc.	Rona Inc.
Colabor Group Inc.	Leons Furniture	Sears Canada Inc.
Glentel Inc.	Parkland Fuel Corporation	The Jean Coutu Group Inc.
Indigo Books & Music Inc.	Leons Furniture Ltd.	Richelieu Hardware Ltd.
Manitoba Telecom Services Inc.	Canadian Western Bank	Emera Inc.
Uni-Select Inc.		

Two additional reference groups were used to provide additional context in setting Director compensation against the primary comparator group. The first group consisted of four Canadian food retailers, all of which are much larger in size than North West. This group of companies is listed below.

Alimentation Couche-Tard Inc.	Empire Company Ltd.	Loblaws Company Limited
Metro Inc.		

The second group consisted of five US food retailers of similar size to North West, which are listed below.

PriceMart Inc.	Spartan Stores Inc.	The Fresh Market Inc.
Village Super Markets Inc.	Weis Markets Inc.	

The Governance Committee concluded that North West's Director compensation was not competitive, as total Director compensation was below the 25th percentile of the Primary Comparator Group, and below the 40th percentile for the Chairman of the Board (the data point that is higher than 25% and 40% respectively, of all other data in the sample when ranked low to high). As a result, the Board increased Director compensation for non-management Directors in 2013. No changes were made to Director compensation in 2014 and 2015.

The Governance Committee has retained Hugessen Consulting to complete a comprehensive review of director compensation in 2016.

The following table provides a detailed breakdown on the fees paid to North West's non-management Directors for the years ended January 31, 2015 and January 31, 2016.

Annual Cash Retainer	2014 and 2015 (\$)
Chairperson of the Board ⁽¹⁾	132,500
Board Members ⁽²⁾	30,000
Audit Committee Chairperson ⁽²⁾	15,000
Governance and Nominating Committee Chairperson ⁽²⁾	8,000
Human Resources, Compensation and Pension Committee Chairperson ⁽²⁾	12,000
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

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 SHARE OWNERSHIP REQUIREMENTS

To ensure Directors are aligned with Shareholder interests, all non-management Directors of North West are required to hold, either directly or indirectly, or exercise control or direction over Shares or deferred share units at levels set by the Board.

North West's share ownership requirements were increased in 2013 to align with current market practice, and as a result of the increases to Director compensation, minimum share ownership requirements for Directors was increased to \$225,000 (3 times the annual cash and equity retainer), and to \$292,500 for the Chairman of the Board (3 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.

The value of the Shares is calculated at market value. See "Part III — ABOUT THE NOMINATED DIRECTORS" for current Share ownership levels for individual Directors.

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. In addition to the annual equity retainer which is paid in the form of a grant under the DSU Plan, participants are entitled to elect each year the amount credited with deferred share units based on the portion of Director fees each participant elects to allocate to the DSU Plan. Each deferred share unit entitles the holder to receive one Share. The grant for deferred Share units cannot exceed \$100,000 per calendar year for any Director.

Participants are credited with deferred share units on a quarterly basis. The number of Shares underlying an award is calculated on the date of grant by dividing the portion of the Director's fees that are payable to the participant in deferred share units for the current quarter, 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.

The deferred Share units, which vest 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. A participant may elect at the time of exercise of any deferred share units, subject to the consent of North West, to have North West pay 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 deferred share units.

There were 180,152 deferred Share units outstanding as at April 8, 2016. See "Part III — ABOUT THE NOMINATED DIRECTORS" for current deferred Share units held by individual Directors. There were 22,895 deferred Share Units exercised during the year ended January 31, 2016, 4,595 units of which were settled in Shares, and 18,300 units of which were settled in cash.

DIRECTOR FEES PAID FOR THE YEAR ENDED JANUARY 31, 2016

The retainer and meeting fees earned by each Director who is not an officer or employee of North West or any of its subsidiaries for the fiscal year ended January 31, 2016 are reflected in the following chart. The Directors are also reimbursed for reasonable traveling and other expenses properly 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	100,000	100,000	–	–	–	–	200,000
Frank Coleman	28,500	75,000	–	–	–	–	103,500
Wendy Evans	68,000	45,000	–	–	–	–	113,000
Stewart Glendinning ⁽³⁾	–	103,500	–	–	–	–	103,500
Robert Kennedy	72,000	45,000	–	–	–	–	117,000
Annalisa King	58,500	45,000	–	–	–	–	103,500
Violet (Vi) Konkle	28,500	75,000	–	–	–	–	103,500
Gary Merasty	28,500	75,000	–	–	–	–	103,500
Eric Stefanson	73,500	45,000	–	–	–	–	118,500
Victor Tootoo ⁽⁴⁾	24,000	45,000	–	–	–	–	69,000

Notes

- (1) Represents fees paid to the Director in cash.
- (2) Represents awards under the DSU Plan for the fiscal year ended January 31, 2016.
- (3) Mr. Glendinning received \$99,000 in DSU awards for the 2015 calendar year.
- (4) Mr. Tootoo was appointed to the Board in July, 2015.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Mr. Robert J. Kennedy

Mr. Kennedy was a Director of Jazz Golf Equipment Inc. In 2006, Jazz Golf Equipment Inc., a company listed on the TSX Venture Exchange, filed a proposal under the Bankruptcy Act to sell its assets to Ensis Corporation to become a private company. Under the proposal, all creditors were to be satisfied. Mr. Kennedy resigned on November 22, 2006 from the Board. Jazz Golf Equipment Inc. was de-listed from the TSX Venture Exchange.

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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 strategies at North West are aligned with a total return approach to investment performance. The delivery of top-quartile total returns through an equal emphasis on growth and dividend yield is a key long-term objective of the North West, just as it has been a key feature of North West's performance over the past 29 years. In 2014, North West defined its current strategic priorities aimed at solidifying and growing market share within top markets and product and service categories. Our senior executive team was fully engaged in 2015 to execute under our "Top" Strategy umbrella. Our key priorities for 2015, together with the results, are summarized in North West's 2015 Annual Report filed on www.sedar.com and www.northwest.ca.

2015 met our expectations for accelerated sales and earnings gains. Sales increased to \$1.796 billion, our 16th consecutive year of sales growth. Same store sales increased 3.5%, and EBITDA increased by 9.8%. Quarterly dividends to Shareholders increased 6.9% to \$0.31 per share. Return on average equity was 20.6% as a result of an 11.0% increase in net earnings and has averaged 20.6% over the past five years. Total returns to Shareholders were 20.2% for the year and were 12.8% on a compound annual basis over the past 5 years.

We believe our approach to executive compensation in 2015 is working as intended. The above target achievement of sales and earnings, the significant work accomplished under our "Top" initiatives, and the superior return delivered to our Shareholders, resulted in above target payouts to North West's senior executive team under its compensation plans and programs.

At North West, 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. We rely on formulas and 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.

In the following pages you will find a straightforward and transparent description of our executive pay practices, and the specific, individual measures of performance that factored into North West's compensation program for 2015. 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 Meeting of Shareholders. We recommend that Shareholders vote **for** the advisory resolution on our approach to executive compensation.

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, 2016. 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 2015 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 Operating Officer;
- Dan McConnell, Executive Vice President and Chief Development Officer; and
- Christie Frazier-Coleman, Executive Vice President and Chief Merchandising Officer.

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; Wendy Evans; Gary Merasty, Vi Konkle, Stewart Glendinning, Annalisa King, 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 — see “PART III — ABOUT THE NOMINATED DIRECTORS”. 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 six meetings in fiscal 2015. The President and Chief Executive Officer, Executive Vice President and Executive Vice President and Chief Financial Officer, Vice President, Human Resources, 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;
- hiring an external 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 29 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 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 and U.S. retailers. The mix of incentive awards is aligned to the planning horizon associated with the executive's role. For the NEOs, 25% to 53% of total compensation is tied to longer term performance through performance share unit grants (time-based and performance-based components) and through stock options.

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 other than benefits, based on pay-for-performance.

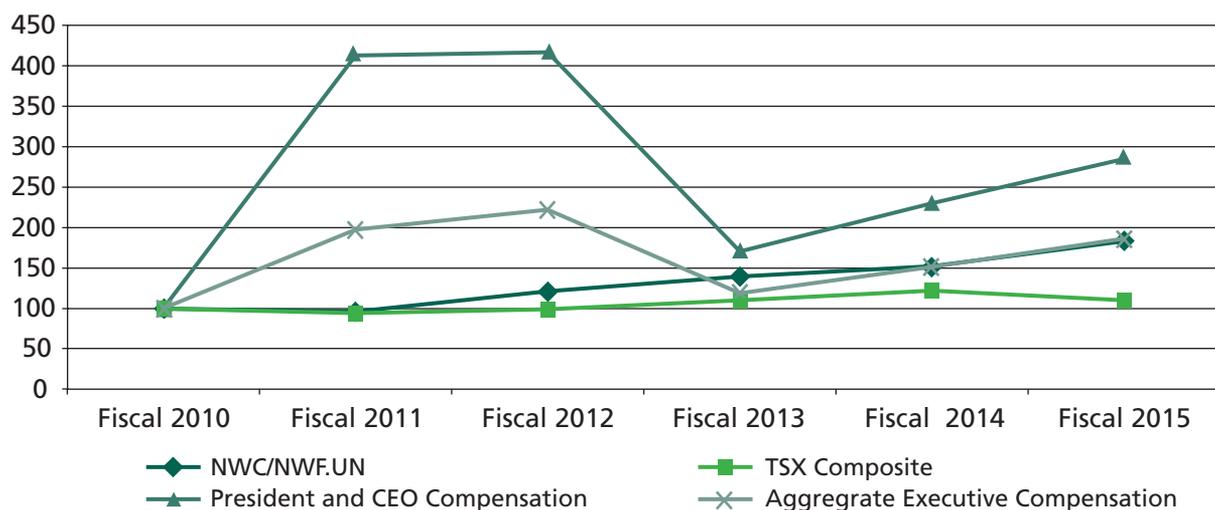
Compensation planning in the context of the short term or annual incentive ("STIP") is integrated with the annual business planning and budgeting process, and 100% of this award is "at risk" if corporate performance is not met for the year. Annual corporate performance, business unit performance and 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 2015 COMPENSATION — 2015 Short Term Incentive Plan ("STIP") for more details on the short term incentive plan.

Performance in the context of the long-term incentive 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 relative total shareholder return to a defined peer group for the 3 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 2015 COMPENSATION — Performance Share Units ("PSUs") and Share Option Plan 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, 2011 ("Fiscal 2010") to January 31, 2016 ("Fiscal 2015"). This comparison assumes \$100 was invested on January 31, 2011 and all distributions/ dividends were reinvested. The table and graph below also shows the trend in total compensation earned by the President and CEO for the fiscal years 2010 to 2015, 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 CEO, 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 2010	Fiscal 2011 ⁽¹⁾	Fiscal 2012 ⁽²⁾⁽³⁾	Fiscal 2013	Fiscal 2014 ⁽⁵⁾	Fiscal 2015	1 year annual return (2014-2015)	5 year compounded annual return
NWF/ NWC	100	96	121	139	152	183	20.2%	12.8%
TSX Composite	100	94	99	110	122	110	-9.9%	1.9%
President & CEO Compensation	100	413	417	170	230	286		
Aggregate Executive Compensation ⁽⁴⁾	100	197	222	119	151	186		

Notes

- (1) For fiscal 2011, the Total Compensation for the President and CEO and all NEOs was impacted by the one-time special grant of 120,000 RSUs to the President and CEO on February 1, 2011, which had a market value at the time of grant of approximately \$2.5 million. This one-time grant was provided in recognition of Mr. Kennedy's 16 year tenure as President and CEO of North West at that time, during which time North West had consistently delivered total returns to Shareholders which significantly exceeded the performance of the TSX Composite Index and various retail groups. In recognition of this, and in order to incent Mr. Kennedy, who was 52 years of age at that time, to continue with the leadership of North West until he reached normal retirement age, North West entered into an employment agreement with Mr. Kennedy, effective February 1, 2011. (See "PART IV — COMPENSATION DISCUSSION AND ANALYSIS — Termination and Change of Control Benefits — Employment Agreements/ Offers of Employment").
- (2) 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 for more details on how the Pension Value is calculated.
- (3) 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.
- (4) Does not include the termination payment made to the Executive Vice President, Northern Canada Retail when his employment ended on January 11, 2013.
- (5) The newly created 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.

As shown in the graph and table above, over the past 5 year period, North West Shares have generally outperformed the TSX Composite Index each year. Over the same 5 year period, North West Shares produced a considerably higher compound annual return of 12.8%, compared to the TSX Composite Index return of 1.9%. In Fiscal 2015, total return to North West's Shareholders was 20.2%, significantly outperforming the TSX Composite Index return of -9.9%.

As can also be noted from the graph and table above, the compensation program for executives is working as intended, and is achieving its objective of aligning the performance drivers of the business with those factors that should enhance total returns to Shareholders.

DESIGN OF COMPENSATION PROGRAM AND ROLE OF COMPENSATION CONSULTANTS

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. Mercer (Canada) Limited (“**Mercer**”) was retained by the Compensation Committee in late 2013 to assist the Committee in its in-depth review and to provide recommendations with respect to the competitiveness and design of North West’s executive compensation.

The analysis and advice by Mercer included executive compensation philosophy, market competitiveness of compensation, executive benefit arrangements, pay-for-performance analysis, incentive plan review, performance calibration, and pension review. During its review, Mercer compared 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; e) total direct compensation (the sum of total cash compensation and the expected value of long-term incentives); f) benefits; g) employee ownership plan; and h) pension value.

The Canadian Retail Organizations group was selected 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 North American Retail Companies Group and the US Food Retail and Distribution Companies Group were used as a reference group to provide additional context in setting executive compensation against the core comparator group.

The lists below includes the companies comprising the core comparator peer groups used in benchmarking compensation by the Compensation Committee in late 2013 and early 2014.

Canadian Retail Organizations

This group provides perspective for compensation in the Canadian market, and was the core group used by the Committee to benchmark executive compensation. Although it includes some organizations that are significantly larger than North West, the group captured retailers (specifically food retailers) that otherwise would have fallen outside the size scope but are important as key competitors for talent. This group is skewed with very large and very small companies relative to North West, but provides valuable information about pay practices and design. North West’s revenue is positioned at approximately the median relative to this peer group.

Loblaws Companies Ltd.	Alimentation Couche-Tard Inc.	Empire Company
Metro Inc.	Shoppers Drug Mart	Canadian Tire Corp.
Sears Canada Inc.	RONA Inc.	Jean Coutu Group
Dollarama Inc.	Glentel Inc.	Reitmans Canada Ltd.
Indigo Books & Music Inc.	Leons Furniture Ltd.	Richelieu Hardware Ltd.
Le Chateau Inc	BMTC Group	easyhome Ltd.
Danier Leather Inc.	Birks Group Inc.	Coast Wholesale Appliances
Hudsons Bay Company		

Total compensation for each executive is also influenced by such factors as individual performance, relevant experience, tenure, internal equity and retention potential.

The Compensation Committee concluded that the compensation program initially implemented by North West in fiscal 2011 was achieving its objective of aligning the performance drivers of the business with those factors that should enhance total returns to Shareholders. This was 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.

The Compensation Committee concluded as a result of the review, that total remuneration and the compensation design for North West’s executives were positioned competitively relative to the comparator groups. As a result, the Board did not make any significant changes to compensation practices in North West’s 2013, 2014 and 2015 fiscal years.

North West will be completing a new in-depth market review of executive compensation in 2016.

North West has not engaged Mercer to provide any services other than executive compensation advisory services to the Compensation Committee in 2014 or 2015. The pre-approval of the Compensation Committee is required prior to engaging

Mercer to provide any other services to North West. The following presents the aggregate fees billed for executive compensation services by external consultants to the Compensation Committee for its fiscal years ended January 31, 2015 and 2016:

Advisor	Fiscal Year (January 31)	Fees (\$ in Thousands)
Mercer	2015	56
Mercer	2014	102

ELEMENTS OF 2015 EXECUTIVE COMPENSATION

The key elements included in determining the total compensation of executives during 2015 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 table illustrates, as a percentage for each element, each NEOs target total compensation mix for 2015. 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.

NEO/Position	Base Salary	Performance			Total
		STIP	Share Units	Options	
Edward Kennedy, President and CEO	27%	20%	21.0%	32.0%	100%
John King, EVP and CFO	42%	25%	16.5%	16.5%	100%
Craig Gilpin, EVP and COO	42%	25%	16.5%	16.5%	100%
Dan McConnell, EVP and CDO	42%	25%	16.5%	16.5%	100%
Christie Frazier-Coleman, EVP and CMO	42%	25%	16.5%	16.5%	100%

The following table shows the compensation mix described above as a percentage of base salary:

NEO/Position	STIP target (as a % of base salary)	Performance Share Units (as a % of base salary)	Options (as a % of base salary)
Edward Kennedy, President and CEO	75%	80%	120%
John King, EVP and CFO	60%	40%	40%
Craig Gilpin, EVP and COO	60%	40%	40%
Dan McConnell, EVP and CDO	60%	40%	40%
Christie Frazier-Coleman, EVP and CMO	60%	40%	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.

Consistent with North West's approach to salary increases described above, the following base salaries were approved by the Board in 2015, which became effective in May, 2015.

NEO	2014 Base Salary (\$)	2015 Base Salary (\$)	Base Salary Increase (%)
Edward Kennedy	749,100	767,900	2.5
John King	335,000	343,500	2.5
Craig Gilpin	420,000	430,500	2.5
Dan McConnell	300,000	307,500	2.5
Christie Frazier-Coleman ⁽¹⁾	278,300	301,500	8.3

Notes

(1) Ms. Frazier-Coleman was promoted to Executive Vice President and Chief Merchandising Officer in September, 2014.

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 and executive is eligible to receive as a percentage of base salary:

NEO	STIP Design (STIP target as a % of base salary)
Edward Kennedy	75%
John King	60%
Craig Gilpin	60%
Dan McConnell	60%
Christie Frazier-Coleman	60%

The following describes the payout curves for STIP performance related to target STIP earnings for the NEOs and other senior executives of North West:

NEO	90% of Target STIP Performance (Threshold)	Target STIP Performance	110% of Target STIP Performance (Maximum)
Edward Kennedy ⁽¹⁾	0%	100%	200%
John King ⁽¹⁾	0%	100%	200%
Craig Gilpin ⁽¹⁾	0%	100%	200%
Dan McConnell ⁽¹⁾	0%	100%	200%
Christie Frazier-Coleman ⁽¹⁾	0%	100%	200%

Notes

(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 executive for 2015 are broken down between the following measures:

NEO	Corporate Performance ⁽¹⁾⁽⁴⁾	Business Unit / Individual Performance ⁽²⁾⁽³⁾
Edward Kennedy	75%	25%
John King	75%	25%
Craig Gilpin	75%	25%
Dan McConnell	75%	25%
Christie Frazier-Coleman	75%	25%

Notes

(1) Corporate Performance: EBIT adjusted for cost of capital and other normalizing factors.

- (2) Business Unit Performance: Common performance measures, including earnings and individual performance initiatives shared by leadership of the business unit.
- (3) Individual Component: Objectives unique to function, but aligned with corporate or business unit objectives.
- (4) 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.

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 "2015 PERFORMANCE AND COMPENSATION — 2015 STIP AWARDS" for actual STIP awards earned by each NEO for 2015 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, Executive Vice President and Chief Financial Officer	80%
Craig Gilpin, Executive Vice President and Chief Operating Officer	80%
Dan McConnell, Executive Vice President and Chief Development Officer	80%
Christie Frazier-Coleman, Executive Vice President and Chief Merchandising Officer	80%

Performance Share Units (PSUs)

The payment of PSUs at the end of each 3 year vesting cycle is based on three criteria for the President and CEO, and all Executive Vice Presidents and Vice Presidents as follows:

1. Retention: 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: 1/3 of each PSU grant is based on a 3 year actual average STIP performance relative to target STIP for each employee; and
3. Relative: 1/3 of each PSU grant is based on relative total shareholder return ("TSR") to a defined peer group for the 3 year period.

For all positions below the Vice President level, 1/3 of each PSU grant is time based, and 2/3 of each PSU grant is based on a 3 year actual average STIP performance relative to target STIP. For the portion of all PSUs linked to operating performance:

- The average overall STIP performance factor by individual is determined for each 3 year period;
- There is no award if 3 year actual average STIP performance is less than 85% of target;
- All PSUs will fully vest if 3 year actual average STIP performance is 95% of target; and
- The maximum award pays 200% for the President and Chief Executive Officer, Executive Vice Presidents, and all Vice Presidents if 3 year actual average STIP performance achieves top quartile performance.

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

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 2013 and 2014. These entities within the TSR Comparator Group 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.

Empire Co Ltd.	Liquor Stores N.A. Ltd.	A&W Revenue Royalties
Pizza Pizza Revenue Royalty	Shoppers Drug Mart	Reitmans (Canada)
Dollarama Inc.	Safeway Inc.	Leons Furniture Ltd.
Loblaws Companies Ltd.	Metro Inc.	Wal-mart Stores Inc.
Canadian Tire Corporation		

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 in 2015 to review the TSR Comparator group for future PSU grants, as Shoppers Drug Mart and Safeway Inc. were delisted as they were acquired in 2014 and 2015 respectively. Based upon the recommendation of Mercers, a revised TSR Comparator Group was established in 2015, for PSU grants commencing in 2015. 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.	Loblaws Companies Ltd.
Alimentation Couche-Tard Inc.	Empire Co Ltd.	Metro Inc.
BMTC Group Inc.	Hudsons Bay Co.	Parkland Fuel Corp.
Canadian Tire Corp.	Jean Coutu Group	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 actual PSU relative portion of the award is interpolated as follows for all NEOs and other senior executives:

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.

Refer to the “2015 PERFORMANCE AND COMPENSATION — Summary Compensation Table/ STIP AND LTIP AWARDS” for information on actual PSU awards granted to each NEO in 2015 and for amounts paid out under existing PSU grants in 2015.

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. The Board has determined that it will use the same calculation for those options granted in 2016.

Refer to the "2015 PERFORMANCE AND COMPENSATION — Summary Compensation Table/ Outstanding Equity Based Awards" for information on actual LTIP awards granted to each NEO in 2015.

Other Elements of 2015 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 3 consecutive years of annual earnings in the 10 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 10 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 the North West's International division have the option to participate in the 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 the North West provides 50% matching contributions on the employee's contributions up to 6% of base salary.

See the "2015 PERFORMANCE AND COMPENSATION — Summary Compensation Table/ Present Value of Accumulated Pension Benefits" 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 2016 fiscal year of North West, must have been made prior to December 31, 2015. 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, fifty percent (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, one hundred percent (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 will be granted commencing in 2016. See PART IV — COMPENSATION DISCUSSION AND ANALYSIS — SHARE OWNERSHIP GUIDELINES for more details.

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.

INSIDER TRADING POLICY AND SPECULATIVE TRADING

While North West encourages all employees to become Shareholders, it also recognizes the need to assist its employees in meeting their obligations under securities laws. For that reason, North West maintains a comprehensive Insider Trading Policy. Employees are not permitted to purchase or sell North West Shares for short term speculative purposes, and are prohibited from engaging in short selling of or trading in options in securities of North West.

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2015 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, 2016.

Name/Principal Position	Year	Salary (\$)	Share Based Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation		Pension Value (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾	Total Annual Compensation (\$)
					Annual Incentive Plans (\$) ⁽³⁾	Long Term Incentive Plans (\$)			
Edward Kennedy ⁽⁶⁾ President and CEO	2015	763,562	614,320	921,480	885,209	–	267,400	82,426	3,534,397
	2014	745,708	599,280	898,920	322,105	–	194,500	81,814	2,842,327
	2013	729,461	587,520	881,280	384,459	–	–556,200	77,925	2,104,446
John King Executive Vice President and CFO	2015	341,461	137,360	137,360	316,719	–	142,500	46,098	1,121,498
	2014	325,446	134,000	134,000	146,222	–	209,800	41,995	991,463
	2013	291,615	117,440	117,440	147,346	–	47,000	36,948	757,790
Craig Gilpin Executive Vice President and COO	2015	428,077	172,200	172,200	380,740	–	187,400	55,339	1,395,956
	2014	407,585	168,000	168,000	147,778	–	215,100	51,515	1,157,978
	2013	363,731	146,480	146,480	170,964	–	89,700	44,008	961,362
Dan McConnell Executive Vice President and CDO	2015	305,769	123,000	123,000	279,771	–	85,000	40,746	957,286
	2014	278,308	120,000	120,000	100,570	–	150,300	31,789	800,967
	2013	204,615	72,100	30,900	86,556	–	–26,000	5,239	373,410
Christie Frazier-Coleman ⁽⁷⁾ Executive Vice President and CMO	2015	284,912	120,600	120,600	277,468	–	20,366	26,397	850,343
	2014	226,617	78,750	33,750	118,627	–	14,723	11,181	483,648
	2013	181,720	66,955	28,695	74,315	–	15,189	23,643	390,517

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 2013, 2014 and 2015 to each NEO are summarized below. The PSUs granted in 2013 vested on January 31, 2016 and will be paid out in April, 2016.

NEO	2013 PSU Grant	2014 PSU Grant	2015 PSU Grant
Edward Kennedy	25,478	23,709	23,546
John King	5,093	5,301	5,265
Craig Gilpin	6,352	6,646	6,600
Dan McConnell	3,126	4,747	4,714
Christie Frazier-Coleman	2,904	3,115	4,622

(2) Represents the dollar amount based on the fair value of options on the grant date. Fair value was calculated by Mercer 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" 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" 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) Ms. Frazier-Coleman's compensation is stated in USD.

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, 2016.

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	1,839,759	–	1,120,765	885,209
John King	226,924	59,472	229,673	316,719
Craig Gilpin	204,225	152,417	280,064	380,740
Dan McConnell	72,320	40,959	138,556	279,771
Christie Frazier- Coleman	61,449	–	131,923	277,468

Notes

- (1) The value of the option-based awards which vesting during the fiscal year ended January 31, 2016 is calculated as follows:
- 2010 grant — \$11.42 per option based on the difference between the fair value of the option as at January 31, 2016 of \$30.53 and the exercise price of \$19.11.
 - 2011 grant — \$12.83 per option based on the difference between the fair value of the option as at January 31, 2016 of \$30.53 and the revised strike price of \$17.70.
 - 2012 grant — \$11.15 per option based on the difference between the fair value of the option as at January 31, 2016 of \$30.53 and the revised strike price of \$19.38.
- Fair value was determined as the closing price of the Shares on the TSX on January 30, 2016.
- (2) Represents the pre-tax amount received by each NEO from options exercised during the fiscal year ended January 31, 2016.
- (3) The value of the Share based awards that vested during the year was calculated by the number of PSUs that vested by \$29.38, which is the fair market value of North West Shares at January 31, 2016. 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, 2016. The value also includes the equivalent of dividends earned up to January 31, 2016 on vested PSUs. Please refer to "See "2015 PERFORMANCE AND COMPENSATION — PSUs Vested in 2015" for information on the methodology for calculating the number of the PSU awards that vested during the year.
- (4) Please refer to "2015 PERFORMANCE AND COMPENSATION — 2015 STIP Awards" for information on the calculation of the STIP awards.

2015 STIP Awards

The following summarizes North West's performance against the STIP targets set for each of the NEOs for the 2015 fiscal year. The weighing of each initiative varies by each NEO. See "2015 PERFORMANCE AND COMPENSATION — 2015 STIP Awards" for information on the calculation of the STIP awards.

North West will not provide further details about these measures as it believes the disclosure of this information could seriously prejudice its interests as it constitutes strategic confidential information. These STIP targets and objectives are aligned with North West's main priorities, and constitute targets and ongoing projects which are highly strategic, and which disclosure could jeopardize their completion. Please refer to the "Strategies" section on page 6 of North West's 2015 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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2015 STIP Performance Measure	Performance Against Target	Edward Kennedy	John King	Craig Gilpin	Dan McConnell	Christie Frazier-Coleman
<p>Consolidated STIP Earnings: 2015 Consolidated EBIT Target (adjusted for normalizing factors and cost of capital)</p> <ul style="list-style-type: none"> • Target STIP Earnings: \$121,064 • Actual STIP Earnings: \$129,733 	Exceeded Target at 107.2%	•	•	•	•	•
Business Unit Measures						
<p>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.</p>		•		•	•	•
<p>Top Categories This measure assesses the quality, quantity, time and cost versus target of Top Category plans as well as the financial performance of North West's general merchandise inventory control, right sizing under-performing low upside categories, and managing inventory shrink.</p>		•	•	•		•
<p>New Markets This measure relates to the quality, quantity, and timing and cost related to investments in new market growth through store acquisitions and new Giant Tiger store openings.</p>		•		•	•	
<p>Store Connect This measure assesses the quality of internal support service provided to stores using targeted service levels as well as the completion and effective use of a service technology platform called "Store Connect".</p>		•	•	•	•	•
Individual Measures						
<p>Strategy Work This measure applies to the quality and timing of identifying, reframing and completing corporate strategic options and opportunities, and creating financial forecasts for such options.</p>		•	•			
<p>IT Work This measure applies to the quality and timing of identifying, developing and delivering key IT initiatives which will support North West's strategy and key corporate initiatives.</p>			•			
PERFORMANCE AGAINST TARGET ON COMBINED BUSINESS UNIT/ INDIVIDUAL TARGETS		100%	100%	75%	92%	99%

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.

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The following sets out the individual STIP awards in fiscal 2015 for each NEO. No discretionary adjustment was used in determining individual NEO awards.

NEO	2015 STIP Performance Measure	% Weight of Measure	% of Base Salary Target	% of Base Salary Paid	Earned STIP \$
Edward Kennedy	Consolidated STIP Earnings	75%	56.2%	115.3%	741,227
	Combined IP Targets	25%	18.8%		143,982
	TOTAL	100%	75.0%		885,209
John King	Consolidated STIP Earnings	75%	45.0%	92.2%	265,177
	Combined IP and Individual Targets	25%	15.0%		51,542
	TOTAL	100%	60.0%		316,719
Craig Gilpin	Consolidated STIP Earnings	75%	45.0%	88.4%	332,438
	Combined IP Targets	25%	15.0%		48,302
	TOTAL	100%	60.0%		380,740
Dan McConnell	Consolidated STIP Earnings	75%	45.0%	91.0%	237,455
	Combined IP Targets	25%	15.0%		42,316
	TOTAL	100%	60.0%		279,771
Christie Frazier-Coleman	Consolidated STIP Earnings	75%	45.0%	92.0%	232,822
	Combined IP Targets	25%	15.0%		44,646
	TOTAL	100%	60.0%		277,468

PSUs Vested in 2015

The following sets out the calculation of the individual PSUs earned or vested during the fiscal year ended January 31, 2016 for each NEO. These PSUs vested on January 31, 2016, and will be paid out in April, 2016. 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 2013-2015 STIP Performance	Vesting %	TSR ⁽²⁾ Performance	Vesting %	
Edward Kennedy	100	99%	143.6	P62	148	1,120,765
John King	100	100%	153.5	P62	148	229,673
Craig Gilpin	100	99%	144.5	P62	148	280,064
Dan McConnell	100	99%	146.5	P62	148	138,556
Christie Frazier-Coleman	100	100%	156.5	P62	148	131,923

Notes

- (1) See "ELEMENTS OF 2015 COMPENSATION — Performance Share Units" for further details on the methodology used to calculate the number of PSUs that vested.
- (2) TSR relative performance is calculated by Mercer, and represents the data point that is higher than 62% 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 \$29.38, 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, 2016 on vested PSUs.

All Other Compensation

The following table shows the breakdown of "All Other Compensation" in the Summary Compensation Table for 2013 to 2015. 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	2015	76,356	1,075	173	4,822	82,426
	2014	74,571	1,075	173	5,995	81,814
	2013	72,947	1,345	173	3,460	77,925
John King	2015	34,146	–	6,934	5,018	46,098
	2014	32,545	–	6,373	3,077	41,995
	2013	29,162	–	5,719	2,067	36,948
Craig Gilpin	2015	42,807	–	8,560	3,972	55,339
	2014	40,759	–	8,151	2,605	51,515
	2013	36,373	–	5,337	2,298	44,008
Dan McConnell	2015	30,576	–	6,115	4,055	40,746
	2014	23,077	–	5,566	3,146	31,789
	2013	–	–	4,092	1,147	5,239
Christie Frazier-Coleman	2015	–	–	–	26,397	26,397
	2014	–	–	–	11,181	11,181
	2013	–	–	–	23,643	23,643

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PRESENT VALUE OF ACCUMULATED PENSION BENEFITS

The following is a summary of the North West's present value of accumulated pension benefits for each of its NEOs. Please refer to "Other Elements of 2015 Compensation" 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	21.17	486,000	682,600	7,475,500	267,400	(348,500)	7,394,400
John King	9.58	83,000	217,000	1,369,800	142,500	(120,000)	1,392,100
Craig Gilpin	5.83	62,200	206,700	955,600	187,400	(83,000)	1,060,000
Dan McConnell	7.33	33,800	188,800	573,800	85,000	(42,100)	616,700

Name	Accumulated Value At Start of Year (\$)	Compensatory Change (\$)	Non-Compensatory Change (\$)	Accumulated Value at End of Year (\$)
Christie Frazier-Coleman ⁽²⁾	83,059	20,366	-3,125	100,300

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 Note 12 to North West's audited Consolidated Financial Statements for the year-ended January 31, 2016. 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 3 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.

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OUTSTANDING EQUITY BASED AWARDS

The following are the total unexercised Share-based awards and option-based awards granted to North West's NEOs as of January 31, 2016.

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	50,579	1,486,000	1,120,765	106,700	19.11	April 16, 2020	10,198,543
				176,515	20.62	July 21, 2018	
				182,484	21.86	April 12, 2019	
				197,468	23.21	April 11, 2020	
				202,805	24.79	April 14, 2021	
John King	11,309	332,270	229,673	269,313	25.63	April 22, 2022	1,129,213
				14,734	20.62	July 21, 2018	
				24,315	21.86	April 12, 2019	
				26,315	23.21	April 11, 2020	
				30,232	24.79	April 14, 2021	
Craig Gilpin	14,178	416,563	280,064	40,145	25.63	April 22, 2022	1,188,096
				9,779	20.62	July 21, 2018	
				20,220	21.86	April 12, 2019	
				32,822	23.21	April 11, 2020	
				37,903	24.79	April 14, 2021	
Dan McConnell	10,127	297,544	138,556	50,328	25.63	April 22, 2022	518,527
				1,913	20.62	July 21, 2018	
				4,266	21.86	April 12, 2019	
				6,924	23.21	April 11, 2020	
				27,074	24.79	April 14, 2021	
Christie Frazier-Coleman	8,244	242,195	131,923	35,949	25.63	April 22, 2022	540,419
				7,255	20.62	July 21, 2018	
				8,180	21.86	April 12, 2019	
				8,751	23.21	April 11, 2020	
				10,737	24.79	April 14, 2021	

Notes

- (1) Includes the number of unvested PSUs outstanding as at January 31, 2016.
- (2) The market value of the unvested Share-based awards is calculated by multiplying the portion of the outstanding PSUs which are time based (1/3 of the PSU grants for 2014 and 2015) granted to the NEO by the fair market value of the Shares as at February 1, 2016 (\$29.38). 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, 2016. The 2/3 portion of the outstanding PSU grants for 2014 and 2015 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, 2016 on granted PSUs. No assumption is made for future dividends.
- (3) Includes the PSUs granted in 2013 that vested on January 31, 2016 and which will be paid out in April, 2016..
- (4) The market value of all unexercised in-the-money original options granted in 2010, are calculated based on the difference between \$30.53, the closing price of a common Share on January 31, 2016, 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 and 2015 are calculated based on the difference between the \$30.53, the closing price of a common Share on January 31, 2016, and the revised strike price of \$17.70 for 2011, the revised strike price of \$19.38 for 2012, the revised strike price of \$21.36 for 2013, the revised strike price of \$23.59 for 2014, and the revised strike price of \$25.10 for 2015. 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 and 2015 grants, on a per Share basis, that exceed a dividend yield of 2% for North West, is also deducted from the strike price.

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. Ms. Christie-Frazier Coleman's terms of employment do not include provisions relating to termination and 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, 2016.

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.

	For Cause (\$)	Without Cause (\$)	Change of control (\$)	Retirement (\$) ⁽²⁾	Death or Disability (\$)	Resignation (\$)
Edward Kennedy⁽¹⁾						
Base/Bonus/Perquisite	–	4,324,747	4,324,747	–	–	–
PSUs ⁽³⁾	–	2,509,117	2,509,117	2,509,117	2,509,117	–
Options ⁽⁴⁾	–	10,198,543	10,198,543	10,198,543	10,198,543	–
Total	–	17,032,407	17,032,407	12,707,660	12,707,660	–
John King						
Base/Bonus/Perquisite	–	–	–	–	–	–
PSUs ⁽³⁾	–	229,673	540,102	540,102	386,533	–
Options ⁽⁴⁾	–	184,948	1,129,213	1,129,212	184,948	–
Total	–	414,621	1,669,315	1,669,315	571,481	–
Craig Gilpin						
Base/Bonus/Perquisite	–	947,100	1,180,260	–	–	–
PSUs ⁽³⁾	–	280,064	669,231	669,231	474,883	–
Options ⁽⁴⁾	–	–	1,188,096	1,188,096	–	–
Total	–	1,227,164	3,037,587	1,857,327	474,883	–
Dan McConnell						
Base/Bonus/Perquisite	–	–	–	–	–	–
PSUs ⁽³⁾	–	138,556	416,520	416,520	277,709	–
Options ⁽⁴⁾	–	–	518,527	518,527	–	–
Total	–	138,556	935,047	935,047	277,709	–
Christie Frazier-Coleman						
Base/Bonus/Perquisite	–	–	–	–	–	–
PSUs ⁽³⁾	–	131,923	359,236	359,236	238,181	–
Options ⁽⁴⁾	–	92,467	540,419	540,619	92,467	–
Total	–	224,390	899,655	899,655	330,648	–

Notes

(1) The amounts for Mr. Kennedy's retirement reflect his entitlement at age 56 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) 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 plans (\$29.38) as at February 1, 2016. With respect to death or disability, the amounts are prorated as at January 31, 2016 pursuant to the terms of the PSU Plan. For Mr. Kennedy, the amounts are calculated pursuant to the terms of his employment agreement.
- (4) 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, 2016 closing Share price of \$30.53, and subtracting from that amount the number of qualified options multiplied by the exercise price or revised 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 56 years of age, has been the President and Chief Executive Officer of North West for the past 20 years, and an executive of North West for the past 27 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:

Special Grant of Restricted Share Units ("Special RSUs)	Effective February 1, 2011, Mr. Kennedy was granted 120,000 restricted share units as a special grant, which vested one third on January 31, 2012; one third on January 31, 2013; and one third on January 31, 2014.
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.
Termination Without Cause prior to July 29, 2014; 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 12 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 $\frac{2}{3}$ of the Termination Payment. Upon reaching the age of 59, Mr. Kennedy will be entitled to receive $\frac{1}{3}$ 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, PSU's 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 2 years following his termination after age 60, all unvested RSUs, PSU's and options existing at that time shall be forfeited with no further value.

**Resignation after
July 29, 2014**

Mr. Kennedy is required to provide 6 months' notice, and upon the expiry of such notice, Mr. Kennedy will enter into a 12 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 2 years following his resignation, all unvested RSUs, PSU's 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 (1) 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 2 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 2 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 2 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 Operating 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 5 years with North West, Mr. Gilpin is entitled to a payment equal to 1.5 times base salary plus his perquisite allowance. This increases to 2 times his base salary and perquisite allowance for service of 5 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 2 times base salary and perquisite allowance, and the average STIP payment paid to Mr. Gilpin for the 3 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 12 months following the actual change of control event.

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.

Based upon the advice received from Mercer on the terms of this Share Ownership Policy, the Board concluded that the policy is consistent with good market practice and 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 time and performance-based 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, 2016, based on the closing price of North West on the TSX on January 31, 2016 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	10,093,704	13.14	4.0
John King	2,458,427	7.16	2.0
Craig Gilpin ⁽²⁾	624,449	1.45	2.0
Dan McConnell	687,772	2.24	2.0
Christie Frazier-Coleman ⁽³⁾	123,211	0.41	2.0

Notes

- (1) Includes any Shares purchased through the open market, and 100% of outstanding time based portion of PSUs; all multiplied by the January 31, 2016 closing price of \$30.53.
- (2) Mr. Gilpin commenced his employment with North West in March, 2010 as Executive Vice President and Chief Corporate Officer. He currently holds the position of Executive Vice President and Chief Operating Officer. Mr. Gilpin has elected to contribute \$132,595 of his 2015 STIP earnings to the Executive Deferred Share Unit Plan. These DSUs will be granted in April, 2016, which will result in his net ownership as a multiple of base salary to increase to 1.76% (assumes a DSU grant price of \$30.53). Under the terms of North West's Share Ownership Guidelines, Mr. Gilpin will be required to convert 100% of his PSU awards which vested on January 31, 2016, and which will be paid out in April, 2016, into Shares until he reaches the minimum share ownership requirements.
- (3) Ms. Frazier-Coleman was promoted to her present position of Executive Vice President and Chief Merchandising Officer in September, 2014.

SUMMARY OF SECURITIES REMAINING FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS

The total number of underlying Shares issuable to any participant pursuant to the 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. Grants under the DSU Plan cannot exceed 1% of the issued and outstanding Shares as at the date of the grant. The following chart

outlines the number of Shares to be issued upon exercise of the deferred Share units under the DSU Plan and options under the share option plans.

Number of underlying Shares reserved for issuance upon exercise of all Director deferred share units under the North West DSU Plan	180,152
Number of underlying Shares reserved for issuance upon exercise of all options under the share option plans	2,059,709
Total Shares issued and outstanding as at April 8, 2016	48,523,341
% of Shares reserved under the DSU Plan as a % of total Shares issued and outstanding as at April 8, 2016	0.4%
% of Shares reserved under the share options plans as a % of total Shares issued and outstanding as at April 8, 2016	4.2%
% of Shares reserved under all equity compensation plans as a % of total Shares issued and outstanding as at April 8, 2016	4.6%

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").

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 \$15 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, 2015 to May 31, 2016 was approximately \$150,275. Directors and officers do not pay premiums, and no indemnity claims were made or paid in 2015.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular, no informed person (within the meaning of applicable securities laws) of North West and no proposed nominee for election as a Director, or any of their respective associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since the beginning of the most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the North West or any of its affiliated entities.

Part V — Governance Disclosure

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. The Board has, in light of governance requirements and best practice standards in Canada, implemented a sophisticated 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. In this regard, the Board has prepared and approved the disclosure of North West's governance practices set forth in Schedule "A" to this Circular.

Part VI — 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 VII — Directors' Approval

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

DATED at Winnipeg, Manitoba, on April 8, 2016.

"Paulina Hiebert"

Paulina Hiebert
Vice-President, Legal and Corporate Secretary
The North West Company Inc.

Schedule A — Statement of North West Governance Practices

North West is committed to high standards of corporate governance, and is focused on processes that truly matter in creating and sustaining investor value and the long-term health of our enterprise. North West regularly reviews its governance policies to ensure adherence to the requirements of authorities that regulate North West, including the Canadian Securities Administrators and the TSX.

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. North West's corporate governance practices and structure of North West are set out below.

COMPOSITION OF THE BOARD OF DIRECTORS

The responsibility of the Board of Directors of North West (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 eleven Directors. North West believes that eleven Directors is appropriate for an issuer of the size of North West and believes that the range of expertise and skills on its Board facilitate Board effectiveness.

NOMINATION OF DIRECTORS/BOARD DIVERSITY

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.

Board of Directors

North West's Corporate Governance Policy is 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 policy expressly encourages 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. While neither a written policy nor targets relating to the identification of women and nomination of women directors have 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 women a key search criterion in the director selection and nomination process it has undertaken. Currently, as to gender, the Board is comprised of three female directors (27%) and eight (73%) male directors, of which two are of indigenous 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. The Board believes that its current makeup reflects the principles of diversity it strives to achieve. North West will continue to focus on encouraging diversity in the composition of the Board as a key search criterion when selecting directors.

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 of six women out of seventeen (35%) total executive officers (as defined in National Instrument 51-102 *Continuous Disclosure Obligations*) is felt to be indicative of healthy gender diversity in practice, without the need for targets or quotas.

BOARD TENURE, TERM LIMITS, AND RETIREMENT POLICY

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 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. 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.

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 eleven nominee Directors, ten are independent within the meaning of NI 58-101. Each of H. Sanford Riley, Frank Coleman, Stewart Glendinning, Wendy Evans, Robert Kennedy, Annalisa King, Vi Konkle, Gary Merasty, 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.

ASSESSMENTS

In response to the Board's commitment to effective corporate governance, a regular evaluation process takes place. As part of this evaluation, on an annual basis, Board members assess their effectiveness as a Board, the effectiveness of the Board Committees, and the effectiveness of the Board and Committee Chairs. Individual Directors are evaluated through peer reviews which are completed every other year, and constructive feedback is provided to each Director by the Chairman of the Board. The Governance Committee is responsible for creating a plan to address any deficiency or evaluating and, if appropriate, implementing any suggestion elicited through the Board assessment process.

OTHER DIRECTORSHIPS

The names of all other reporting issuers on which each Director of North West serves as a Director is set out in this Circular under the heading "PART III — ABOUT THE NOMINATED DIRECTORS".

BOARD MEETINGS

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.

STRATEGIC DIRECTION

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.

CHAIRPERSON

H. Sanford Riley is the Chairperson 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 has adopted a written position description of the Chairperson of the Board.

ATTENDANCE RECORD

For information concerning the attendance record of each Director for all Board and committee meetings, please refer to the disclosure under the heading "PART III — ABOUT THE NOMINATED DIRECTORS — Attendance at Director's Meetings".

Directors are expected to attend the annual meeting of Shareholders, as well as all Board meetings and meetings of committees on which they serve.

BOARD MANDATE

The Board's mandate sets out the Board's purpose, organization, duties and responsibilities. A copy of the mandate is attached as Schedule "B" to this Circular. The Board reviews its mandate on a regular basis. Each board committee also has its own mandate, as further discussed below.

POSITION DESCRIPTIONS

The Board has developed written position descriptions for the Chairperson of the Board, individual Directors, and the President and Chief Executive Officer ("CEO").

The Board Chairperson provides independent, effective leadership to the Board in the governance of North West. The Board Chairperson 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 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.

NEW DIRECTOR ORIENTATION

North West has a formal orientation process for new Directors. Directors are provided with an orientation package, which includes copies of all Board and committee mandates and policies, corporate by-laws, and various corporate reports. Directors also meet with all 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 also 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 the first year of service.

ORIENTATION AND CONTINUING EDUCATION

Directors are kept informed as to matters impacting North West's operations through reports and presentations at Board meetings. Special presentations on specific business operations are also provided to the Board. Tours are arranged of several of the key operations of North West's operating subsidiaries. In addition, all Directors regularly receive information on the operations of North West, including a report from the CEO, a report on corporate development activities, operations reports, a financial overview and other pertinent information. All executives are available for discussions with Directors concerning any questions or comments which may arise between meetings.

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 fifty percent (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.

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 2015 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 Whistle Blowing 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.

RELATED PARTY TRANSACTIONS

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.

BOARD 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. Board committees meet regularly without management. The President and CEO attends Board committee meetings as an invited guest.

Governance and Nominating Committee (“Governance Committee”)

The Governance Committee is composed of five Directors, namely Wendy Evans (Chairperson), Robert Kennedy, Gary Merasty, Frank Coleman and Eric Stefanson, all of whom are independent.

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 (the “Compensation Committee”)

The Compensation Committee is composed of seven Directors, namely Robert Kennedy (Chairperson), Wendy Evans, Stewart Glendinning, Annalisa King, Vi Konkle, Gary Merasty and Victor Tootoo, all of whom are independent.

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 the North West’s strategic objectives, and with a view to attract and retain the best qualified management and employees. See “PART IV — COMPENSATION DISCUSSION AND ANALYSIS” for the report presented this year on executive compensation.

Audit Committee

The Audit Committee is composed of six Directors, namely Eric Stefanson (Chairperson), Frank Coleman, Vi Konkle, Stewart Glendinning, Annalisa King, and Victor Tootoo, all of whom are independent.

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.

COMPENSATION

The remuneration paid to the Directors is reviewed each year by the Governance Committee. The level of compensation is designed to provide a competitive level of remuneration for Directors relative to comparable issuers in the marketplace. The Directors also participate in the Director Deferred Share Unit Plan which is designed to directly align the interests of the Directors with the interests of the Shareholders by providing compensation to Directors in the form of Shares.

The compensation of executives is reviewed each year by the Compensation Committee, which is comprised of seven Directors, all of whom are independent. 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 management and employees.

Please refer to this Circular under the heading "PART IV — COMPENSATION DISCUSSION AND ANALYSIS" for further information on the process for determining executive compensation.

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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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