



HARDWOODS DISTRIBUTION INC.

INFORMATION CIRCULAR

This Information Circular is furnished in connection with the solicitation of proxies by management of the Company (as defined below) for use at the special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (the “**Shares**”) of the Company to be held at B340 – 20161 86th Avenue, Langley, British Columbia, V2Y 2C1 at 9:00 a.m. (Vancouver time), on Friday, December 2, 2022, or at any adjournments thereof, for the purposes set forth in the accompanying Notice of Meeting.

In this Information Circular, the “Company” refers to Hardwoods Distribution Inc., either alone or together with its subsidiaries, as applicable. This Information Circular contains information as at November 1, 2022 unless indicated otherwise.

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by management of the Company for use at the Meeting of Shareholders of Shares of the Company to be held at B340 – 20161 86th Avenue, Langley, British Columbia, V2Y 2C1 at 9:00 a.m. (Vancouver time), on Friday, December 2, 2022, or at any adjournments thereof, for the purposes set forth in the accompanying Notice of Meeting.

It is expected that the solicitation of proxies for the Meeting will be primarily by mail, but proxies may be solicited personally, by telephone or by other means of communication by the directors, officers and regular employees of the Company, who will not be specifically remunerated therefore. All costs of such solicitation of proxies by or on behalf of management of the Company will be borne by the Company.

APPOINTMENT OF PROXIES

The persons named in the accompanying Form of Proxy are directors or officers of the Company. A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent that Shareholder at the Meeting has the right to do so, either by inserting the desired person’s name in the blank space provided in the Form of Proxy or by completing another proper Form of Proxy.

A Form of Proxy must be in writing executed by the Shareholder or by the Shareholder’s agent or attorney. If the Form of Proxy is executed by an agent or attorney, evidence of the agent’s or attorney’s written authority must accompany the Form of Proxy. A proxy will not be valid unless the completed Form of Proxy is received by Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 not less than 48 hours, excluding Saturdays and holidays, preceding the Meeting or an adjournment thereof.

REVOCATION OF PROXIES

A Shareholder who has given a Form of Proxy may revoke it by an instrument in writing executed by the Shareholder, or by the Shareholder’s agent or attorney and delivered to Computershare Investor Services Inc. in the manner as described above, together with evidence of the agent’s or attorney’s written authority, so as to arrive at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the Form of Proxy is to be used, or to the chair of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner provided by law. A revocation of a Form of Proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF PROXIES

The management representatives designated in the enclosed Form of Proxy will vote or withhold from voting the Shares in respect of which they are appointed proxy on any ballot that may be called for in accordance with the instructions of the Shareholder as indicated on the Form of Proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. Where no choice is specified in the Form of Proxy, such Shares will be voted “FOR” the matters described therein and in this Information Circular.

The enclosed Form of Proxy confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any other business is properly brought before the Meeting, it is the intention of the management representatives designated in the enclosed Form of Proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, management knows of no such amendment, variation or other matter which may be presented to the Meeting.

BENEFICIAL SHAREHOLDERS

These meeting materials are being sent to both registered and non-registered Shareholders. If you are a non-registered Shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary/broker holding on your behalf.

Shareholders whose Shares are not registered in their own name are referred to in this Information Circular as “Beneficial Shareholders”. There are two kinds of Beneficial Shareholders: those who have objected to their name being made known to the Company (called “**OBOs**” for Objecting Beneficial Owners) and those who have not objected (called “**NOBOs**” for Non-Objecting Beneficial Owners).

NOBOs can expect to receive a voting instruction form from Broadridge Financial Solutions, Inc. (“**Broadridge**”). These voting instruction forms are to be completed and returned to Broadridge by mail in the envelope provided. Alternatively, NOBOs can call a toll-free number or access Broadridge’s dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and vote the Shares held by them. Broadridge will tabulate the results of the voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by voting instruction forms they receive. Please return your instructions as specified in the request for voting instructions. NOBOs that wish to attend the Meeting and vote in person (or appoint someone else to attend the Meeting and vote on such NOBOs’ behalf) can appoint themselves (or someone else) as a proxyholder by following the applicable instructions on the voting instruction form.

With respect to OBOs, the Company does not intend to pay for intermediaries/brokers to deliver to OBOs meeting materials for the Meeting. Accordingly, an OBO will not receive meeting materials unless the OBO’s intermediary/broker assumes the cost of delivery. Every intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by OBOs in order to ensure that their Shares are voted at the Meeting. Often, the Form of Proxy supplied to an OBO by its broker is identical to that provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the OBO. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically prepares a special voting instruction form, mails those forms to the OBOs and asks for appropriate instructions respecting the voting of Shares to be represented at the Meeting. OBOs are requested to complete and return the voting instruction form to Broadridge by mail in the envelope provided. Alternatively, OBOs can call a toll-free telephone number or access Broadridge’s dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and vote the Shares held by them. Broadridge then tabulates the results of all voting instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. The voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Shares voted. OBOs who receive a form of proxy or voting materials from organizations other than Broadridge should complete and return such form of proxy or voting materials in accordance with the instructions on such materials in order to properly vote their Shares at the Meeting. OBOs that wish to attend

the Meeting and vote in person (or appoint someone else to attend the Meeting and vote on such OBOs' behalf) can appoint themselves (or someone else) as proxyholder by following the applicable voting instructions.

Beneficial Shareholders are not entitled, as such, to vote at the Meeting in person or to deliver a Form of Proxy. If you are a Beneficial Shareholder and wish to appoint yourself as proxyholder to vote in person at the Meeting or appoint someone else to attend the Meeting and vote on your behalf, please see the voting instructions you received or contact your intermediary/broker well in advance of the Meeting to determine how you can do so.

Beneficial Shareholders should carefully follow the voting instructions they receive, including those on how and when voting instructions are to be provided, in order to have their Shares voted at the Meeting.

NOTICE AND ACCESS

The Company is not sending meeting materials for the Meeting to Beneficial Shareholders using the “notice and access” provisions of *National Instrument 54-101 – Communication with Beneficial Owners*. The Company is not sending meeting materials for the Meeting to registered Shareholders using the “notice and access” provisions of *National Instrument 51-102 – Continuous Disclosure Obligations*.

APPROVAL OF RESOLUTION

Unless otherwise specified, a majority of not less than two-thirds (66 ²/₃%) affirmative votes cast by the Shareholders at the Meeting is required to pass the Name Change Resolution (as defined below).

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of November 1, 2022 there are 22,925,100 Shares of the Company issued and outstanding, each of which entitles the holder to one vote on a ballot. There are no other voting securities of the Company issued and outstanding. On a show of hands, every person present and entitled to vote at the Meeting will be entitled to one vote.

Only registered holders of Shares at the close of business on November 1, 2022, the record date for the Meeting established by the directors, are entitled to vote at the Meeting.

To the knowledge of the Company's directors and executive officers, no person beneficially owns, or controls or directs, directly or indirectly, Shares carrying more than 10% of the voting rights attached to any class of voting securities, other than:

<u>Name</u>	<u>Number of Shares⁽¹⁾</u>	<u>Percentage of Outstanding Shares</u>
Peter M. Bull	4,248,572 Shares	18.53%

- (1) The information as to the class and number of voting securities beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Company has been based solely upon reports filed on the System for Electronic Disclosure by Insiders (SEDI) at www.sedi.ca.

NAME CHANGE

Shareholders at the Meeting will be asked to authorize the Company to change its name from “Hardwoods Distribution Inc.” to “ADENTRA Inc.” (the “**Name Change Resolution**”). The Company's business has evolved from focussing on the distribution of hardwood products to the distribution of specialty building products, and the Company's name no longer reflects the broader scope of the Company's business. The proposed name change is in connection with an intended re-branding by the Company.

Although Shareholder approval of the Name Change Resolution is being sought at the Meeting, such name change would only become effective at a date in the future to be determined by the board of directors (the “**Board**”) when it considers it to be in the best interests of the Company to implement the name change. The proposed name

change is also subject to certain regulatory approvals, including the approval of the TSX. In connection with the proposed name change, the Company has applied to the TSX to change its symbol to “ADEN”. The TSX has conditionally approved the proposed name change, subject to the Company fulfilling all of the requirements of the TSX.

The Board unanimously recommends that Shareholders vote FOR the Name Change Resolution, the full text of which is set out in Appendix “A” – “Resolution to be Approved at the Meeting”.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Company at any time since the beginning of the Company’s last financial year and no associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

APPROVAL OF CIRCULAR

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

DATED at Vancouver, British Columbia, this 2nd day of November, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

“Graham M. Wilson”
Director

APPENDIX “A”

RESOLUTION TO BE APPROVED AT THE MEETING

Name Change Resolution

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. Hardwoods Distribution Inc. (the “**Company**”) is hereby authorized to change the name of the company to “ADENTRA Inc.”;
2. the directors of the Company are hereby authorized and empowered, if they decide not to proceed with the aforementioned resolution, to revoke this resolution at any time, without further notice to or approval of the Company shareholders; and
3. any director or officer of the Company is hereby authorized and directed for and on behalf of the Company to make the requisite filing with Corporations Canada, in order to give effect to this resolution and to execute and deliver all such other documents and to do all such acts and things as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing.