



**FAB-FORM**  
*Information Circular*  
**Notice of AGM**  
**Proxy Form**  
**2017**

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8 May 2017

## **LETTER TO OUR SHAREHOLDERS**

On behalf of Fab-Form's Board of Directors and employees, we are pleased to invite you to attend the Fab-Form Annual Meeting of Shareholders on Friday, 16 June 2017, to be held at the Fab-Form head office, Unit 19, 1610 Derwent Way, Delta, British Columbia at 4:00 pm Pacific time.

The business to be considered at our Annual Meeting is described in the accompanying Notice of Annual Meeting and Management Proxy Circular which contains important information about the meeting, voting, the nominated directors, our governance practices and how we compensate our executive and directors. It also describes the Boards' roles and responsibilities and the key activities the Board undertook in 2016.

Your vote is important. We encourage you to participate in this process by voting your shares and, if possible, by attending the Annual Meeting. Whether you choose to vote by proxy or in person, we appreciate your participation in this important meeting.

Sincerely,



**Chris Mattock**

Chairman of the Board



**Richard Fearn**

President and Chief Executive Officer

## **NOTICE OF ANNUAL MEETING**

An Annual Meeting of the Shareholders of Fab-Form Industries Ltd. ("Fab-Form" or the "Corporation") will be held at the Fab-Form Head Office, Unit 19, 1610 Derwent Way, Delta BC V3M 6W1 at 4:00 pm Pacific time on Friday, 16 June 2017 for the following purposes:

1. To receive the Annual Report of the directors to the shareholders, the Financial Statements of the Company and the Auditors Report thereon;
2. To elect directors (either by single resolution or separate votes as the Meeting decides);
3. To appoint auditors for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
4. As a special resolution:
  - a. to ratify and approve the exercise of any stock options granted in the previous year or as granted hereunder;
  - b. to authorize and approve the granting and exercise of stock options in the forthcoming year, subject to the approval by the TSX Venture Exchange, and
  - c. to authorize the directors to renegotiate or cancel any existing stock options;
5. To approve, as an ordinary resolution, to grant authority to the Board of Directors to proceed with and complete one or more private placements within the 12-month period following the meeting up to a maximum of 7,797,988 shares or equal to 100% of the current outstanding shares of the Company, and any consequential change in the effective control of the Company, provided that such placements are completed in accordance with the policies of the TSX Venture Exchange;
6. An ordinary resolution that the members ratify, confirm and approve all acts, deeds and things done by and the proceedings of the directors and officers of the company on its behalf since the last Annual General Meeting of the Company, and
7. To transact such further and other business as may properly come before the Meeting or any adjournments thereof.

To pass the proposed special resolutions, an affirmative vote of not less than seventy-five (75%) per cent of the votes cast by the shareholders of the Company present in person or by proxy at the Meeting is required.

Shareholders of record at the close of business on 14 April 2016, will be entitled to vote at the meeting and are encouraged to participate either by proxy or in person.

DATED the 8<sup>th</sup> day of May 2017

BY ORDER OF THE BOARD



Bruce Clark  
Corporate Secretary

# **MANAGEMENT PROXY CIRCULAR**

## **SECTION 1 – VOTING**

### **Meeting Procedures**

#### **Who can go to the meeting?**

Anyone who holds Common Shares of Fab-Form as of 13 May 2017, which is the record date for the meeting, is entitled to attend the meeting.

#### **Who can vote at the meeting and what are we voting on?**

If you hold Common Shares as of the close of business on 13 May 2017, you have the right to cast one vote per Common Share on the business matters set out in the accompanying Notice of Annual Meeting and any other matters which properly come before the meeting.

#### **How many shareholders do you need to reach a quorum?**

A quorum is reached with at least two people present who hold, or represent by proxy, in the aggregate at least 25 percent of the issued and outstanding Common Shares, being the shares entitled to be voted at this meeting. On the 13 May 2017, Fab-Form had 7,797,988 Common Shares issued and outstanding.

#### **Does any shareholder beneficially own 10 percent or more of the outstanding Common Shares?**

Yes. To the knowledge of the directors and executive officers of Fab-Form, as of 13 May 2016, two individuals beneficially own, directly or indirectly, or exercise control or direction over, Common Shares that carry more than 10 percent of the voting rights attached to all Common Shares entitled to be voted at the meeting.

### **Voting Procedures**

#### **Am I a registered or non-registered shareholder?**

You are a registered shareholder if you have a share certificate in your name.

You are a non-registered shareholder if your shares are registered in the name of an intermediary (such as a bank, trust company, trustee, investment dealer, clearing agency or other institution).

#### **How can I vote if I am a registered shareholder?**

- by attending the meeting and casting your vote in person;
- by appointing someone else as proxy to attend the meeting and vote your shares for you; or
- by completing your proxy form and returning it by mail or delivery, following the instructions on your proxy.

#### **How can I vote if I am a non-registered shareholder?**

If you are a non-registered shareholder and you receive your materials through an investment dealer or other intermediary, complete and return the forms entitling you to vote by following the instructions in those forms.

#### **How is a resolution passed?**

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

#### **How do I appoint someone else to go to the meeting and vote my shares for me?**

Two directors of Fab-Form, Herb Bentz and Chris Mattock, have been named in the proxy to represent shareholders at the meeting. If you are a registered shareholder, you can appoint someone else to represent you at the meeting. Just complete a paper proxy by inserting the person's name in the appropriate space on the proxy form, or complete another acceptable paper proxy. If you are a non-registered shareholder, you can also appoint someone else to represent you at the meeting by following the instructions in the materials you receive through your investment dealer or other intermediary. In either case, the person you appoint does not need to be a shareholder but must attend the meeting to vote your shares.

## **Is there a deadline for my proxy to be received?**

Yes. Your proxy must be received by Fab-Form Industries Ltd. ("Fab-Form"), Attention: Proxy Department, Unit 19, 1610 Derwent Way, Delta BC V3M 6W1, no later than 2:00 pm Pacific time on the 15 June 2017. If the meeting is adjourned, your proxy must be received 48 hours, excluding Saturdays and holidays, before the adjourned meeting date.

## **How will my shares be voted if I return a proxy?**

Shares represented by a proxy will be voted or withheld from voting on any ballot that may be called for at the meeting. A shareholder or intermediary may direct the way the shares represented by the proxy are to be voted by marking the form of proxy accordingly. Where a choice is specified, the shares represented by the proxy will be voted or withheld from voting in accordance with the choice specified. Where no choice is specified in the proxy with respect to a matter identified therein, the shares represented will be voted in favor of any ballot that may be called for on that matter. The form of proxy confers discretionary authority upon the proxy holder in respect of amendments to the matters identified in the accompanying notice of annual meeting, and in respect of any other matters that may properly come before the meeting.

## **What happens if there are amendments or variations or other matters brought before the meeting?**

Your voting instructions provided by proxy give discretionary authority to the person you appoint as proxy holder to vote as he or she sees fit on any amendment or variation to any of the matters identified in the notice of the meeting and any other matters that may properly be brought before the meeting, to the extent permitted by law. As of the 8 May 2017, neither the directors nor executive officers of Fab-Form are aware of any variation, amendment or other matter to be presented for a vote at the meeting.

## **What if I change my mind?**

If you are a registered shareholder and have voted by proxy, you may revoke your proxy by delivering to Fab-Form a duly executed proxy by paper, with a later date or by delivering a form of revocation of proxy. This new proxy must be delivered to Fab-Form Industries Ltd., Attention: Proxy Department, Fab-Form Industries Ltd., Unit 19, 1610 Derwent Way, Delta BC V3M 6W1, any time up to 2:00 pm Pacific time on the 15 June 2017, or if the meeting is adjourned, 2:00 pm Pacific time on the business day before the date of the adjourned meeting.

You may also revoke your proxy and vote in person at the meeting, or any adjournment thereof, by delivering a form of revocation of proxy to the Chairman of the meeting at the meeting before the vote, in respect of which the proxy is to be used, is taken. You may also revoke your proxy in any other manner permitted by law.

If you are a non-registered shareholder, you may revoke your proxy or voting instructions by contacting the individual who serves your account.

## **Is my vote by proxy confidential?**

Yes. All proxies are received, counted and tabulated by Fab-Form in a way that preserves the confidentiality of individual shareholders' votes, except:

- as necessary to meet applicable laws;
- in the event of a proxy contest;
- in the event a shareholder has made a written comment on the proxy; or
- if there is a need for the Chairman to rule on the validity of a proxy.

## **Who is soliciting my proxy?**

Your proxy is being solicited on behalf of management of Fab-Form and Fab-Form will pay for the cost of solicitation. Management will solicit proxies either by mail to your latest address shown on the register of shareholders or by electronic mail to the e-mail address you provided. Additionally, employees or agents may solicit proxies by telephone or other ways at a nominal cost to Fab-Form. Fab-Form may, if determined advisable, retain an agency to solicit proxies for it in Canada and in the United States.

## **What if I want to submit a proposal for consideration at the next annual meeting?**

Shareholders who wish to submit proposals for consideration at the 2018 annual meeting of shareholders must deliver their proposals to Fab-Form by no later than December 17, 2017. All shareholder proposals must comply with the applicable requirements of the Canada Business Corporations Act and shareholders who wish to make such proposals are urged to seek legal advice to ensure their proposal complies with these requirements in full.

## **What if I have more questions?**

Please contact Fab-Form Industries Ltd., telephone: 1-888-303-3278, mail: Fab-Form Industries Ltd., Unit 19, 1610 Derwent Way, Delta BC V3M 6W1; email: info@fab-form.com. Except as otherwise noted, the information contained herein is at 8 May 2017. Unless otherwise specified, all dollar amounts are expressed in Canadian dollars.

## **SECTION II – BUSINESS OF THE MEETING**

### **Financial Statements**

Financial information about Fab-Form is included in the consolidated financial statements and management's discussion and analysis for the year ended 31 December 2016. These documents are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Appointment of Auditors**

The Board of Directors recommends the re-appointment of Culver & Company as auditors of Fab-Form to hold office until the next annual meeting at a remuneration to be determined by the directors.

### **Election of Directors**

The Board of Directors believes the appropriate size for the Board is between three and five members, allowing the periodic ability to expand up to six members to provide an orientation period for new directors prior to the retirement of existing directors. This year, in accordance with the By-laws of Fab-Form, the Board of Directors has determined that five directors will be elected at the annual meeting. The Board has assessed the relative diversity of skills, attributes and experience that the directors standing for election offer, and are satisfied that the nominees adequately satisfy the Board composition requirements. The term of office for all current directors will end on the day of the meeting and management is nominating the four individuals described under the heading "Proposed Management Nominees for Election as Directors" that follows for election at the meeting. Each director elected at the meeting will hold office until his or her successor is elected at the next annual meeting, unless he or she resigns or is otherwise removed from office earlier.

### **Proposed Management Nominees for Election as Directors**

Five of the proposed management nominees are currently directors of Fab-Form. All proposed management nominees are ordinarily resident in Canada. Information regarding each of the proposed nominees, as at 31 December 2016, is set out in the following tables. For each nominee, the information provided includes:

- a brief biography, age and country of residence;
- independence status;
- date first appointed to the Board, and areas of expertise;
- Board and committee meeting attendance;
- details on Board interlocks, if any;
- securities held and market value for the past two years; and
- director compensation for the past two years.

For purposes of measurement and disclosure in the referenced tables, the market value of Common Shares was calculated using Common Share values of \$0.200 and \$0.070, which were the closing trading prices of Fab-Form's Common Shares on the Toronto Stock Exchange on 31 December 2016 and 31 December 2015, respectively.

None of the proposed directors:

- 1) is, as at the date of the information circular, or has been, within 10 years before the date of the information circular, a director or executive officer of any company (including Fab-Form Industries Ltd.) that, while that person was acting in that capacity:
  - a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
  - b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
  - c) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or
- 2) has, within the 10 years before the date of the information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director, state the fact.

## **Herb Bentz**

- Domicile: Vancouver, BC
- Age: 64
- Director since 2001
- Non-Independent Director



### **Areas of Expertise**

- Industrial design
- Accounting and finance

### **Education**

- 1979 - Master of Design from the Royal College of Art, London England
- 1985 - Bachelor of Architecture from the University of British Columbia, Vancouver BC

### **Experience**

- In 1998 Mr. Bentz was one of the founding partners of the Industrial Design Firm Form3 Design Inc. in Vancouver BC. Form3 was set up to sell industrial design services for clients around the world. It is the largest industrial design firm in Western Canada with 6 employees.
- Mr. Bentz is responsible for finance and control systems for Form3 Design.
- CFO of Fab-Form Industries Ltd.

### **Board & Committee Memberships**

Board/Committee Memberships	Attendance	Term in 2016	% of meetings attended
Board of Directors	4 of 4	1 Jan to 31 Dec	100%
Audit Committee	4 of 4	1 Jan to 31 Dec	100%

### **Other Public Company Board/Committee Memberships**

- None

### **Public Board Interlocks**

- None

### **Securities Held**

Year	Common shares	Total Market Value	Minimum Share Ownership (units)	Minimum requirement met
2016	251,612	\$50,322	125,000	Yes
2015	251,612	\$17,613	125,000	Yes

### **Value of Total Compensation Received**

Year	\$
2016	\$1,000.00
2015	\$0.00

## **Chris Mattock**

- Domicile: Vancouver, BC
- Age: 67
- Director since 2001
- Independent Director



### **Areas of Expertise**

- Architecture
- Environment
- Sustainable construction

### **Education**

- 1972 – Bachelor of Arts in Environmental Design, University of Washington, Seattle WA.

### **Experience**

- Principal, Habitat Design + Consulting Ltd. a firm which provides consulting services in:
  - Environmentally Sound Housing Design
  - Building Science Consulting
  - Energy Analysis
  - Ventilation systems design
  - Training Materials Development
- Director, International Eco-House Inc., a firm that carries out design and consulting work as well as specialized building product export to Japan.

### **Board & Committee Memberships**

Board/Committee Memberships	Attendance	Term in 2016	% of meetings attended
Board of Directors	4 of 4	1 Jan to 31 Dec	100%
Audit Committee	4 of 4	1 Jan to 31 Dec	100%

### **Other Public Company Board/Committee Memberships**

- None

### **Public Board Interlocks**

- None

### **Securities Held**

Year	Common shares	Total Market Value	Minimum Share Ownership (units)	Minimum requirement met
2016	128,290	25,658	125,000	Yes
2015	128,290	\$8,980	125,000	Yes

### **Value of Total Compensation Received**

Year	\$
2016	\$1,000.00
2015	\$0.00

## **Don Russell**

- Director since 2016
- Domicile: Vancouver, BC
- Age: 71
- Independent Director



### **Areas of Expertise**

- Management and control
- Sales and marketing

### **Experience**

- President, Russell Food Equipment, [www.russellfood.ca](http://www.russellfood.ca); 2000 - 2015
- Member, numerous manufacturing associations

### **Board & Committee Memberships**

Board/Committee Memberships	Attendance	Term in 2016	% of meetings attended
Board of Directors	4 of 4	1 Jan to 31 Dec	100%
Audit Committee	4 of 4	1 Jan to 31 Dec	100%

### **Other Public Company Board/Committee Memberships**

- None

### **Public Board Interlocks**

- None

### **Securities Held**

Year	Common shares	Total Market Value	Minimum Share Ownership (units)	Minimum requirement met
2016	-	-	-	-
2015	-	-	-	-

### **Value of Total Compensation Received**

Year	\$
2016	\$1,000.00
2015	-

## **Richard Fearn**

- Domicile: White Rock, BC
- Age: 72
- Director since 1999
- Non-Independent Director



### **Areas of Expertise**

- Fabric formwork
- Economics
- Management

### **Education**

- 1966 – Bachelor of Science in Math and Physics, University of British Columbia, Vancouver, BC
- 1968 – Masters in Business Administration, Ivey Business School, London, Ontario
- 1972 – Masters in Economics, London School of Economics, London, England.

### **Experience**

- President and CEO, Fab-Form Industries Ltd., 1986 to present

### **Board & Committee Memberships**

Board/Committee Memberships	Attendance	Term in 2015	% of meetings attended
Board of Directors	4 of 4	1 Jan to 31 Dec	100%

### **Other Public Company Board/Committee Memberships**

- None

### **Public Board Interlocks**

- None

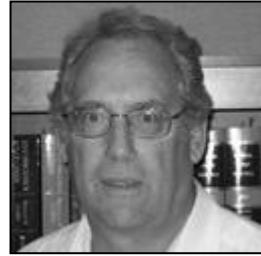
### **Securities Held**

Year	Common shares	Total Market Value	Minimum Share Ownership (units)	Minimum requirement met
2016	3,025,681	\$605,136	125,000	Yes
2015	3,025,681	\$211,798	125,000	Yes

### **Value of Total Compensation Received**

- See section V, Executive Compensation

## Bruce Clark



- Domicile: Vancouver, BC
- Age: 71
- Director since 2014
- Independent status

### Areas of Expertise

- Commercial and civil law, litigation

### Education

- 1968 – BA, Economics, University of British Columbia
- 1972 – MBA, Queen's University, Kingston, Ontario
- 1982 – LLB, University of British Columbia, Vancouver, BC

### Experience

- Lawyer with Preston, Clark, McLeod, Vancouver, BC

### Board & Committee Memberships

Board/Committee Memberships	Attendance	Term in 2016	% of meetings attended
Board of Directors	4 of 4	1 Jan to 31 Dec	100%
Audit Committee	4 of 4	1 Jan to 31 Dec	100%

### Other Public Company Board/Committee Memberships

- None

### Public Board Interlocks

- None

### Securities Held

Year	Common shares	Total Market Value	Minimum Share Ownership (units)	Minimum requirement met
2016	150,000	\$30,000	125,000	Yes
2015	150,000	\$10,500	125,000	Yes

### Value of Total Compensation Received

Year	\$
2016	\$1,000
2015	-

## **Summary of Attendance of Directors**

The following table sets out the attendance (in person and by telephone conference) of the Board of Directors at Board meetings and committee meetings of which they were members during 2015:

<i>Directors</i>	<i>Board meetings attended</i>	<i>Committee meetings attended</i>	<i>% of meetings attended</i>
Herb Bentz	4 of 4	4 of 4	100%
Chris Mattock	4 of 4	4 of 4	100%
Bruce Clark	4 of 4	4 of 4	100%
Don Russell	4 of 4	4 of 4	100%
Richard Fearn	4 of 4	-	100%

It should be noted that the summary of attendance of directors at meetings of the Board of Directors and committees of the Board of Directors is not strictly indicative of the contribution made by each director and that absence from a meeting may have resulted from a variety of factors or causes.

Additionally, all directors are entitled to attend Board committee meetings regardless of whether they are a member of that Board committee.

## **Director Independence**

The following table describes the independence status of each member of the Board and, where applicable, the reasons for the Board's determination that a particular director is not independent.

<i>Directors</i>	<i>Not independent</i>	<i>Independent</i>	<i>Reason for Non-independent status</i>
Herb Bentz	x		Sale of design services
Chris Mattock		x	100%
Don Russel		x	100%
Bruce Clark		x	100%
Richard Fearn	x		President & CEO of Fab-Form

The Board of Directors is currently made up of five members. The Board has considered which of its members are "independent" for purposes of National Instrument 58-101 of the Canadian Securities Administrators and has concluded that Chris Mattock and Bruce Clark are independent as at the date of this circular.

The size of the Board of directors of the Company is currently determined at four. The term of office of each of the current directors will end after the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) ("BCA"), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

In determining the independence of its members, the Board assesses:

- direct or indirect material relationships with Fab-Form which could interfere with the exercise of his/her independent judgment;
- employment by, or other relationship with, Fab-Form or with its internal or external auditor, in which case the member will be deemed not independent until the prescribed period of three years has elapsed since the end of the service;
- immediate family member relationships with Fab-Form, its internal or its external auditor;
- any payment of fees by Fab-Form to the member or the member's immediate family. Fab-Form does not arrange any personal loans or extension
- of credit to its directors; and
- direct or indirect relationships of its members with other members of the Board.

## **Interlocking Outside Boards**

In assessing the inter-relationships of Board members, Fab-Form reviews those directors that serve on the same Boards and committees of other reporting issuers. There are currently no interlocking directorships.

## **SECTION III – CORPORATE GOVERNANCE**

Fab-Form's Board of Directors and management are committed to the highest corporate governance standards and understand that such standards are central to the efficient and effective operation of Fab-Form in a manner that ultimately enhances shareholder value.

National Instrument 58-101 – Disclosure of Corporate Governance Practices ("NI 58-101") of the Canadian Securities Administrators requires issuers, such as Fab-Form, to disclose certain corporate governance practices they have adopted.

The size of the Board of directors of the Company is currently determined at four. The term of office of each of the current directors will end after the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) ("BCA"), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

As required by NI 58-101 and other applicable regulatory instruments, the following disclosure describes the corporate governance policies and initiatives developed by Fab-Form. For additional disclosure relating to the Company's corporate governance, see Schedule A attached to this management proxy circular.

### **Board Mandate**

The Board of Directors has overall responsibility for Fab-Form's business conduct. The Board fulfills this responsibility both directly and by delegating certain authority to Board committees and to Fab-Form's senior management.

The Board has delegated responsibility for the integrity of internal controls and management information systems to the Audit Committee. The Company's external auditors report directly to the Audit Committee. In its regular meetings with the external auditors, the Audit Committee discusses, among other things, the Company's financial statements and the adequacy and effectiveness of the Company's internal controls and management information systems.

The Board has developed a Disclosure Policy to document the procedures that have been and continue to be in place, to which the Company's management adheres. These procedures ensure effective communication between the Company and its shareholders and the public. The Board of Directors has delegated responsibility for communication with the public and the Company's shareholders to its President and Chief Executive Officer and Chief Financial Officer. Procedures are in place to ensure proper dissemination of news releases, and that those shareholders who request information about the Company receive it in a timely manner. Inquiries by shareholders are directed to and dealt with by Senior Management.

The direct responsibilities of the Board include:

- choosing Fab-Form's Chief Executive Officer, who is responsible for all of Fab-Form's day-to-day operations;
- reviewing and approving a strategic plan that takes into account an identification of business opportunities and business risks;
- overseeing and monitoring management's systems for the operations of Fab-Form;
- monitoring and assessing Fab-Form's performance in meeting both short and long-term goals established by the Board;
- directly reviewing and approving major transactions proposed by management;
- reviewing the content of significant communications with shareholders and the investing public, including this management proxy circular, annual reports, annual information forms and quarterly and annual financial statements and their associated press releases;
- approval of the appointment of all corporate officers and the remuneration of all top senior executive officers, namely the Chief Executive Officer and senior executives reporting to the Chief Executive Officer.

### **Board Meetings**

During 2016, the Board of Directors met on four occasions, including one meeting devoted exclusively to Fab-Form's corporate strategy and direction. All meetings were held in person or by phone.

### **Retirement Policy**

All directors are eligible for re-election until reaching age 75, and must retire, at the next annual meeting following the date on which the director reaches the age of 75. The Board may waive this policy if after conducting a thorough search, a qualified replacement director cannot be found or if the retiring director possesses such unique skills that the loss of these skills would be a material loss to Fab-Form.

## **Ethical Business Conduct**

Fab-Form has adopted a Code of Conduct (the "Code") which governs the behavior of all directors, officers and employees of Fab-Form and its subsidiaries. The Code sets out the fundamental terms upon which Fab-Form conducts its business and deals with subjects such as compliance with laws, fiscal integrity and responsibility, health and safety, care of the environment, conflicts of interest, ensuring equal opportunities and providing a workplace free from harassment.

The Board monitors compliance with the Code through the Audit Committee. Suspected Code violations are reported to the Audit Committee which investigates and, where appropriate, takes appropriate action.

## **Nomination of Directors**

The Board does not have a nominating committee. The Board ascertains the suitability of new candidates for the Company's management and director positions and reviews the performance of the Company's current management and directors on a regular basis.

## **Communications with the Board**

Shareholders, employees and other interested parties may communicate directly with the Board of Directors, through the Chairman of the Board, in writing to:

Chairman, Board of Directors  
c/o Corporate Secretary  
Fab-Form Industries Ltd.  
Unit 19, 1610 Derwent Way  
Delta BC V3M 6W1

Please send your communication in a sealed envelope and mark it Private and Confidential. Your envelope will be delivered unopened to the intended recipient.

## **Audit Committee**

### **Mandate and Report**

The Audit Committee aids the Board of Directors in fulfilling its oversight responsibility to the shareholders with respect to Fab-Form's:

- ethical business conduct;
- financial statements;
- financial reporting process;
- systems of internal and disclosure controls;
- internal audit function;
- external audit function;
- financial arrangements and liquidity; and
- risk identification, assessment and management program.

It is the responsibility of the Committee to maintain an open avenue of communication between itself, the external auditors and management of Fab-Form. In performing its role, the Committee is empowered to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of Fab-Form. It is also empowered to retain outside counsel or other experts as required.

National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as follows:

### **Composition of the Audit Committee**

The Company's Audit Committee is composed of three directors: Herb Bentz, Bruce Clark, Don Russell and Chris Mattock. Chris Mattock, Don Russell and Bruce Clark are independent directors. The Audit Committee is primarily responsible for reviewing the annual and interim financial statements of the Company before they are officially approved by the Board and / or related to the public. It is also responsible for monitoring the Company's system of interim controls. When it deems it necessary, the Audit Committee may communicate directly with the Company's internal controller and outside auditors.

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board of directors, reasonably interfere with the exercise of a member's independent judgment. A member of the Audit Committee is considered financially literate if he or she can read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

### **Relevant Education and Experience**

All members of the audit Committee have the education and practical experience required to understand and evaluate financial statements. Herb Bentz is responsible for the preparation and review of the financial statements for the Company he works for, Form3 Design Inc. Mr. Chris Mattock has accounting experience in the preparation and review of the financial statements for the firm Habitat Design and Consulting Ltd. Mr. Don Russell was responsible for the accounting and financial statements for the firm Russell Food Equipment.

### **External Auditor Services Fees**

The fees paid to the Auditor were \$16,106 in 2016 and \$13,943 in 2015.

At no time since the commencement of the Company's most recently completed financial year, has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

### **Exemption**

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

## **SECTION IV – BOARD OF DIRECTORS COMPENSATION**

Fab-Form's Board of Directors and Management are committed to the highest corporate governance standards and understand that such standards are central to the efficient and effective operation of Fab-Form in a manner that ultimately enhances shareholder value.

As required by NI 58-101 and other applicable regulatory instruments, the following disclosure describes the corporate governance policies and initiatives developed by Fab-Form.

### **Director Compensation Plan**

The objectives of Fab-Form's director compensation program focus on the following elements:

- philosophy and objectives;
- evaluating the program against comparative Canadian companies;
- cash flow constraints
- fees and retainers and equity-based compensation;
- share ownership requirements; and

Each of these elements is described in more detail below.

### **Philosophy and Objectives**

Fab-Form's main objective in designing the directors' compensation plan has been to develop a plan which supports the successful recruitment and retention of qualified individuals to serve as members of its Board. The compensation is intended to provide an appropriate level of remuneration considering the responsibilities, time requirements and accountability of their roles. Directors who are also employees of Fab-Form or its subsidiaries do not receive any additional remuneration for acting as directors.

In its effort to align the interests of members of the Board with those of our shareholders, Fab-Form directors are required to meet minimum shareholder guidelines as part of the overall director compensation program.

In establishing an effective directors' compensation plan, Fab-Form strives to achieve a level of director compensation that is competitive and that achieves the median level of compensation paid by companies that are comparable in size and in a similar business, given cash flow constraints.

### **Cash Flow Constraints**

The primary determinant of Director compensation is the ability of the Company to pay, based on cash flow constraints. The current Directors are fully aware of the working capital position of the Company, and have voluntarily waived cash compensation.

## **Fees and Retainers and Equity-Based Compensation**

Director compensation excludes:

- annual retainers and additional retainers for chairing or serving on committees;
- Board and committee meeting and conference call fees;
- travel fees to cover the necessary travel time to attend Board and committee meetings; and
- equity-based compensation in the form of DSUs.

The table below shows Fab-Form's 2015 retainers and fee schedule for directors:

<i>Directors' Remuneration</i>	<i>Amount \$</i>
Chairman of the Board Annual Retainer	\$0
Director Annual Retainer	\$0
Audit Committee Chair Additional Retainer	\$0
Board Meeting Fee (2)	\$0
Committee Meeting Fee (2)	\$0

(2) If a meeting is held at a place other than the city in which a director is resident, he/she receives a travel allowance in recognition of the time required to travel to and from the meeting.

### **Evaluating the Program**

The Board reviews directors' compensation annually and makes recommendations to the Board. In 2015, as part of Fab-Form's annual review and in-lieu of a third-party comprehensive review, director compensation was assessed and reviewed both by management and the Board for competitiveness. The Board approved the recommendations that no changes be made to the director compensation program in 2016.

### **Share Ownership Requirements**

Fab-Form and the Board of Directors believe that the interests of shareholders and directors are better aligned when the directors hold significant investments in Fab-Form. In support of this belief, Fab-Form has fixed minimum requirements for share ownership by Fab-Form's directors. Share ownership includes holdings of Fab-Form's Common Shares. The current share ownership requirements are:

- by no later than two years after their appointment or election to the Board, director must hold Common Shares having a value equal to the annual retainer then payable to directors;
- by no later than five years after their appointment or election to the Board, directors must hold Common Shares having a value equal to five times the annual retainer then payable to directors;
- once their minimum guidelines have been achieved, if a director's share ownership later falls below the minimum guidelines due to a decline in the share price, such director will have two years to restore the compliance; and
- for the purposes of these requirements, the value of the share ownership is defined as the greater of:
  - the original amount paid by the director to acquire the Common Shares
  - the current market value of those shares at the point of measurement, normally the last trading day of the year.

These requirements are audited annually at the end of the calendar year by the Secretary and are reported to the Board. The most recent review indicates that all directors are in compliance with these requirements. The Board of Directors believes that the Share Ownership Requirements provide an effective alignment of shareholder and directors' interests.

## **2016 Director Compensation**

The following table sets out the value of fees and other compensation paid to non-executive directors of Fab-Form during 2016. For details on compensation paid to Mr. Fearn who is an executive director of Fab-Form, refer to Section V.

<i>Director</i>	<i>Annual Cash Retainer (\$)</i>	<i>Meeting Fees (\$)</i>	<i>Travel Fees (\$)</i>	<i>Total Fees &amp; Cash Retainer</i>
Chris Mattock	\$1,000	\$0	\$0	\$0
Bruce Clark	\$1,000	\$0	\$0	\$0
Don Russell	\$1,000	\$0	\$0	\$0
Herb Bentz	\$1,000	\$0	\$0	\$0

<b>Total</b>	<b>\$4,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
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#### **Outstanding Share-Based Awards and Option-Based Awards**

Fab-Form ceased issuing options to non-executive directors in 2009 and as of 31 December 2016 there were no outstanding options held by nonexecutive directors.

## **SECTION V – EXECUTIVE COMPENSATION**

### **2016 Compensation Discussion & Analysis**

The objectives of Fab-Form's executive compensation program are to:

- enable Fab-Form to attract individuals who have the leadership and management skills to drive the future growth and success of the Company;
- retain the services of valued members of Fab-Form's executive team;
- motivate executives to achieve excellence within their respective areas of responsibility and together as a team;
- reward executives for their individual and collective contributions to Fab-Form's success and encourage a strong link between an individual's compensation and the interests of the Company and its shareholders; and
- support the health and the well-being of the members of the executive team.

The executive compensation program is driven by a core set of principles embedded in Fab-Form's overall compensation philosophy. While the actual performance targets may vary from year to year, the following principles relating to the program remain constant.

<b>Principle</b>	<b>Implementation</b>
Senior executives should be focused on building shareholder value.	Board seeks to focus senior management on several key financial metrics that it considers to be key drivers of shareholder value.
Compensation must be performance-based	Total individual compensation varies from year to year depending on corporate, business unit, and individual performance results.
A significant portion of senior executives' compensation should be at risk.	The senior executives' compensation plan contains elements of pay at risk, in the sense that an executive does not receive certain compensation amounts until a minimum performance target is achieved and will receive increasing amounts as performance exceeds the targets.
Senior executives should focus on building the business over a medium and long-term time horizon.	The senior executives' compensation plan includes a long-term incentive plan that is focused on accomplishing results with a medium to longer term view.
Any bonus structure should be simple and easy to understand.	A limited number of clear metrics are used.

### **Compensation Decision Making Process**

The total compensation program for senior executives of Fab-Form is comprised of four basic components:

- i) base salary;
- ii) a cash short-term incentive program;
- iii) a long-term incentive program; and
- iv) pension, benefits and other perquisites.

The Board reviews the various compensation components both individually and in total, on an annual basis, to ensure they align with the overall objectives of the program, cash flow constraints and general market practices. The Board aims for total compensation to be at approximately the 50<sup>th</sup> percentile when compared to the total compensation provided by Fab-Form's comparator companies if target performance is achieved and above or below the 50th percentile when performance is above or below target, respectively.

### **Compensation Program Components**

Set out below is a summary of each component of executive compensation with a description of why Fab-Form chooses to use each component and how the amount of each component is determined.

#### **Base Salary**

The payment of a base salary is used by Fab-Form as the basic method of compensating senior executives and is part of the mechanism used by Fab-Form to provide senior executives with a portion of total compensation that is not "at risk" and does not depend on the performance of Fab-Form's business or the achievement of specific targets or goals. The Board believes the provision of such a base salary is an important component of Fab-Form's ability to attract and retain individuals who have the leadership and management skills to drive the further growth and success of Fab-Form's business.

As a general rule, the base salary for each senior executive is established after a review of competitive market data. Typically, the Board seeks to ensure that base salary for each such senior executive is fixed at approximately the market median (50<sup>th</sup> percentile). However, base salaries may vary above or below the market median depending on the Board's view of individual performance or to ensure internal consistency between senior executive positions.

The base salary will be adjusted downwards by the Board should cash flow deem this necessary.

### **Short-Term Incentives**

Fab-Form uses a cash bonus system to compensate senior executives for their efforts in achieving a series of financial and individual performance targets in the current fiscal year.

This component of Fab-Form's total compensation package is clearly "at risk" in the sense that, for each target established, an executive does not receive any cash payment until a minimum performance threshold is achieved. Upon achieving threshold, 50% of target is paid. Thereafter, payments increase for performance that exceeds those thresholds up to a maximum of twice the target payment. The Board believes that these short-term incentive bonuses assist with attracting and retaining senior executives (given the potential for significant amounts being paid if all targets are achieved or exceeded) while at the same time motivating those executives to use their best efforts to drive the short-term performance of Fab-Form's business in a manner that benefits both Fab-Form and its shareholders.

Short-term incentives will be adjusted downwards by the Board should cash flow deem this necessary.

### **Long-Term Incentives**

The long-term incentive plan is designed to retain high performing executives and to encourage those senior executives to:

- drive the medium and longer term growth of Fab-Form's business; and
- align their interests and objectives with those of Fab-Form's shareholders.

Fab-Form's long-term incentive plan is the capital appreciation of Fab-Form's common stock.

### **Pension, Benefits and Other Perquisites**

Fab-Form provides minimal benefit programs to its senior executives. These do not include any defined benefit pension plans nor executive supplementary income plans. Health and dental coverage is available for executives, employees and dependants under stringent conditions.

Fab-Form provides a car allowance to senior executives but does not provide: (i) club dues; (ii) tax consultation reimbursement; nor (iii) annual executive medical examinations. The Board reviews the terms of these programs regularly and benchmarks them against similar plans offered by Fab-Form's comparator group companies. The Board's intention is generally to fix the value of the benefits conferred by these programs at around the 50th percentile when compared to similar plans and programs offered by comparator group companies.

The value of all benefits conferred under such plans and programs to the Chief Executive Officer and named executive officers in 2014 is described later in the Summary Compensation Table.

### **Managing Compensation Risk**

The Board develops and reviews the compensation plans, philosophy, guidelines and policies for senior executives with a view to ensure that there is a link between pay and performance while striking a balance with risk management. Having considered the features of the compensation program, as noted below, the Board does not believe that any risks arise from Fab-Form's compensation policies and practices that are reasonably likely to have a material impact on the company.

The nature of the business in which Fab-Form operates requires significant risk-taking in order to achieve growth and desired outcomes in the best interest of shareholders given the working capital in place as of 31 December 2014. Fab-Form's executive compensation policies and programs seek to encourage behaviors directed to increase long term value while limiting incentives that promote excessive risk-taking.

Policies and guidelines are in place regarding executive share ownership requirements, with a view to aligning interests of senior executives and shareholders and limiting risk. More information on these policies is provided below.

## **Share Ownership Requirements for Senior Executives**

Fab-Form strongly encourages share ownership by its executives. It believes that the interests of shareholders and executives are better aligned when its executives directly hold investments in Fab-Form and has established minimum requirements for share ownership by its senior executives.

Shareholdings are defined as the total of Common Shares owned by the executive. Based on the terms of the requirements, the shareholdings are valued at the greater of the market price at the point of measurement or at the price paid to initially acquire those shareholdings. The requirements for the CEO and Named Executive Officers are:

- the Chief Executive Officer is required to hold, at a minimum, Common Shares of Fab-Form with a value equal to three times his or her annual salary within five years of the date of his or her appointment to that position;
- senior executives are required to hold, at a minimum, Common Shares of Fab-Form with a value equal to one and a half times his or her annual salary by the same deadline; and

The table below summarizes the number of Common Shares held by Fab-Form's Named Executive Officers as at 31 December 2016.

Name	Ownership multiple	# Common Shares held	\$ value of Shareholdings	% of Requirement Achieved	Meets Guidelines?
Richard Fearn	3x	3,025,681	\$605,136	1,532%	Yes

The Board reviews ownership levels on an annual basis. As of 31 December 2016, the Board is satisfied that all senior executives have met the ownership guidelines.

## **Hedging Policy**

All executive management and directors of Fab-Form are prohibited from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities granted to them as compensation or held directly or indirectly by them. Hedging may also not be utilized to offset the value of the shareholding requirements set by Fab-Form's share ownership guidelines for executive management and directors.

## **Clawback Policy**

If a restatement of Fab-Form's financial statements is necessary because of the Chief Executive Officer's misconduct, intentional misstatement of information, gross negligence or fraud and the restated financial statements result in a lower amount of incentive compensation owing to him for the period covered by the restated financial statements, then he will be required to repay all or some of the incentive compensation paid to him in the prior 24-month period.

## **Pay at Risk**

A key principle of Fab-Form's program is to ensure that a significant portion of the senior executives' compensation should be at risk. The table below shows the amount of pay at risk as a percent of total direct compensation for the Named Executive Officers. Total direct compensation includes base salary, short-term incentive (cash), and long-term incentives. Target is based on a 50th percentile valuation, as provided from comparator group data.

Name	Salary	Bonus (at Target)	Stock Options (at Target)	Pay at Risk
Richard Fearn	\$33,555	\$0	\$0	100%

## Statement of Executive Compensation

### Named Executive Officers

Our NEO is the Chief Executive Officer. His profile provides a brief biography, share ownership levels and summary of total compensation over the past three years. For purposes of measurement and disclosure in the referenced tables, the market value of Common Shares was calculated using Common Share values of \$0.04 , \$0.035, and \$0.04, which were the closing trading prices of Fab-Form's Common Shares on the Toronto Stock Exchange on 31 December 2015, 31 December 2014 and 31 December 2013, respectively.

#### Richard Fearn President & Chief Executive Officer

- Domicile: White Rock, BC
- Age: 72



#### Areas of Expertise

- Fabric formwork
- Economics
- Management

#### Education

- 1966 – Bachelor of Science in Math and Physics, University of British Columbia, Vancouver, BC
- 1968 – Masters in Business Administration, Ivey Business School, London, Ontario
- 1972 – Masters in Economics, London School of Economics, London, England.

#### Securities Held

Year	Common shares	Total Market Value
2016	3,025,681	\$605,136
2015	3,025,681	\$211,798
2014	3,025,681	\$166,412

#### Share Ownership Guidelines

Ownership Multiple	Requirement \$	Eligible Holdings	% Guidelines Achieved	Meets Guideline?
3x	\$15,789	\$211,798	1,340%	Yes

#### Total Compensation

Item	2016	2015	2014	2013
Base salary	33,555	\$9,636	\$18,232	\$5,263
Short term incentive	0	0	0	0
Long term incentive	0	0	0	0
Pension value	0	0	0	0
All other compensation	0	0	3,000	3,000
Total Compensation	33,555	\$9,636	\$21,232	\$8,263

#### Pension Plan Disclosure

Fab-Form provides no pension plans for its employees nor executives.

## **SECTION VI – OTHER INFORMATION**

### **Directors and Officers Liability Insurance**

Fab-Form provides no liability insurance for its directors and officers.

### **Other Matters**

#### **Indebtedness of Directors and Executive Officers**

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date hereof.

#### **Interest of Certain Persons in Matters to be acted upon**

No director or executive officer of the Company or any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors or the appointment of auditors.

#### **Interest of Informed Persons in Material Transactions**

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended 31 December 2014, or has any interest in any material transaction in the current year.

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date hereof.

No director or executive officer of the Company or any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors or the appointment of auditors.

### **Additional Information**

Additional information is included in the Company's audited financial statements and in management's discussion and analysis, copies of which are available on SEDAR at [www.sedar.com](http://www.sedar.com) or upon request from Richard Fearn, the Company's Chief Executive Officer, at telephone no: (604) 596-3278 or email: rick@fab-form.com. The Company may require payment of a reasonable charge from any person or company requesting copies of such documents, who are not a security holder of the Company.

### **Other Matters**

The Directors are not aware of any other matters which they anticipate will come before the Meeting as of the date of mailing of this Information Circular. The contents of this Information Circular and its distribution to shareholders have been approved by the Board of Directors of the Company.

The contents of this Information Circular and its distribution to shareholders have been approved by the Board of Directors of the Company.

Dated as of the 20 May 2017.



Bruce Clark  
Corporate Secretary

# FORM OF PROXY

## APPOINTMENT OF PROXY HOLDER:

I/We, being holder(s) of Fab-Form Industries Ltd. Common shares hereby appoint: H. Bentz, or failing him, C. Mattock  O Print the name of the person you are appointing if this person is someone other than the Chairman of the Meeting  R

as my/our proxy holder with full power of substitution and to attend, act and to vote for and on behalf of the shareholder in accordance with the following direction (or if no directions have been given, as the proxy holder sees fit) and all other matters that may properly come before the Annual Meeting of shareholders of Fab-Form Industries Ltd. to be held at Fab-Form, Unit 19, 1610 Derwent Way, Delta BC V3M 6W1 on Friday, 16 June 2017, 4:00 PM and at any adjournment or postponement thereof.

## VOTING FOR RESOLUTIONS (see table below)

Voting recommendations are indicated by a '\*' in the box. For full details of each resolution, please see the enclosed Information Circular.

<b>Resolution</b>	<b>For</b>	<b>Against</b>	<b>Withhold</b>
1. Appointment of Culver & Co. as auditors	*	N/A	
2. To authorize the Directors to fix the Auditors' remuneration	*		N/A
3. To determine the number of Directors at five (5)	*		N/A
4. To elect as Director, Richard Fearn	*	N/A	
5. To elect as Director, Herb Bentz	*	N/A	
6. To elect as Director, Chris Mattock	*	N/A	
7. To elect as Director, Bruce Clark	*	N/A	
8. To elect as Director, Don Russell	*	N/A	
9. A special resolution, (a) to ratify and approve the exercise of any stock options granted in the previous year or as granted hereunder, (b) to authorize and approve the granting and exercise of stock options in the forthcoming year, subject to the approval by the TSX Venture Exchange and (c) to authorize the directors to renegotiate or cancel any existing stock options;	*		N/A
10. An ordinary resolution to grant authority to the Board of Directors to proceed with and complete one or more private placements within the 12-month period following the meeting up to a maximum of 7,797,988 shares or equal to 100% of the current outstanding shares of the Company, and any consequential change in the effective control of the Company, provided that such placements are completed in accordance with the policies of the TSX Venture Exchange;	*		N/A
11. To ratify, confirm and approve all acts, deeds and things done by and the proceedings of the directors and officers of the Company on its behalf since the last Annual General Meeting of the Company	*		N/A

## AUTHORIZED SIGNATURE(S)

This section must be completed for your instructions to be executed.

I/We authorize you to act in accordance with my/our instructions set out above. I/We hereby revoke any proxy previously given with respect to the Meeting. If no voting instructions are indicated above, this Proxy will be voted as recommended by Management.

Signature	Date
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## Interim Financial Statements and Annual Financial Statements

If you wish to receive the Interim and Annual Statements and Management Discussion & Analysis by email, and not by mail, complete this box.

Email address
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**FAB-FORM INDUSTRIES LTD.**, Unit 19, 1610 Derwent Way, Delta BC V3M 6W1, email: [info@fab-form.com](mailto:info@fab-form.com)  
 (See next page for notes to this proxy form)

## Notes to Proxy Form

For:

ANNUAL MEETING: SHAREHOLDERS OF FAB-FORM INDUSTRIES LTD.

TO BE HELD AT: Unit 19, 1610 Derwent Way, Delta BC V3M 6W1

DATE & TIME: Friday, 16 June 2017, 4:00 PM

1. Every holder has the right to appoint some other person or company of their choice, who need not be a holder, to attend and act on their behalf at the meeting or any adjournment or postponement thereof. If you wish to appoint a person or company other than the persons whose names are printed herein, please insert the name of your chosen proxy holder in the space provided (see reverse).
2. If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc.), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you must sign this proxy with signing capacity stated, and you may be required to provide documentation evidencing your power to sign this proxy.
3. If this proxy is not dated, it will be deemed to bear the date on which it is mailed by Management to the holder.
4. The securities represented by this proxy will be voted as directed by the holder, however, if such a direction is not made in respect of any matter, this proxy will be voted as recommended by Management.
5. The securities represented by this proxy will be voted in favour or withheld from voting or voted against each of the matters described herein, as applicable, in accordance with the instructions of the holder, on any ballot that may be called for and, if the holder has specified a choice with respect to any matter to be acted on, the securities will be voted accordingly.
6. This proxy confers discretionary authority in respect of amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the meeting or any adjournment or postponement thereof.
7. This proxy should be read in conjunction with the accompanying documentation provided by Management.
8. Proxies submitted must be received no later than forty-eight hours, excluding Saturdays, Sundays and holidays, prior to the time of the meetings or adjournment thereof.

**Fab-Form Industries Ltd.**

Unit 19, 1610 Derwent Way, Delta BC V3M 6W1

**604.596.3278**

## SCHEDULE A - National Instrument 58-101: Disclosure of Corporate Governance

	PRACTICE	FAB-FORM
<b>1.</b>	<b>Board of Directors</b>	
a.	Disclose the identity of directors who are independent.	Chris Mattock, Don Russell and Bruce Clark are independent.
b.	Disclose the identity of directors who are not independent, and describe the basis for that determination.	Richard Fearn is the current President and CEO of Fab-Form and therefore not independent of management. Herb Bentz of Form3 Design provided design services in 2010 and in prior years.
c.	Disclose whether a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.	50% of the board is independent. Herb Bentz's Company has not had a business transaction with Fab-Form since 2010 and can be considered independent.
d.	If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	No directors are currently a director of another reporting issuer.
e.	Disclose whether the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.	The independent directors do not hold separate meetings outside the regularly scheduled meetings due to the small size of the board.
f.	Disclose whether the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.	The chairman of the board, Chris Mattock, is independent. The Chair, as the presiding Board member, must ensure that relationships amongst board members are effective and efficient and further the best interests of the Corporation. In performing this role, the Chair must work with the Chief Executive Officer ("CEO"), manage the Board, and together with the CEO ensure effective relations with shareholders, Fab-Form, other stakeholders and the public.  The Chair, while working closely with the CEO, should at all times retain an independent perspective to best represent the interests of the Corporation's shareholders, other stakeholders and the Board.
g.	Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	The attendance record of each of the directors is shown in the table "Summary of Attendance of Directors" on page 12.
<b>2.</b>	<b>Board Mandate</b>	
a.	Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.	The board's written mandate is found on Schedule C attached to this document.
<b>3.</b>	<b>Position Descriptions</b>	
a.	Disclose whether the board has developed written position descriptions for the chair	The Board has developed written position descriptions for the

	and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.	Chairman of the Board and for the Lead Director.
b.	Disclose whether the board and Chief Executive Officer have developed a written position description for the Chief Executive Officer. If the board and Chief Executive Officer have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the Chief Executive Officer.	The Board and Chief Executive Officer have developed a written position description for the Chief Executive Officer, which is reviewed annually.
<b>4.</b>	<b>Orientation and Continuing Education</b>	
a.	Briefly describe what measures the board takes to orient new directors regarding the board's role, the business of Fab-Form.	<p>New directors are also provided a detailed package of information describing Fab-Form and its business. In addition, all new directors meet with senior management for detailed briefings. Briefings and materials supplied include details on:</p> <ul style="list-style-type: none"> <li>• strategic plans;</li> <li>• governance structures and codes of conduct;</li> <li>• significant accounting and risk management issues, including any major litigation claims;</li> <li>• financial reporting and accounting and treasury policies and procedures;</li> <li>• key performance metrics utilized by Fab-Form;</li> <li>• recent regulatory filings; and</li> <li>• past minutes of Board meetings.</li> </ul> <p>The orientation program also involves direct visits to jobsites and facilities, where appropriate.</p>
b.	Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.	<p>Each director ultimately assumes responsibility for keeping himself or herself informed about Fab-Form's business and relevant developments outside Fab-Form that affect its business. Management assists directors by providing them with regular updates on relevant developments and other information that management considers of interest to the Board, including information regarding investor relations activities, analyst reports and shareholder information. Directors may also attend other Fab-Form committee meetings if they are not active members, to broaden their knowledge base and receive additional information on Fab-Form's business and developments in areas where they are not commonly exposed.</p>

## SCHEDULE B – Terms of Reference for the Board of Directors

### **1. Introduction**

- i) The primary responsibility of the Board is to foster the long-term success of the Corporation consistent with its fiduciary responsibility to the shareholders to maximize shareholder value and provide strategic oversight.
- ii) The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. Subject to the Articles and By-laws of the Corporation, the Board retains the responsibility for managing its own affairs, including planning its composition, selecting its Chair, nominating candidates for election to the Board, appointing committees and determining director compensation.
- iii) These terms of reference are prepared to assist the Board and management in clarifying responsibilities and ensuring effective communication between the Board and management.

### **2. Composition and Board Organization**

- i) Nominees for director are initially considered and recommended by the Corporate Governance Committee of the Board, approved by the entire Board and elected annually by the shareholders of the Corporation.
- ii) A majority of directors comprising the Board must qualify as independent directors.
- iii) Certain of the responsibilities of the Board referred to herein may be delegated to committees of the Board. The responsibilities of those committees will be as set forth in their terms of reference, as amended from time to time.

### **3. Duties and Responsibilities**

#### **Managing its Own Affairs:**

- i) planning its composition and size;
- ii) selecting and setting the terms of reference for the Board Chair;
- iii) nominating candidates for election to the Board;
- iv) appointing committees;
- v) determining director compensation;
- vi) assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities;
- vii) approving any recommended changes to the terms of reference for the Board, the Board Chair, the President & Chief Executive Officer, Board committees and the Guidelines for the Board of Directors;
- viii) setting annual board objectives;

#### **Management and Human Resources:**

- i) for the appointment and replacement of a Chief Executive Officer ("CEO"), for monitoring CEO performance, for approving CEO compensation and providing advice and counsel to the CEO in the execution of the CEO's duties;
- ii) for approving terms of reference for the CEO;
- iii) in consultation with the CEO, for approving annual objectives that the CEO is responsible for meeting;
- iv) to the extent feasible, for satisfying itself as to the integrity of the CEO and other senior officers, and that the CEO and other senior officers create a culture of integrity throughout the organization;
- v) for acting upon the advice of the CEO, and the recommendation of the Human Resources Committee, for approving the appointment of all corporate officers and the remuneration of the Leadership Team, defined as all Executive Management directly reporting to the CEO, the country operational Presidents and any other employees of the Corporation as designated by the CEO; and
- vi) for ensuring that plans have been made for management succession including appointing, training and monitoring senior management.

#### **Monitoring and Acting:**

- i) for monitoring the Corporation's progress towards its annual operating plan and strategic goals, and for revising and altering corporate direction through management in light of changing circumstances;
- ii) for approving any payment of dividends and new financings;
- iii) to ensure management identifies the principal risks of the Corporation's business (including country investment and political risks) and takes all reasonable steps to ensure the implementation of appropriate systems to manage these risks; and
- iv) for directing management to ensure systems are in place for the implementation and integrity of the Corporation's internal control and information technology systems.

### **Planning and Strategy Determination**

- i) for annual review and approval of the Corporation's annual operating plan;
- ii) for adopting a strategic planning process;
- iii) for approving, at least annually, a strategic plan that takes into account, among other things, the opportunities and risks of the business; and
- iv) for reviewing with management, the mission of the business, its objectives and goals, and the strategy by which it proposes to reach those goals.

### **Policies and Procedures**

- i) with consideration to the recommendation of the Audit Committee, for nominating an External Auditor for approval by shareholders; and if the Board does not adopt the Audit Committee's recommendation for External Auditor;
- ii) with consideration to the recommendation of the Audit Committee, for approving the compensation of the External Auditor; and if the Board does not adopt the Audit Committee's recommendation, ensure this fact is disclosed;
- iii) for taking reasonable steps to ensure the implementation and integrity of the Corporation's internal control and management information systems;
- iv) for reviewing operating and financial performance relative to budgets or objectives;
- v) for approving annual and quarterly financial statements and approve release thereof by management;
- vi) for approving the Management Proxy Circular, Annual Information Form and documents incorporated by reference therein; and
- vii) for approving the commencement or settlement of litigation that may have a material impact on the Corporation.

### **Policies and Procedures**

- i) for approving and monitoring compliance with all significant policies and procedures by which the Corporation is operated;
- ii) for approving any recommended changes to the written Code of Conduct and a Code of Ethics for Senior Management and Financial Officers;
- iii) for approving and properly disclosing any waivers to the Code of Conduct and the Code of Ethics for Senior Management and Financial Officers; and
- iv) for ensuring systems are in place which are designed to ensure that the Corporation operates at all times within applicable laws and regulations, and to the highest ethical and moral standards.

### **Financial and Corporate Issues**

- i) with consideration to the recommendation of the Audit Committee, for nominating an External Auditor for approval by shareholders; and if the Board does not adopt the Audit Committee's recommendation for External Auditor, ensure this fact is disclosed appropriately;
- ii) with consideration to the recommendation of the Audit Committee, for approving the compensation of the External Auditor; and if the Board does not adopt the Audit Committee's recommendation, ensure this fact is disclosed appropriately;
- iii) for taking reasonable steps to ensure the implementation and integrity of the Corporation's internal control and management information systems;
- iv) for reviewing operating and financial performance relative to budgets or objectives;
- v) for approving annual and quarterly financial statements and approve release thereof by management;
- vi) for approving the Management Proxy Circular, Annual Information Form and documents incorporated by reference therein; and
- vii) for approving the commencement or settlement of litigation that may have a material impact on the Corporation.

### **Reporting to Stakeholders**

- i) to ensure that the Corporation maintains effective, productive and appropriate reporting and communications links with shareholders, other security holders and regulators on a timely and regular basis;
- ii) to ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles by management;
- iii) to ensure management reports any developments that have a significant and material impact on the value of the Corporation;

- iv) to direct management to report annually to shareholders on its stewardship for the preceding year (annual reports); and
- v) to ensure that the Corporation has systems in place which accommodate feedback from stakeholders.