Canfor Pulp Products Inc.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

To: The Shareholders of Canfor Pulp Products Inc.

Notice is hereby given that the Annual General Meeting (the "Meeting") of the Common Shareholders of Canfor Pulp Products Inc. ("the Company") will be held at the Ramada Hotel Prince George, 444 George Street, Prince George, British Columbia, on Wednesday, April 30, 2014 at 11:00 a.m. for the following purposes:

1. To receive and consider the financial statements of the Company and its subsidiaries for the fiscal year ended December 31, 2013 and the report of the auditors thereon;

2. To set the number of directors at 7;

3. To elect Directors for the ensuing year;

4. To appoint auditors for the ensuing year; and

5. To transact such other business as may properly come before the Meeting.

DATED at Vancouver, British Columbia this 6th day of March, 2014.

By Order of the Board of Directors

David M. Calabrigo, QC
Corporate Secretary

An Information Circular and a copy of the Annual Report of the Company for the year ended December 31, 2013 accompany this Notice of Annual General Meeting. The Information Circular contains details of matters to be considered at the Meeting. The Annual Report includes consolidated financial statements of the Company for the year ended December 31, 2013 and the auditors' report thereon and the Management's Discussion and Analysis of Financial Condition and Results of Operations of the Company.

A shareholder who is unable to attend the Meeting in person and who wishes to ensure that its shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of proxy and to deliver the form of proxy in accordance with the instructions set out in the form of proxy and the Information Circular.

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Canfor Pulp Products Inc.

INFORMATION CIRCULAR

DATED AS OF MARCH 6, 2014
(except as otherwise provided)

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation by the management of Canfor Pulp Products Inc. (the "Company") of proxies to be used at the Annual General Meeting (the "Meeting") of the common shareholders of the Company (the "Shareholders") to be held at the time and place and for the purposes set forth in the notice of the Meeting accompanying this Information Circular. The solicitation will be by mail. The cost of solicitation will be borne by the Company.

RECORD DATE

The Directors of the Company have fixed March 6, 2014 at the close of business as the record date for determining the names of Shareholders of the Company entitled to receive notice of the Meeting. Only Shareholders whose names have been entered in the applicable register of common shares of the Company ("CPPI Shares") at the close of business on March 6, 2014 as a holder of one or more CPPI Shares of the Company is entitled to attend and vote at the Meeting in person or by proxy and in the event of a poll to cast one vote for each CPPI Share held.

APPOINTMENT OF PROXYHOLDER AND REVOCATION OF PROXIES

Each of the persons named in the enclosed form of proxy is a Director or senior officer of the Company. **A Shareholder has the right to appoint a person (who need not be a shareholder) as his nominee to attend and act for him and on his behalf at the Meeting other than the persons designated in the form of proxy accompanying this Information Circular. To exercise this right a shareholder may insert the name in full of his/her nominee in the blank space provided in the form of proxy and strike out the names of the persons now designated, or complete a similar form of proxy.** The proxy will not be valid unless the completed form of proxy is delivered to CST Trust Company Inc., Suite 1600, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1, or the Corporate Secretary of the Company, not less than twenty-four (24) hours (excluding Saturdays and holidays) before the time of the Meeting. A Shareholder who has given a proxy has the power to revoke it by a signed instrument in writing in the manner provided in the articles of the Company or in any other manner provided by law any time before it is exercised. The articles of the Company provide that the revocation must be executed by the shareholder or his/her legal representative or trustee in bankruptcy authorized in writing, or where the shareholder is a corporation, by a duly authorized representative of the corporation, and delivered to the registered office of the Company at any time up to and including the last business day preceding the Meeting or delivered to the Chairman of the Meeting prior to the Meeting on the day of the Meeting.

VOTING OF SHARES AND EXERCISE OF DISCRETION BY PROXYHOLDER

The form of proxy accompanying this Information Circular confers discretionary authority upon the proxy nominees with respect to any amendments or variations to matters identified in the notice of the Meeting and any other matters which may properly come before this Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the notice of the Meeting and routine matters incidental to the conduct of the Meeting. In the event that any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their judgment of such business. **On any ballot or poll, the CPPI Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder as specified in the proxy with respect to any matter to be acted on. If a choice is not so specified with respect to any such matter, the CPPI Shares represented by a proxy given to management are intended to be voted in favour of the resolutions referred to therein and for the setting of the number of Directors, the nominees of management for election as Directors and the appointment of PricewaterhouseCoopers LLP as auditors.**

All the issued and outstanding CPPI Shares are listed in an account statement provided to a beneficial Shareholder by a broker, and therefore, the CPPI Shares are not registered in the beneficial Shareholder's name on the records of the Company. In Canada, all the CPPI Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). CPPI Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting CPPI Shares on behalf of their clients. The Directors of the Company do not know for whose benefit the CPPI Shares registered in the name of CDS & Co. are held. Therefore, beneficial Shareholders cannot be recognized at the Meeting for purposes of voting their CPPI Shares in person or by way of proxy.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from beneficial Shareholders in advance of the Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by beneficial Shareholders in order to ensure that their CPPI Shares are voted at the Meeting. The form of proxy is limited to instructing the registered Shareholder how to vote on behalf of the beneficial Shareholder. A beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote CPPI Shares directly at the Meeting. The voting instruction form or voting materials must be returned in accordance with the instructions in such materials in advance of the Meeting in order to have the CPPI Shares voted. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge typically applies a special sticker to the proxy forms or alternatively, prepares a separate "voting instruction" form, mails those forms to the beneficial Shareholders and asks Shareholders to return to Broadridge the proxy or voting instruction forms. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of CPPI Shares to be represented at the Meeting. A beneficial Shareholder receiving a proxy with a Broadridge sticker on it, or a voting instruction form, cannot use that proxy or form to vote CPPI Shares directly at the Meeting. Instead, the proxy or form must be returned to Broadridge well in advance of the Meeting in order to have the CPPI Shares voted.

IF YOU ARE A BENEFICIAL SHAREHOLDER AND WISH TO VOTE IN PERSON AT THE MEETING, PLEASE CONTACT YOUR BROKER OR AGENT WELL IN ADVANCE OF THE MEETING TO DETERMINE HOW YOU CAN DO SO.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at March 6, 2014, the Company has outstanding and entitled to be voted at the Meeting, 71,007,341 CPPI Shares, each CPPI Share carrying the right to one vote. To the knowledge of the Directors and executive officers of the Company, no person or company owns beneficially, directly or indirectly, or exercises control or direction over, CPPI Shares carrying more than 10% of the voting rights attached to the issued and outstanding CPPI Shares other than:

1. CDS & Co. is the sole registered Shareholder of 71,007,341 CPPI Shares, representing 100% of the total number of issued CPPI Shares. Other than as disclosed herein, the Company has no knowledge as to the beneficial holders of the CPPI Shares held by CDS & Co. which are 10% or more of the outstanding CPPI Shares.

2. Canadian Forest Products Ltd. ("CFP") owns 35,776,483 CPPI shares representing 50.4% of the issued and outstanding CPPI Shares.

CPPI, THE PARTNERSHIP AND THE GENERAL PARTNER

The Company was incorporated on March 12, 2010 under the *Business Corporations Act* (British Columbia) (the "BCBCA"). The Company is the successor to the Canfor Pulp Income Fund (the "Fund") as a result of conversion of the Fund from an income trust structure to a corporate structure by court approved plan of arrangement under the BCBCA on January 1, 2011 (the "Conversion"). The Conversion involved the exchange, on a one-for-one basis, of all outstanding units of the Fund for CPPI Shares, with the subsequent winding-up of the Fund and the Trust. The unitholders of the Fund became the sole shareholders of the Company, which became the 49.8% interest in the Pulp Business through the Partnership and the General Partner, Canfor Pulp Holding Inc.

On March 2, 2012, Canfor exchanged all the remaining Class B Exchangeable LP Units of the Partnership and the common shares of the General Partner it held for shares in the Company (the "March 2012 Exchange"). Immediately following the exchange, Canfor held 50.2% of the shares of the Company, and the Company held a 100% interest in the Partnership and the General Partner. During 2013, Canfor's ownership of the Company increased to 50.4% as a result of share purchases in 2013 by the Company under a Normal Course Issuer Bid.

Prior to December 27, 2013, the General Partner operated the pulp and paper business on behalf of the Company through the Partnership. On December 27, 2013, the Company transferred all of its partnership units in the Partnership to Canfor Pulp Holding Inc. in exchange for new shares of Canfor Pulp Holding Inc. As a result of this share exchange, the Partnership was dissolved and all of the assets formerly held by the Partnership were now held by Canfor Pulp Holding Inc. Canfor Pulp Holding Inc. was subsequently renamed Canfor Pulp Ltd. The registered office of the Company is located at 100 - 1700 West 75th Avenue, Vancouver, British Columbia, V6P 6G2.

SETTING THE NUMBER OF DIRECTORS

Pursuant to the Articles of the Company, the number of directors to be elected to the board of directors ("Board" or "Board of Directors") of the Company at the Meeting is determined from time to time by ordinary resolution of the Shareholders, such number being not less than three.

Shareholders will be asked to vote at the Meeting to set the number of directors at 7. Unless such authority is withheld, the persons designated by management of the Company, if named as proxy, intend to vote the CPPI Shares represented by any such proxy in favour of a resolution setting the number of directors of the Company at 7.

ELECTION OF DIRECTORS

All directors elected at the Meeting will hold office until the close of the next annual general meeting of Shareholders or until their successors are duly elected or appointed. The Board of Directors of the Company ("the Board") propose to nominate for election as Directors at the Meeting the persons listed in the following table. All proposed nominees have consented to be named in this Information Circular and to serve as Directors, if elected. The Company has no reason to believe that any proposed nominee will be unable to serve as a Director, but should any such nominee become unable to do so for any reason prior to the Meeting, the persons named in the enclosed form of proxy, unless directed to withhold from voting, reserve the right to vote for other nominees in their discretion.

The following table sets forth the name, province and country of residence, and principal occupation for each proposed nominee for election as Director, including principal occupations during the past five years. In addition, the table shows the date on which each proposed nominee first became Director of the Company and a Trustee of the Fund, the General Partner, the predecessor of the Company, the number of CPPI Shares, beneficially owned, controlled or directed, directly or indirectly, by any proposed nominee and their associates or affiliates as of March 6, 2014.

Peter J.G. Bentley, O.C, LL.D

Vancouver, British Columbia
Canada

Age: 83
Director of the Company since 2012
Director of General Partner from 2006 - 2012

Independent

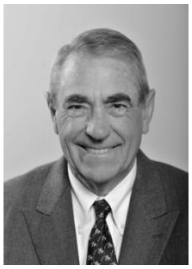
Areas of expertise:
- Business management
- Compensation
- Governance
- Operations
- Risk management

Mr. Bentley was appointed to the Board of the Company on April 24, 2012. Mr. Bentley served as a Director of the General Partner from April 28, 2006 to April 23, 2012. Mr. Bentley has served on the Board of Canfor Corporation ("Canfor") since 1966. Mr. Bentley is Chairman Emeritus of the Board of Directors of Canfor. After working in various positions with Canfor, Mr. Bentley became Executive Vice-President in 1970, President in 1975, and Chairman and Chief Executive Officer ("CEO") in 1985, a position he held until April 24, 1995. Mr. Bentley was reappointed to the position of President and CEO of Canfor on July 25, 1997 and relinquished the position of President and CEO of Canfor on January 1, 1998. Mr. Bentley is Chairman and a Director of Sierra Mountain Minerals Inc. and a member of the Board of the Canadian Institute for Advanced Research, a member of the Advisory Board of BuildDirect.com and a Trustee and Chair Emeritus of the Vancouver General Hospital and University of British Columbia Hospital Foundation. He also served for many years as a director of Bank of Montreal and Shell Canada Ltd. Mr. Bentley was Chancellor of the University of Northern British Columbia until May 2007. Mr. Bentley holds an Honorary Doctorate of Laws degree from the University of British Columbia.

Other public company board memberships in the past five years:
- Canfor Corporation (1966 – present)

Board/Committee Membership[1]	Overall Attendance: 100% Attendance at Regular Meetings
Board	5 / 5
Joint Capital Expenditure	2 / 2
Joint Corporate Governance – Chair	2 / 2
Joint Environmental, Health & Safety	4 / 4
Joint Management Resources and Compensation	2 / 2

Securities Held	March 6, 2014	March 7, 2013
CPPI Shares	888,574	888,574



Stan E. Bracken-Horrocks, FCA

Kelowna, British Columbia
Canada

Age: 70
Director of the Company since 2010
Director of General Partner from 2006 - 2012
Trustee of the Fund from 2006 - 2011

Independent

Areas of expertise:
- Business management
- Compensation
- Financial
- Risk management

Mr. Bracken-Horrocks has been a Director of the Company since December 10, 2010 and served as a Trustee of the Fund from April 26, 2006 until January 1, 2011. Mr. Bracken-Horrocks served as a Director of the Board of the General Partner from April 28, 2006 to April 23, 2012. Mr. Bracken-Horrocks is a retired partner of PricewaterhouseCoopers LLP and held various leadership positions during his career with PricewaterhouseCoopers LLP, including Global Leader of its Forest and Paper Industry practice. As a member of the Canadian Institute of Chartered Accountants, Mr. Bracken-Horrocks served as a member of the Board of Governors and a member of the Accounting Standards Committee and, as a member of the Institute of Chartered Accountants of British Columbia, he served as a member of council, Vice-President and President. Mr. Bracken-Horrocks is a former Director and Chairman of the Audit Committee of the Business Development Bank of Canada.

Other board memberships in the past five years:
- None

Board/Committee Membership[1]	Overall Attendance: 100% Attendance at Regular Meetings
Board	5 / 5
Audit - Chair	8 / 8
Joint Capital Expenditure	1 / 1
Joint Corporate Governance	1 / 1
Joint Pension	1 / 1

Securities Held

	March 6, 2014	March 7, 2013
CPPI Shares	7,000	7,000

David M. Calabrigo, Q.C.

Vancouver, British Columbia
Canada

Age: 55
Director of the Company since 2012
Director of General Partner from 2011 - 2012

Non-independent

Areas of expertise:
- Business management
- Legal/regulatory
- Governance
- Risk management

Mr. Calabrigo was appointed to the Board of the Company on April 24, 2012 and is the Corporate Secretary of the Company. Mr. Calabrigo served as a Director of the General Partner from May 3, 2011 to April 23, 2012. Mr. Calabrigo is Senior Vice President, Corporate and Legal Affairs / Corporate Secretary of Canfor. Mr. Calabrigo was appointed General Counsel and Corporate Secretary of Canfor on January 3, 2001; on July 1, 2003, he was appointed Vice President, Human Resources, General Counsel and Corporate Secretary of Canfor; on April 2, 2004, he was appointed Vice President, Corporate Development, General Counsel and Corporate Secretary of Canfor; and on May 5, 2011, he was appointed Senior Vice President Corporate and Legal Affairs of Canfor. Mr. Calabrigo received his Bachelor of Arts degree from Simon Fraser University and his Law degree from the University of Alberta.

Other public company board memberships in the past five years:
- None

Board/Committee Membership[1]	Overall Attendance: 100% Attendance at Regular Meetings
Board	5 / 5

Securities Held

	March 6, 2014	March 7, 2013
CPPI Shares	Nil	Nil

Charles J. Jago, PhD, C.M., O.B.C.

Prince George, British Columbia
Canada

Age: 70
Director of the Company since 2010
Director of General Partner since 2006
Trustee of the Fund from 2006 - 2011

Independent

Areas of expertise:
- Business management
- Compensation
- Financial
- Governance
- Operations
- Risk management

Dr. Jago has been a Director of the Company since December 10, 2010 and served as a Trustee of the Fund from April 26, 2006 until January 1, 2011. Dr. Jago was appointed to the Board of the General Partner on April 28, 2006. Dr. Jago was President of the University of Northern British Columbia from 1995 to 2006 and on an interim basis from 2008 to 2009. Dr. Jago's professional service has included membership on the Boards of the Association of Universities and Colleges of Canada, the Association of Commonwealth Universities, the Office of Partnerships for Advanced Skills (OPAS) and Partnerships B.C. Dr. Jago has also served as Chair of the Council of Western University Presidents, The University President's Council of British Columbia, the Fraser Basin Council, and the Northern BC United Way. He currently chairs the Boards of Northern Health Authority of British Columbia and the Sinclar Group Forest Products Ltd. He also serves as a member of the Board of Initiatives Prince George and the Canada West Foundation. Dr. Jago received his BA in Honours English and History from the University of Western Ontario in London, Ontario, graduating as the Honours gold medalist from Huron University College (an affiliated college of The University of Western Ontario), and received a PhD in History from Cambridge University. Dr. Jago was awarded the Queen's Royal Jubilee Medal for community service in 2003, the Order of Canada in 2006, and the Order of British Columbia in 2013.

Other public company board memberships in the past five years:
- None

Board/Committee Membership[1]	Overall Attendance: 100% Attendance at Regular Meetings
Board	5 / 5
Joint Environmental, Health and Safety	4 / 4
Joint Management Resources and Compensation	2 / 2

Securities Held	March 6, 2014	March 7, 2013
CPPI Shares	4,000	2,000

Michael J. Korenberg

West Vancouver, British Columbia
Canada

Age: 53
Director of the Company since 2012
Director of General Partner from 2011 - 2012

Independent

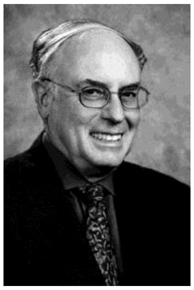
Areas of expertise:
- Business management
- Financial
- Legal/regulatory
- Operations
- Risk management

Mr. Korenberg was appointed to the Board of the Company on April 24, 2012, became Co-Chairman in February 2013 and was appointed the Chairman of the Company Board on January 1, 2014. Mr. Korenberg also served as a Director of the General Partner from May 3, 2011 to April 23, 2012. Mr. Korenberg is Chairman of the Board of Directors of Canfor and its subsidiary, Canadian Forest Products Ltd. Mr. Korenberg is the Deputy Chairman and Managing Director of The Jim Pattison Group, a diversified group of companies. Mr. Korenberg is also a Director of Jim Pattison Group Inc. (and its affiliates), Westshore Terminals Investment Corporation and Westshore Terminals Ltd. He is an adjunct professor, Faculty of Law, University of British Columbia, a member of the Dean's Advisory Committee for the National Centre for Business Law and a member of the Law Societies of Upper Canada (Ontario) and British Columbia.

Other public company board memberships in the past five years:
- Canfor Corporation (2003 – present)
- Sun-Rype Products Ltd. (2008 – 2013)
- Westshore Terminals Investment Corporation and Westshore Terminals Ltd. (2001 – present)

Board/Committee Membership[1]	Overall Attendance: 100% Attendance at Regular Meetings
Board	5 / 5
Audit	8 / 8
Joint Capital Expenditure - Chair	2 / 2
Joint Corporate Governance	1 / 1
Joint Pension	1 / 1

Securities Held	March 6, 2014	March 7, 2013
CPPI Shares	2,500	893



Conrad A. Pinette

Vancouver, British Columbia
Canada

Age: 74
Director of the Company since 2012

Independent

Areas of expertise:
- Business management
- Compensation
- Operations
- Governance
- Risk management

Mr. Pinette was appointed to Board of the General Partner and the Company on April 24, 2012. Mr. Pinette is a member of the Board of Canfor. Mr. Pinette's work in the Canadian forest industry began 40 years ago as an owner and President of a family lumber business, Pinette & Therrien Mills Ltd. Mr. Pinette has also served as Executive Vice President of Tolko Industries Ltd. (2005), Executive Vice President of Riverside Forest Products Limited (2004) and served as President and Chief Operating Officer of Lignum Limited from January 1990 to April 2004. Mr. Pinette is the former Chairman of Finning International Inc. and a former Director of TimberWest Forest Corp, Northgate Minerals Corporation, A&W Revenue Royalties Income Fund, Finning International Inc. and the British Columbia Business Council. Mr. Pinette is currently a member of the Vancouver General Hospital and University of British Columbia Prostate Advisory Board and a director of Gold Canyon Resources Inc.

Other public company board memberships in the past five years:
- Canfor Corporation (2008 – present)
- Northgate Minerals Corporation (2005 – 2011)
- Gold Canyon Resources Inc. (2011 - present)
- TimberWest Forest Corp. (2002 – 2010)
- Finning International Inc. (1992 – 2010)
- A&W Revenue Royalties Income Fund (2002 - 2011)

	Overall Attendance: 100%
Board/Committee Membership[1]	**Attendance at Regular Meetings**
Board	5 / 5
Joint Capital Expenditure	2 / 2
Joint Environmental, Health and Safety - Chair	4 / 4
Joint Corporate Governance	1 / 1
Joint Management Resources and Compensation	2 / 2

Securities Held

	March 6, 2014	March 7, 2013
CPPI Shares	4,000	4,000

William W. Stinson

Vancouver, British Columbia
Canada

Age: 80
Director of the Company since 2012
Director of General Partner from 2009 - 2012

Independent

Areas of expertise:
- Business management
- Compensation
- Financial
- Operations
- Risk management

Mr. Stinson was appointed to the Board of the Company on April 24, 2012. Mr. Stinson served as a Director of the General Partner from February 17, 2009 to April 23, 2012. Mr. Stinson is a member of the Board of Canfor. Mr. Stinson is the Chairman and CEO of Westshore Terminals Investment Corporation. Mr. Stinson spent the majority of his business career with Canadian Pacific Ltd. retiring as Chairman and CEO in 1996 after 11 years in that position. He has served on a wide variety of boards and has held the positions of Chairman of Sun Life Financial, Chairman of the Executive Committee of United Dominion Industries and Lead Director of CHC Helicopter Corporation.

Other public company board memberships in the past five years:
- Canfor Corporation (2011 – present)
- Westshore Terminals Investment Corporation (1997 – present)

	Overall Attendance: 100%
Board/Committee Membership[1]	**Attendance at Regular Meetings**
Board	5 / 5
Joint Capital Expenditure	2 / 2
Joint Environmental, Health and Safety	2 / 2
Joint Management Resources and Compensation	2 / 2

Securities Held

	March 6, 2014	March 7, 2013
CPPI Shares	95,000	95,000

1. As of May 2012, all Committees of the Company, other than Audit, have as members Directors of Canfor and are joint committees with Canfor.

For additional information regarding current Directors of the Company, see the section of the Company's Annual Information Form dated February 5, 2014 entitled "Directors and Officers", which is incorporated by reference herein.

To the knowledge of the Company, no nominee for election as a Director of the Company is, at the date of this Information Circular, or has been within the last 10 years prior to the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that, (i) while acting in that capacity, was subject to a cease trade or similar order or an order that denied access to any exemption under securities legislation for a period of 30 consecutive days; (ii) was subject to an event that occurred while the nominee was acting in such capacity but which resulted, after he ceased to act in such capacity, in a cease trade or similar order or an order that denied access to any exemption under securities legislation for a period of 30 consecutive days. To the knowledge of the Company, no nominee for election as a Director of the Company is, at the date of this Information Circular, or has been within the last 10 years of the date of this Information Circular, a director or executive officer of any company that, while acting in that capacity or within a year of ceasing to act in such capacity, became bankrupt, made a proposal under legislation relating to bankruptcy or insolvency or was subject to any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, other than Messrs. Bentley and Calabrigo, who were each Directors and/or executive officers of HSPP General Partner Ltd. ("HSPP"), general partner of Howe Sound Pulp and Paper Limited Partnership ("HSLP"), during the period of January 29, 2008 to February 1, 2008 when HSLP completed a restructuring under the *Companies' Creditors Arrangement Act* (Canada). On January 27, 2011, HSLP then renamed "6382 Pulp and Paper Limited Partnership" voluntarily filed for bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") after the sale of substantially all of its assets to a third party effective October 1, 2010. HSLP filed a proposal under the BIA which was subsequently approved by its creditors and finally by the British Columbia Supreme Court on July 18, 2011. Mr. Stinson was a director of Grant Forest Products Inc. ("Grant"). On June 25, 2009, Grant obtained creditor protection from the Ontario Superior Court under the *Companies' Creditors Arrangement Act* (Canada). Mr. Stinson ceased to be a director on June 30, 2010.

To the knowledge of the Company, no nominee for election as a Director of the Company has, within the last 10 years prior to the date of this 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 or receiver manager or trustee appointed to hold his assets.

EXECUTIVE COMPENSATION

COMPOSITION OF THE JOINT MANAGEMENT RESOURCES AND COMPENSATION COMMITTEE

The Board of Directors has final authority to approve the recommendations of its Joint Management Resources and Compensation Committee (the "Compensation Committee") regarding the compensation of the executives of the Company. The following independent Directors were members of the Compensation Committee as at December 31, 2013: Messrs. Bentley, Jago, Pinette and Stinson. Messrs. Jim Pattison and Ross Smith, directors of Canfor, are also members of the Compensation Committee. For further information on the role and responsibility of the Compensation Committee see "Board Committees – Management Resources and Compensation Committee" herein.

All members of the Compensation Committee have experience in compensation matters either as members of compensation committees of other public companies and/or from having served as senior executives with significant responsibility for or involvement in compensation matters, including as follows: Mr. Bentley was formerly on the compensation committees of the Bank of Montreal and Shell Canada Ltd. and as a director of Canfor; Dr. Jago was formerly President of the University of Northern British Columbia and had oversight of the University compensation programs and policies; Mr. Pinette was a former executive in the forestry industry, with considerable experience in industry related compensation issues; Mr. Stinson was formerly the CEO of Canadian Pacific Ltd. and as such had responsibility for compensation policies and programs for that company and as a director of Canfor; Mr. Pattison, the Chair of the Compensation Committee, is a director of Canfor and he is the CEO of The Jim Pattison Group which runs a diversified group of companies with extensive experience in compensation matters as a senior executive and director and has extensive experience with compensation issues for numerous companies; and Mr. Smith is a director of Canfor and currently serves on the compensation committee for K-Bro Linen Inc. and was formerly on the compensation committee for the Board of Governors of University of British Columbia and on the National Management Committee with KPMG, which included the responsibility for compensation and benefit plans for the partners of KPMG. Messrs. Bentley, Jago and Pinette also sit on the Joint Environmental, Health and Safety Committee; Messrs. Bentley, Stinson and Pinette are on the Joint Capital Expenditure Committee; and Messrs. Bentley and Pattison sit on the Joint Corporate Governance Committee. Mr. Smith also sits on the Canfor Audit Committee. The cross memberships between committees supports the oversight of compensation polices and standards and ensures alignment with the Company's risk management principles.

COMPENSATION DISCUSSION AND ANALYSIS

Overview of Compensation Policies, Programs and Objectives

Overview

The Company's executive compensation policies relating to the main elements of compensation awarded to, earned by or paid to the Named Executive Officers (as defined under the section titled "Summary Compensation Table" below) are designed to attract and retain high calibre executives who will successfully lead the organization so as to ensure a satisfactory return to Shareholders, financial soundness and competitiveness within its business sectors. The compensation package for executives includes base salary, short-term and long-term incentives. The incentive programs are designed to provide the potential for top quartile compensation when compared to similar positions in the Canadian forest products sector and to a broader industry comparison, when performance warrants. No Director of the Company or Named Executive Officer as defined below, is permitted to purchase financial instruments for hedging purposes related to compensation.

The Compensation Committee periodically engages the services of an independent consulting firm, Hay Group ("Hay"), to provide advice and counsel on executive compensation matters, such as base salary, incentive and bonus programs, all as described further below. Hay is an independent resource for advice to the Compensation Committee and has assisted the Compensation Committee in reviewing compensation trends including market competitive information, designing compensation programs, and assisting the Compensation Committee in assessing the compensation of the Chief Executive Officer ("CEO").

Compensation oversight and risk management are closely aligned. The Compensation Committee reviews the Company's compensation policies and practices to ensure that they do not encourage any Named Executive Officer or other members of senior management to take inappropriate or excessive risks or otherwise give rise to risks that would reasonably be likely to have a material adverse effect on the Company.

Executive Compensation – Related Fees

The consulting fees paid to Hay for compensation related services in 2012 and 2013 were $8,185 and $0, respectively.

Elements of Compensation

Pay for Performance Review

In 2012, the Compensation Committee reviewed the Company's bonus programs, particularly the Canfor Pulp Salaried Incentive Plan (the "PSIP") and the former Long Term Incentive Plan (the "LTIP"). The purpose of the review was to test for the effectiveness of such programs and, where necessary, consider adjustments to them and the possible creation of a new plan that would better align bonuses with performance combining financial risk, strategic and operational objectives. The intent of the Compensation Committee's review was to determine if the Company's existing plans adequately established a clear relationship between pay and performance by providing, in particular, higher compensation for outstanding performance and less compensation when performance expectations are not met. The Compensation Committee determined that changes were required to the Company's compensation policies and programs to achieve these objectives. Accordingly, effective January 1, 2013, the Compensation Committee created the Senior Executive Performance Bonus Plan (or PBP) as described below. This plan replaced the LTIP in 2013 and is designed to directly link the Company's financial performance to executive bonuses. In addition, certain revisions were made to PSIP effective in 2013 to ensure that awards are better aligned with the interests of shareholders. The PSIP described below is the plan in place for 2013.

The Board, through the Compensation Committee, retains the discretion to award compensation to senior executives, including the Named Executive Officers, even when performance goals or targets are not achieved. In making such awards, the Compensation Committee will consider a number of factors, including the recommendation of the CEO, the financial condition of the Company, the performance of the individual being considered for the award, the state of the markets generally and any other factor the Compensation Committee considers relevant. However, discretionary awards will only be granted by the Compensation Committee to individuals who have shown exemplary or outstanding performance beyond normal job performance.

The Compensation Committee does not anticipate making significant further changes to its compensation policies and practices in the next year, but has reserved the right to do so if the Compensation Committee is of the view that it would be necessary to achieve the Company's compensation objectives.

Base Salaries

Base salaries and salary ranges for all of the Company's executive officers are established using market-competitive information provided by Hay, the independent consulting firm retained by the Compensation Committee for this purpose. The Compensation Committee periodically retains Hay to provide advice on market base salary and bonus information for its senior executives, including the CEO and the other Named Executive Officers. Market information is updated when necessary and salaries are reviewed annually. The mid-point for salary ranges is set at the median of the marketplace. The primary source for market information is the Hay Forest

Industry Survey (FIS) which contains companies engaged in the forest products business similar to the Company. The companies included in the peer group market data are AV Nackawic Inc., Fibrek Inc., Domtar Corporation, AbitibiBowater Inc., Mercer International Inc., Ainsworth Engineered Canada L.P., Alberta-Pacific Forest Industries Inc., Canfor, Daishowa-Marubeni International Ltd., Minas Basin Pulp & Power Co. Ltd., Northern Pulp Nova Scotia Corp., Tembec Inc., TimberWest Forest Corp., Tolko Industries Ltd., Twin Rivers Paper Company, and West Fraser Timber Co. Ltd. The Compensation Committee has sole responsibility for recommending for approval by the Board the compensation of the CEO.

Canfor Pulp Salaried Incentive Plan (PSIP)

The PSIP is a short-term incentive program that provides for salaried employee participation in the success of the Company, recognizes employee contribution to the Company's business improvement objectives and supports a "one team" approach. The PSIP is designed to meet the following objectives:

- to focus on the Company's key strategic financial measure, Return on Invested Capital ("ROIC");
- to reinforce the Company's goal of achieving a minimum ROIC threshold;
- to help align corporate, team and individual performance objectives; and
- to provide market-competitive incentive opportunities.

Target incentive levels for participating employees under the PSIP are determined by job or position and may change if the employee's position within the Company changes. The table below outlines the structure of the PSIP's target incentive levels, representing the percentage of annual base salary payable to senior management, on achieving the target payout requirements of the plan, as discussed below. All salaried employees other than the Named Executive Officers participate in the PSIP at incentive target levels ranging from 10% to 40%. Payments under the incentive program are based on annual base salary as of December 31 of the year for which the incentive is payable.

Employee Group	**Target Incentive Level (as a % of salary)**
Senior Management[1]	40%
Management	30%

1. Excludes the CEO, CFO and President. None of the Named Executive Officers participate in the PSIP, only the PBP referred to below.

The PSIP is-based on two components: rolling 5 year average ROIC; and controllable performance gains, as measured against goals and objectives established at the beginning of each year. ROIC is defined as the sum of operating income / (loss), realized gains / (losses) on derivative financial instruments and other income/(expense), all net of any minority interest, divided by the average invested capital during the year, and accounts for 50% of the CSIP program. Controllable performance gains also account for 50% of the PSIP program, and are measured by four factors: safety, quality, cost and delivery as well as the degree of individual contributions during that year. Individual performance is rated by scoring individuals on a rating scale ranging from outstanding performance to performance standards not met. Payments are subject to threshold, target and maximum levels established under the PSIP. Threshold is defined as the minimum level of performance required to qualify for a 50% payout under a component of the PSIP. Target is defined as the level of performance required to receive a 100% payout under a component of the PSIP. Maximum is defined as the level of performance required to receive a payout of 150% under a component of the PSIP.

The ROIC payout factors are as follows:

Performance Level	**Payout factor of ROIC Target Incentive**	**5 year Rolling Average ROIC Rate**
Threshold	0.5	10%
Target	1.0	15%
Maximum	1.5	20%

When the rolling 5 year average ROIC level is below the threshold performance level, no payment under this component will be made.

For 2013, the amount of $2,889,514 was paid pursuant to the PSIP. The Named Executive Officers (as defined below) are participants in PBP only (as defined below) and do not participate in PSIP.

Senior Executive Performance Bonus Plan

Effective January 1, 2013, the Company implemented a Senior Executive Performance Bonus Plan (the "PBP") that applies to all senior executives of the Company, including certain Named Executive Officers, and other senior management selected by the CEO. Pursuant to the PBP, bonuses are awarded based on a 5 year rolling average of the annual return on invested capital ("ROIC") percentage. PBP bonus payment factors for the senior executives including certain Named Executive Officers are:

Average ROIC	Payout as a Percent of Annual Salary
10% - 14%	**50%**
15% - 19%	**75%**
20% and above	**100%**

Bonuses are capped at 100% of salary and payments are made on the basis of 50% at the time of the award and the balance paid in equal installments in each of the following two years. If the rolling 5 year average ROIC is below 10%, no payment will be made under the PBP. However if the threshold ROIC of 10% is not met, the Compensation Committee has the discretion to award bonuses, on the recommendation of the CEO, to individuals who have exemplified superior or exceptional performance during the year.

For 2013, the minimum ROIC threshold was met and the total amount of $775,730 was paid to the senior management including the Named Executive Officers, of which $387,865 was paid in 2013 and the balance to be paid equally in 2015 and 2016 in accordance with the terms of the PBP. Reference is made to the Summary Compensation Table below for amounts paid to Named Executive Officers.

EMPLOYEE SHARE PURCHASE PLAN

The Company has established an employee share purchase plan (the "Employee Purchase Plan") for employees of the Company, including all of the Named Executive Officers. The Employee Purchase Plan was approved by the unitholders of the Fund by special resolution on May 1, 2007.

The Employee Purchase Plan is an employee profit sharing plan in accordance with section 144 of the *Income Tax Act* (Canada).

The purpose of the Employee Purchase Plan is to develop an interest by the employees of the Company in the growth and development of the Company by providing them with the opportunity to participate in the ownership of the Company through the purchase of outstanding CPPI Shares. All regular employees of the Company are eligible to participate in the Employee Purchase Plan.

Enrolment in the Employee Purchase Plan is voluntary. Each participating employee is entitled to contribute as a basic contribution a minimum of 1% and a maximum of 5% of his or her basic wages or salary to the Employee Purchase Plan and may make a supplementary contribution of up to an additional 5% of such wages or salary. Until January 2013, the Company made a basic contribution each month in an amount equal to 30% of each participant's basic contribution and also paid the cost of brokerage and commissions. In January 2013, the Company discontinued its contributions to the Employee Purchase Plan and the brokerage and commission payments.

All CPPI Shares purchased under the Employee Purchase Plan are outstanding shares purchased in the market or by private purchase by the trustee appointed from time to time for the Employee Purchase Plan (the "Trustee"). No CPPI Shares will be issued from treasury under the Employee Purchase Plan. All cash dividends received by the Trustee in respect of CPPI Shares held in the Employee Purchase Plan will be reinvested by the Trustee in additional CPPI Shares.

CHANGE OF CONTROL AGREEMENTS

The Company has entered into Change of Control Agreement with Mr. Robinson, as described below. The agreement provides that if, during a period commencing on a change of control of the Company and ending eighteen (18) months later, the senior executive's employment is terminated or he is constructively dismissed, he will receive a lump sum severance payment consisting of twenty-four (24) months' base salary, an amount equal to the then target level of short-term and long-term incentive amounts for a two year period, and the value of pension benefits and "All Other Compensation" as reported on the following Summary Compensation Table for a two year period. In exchange for compensation under the agreements, Mr. Robinson is precluded from employment or providing other services to a business anywhere in British Columbia or Alberta in the pulp and paper industry for a period of 12 months from termination. Assuming a change in control and termination of employment occurred on December 31, 2013, the table below represents the amounts that would be payable to Mr. Robinson under the agreement.

For these purposes, a "change in control" is defined as (i) any reduction by Canfor in its holding of CPPI Shares below 30% of the outstanding CPPI Shares, (ii) any person other than Canfor having the right to appoint a majority of the Directors of the Company or (iii) a change or series of changes in the Directors of the Company resulting from the solicitation of proxies by any person other than management of the Company, resulting in the Directors of the Company, immediately prior to such change or series of changes, ceasing to constitute a majority of the Directors of the Company.

Name[1]	Position	Base Salary $	Bonus[2] $	Benefits $	Total $	Present Value of Additional Pension[3] $
Brett R. Robinson	President	700,000	700,000	60,000	1,460,000	70,000

1. *Mr. Robinson was appointed President on September 30, 2012. Prior to September 30, 2012, he was Executive Vice President, Operations.*
2. *Estimated at maximum payout based on 24 months.*
3. *This amount includes Defined Benefit and Defined Contribution Pension.*

SUMMARY COMPENSATION TABLE

The following Summary Compensation Table sets forth, for each of the Company's three most recently completed financial years, the compensation of each person who served as the former CEO or the former CFO during the fiscal year ended December 31, 2013 and the three most highly compensated executive officers of the Company, other than the CEO and CFO, who were serving as executive officers at December 31, 2013 (such CEO, CFO and executive officers are referred to collectively as the "Named Executive Officers"). For the year-ended December 31, 2013, the Company paid aggregate direct remuneration to its Directors and senior officers in the total amount of$1,320,730.

Summary Compensation Table

The following table reflects compensation paid during each of the last three years:

Name and Principal Position	Year	Salary ($)	Non-equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation[2] ($)	Total Compensation ($)
			Annual Incentive Plans[1]	Long-term Incentive Plans[1]			
Don B. Kayne[3] Chief Executive Officer	2013[3]	N/A	N/A	N/A	N/A	N/A	N/A
	2012	N/A	N/A	N/A	N/A	N/A	N/A
	2011	N/A	N/A	N/A	N/A	N/A	N/A
Alan Nicholl[3] Chief Financial Officer	2013[3]	N/A	N/A	N/A	N/A	N/A	N/A
	2012	N/A	N/A	N/A	N/A	N/A	N/A
	2011	N/A	N/A	N/A	N/A	N/A	N/A
Brett R. Robinson[4] President	2013	350,000	453,500	-	(135,751)[7]	38,278	706,027
	2012	311,642	87,480	295,956	240,849	25,378	961,305
	2011	285,270	157,540	372,641	133,482	13,942	962,875
Sean Curran[5] Vice President, Sales & Marketing	2013	270,000	147,290	-	83,000	37,391	537,681
	2012	242,070	67,980	229,967	63,000	26,475	629,492
	2011	230,916	128,890	301,982	168,000	34,385	864,123
Martin Pudlas[6] Vice President, Operations	2013	245,000	135,840	-	-	38,216	419,056
	2012	194,417	43,350	73,464	290,000	15,430	616,661
	2011	180,995	67,400	92,110	42,000	9,001	391,505

1. *These numbers reflect amounts in respect of the reporting year paid in the subsequent year under the Company's PSIP and LTIP (See "Executive Compensation" herein for a description of the plans) for 2012 and 2013. For 2014 this amount represents a bonus paid under PBP. Under the PBP, 50% of this award was paid to the Named Executive Officer and the balance will be paid evenly over the next two years. For 2013 of this amount, $152,500 was a discretionary bonus for Mr. Robinson.*
2. *For all Named Executive Officers, except Messrs Kayne and Nicholl, these amounts may include automobile expenses, amounts contributed toward the Company's Employee Share Purchase Plan, flexible pension allocations, medical and dental benefits and other expenses.*
3. *Messrs. Kayne and Nicholl were appointed to these positions on September 30, 2012. Compensation for these individuals is paid by Canadian Forest Products Ltd. ("CFP"), the parent of the Company under an arrangement whereby one third of the total compensation is reimbursed to CFP by the Company. For 2013 the total amount was $1,100,718. Messrs. Kayne and Nicholl's bonus programs are based on Canfor Corporation bonus programs and they are not members in the PBP or PSIP of the Company.*
4. *Mr. Robinson was appointed President on September 30, 2012. Prior to September 30, 2012, he was Executive Vice President, Operations.*
5. *Mr. Curran was appointed Vice President, Sales & Marketing on May 1, 2010. Prior to May 1, 2010, he was Director, Global Pulp and Paper Sales.*
6. *Mr. Pudlas was appointed Vice President, Operations on October 23, 2012. Prior to October 23, 2012 he was General Manager, Intercontinental Pulp, PG Pulp and Specialty Paper.*
7. *Starting in January 1, 2013, Mr. Robinson no longer participates in the Company's PSIP program and only participates in the PBP. Any awards under the PBP are not pensionable and awards from the PSIP were 50% pensionable. The figures disclosed above represent the impact of future bonuses under the PBP no longer being pensionable.*

PENSION PLAN BENEFITS

Defined Benefit Pension Plans

The Named Executive Officers of the Company who are members of the Company's defined benefit pension plans, are provided retirement benefits determined primarily by: (i) highest average pensionable earnings, which consists of regular salary and 50% of the PSIP awards in a highest period of five consecutive years during the final ten years of employment; and (ii) years of credited service. Normal retirement under the plans is age 65, with benefits payable for early retirement after age 55 discounted at 3% per year for retirement prior to age 60.

The Company accrued pension liability under its defined benefit pension plan is calculated following the method prescribed by the Canadian Institute of Chartered Accountants and is based on management's best estimate of future events that affect pension liabilities, including assumptions about future salary adjustments and bonuses. There were no amendments to benefit terms during the 2013 year. Compensatory changes to the accrued obligation include service cost plus differences between actual and estimated earnings. Non-compensatory changes include the effects of changes in actuarial assumptions and interest on the accrued obligations at the start of the year. Information on annual benefits payable and the accrued pension obligation for those Named Executive Officers who are members of the defined benefit plan is as follows:

Name	Number of Years Credited Service (#)	Annual Benefits Payable[3] ($)		Accrued obligation at start of year[5] ($)	Compensatory Change[6] ($)	Non-Compensatory Change[7] ($)	Accrued obligation at year end[8] ($)
		At Year[3] End	At Age 65[4]				
Don B. Kayne [1] Chief Executive Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Alan Nicholl [1] Chief Financial Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Brett R. Robinson [2] President	14.36	105,600	105,600	1,200,000	(201,000)	(47,000)	952,000
Sean Curran Vice President, Sales & Marketing	10.66	54,100	114,400	617,000	83,000	17,000	717,000
Martin Pudlas Vice President, Operations	23.39	104,900	176,300	1,279,000	0	(36,000)	1,243,000

1. *Messrs. Kayne and Nicholl were appointed to these positions on September 30, 2012. Pension for these individuals is provided by Canadian Forest Products Ltd. ("CFP"), the parent of the Company.*
2. *On January 1, 2006, Mr. Robinson became a member of the defined contribution plan and concurrently, became a deferred member and ceased to accrue credited service under the defined benefit plan.*
3. *Annual lifetime benefit accrued as at December 31, 2013 based on credited service and actual pensionable earnings at December 31, 2013.*
4. *Annual lifetime benefit payable at age 65 based on credited service projected to age 65 and actual pensionable earnings at December 31, 2013.*
5. *As of plan measurement date at end of prior year – December 31, 2012, using assumptions as at December 31, 2012 selected by the Company for the 2012 year-end disclosures under international accounting standards.*
6. *The compensatory change includes the service cost, plus the impact of actual 2013 pensionable earnings that differ from the estimated earnings, less the impact of future bonuses no longer being pensionable.*
7. *The non-compensatory change includes interest on the obligation, changes in assumptions and employee contributions to the flexible pension option.*
8. *As of plan measurement date at end of year – December 31, 2013 using assumptions as at December 31, 2013 selected by the Company for the 2013 year-end disclosures under international accounting standards.*

Defined Contribution Plan

The Company provides defined contribution pension benefits to certain Named Executive Officers who are not active members in the defined benefit pension plan. The Company contributes to a maximum amount of 12% of pensionable earnings, which consists of regular salary and 50% of the PSIP awards.

Compensatory amounts consist of the Company pension contribution, interest credited on deferred balances at the rate of 5.75% for the year and unused perquisite amounts for the year. Non-compensatory amounts include the Named Executive Officer contributions and investment earnings or losses for the year. Information on the Company contributions and accumulated value for those Named Executive Officers who are members of the defined contribution plan is as follows:

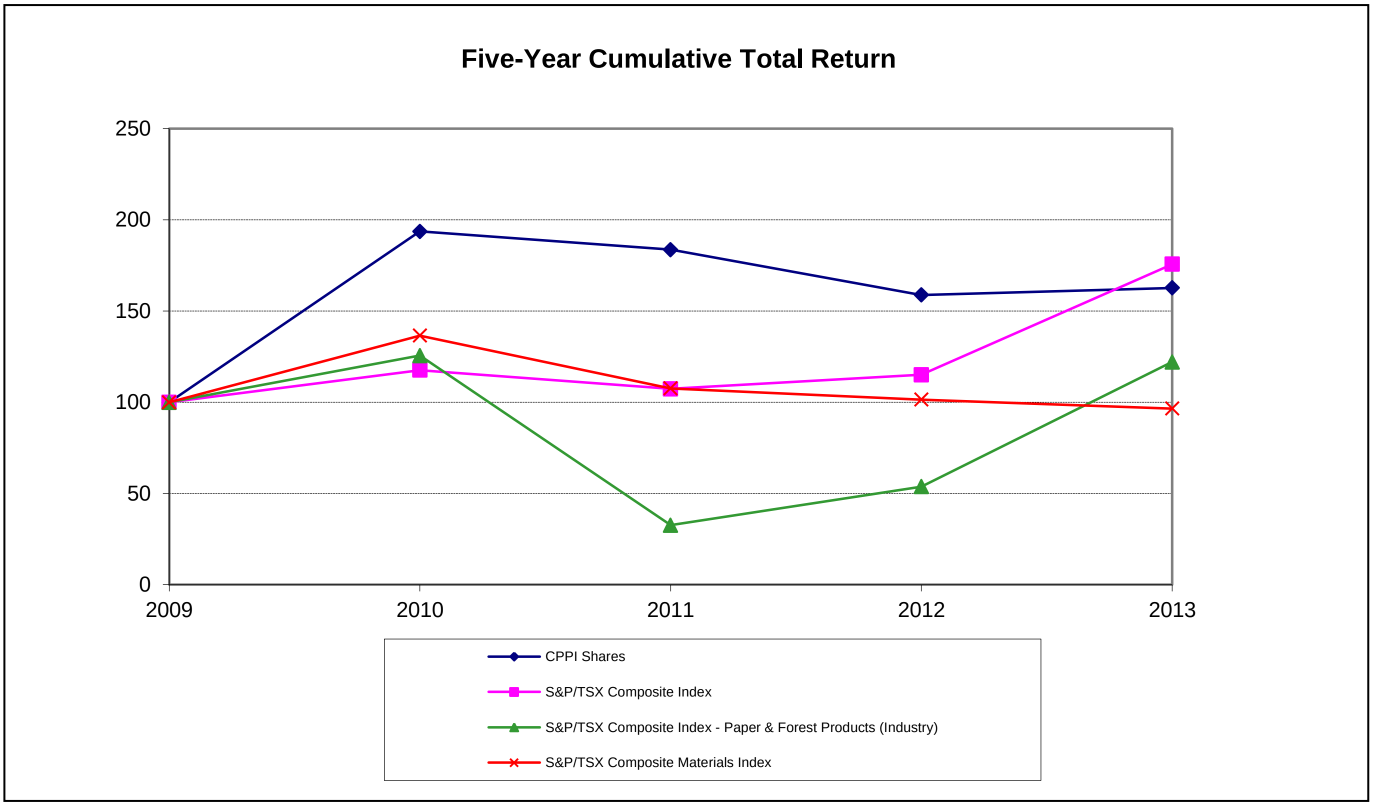
Name	Accumulated Value at Start of Year ($)	Compensatory ($)	Non-Compensatory ($)	Accumulated Value at Year End ($)
Brett R. Robinson President	372,457	65,249	45,246	482,952

PERFORMANCE GRAPH

Pursuant to the Conversion, on January 1, 2011 the Fund Units were exchanged, on a one-to-one basis, for CPPI Shares. The following graph compares the total cumulative return for $100 invested in the Fund Units made on January 1, 2009, and assuming the reinvestment of distributions, with the cumulative total shareholder return of the S&P/TSX Composite Total Return Index, and S&P/TSX Composite Index - Paper & Forest Products (Industry) ending on December 31, 2013.

For 2013, the Cumulative Total Return of CPPI shares (CFX Total Return) relative to the S&P/TSX Composite Total Return Index affects Named Executive Officers' awards under the long term incentive plan.

Stock Performance Graph



	2009	2010	2011	2012	2013
CPPI Shares	100	194	184	159	163
S&P/TSX Composite Total Return Index	100	118	107	115	176
S&P/TSX Composite Index - Paper & Forest Products (Industry)	100	126	33	54	122
S&P/TSX Composite Materials Index	100	137	108	101	97

Note: Dividends declared on CPPI Shares of the Company are assumed to have been reinvested at the market price of the Company's shares on the payment date. The S&P/TSX Composite Index and the TSX Paper and Forest Index are similarly based on the reinvestment of dividends.

In 2013**,** the Company's CPPI Shares outperformed the TSX Paper and Forest Index and the S&P/TSX Composite Materials Index. Compensation of employees including the Named Executive Officers are linked to corporate performance. Corporate performance is generally measured by return on invested capital (ROIC). The Company's compensation plans have minimum ROIC thresholds in order for bonuses to be paid. As corporate performance increases as measured by ROIC, compensation for the Named Executive Officers increases in accordance with the term of the PBP (see "Executive Compensation – Elements of Compensation – Senior Executive Performance Bonus Plan" herein).

DIRECTOR COMPENSATION

COMPENSATION OF THE DIRECTORS OF THE GENERAL PARTNER AND CPPI

The Chair of the Audit Committee receives a $10,000 retainer and a $10,000 annual fee and each Audit Committee member is to receive a $10,000 annual fee. The Board has determined that there will be a Joint Capital Expenditure ("Joint Capex") Committee with Canfor, and the Capex Chair will receive a $10,000 retainer and a $10,000 annual fee and each member will receive a $10,000 annual fee and that there will be no meeting fees. The Company and Canfor will pay fees to each of their representatives on the Joint Capex Committee except where such representative sits on both the Canfor Board and the Company Board, then the fee shall be split 50/50 between the two companies. Annual Director compensation for Board and Committee meetings is summarized in the following table.

	Fees
Annual Board Chair retainer	$37,500
Annual Board retainer	$30,000
Board/Committee meeting fees for scheduled meeting	$1,500[1]
Board/Committee meeting fees for non-scheduled meeting	$2,000[1]
Annual Audit & Joint Capex Committee Chair retainer	$10,000
Annual Audit & Joint Capex Committee retainer	$10,000
Annual Committee Chair retainer	$5,000
Annual Committee retainer	$5,000
Joint Capex Committee meeting fees	N/A

[1] excluding Joint Capex Committee

Directors' Compensation Summary for 2013

	Retainer				Attendance Fees		
Name	**Board $**	**Board Chair $**	**Committee Member $**	**Committee Chair $**	**Board $**	**Committee Meetings $**	**Total Paid [1] $**
Peter J.G. Bentley	30,000		12,500	2,500	9,000	8,000	62,000
Stan Bracken-Horrocks	30,000		17,500	10,000	9,000	15,500	82,000
Don Campbell[2]	7,500		3,750		4,500		15,750
Ron Cliff [2]	30,000	40,625	12,500		9,000	15,500	107,625
Charles Jago	30,000		10,000		9,000	12,000	61,000
Michael Korenberg [3]	30,000	28,125	17,500	5,000	9,000	15,500	105,125
Conrad Pinette	30,000		11,250	2,500	9,000	7,000	59,750
William Stinson	30,000		8,750		9,000	4,000	51,750
David Calabrigo[4]	Nil	Nil	Nil	Nil	Nil	Nil	Nil

1. *Before deduction of applicable taxes.*
2. *Mr. Cliff was appointed Co-Chairman of the Company on February 13, 2013 and retired as Co-Chairman on December 31, 2013. Mr. Campbell retired from the Board on May 1, 2013.*
3. *Mr. Korenberg was appointed Co-Chairman of the Company on February 13, 2013 and Chairman on January 1, 2014.*
4. *Mr. Calabrigo, being a management director does not receive board fees and is not a member of any committees of the Board.*

Summary of Board/Committee Meetings Held
For the 12-month period ended December 31, 2013

Board	5
Audit[1]	8
Joint Corporate Governance	2
Joint Environmental, Health and Safety	4
Joint Capital Expenditure	2
Joint Management Resources and Compensation	2
Pension[2]	1

1. *In 2013, there were five scheduled Audit Committee meetings and three unscheduled meetings.*
2. *Effective May 1, 2013, the Pension Committee was wound up and its duties and responsibilities assumed by the Audit Committee.*

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There are no material loans outstanding as at March 6, 2014 payable by officers, directors, employees and former directors, officers and employees of the Company or any of its subsidiaries to the Company or any of its subsidiaries.

CORPORATE GOVERNANCE

INTRODUCTION

National Instrument 58-101 "*Disclosure of Corporate Governance Practices*" ("NI 58-101") requires public companies to disclose annually their corporate governance practices, including the constitution and independence of their board of directors, their mandates, roles, responsibilities and membership, and various items dealing with effective corporate governance. The Board have reviewed the governance practices of the Company and conclude that except as noted below, they comply with NI 58-101.

All of the Director nominees of the Company are independent as defined in NI 58-101, with the exception of Mr. Calabrigo, who is a member of senior management of Canfor and is not considered independent for this purpose. Mr. Calabrigo is not a member of any committees of the Board.

The following disclosure describes the Company's current corporate governance practices.

Board Responsibilities

Under a set of Governance Principles and Code of Conduct adopted by the Board, the Board has explicitly acknowledged its responsibility for the stewardship of the Company, including the supervision of the management of its affairs and business. The basic objective of the Board is to ensure that shareholder value is preserved and maximized over the longer term and that the highest ethical standards are maintained throughout the Company's operations. In pursuing this objective, consideration is given to the interests of other stakeholders and to balancing gain against risk in order to ensure the financial viability of the business of the Company. Under the Governance Principles and the Code of Conduct, the Board (directly or through its Committees) has expressly assumed responsibility in the areas listed below, among others.

Culture of Integrity

The Board has assumed responsibility for satisfying itself, to the extent practical, as to the integrity of the CEO and the other executive officers of the Company and that those officers work to create a culture of integrity throughout the Company. The Governance Principles and Code of Conduct are designed to assist the Board in defining and maintaining appropriate standards of integrity throughout the organization (see also "Ethical Business Conduct" below).

Strategic Planning

The Board participates in the strategic planning process by reviewing, evaluating and providing input to management's strategic plan. The Board sets aside at least one meeting per year to review and comment on management's strategic plan. This allows the Directors to gain a better appreciation of management's strategic planning priorities. Updates are provided to the Board throughout the year. The Board held one strategic planning session in 2013.

Risk Management

Risk management is a primary responsibility of the CEO and includes the identification and management of the principal risks of the Company's business. Regular reports on risk issues are made to the Audit Committee and management conducts an annual corporate risk assessment. In its deliberations, the Board considers the principal risks of the Company's business and satisfies itself that management has systems in place to manage those risks. In order to facilitate the management of the Company's business risks, the Board has adopted a risk management controls policy which sets out the responsibilities, reporting and counterparty credit requirements associated with all risk management activity as well as a specific energy risk management policy which sets out principles for managing energy price exposure risk. See "Overview of Compensation Policies, Programs and Objectives" herein for a discussion on risk as it relates to compensation issues.

Succession

The Compensation Committee reviews succession planning for the CEO and other key senior executives as well as personal development plans for senior management. The Compensation Committee is provided with regular updates on the succession and development programs from the CEO and reports to the Board on succession planning matters.

Communication Policy and Disclosure Control

The Company has adopted a Corporate Disclosure Policy covering timely dissemination of material information. The policy establishes guidelines relating to how material/sensitive company information is disclosed, responsibilities of officers, avoidance of selective disclosure and blackout periods. The Company also communicates through the dissemination of continuous disclosure materials such as annual and quarterly reports, news releases and the Annual Information Form. The Company maintains and regularly updates its website and conducts briefing sessions and group meetings.

Integrity of Internal and Disclosure Controls

The Board directly and through its Audit Committee reviews and assesses the adequacy and integrity of the Company's internal controls and management and information systems, as well as its disclosure controls and procedures to ensure that financial information for public disclosure is properly recorded, processed, summarized and reported to the Board and the Audit Committee. In addition, through the use of Canfor's internal auditors, the Board monitors and assesses internal control mechanisms and functions. The Company has established a Disclosure Committee comprised of senior managers of the Company and Canfor. The Disclosure Committee reviews and assesses the financial disclosure of the Company and the internal controls and procedures for ensuring that accurate information is being processed. The Disclosure Committee reports its findings to the CEO, CFO and Audit Committee. The Audit Committee regularly meets with the internal auditor, external auditors and management to review the effectiveness of such controls.

THE BOARD OF DIRECTORS

Independence

The Board is currently composed of 8 directors, 7 of whom are independent directors as defined in NI 58-101. Mr. Calabrigo is a member of the senior management of Canfor and is not considered independent for this purpose. Mr. Korenberg, Chairman of the Company, does not exercise any management functions and is considered to be an independent director. No current independent director has entered into any contracts with the Company, received remuneration from the Company in excess of Director's compensation or worked for the General Partner, the Fund or the Company in the last 5 years. The Board has provided a means whereby individual Directors may engage outside advisors at the expense of the Company in appropriate circumstances. In 2013, no advisors were engaged on behalf of individual Directors.

Of the 7 individuals proposed as nominees for election as Directors at the Meeting, 6 are considered to be independent as defined in NI 58-101.

Other Directorships

The names of other reporting issuers in respect of which each Director and proposed Director presently serves as a Director are set out under the "Election of Directors" section of this Information Circular.

Board Meetings

The independent Directors, as part of each Board meeting, hold *in camera* sessions without the presence of management and if necessary Mr. Calabrigo (as a non-independent Director) to discuss issues relating to management and governance of the Company generally. The Board held five such meetings in 2013. The Chairman of the Board meets annually with the CEO and Chairman of the Governance Committee to discuss the relationship between management and the Board and reports the results of these discussions to the Board.

Attendance Record

The attendance record of each Director for Board meetings and committee meetings is disclosed under the "Summary of Attendance of Directors" section of this Information Circular.

Chairman

Mr. Korenberg was appointed Co-Chairman of the Board on February 14, 2013 and Chairman of the Board on January 1, 2014. As discussed under "Independence" above, Mr. Korenberg is considered to be an independent Director as defined in NI 58-101. As Chairman, Mr. Korenberg is responsible for ensuring the effective functioning of the Board, independent of management, and in a manner consistent with the Governance Principles and Code of Conduct, as described under "Code of Conduct" below.

BOARD MANDATE

The Board has adopted a written Board Mandate entitled The Board Terms of Reference, which defines the Board's roles and responsibilities. The Board Terms of Reference have been filed on SEDAR at *www.sedar.com* and on the Company's website at *www.canforpulp.com*.

POSITION DESCRIPTIONS

The Board has adopted position descriptions for the Chair of the Board, the Chair of each Board Committee and for the CEO, each of which is available on the Company's website at *www.canforpulp.com*.

ORIENTATION AND CONTINUING EDUCATION

Programs for the orientation of new Directors and the ongoing education of existing Directors are the responsibility of the Governance Committee and the Chairman of the Board oversees these programs. New Directors are provided with a Directors Orientation Manual containing details of the Company's organizational structure, terms of reference for the Board and Committees, the Company's Annual Information Form and other relevant materials. Visits to various operations sites of the Company are organized for such members by the Chairman of the Board. The Board receives updates and other information from management relating to changes in law or other matters relevant to the Board.

ETHICAL BUSINESS CONDUCT

Code of Conduct

As noted above, the Board has adopted a set of Governance Principles and a Code of Conduct. The Governance Principles deal with issues such as the role of the Board and management, functions of the Board, qualifications of Directors, independence of Directors, ethics and conflicts of interest. The Code of Conduct defines the standards and values which the Company expects all employees to follow in their dealings with stakeholders and is consistent with the Company's corporate values of integrity, trust, openness and respect for people. The Board Governance Principles and Code of Conduct have been filed on SEDAR at *www.sedar.com* and on the Company's website at *www.canforpulp.com* and a copy may be obtained from the Corporate Secretary of the Company.

The CEO of the Company reports to the Governance Committee on his efforts to monitor and promote a culture of integrity consistent with the Code of Conduct which includes meetings and discussions with senior managers and other stakeholders of the Company. A further description of the roles and responsibilities of the Governance Committee is set out under the section "Board Committees" below.

On an annual basis, each Director is required to disclose and the Board reviews all of the Directors' personal or business relationships with the Company in order to allow the Board to determine whether such relationships could reasonably be expected to interfere with the Director's independent judgment. If a conflict of interest arises between the Director and the Company, that Director would not participate in the relevant decision.

NOMINATION OF DIRECTORS

The responsibility for the identification of new candidates for Board nomination resides with the Company's Governance Committee (as defined below).

The Company has adopted a majority voting policy guideline which stipulates that if any nominee director receives a majority "withhold" vote at a Shareholders Meeting, the Board will accept the resignation of such a director unless the Governance Committee determines that there are extra ordinary circumstances that should delay the resignation.

The Governance Committee canvasses Board members for their suggestions regarding potential appointees to the Board and identifies and recommends annually to the Board, for its consideration, a short list of proposed nominees for election to the Board. In considering the candidates on the list, the Governance Committee considers individual backgrounds, skills and expertise, geographic representation and the requirements of the Board in terms of skills and mix (see "Election of Directors" herein). The Board does not currently have a retirement policy.

The Governance Committee is composed entirely of independent Directors. A further description of the responsibility, power and operations of this Governance Committee is set out under the Section entitled "Board Committees" below.

COMPENSATION

The process for the determination of the compensation of the Company's Directors and senior officers is overseen by the Company's Compensation Committee. As described under the "Executive Compensation" section of this Information Circular, the Compensation Committee engages the services of Hay to assist the Compensation Committee in determining the Company's compensation levels in 2013.

The Compensation Committee annually reviews Directors' and senior officers' compensation, with the assistance of its outside independent consultants, as required, to amend compensation as required to reflect adequate compensation aligned with Shareholder interests.

The Compensation Committee is composed entirely of independent Directors. A description of the responsibilities, powers and operations of the Compensation Committee is set out under the section of this Information Circular titled "Board Committees" below.

BOARD COMMITTEES

Set out below is a description of the written charters of the five committees of the Board, their mandates and their activities. All Board Committees are composed of a majority of independent Directors. In order to create efficiencies in the governance and reduce cost, all Committees of the Company, other than the Audit Committee, have as members, directors of Canfor. These Committees meet jointly to deal with issues that relate to the Company and Canfor.

Audit Committee

The overall purpose of the Audit Committee is to oversee the Company's financial reporting process and to review with the Company's external auditors the Company's audited financial statements that are to be submitted to its annual general meeting. The Audit Committee also reviews with management and the external auditors of the Company the impact of significant risks, potential liabilities and uncertainties which may affect the Company, any financial statements that are to be included in a prospectus or take-over bid circular of the Company as required by securities law, as well as certain interim unaudited financial statements and all public disclosure documents containing audited or unaudited earnings information before their release to the public, and reports the results of such reviews and any associated recommendations to the Company's Board. In addition, the Audit Committee makes recommendations to the Board regarding the appointment of independent auditors, reviews the nature and scope of the annual audit plan presented by the Company's external auditors, and reviews with management the risks inherent in the Company's business and the management of such risks. The Audit Committee also reviews with both external auditors and with management of the Company the adequacy of the internal accounting procedures and systems established by the Company and reviews the Company's annual financing plan, any proposed financings and the method by which the Company measures financial results and performance. The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and may retain special legal, accounting or other experts in the performance of its duties. The Audit Committee has regular sessions with the internal auditor and the external auditors (both with and without management) to discuss issues as it deems appropriate and requires management to implement and maintain appropriate internal controls and reviews these controls regularly at Committee meetings. The Audit Committee has implemented controls to pre-approve non-audit work performed by the external auditors.

The Audit Committee also has the responsibility to oversee the administration, financial reporting and investment activities of the Company's defined benefit pension plans. The Audit Committee also has an oversight role with regard to the Company's defined contribution plan and is responsible for reporting to the Board in respect of the actuarial soundness of the plans, the administration of the plans, investment policy, the performance of plan investments and compliance with governing legislation. Where contemplated by the Company's pension plan documents, the Audit Committee may appoint actuaries, auditors, trustees and investment counsel for each plan and seek to ensure that actuarial valuation studies are completed and contain such calculations, recommendations and information as required by applicable legislation or by the Company. The Audit Committee reviews and approves annually a statement of investment policies and procedures for each plan and may, from time to time, recommend to the Board changes to the plans and their administration.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and may retain special legal, accounting or other experts in the performance of its duties. The Audit Committee is composed of three independent Directors of the Company. For further information regarding the Company's Audit Committee, see the Section of the Company's Annual Information Form dated February 5, 2014 entitled "Audit Committee Information", which is incorporated by reference herein and which is available on SEDAR at *www.sedar.com*.

Joint Corporate Governance Committee (the "Governance Committee")

The principal role and function of the Governance Committee is to ensure that the Company, through its Board, sustains an effective approach to corporate governance. The Governance Committee monitors best practices for corporate governance and reviews practices and terms of reference to ensure the Company's compliance with industry standards and applicable laws and regulatory rules and policies. An additional function of the Governance Committee is to review the Board's overall relationship with management. The Governance Committee is also responsible for identifying and recommending proposed nominees for election to the Board, recommending the assignment of Directors to Committees of the Board and undertaking an annual assessment of the size and effectiveness of the Board and the Board Committees. The Governance Committee also develops and periodically reviews compliance with the Board Governance Principles and the Code of Conduct and the resolution of potential or real conflicts of interest and also functions as a forum for concerns of individual directors about matters that are not readily or easily discussed in a full meeting of the Board. The Governance Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and may retain special legal, accounting or other experts in the performance of its duties. The Governance Committee is composed of five independent Directors, four members who are directors of both the Company and Canfor and one member who is a director of the Company only.

Joint Management Resources and Compensation Committee (the "Compensation Committee")

The overall purpose of the Compensation Committee is to oversee compensation policies approved by the Board and to make recommendations to the Board regarding executive compensation.

The Compensation Committee is responsible for ensuring that the Company has in place programs and policies to attract and retain high calibre executives and a process to provide for the orderly succession of management. The Compensation Committee annually assesses the performance of the CEO, recommends for approval by the Board of that officer's compensation and benefits and approves the compensation for all other designated senior officers of the Company, its subsidiaries and affiliates. This is done after considering the recommendations of the CEO, all within the compensation policies, guidelines and pay and performance systems approved by the Board. The Compensation Committee also reviews from time-to-time, as and when required, the Company's board policies and programs in relation to pension and other benefits. In addition, the Compensation Committee reviews from time-to-time with the CEO, policies on compensation for all employees. It also annually reviews the adequacy and form of the compensation of the Directors and reports and makes recommendations to the Board accordingly. The Compensation Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and may retain special legal, accounting or other experts in the performance of its duties. The Compensation Committee is composed of six independent Directors, three members who are directors of both the Company and Canfor, one member who is a director of the Company only and two members who are directors of Canfor only.

Joint Environmental, Health and Safety Committee (the "EH&S Committee")

The overall purpose of the EH&S Committee is to develop, review and make recommendations as required on matters related to the Company's environmental, health and safety policies and practices and to monitor compliance with government regulations and with the Company's commitment to excellence on these issues. The EH&S Committee is also responsible for reviewing and making recommendations to the Board concerning the Company's compliance with policy statements and implementation standards adopted from time to time by the Company on environmental, health and safety issues, the Company's environmental disaster response plan and degree of readiness for each of its operations and the Company's management programs and standards addressing the health of its employees and the public and the safety of the workplace. The EH&S Committee monitors the Company's development of policies and initiatives in the area of environment, health and safety. The EH&S Committee requires that at least one meeting per year is held at one of the Company's operations. The EH&S Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and may retain special legal, accounting or other experts in the performance of its duties. The EH&S Committee is composed of six Directors, five of whom are independent. Three members of the Committee are directors of both the Company and Canfor, one member who is director of the Company only and two members who are directors of Canfor only.

Joint Capital Expenditure Committee (the "Capex Committee")

The overall purpose of the Capex Committee is to act on behalf of the Board in reviewing and making recommendations on expenditures for capital projects that are in excess of the management limit, but within the authority of the Capex Committee, as set by the Board from time to time. The Capex Committee also has the authority to review capital projects proposed by Canfor. Subject to any change by the Board, the Capex Committee reviews and considers individual capital expenditures of $5 million or more. The Capex Committee has the authority to approve any capital expenditure between $5 million and $25 million. Any project approval in excess of $25 million is subject to the approval of the full Board. In addition, the Capex Committee reviews any lesser capital expenditures referred to it by the Board or the CEO, subject to further approval requirements as stipulated by the Board, if any. The Capex Committee is composed of seven Directors, six of which are independent. Four members of the Committee are directors of both the Company and Canfor, one member who is director of the Company only and two members who are directors of Canfor only.

Board/Committee Assessments

The Governance Committee undertakes assessments of the size and effectiveness of not only the Board's Committees, but also of the Board as a whole. It also reviews attendance by individual members at Committee and Board meetings. The Board evaluates its performance by asking each Director to complete a questionnaire, the contents of which are summarized by an independent consultant, evaluated by the Governance Committee and then discussed at a meeting of the full Board or by the Chairman interviewing each Director on Board effectiveness and reporting the results to the Board. The Governance Committee consults with the Company's CEO regarding periodic assessments of the relationship between management and the Board, and after such reviews advises the Board of its findings.

At the Meeting 7 Directors will stand for election. The Company has implemented a policy whereby if a Director changes his/her principal occupation, they will offer their resignation as a Board member. The Board may accept or not accept the resignation.

APPOINTMENT OF AUDITORS

On the recommendation of the Audit Committee, subject to confirmation at the Meeting, the Board has re-appointed PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Company to hold office until the next Annual General Meeting. The persons named in the enclosed proxy will, unless otherwise directed, vote for the confirmation of such reappointment.

The fees payable by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit, Tax and Financial Services Fees	Consulting Services	Total Fees
December 31, 2013	$595,000	$18,000	$613,000
December 31, 2012	$619,000	$0	$619,000

The Audit Committee has the responsibility to approve any non-audit related services provided by the auditors of the Company exceeding $100,000 and the Chairman of the Audit Committee has the authority to approve any such services exceeding $50,000 but not in excess of $100,000.

OTHER INFORMATION

These securityholder materials are being sent to both registered and non-registered owners of the Company's securities. If you are a non-registered owner, and the issuer 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 holding on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Company's Annual Report which contains the audited Financial Statements for the year ended December 31, 2013 and Management's Discussion and Analysis of Financial Condition and Results of Operations, which contain financial information relating to the Company, accompany this Information Circular. An additional copy of those documents, this Information Circular and any interim financial statements filed subsequent to the annual audited Financial Statements, and additional information regarding the Company may be obtained from the Corporate Secretary of the Company and may be accessed on the Company's website *www.canforpulp.com*. Additional information relating to the Company is available on SEDAR at *www.sedar.com*.

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

BY ORDER OF THE BOARD OF DIRECTORS

David M. Calabrigo, Q.C.
Corporate Secretary
Vancouver, BC
March 6, 2014