

Canfor Pulp Products Inc. 

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held on April 24, 2012

INFORMATION CIRCULAR

March 7, 2012

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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 of the shareholders of Canfor Pulp Products Inc. ("CPPI") will be held in the Atkins-Ceperley Room at the Terminal City Club, 837 West Hastings Street, Vancouver, British Columbia, on Tuesday, April 24, 2012 at 11:30 a.m. for the following purposes:

1. To receive the financial statements of CPPI for the period ended December 31, 2011 and the report of CPPI's auditor thereon, the financial statements of Canfor Pulp Limited Partnership (the "Partnership") for the period ended December 31, 2011 and the report of the Partnership's auditor thereon;
2. To elect Directors of CPPI for the ensuing year;
3. To appoint the auditor of CPPI for the ensuing year; and
4. To transact such other business as may properly come before the Meeting.

DATED at Vancouver, British Columbia this 7th day of March, 2012.

**By Order of the Directors of
Canfor Pulp Products Inc.**

**Terry D. Hodgins
Secretary**

An Information Circular accompanies this Notice of Annual General Meeting. The Information Circular contains details of matters to be considered at the Meeting.

The record date (the "Record Date") for determination of registered shareholders of CPPI entitled to receive notice of and vote at the Meeting is March 7, 2012. Only shareholders whose names have been entered in the applicable register of common shares of CPPI at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting.

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 7, 2012

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the Directors of Canfor Pulp Products Inc. ("CPPI") to be used at the Annual General Meeting (the "Meeting") of the shareholders of CPPI (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 CPPI.

RECORD DATE

The Directors of CPPI have fixed March 7, 2012 at the close of business as the record date (the "Record Date") for determining the names of Shareholders entitled to receive notice of the Meeting. Only Shareholders whose names have been entered in the applicable register of common shares of CPPI ("CPPI Shares") at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting.

YOUR VOTE IS IMPORTANT

As a Shareholder, it is very important that you read the following information on how to vote your CPPI Shares and then vote your CPPI Shares, either by proxy or in person at the Meeting.

INFORMATION FOR BENEFICIAL HOLDERS OF SECURITIES

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 Meeting or any other matters which may properly come before this Meeting. 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 voted on. If a choice is not so specified with respect to any such matter, the proxyholder shall be deemed to have been granted the authority to vote the relevant shares: (a) for the election of the Directors named in the proxy; and (b) for the appointment of PricewaterhouseCoopers LLP as the 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 CPPI. 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 CPPI 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.

APPOINTMENT OF PROXYHOLDERS

Each of the persons named in the enclosed form of proxy is a Director of CPPI. **A Shareholder who wishes to appoint some other person to represent him/her at the Meeting may do so by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy. Such other person need not be a Shareholder of CPPI.** The proxy will not be valid unless the completed form of proxy is delivered to CIBC Mellon Trust Company, Suite 1600, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1, or the Secretary of CPPI, not less than twenty-four (24) hours (excluding Saturdays and holidays) before the time of the Meeting.

A registered Shareholder who has given a proxy may revoke the proxy by: (a) completing and signing a proxy bearing a later date and depositing it with CIBC Mellon Trust Company as described above; (b) depositing an instrument in writing, clearly stating that the Shareholder wants to revoke the proxy and executed by the registered Shareholder or the registered Shareholders' attorney authorized in writing, at the registered office of CPPI, at 1700 - 666 Burrard Street, Vancouver, British Columbia, V6C 2X8, at any time up to and including the last business day before the Meeting, or with the scrutineers of the Meeting, to the attention of the chair of the Meeting, prior to the commencement of the Meeting on the day of the Meeting; or (c) in any other manner permitted by law.

A beneficial Shareholder may revoke a voting instruction form or a waiver of the right to receive meeting materials and to vote given to an intermediary at any time by written notice to the intermediary, except that an intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive materials and to vote that is not received by the intermediary at least seven days prior to the Meeting.

PRINCIPAL HOLDER OF CPPI SHARES

As at March 7, 2012, CPPI has outstanding and entitled to be voted at the Meeting, 71,269,790 CPPI Shares, each CPPI Share carrying the right to one vote.

To the knowledge of the Directors of CPPI, no person or corporation beneficially owns, directly or indirectly, or exercises direction or control over 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 71,269,790 CPPI Shares, representing 100% of the total number of issued CPPI Shares. CPPI 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. On March 2, 2012, CPPI issued 35,776,483 CPPI Shares representing 50.2% of outstanding CPPI Shares to Canadian Forest Products Ltd. ("CFP") in exchange for 35,776,483 Class B Exchangeable Limited Partnership units representing 50.2% interest in the Partnership (the "Exchange").

The Exchange was made pursuant to the terms of the Exchange Agreement (the "Exchange Agreement") dated January 1, 2011 between CFP, CPPI, the Partnership and the Canfor Pulp Holding Inc., the general partner of the Partnership. A copy of the Exchange Agreement is filed under CPPI's profile on SEDAR at www.sedar.com.

ANNUAL BUSINESS OF THE MEETING

The Meeting will be constituted as an annual general meeting. As part of the annual business set out in the Notice of Meeting, the Financial Statements will be placed before Shareholders by CPPI and Shareholders will be asked to consider and vote on (i) the election of the Directors of CPPI who will serve until the end of the next annual general meeting of CPPI or until their successors are appointed, (ii) the appointment of the auditors of CPPI for the ensuing year and, (iii) such other business as may properly come before the Meeting.

CPPI, THE PARTNERSHIP AND THE GENERAL PARTNER

CPPI was incorporated on March 12, 2010 under the *Business Corporations Act* (British Columbia) (the "BCBCA"). CPPI is the successor to the Canfor Pulp Income Fund (the "Fund") following the completion of the 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 ("Fund Units") for CPPI Shares. Upon implementation of the Conversion, on January 1, 2011, the unitholders of the Fund became the sole shareholders of CPPI which became sole owner of all of the outstanding Fund units.

Immediately following the Conversion, CPPI completed the reorganization of its corporate structure with the winding-up the Fund and Canfor Pulp Trust (the "Trust") on January 1, 2011. As a result of this reorganization, CPPI became the direct holder of the 49.8% interest in the Partnership previously held by the Fund (indirectly through the Trust). On March 2, 2012, as a result of the Exchange, CPPI increased its interest in the Partnership and Canfor Pulp Holding Inc. (the "General Partner") from 49.8% to 100%.

The Partnership is a limited partnership formed under the laws of Manitoba pursuant to a limited partnership agreement made as of April 19, 2006.

Canfor Pulp Holding Inc. (the "General Partner") is a corporation incorporated under the laws of Canada. The General Partner was formed to act as general partner of the Partnership and to operate the pulp and paper business on behalf of the Partnership in its capacity as general partner.

The registered office of each of CPPI and the General Partner is located at 1700 - 666 Burrard Street, Vancouver, British Columbia, V6C 2X8. The registered office of the Partnership is located at 230 - 1700 West 75th Avenue, Vancouver, British Columbia, V6P 6G2.

For a description of the development of the business of CPPI, see the sections entitled "General Development of the Business", "The Pulp and Paper Business of the Partnership", "The Businesses of Canfor Pulp Products Inc, the Partnership and the General Partner" contained in the Annual Information Form (the "AIF") of CPPI dated February 6, 2012 which may be found on SEDAR at www.sedar.com.

ELECTION OF DIRECTORS

Pursuant to the Articles of CPPI, the number of directors to be elected to the Board of Directors of CPPI at the Meeting is determined from time to time by resolution of the Shareholders, such number being not less than three. The number of directors is currently fixed at three and the directors have proposed that the number be increased to nine directors to be elected at the Meeting. 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 General Partner and CPPI 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. CPPI 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 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 CPPI and a Trustee of the Fund, the predecessor of CPPI, the number of CPPI Shares that each proposed nominee beneficially owns, directly or indirectly, or exercises control or direction over which direction was exercised as of March 7, 2012 and as of the record date of the Annual General Meeting in 2011.



Peter J. G. Bentley, O.C., LL.D., of Vancouver, British Columbia, Canada was appointed to the Board of the General Partner on April 28, 2006.

Mr. Bentley has served on the Board of 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 the company 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 retired as Chancellor of the University of Northern British Columbia in May 2007. Mr. Bentley holds Honorary Doctorate of Law degrees from the University of British Columbia and from University of Northern British Columbia.

Mr. Bentley chairs the General Partner's Compensation Committee and is a member of the Governance and Joint Capital Expenditure Committees.

No. of CPPI Shares	
March 7, 2012	March 15, 2011
888,574	857,946



Stan E. Bracken-Horrocks, FCA, of Kelowna, British Columbia, Canada was appointed to the Board of the General Partner on April 28, 2006. Mr. Bracken-Horrocks has been a Director of CPPI since December 10, 2010 and served as a Trustee of the Fund from April 26, 2006 until January 1, 2011.

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 Director and Chairman of the Audit Committee of the Business Development Bank of Canada.

Mr. Bracken-Horrocks chairs the Audit Committee of CPPI and the General Partner and is a member of the Compensation Committee.

No. of CPPI Shares	
March 7, 2011	March 15, 2011
7,000	7,000



David M. Calabrigo, Q.C., of Surrey, British Columbia, Canada was appointed to the Board of the General Partner on May 3, 2011.

Mr. Calabrigo is Senior Vice President, Corporate and Legal Affairs / Corporate Secretary of Canfor.

Mr. Calabrigo was appointed General Counsel and Corporate Secretary on January 3, 2001; on July 1, 2003, he was appointed Vice President, Human Resources, General Counsel and Corporate Secretary; on April 2, 2004, he was appointed Vice President, Corporate Development, General Counsel and Corporate Secretary; and on May 5, 2011, he was appointed Senior Vice President Corporate and Legal Affairs. Prior to joining Canfor, he was General Counsel and Corporate Secretary of Viceroy Resource Corporation.

Mr. Calabrigo received his Bachelor of Arts degree from Simon Fraser University and his Law degree from the University of Alberta.

No. of CPPI Shares	
March 7, 2012	March 15, 2011
Nil	190



Donald W. Campbell, of Montreal, Quebec, Canada was appointed to the Board of the General Partner on April 28, 2006. Mr. Campbell has been a Director of CPPI since December 10, 2010 and served as a Trustee of the Fund from April 26, 2006 until January 1, 2011.

Mr. Campbell is Senior Strategy Advisor of Davis LLP, a position he has held since May, 2007. Previously, he was Executive Vice President of CAE Inc. 2006 - 2007 and Group President, Military Simulation and Training Division, CAE 2000 - 2006. Prior to this position, Mr. Campbell served as Deputy Foreign Minister and as the Prime Minister's Personal Representative for G-8 Summits (1997-2000), Canada's Ambassador to Japan (1993-1997), Deputy Minister for International Trade (1989-1993) and Canada's Ambassador to Korea (1984-1985).

Mr. Campbell is currently a director of Toyota Canada Inc., and Perimeter Institute and Davie Yards Inc. Mr. Campbell is a Distinguished Fellow of the Asia Pacific Foundation and the Canadian Chair of the Pacific Economic Cooperation Council. In April 1999, Mr. Campbell received the Outstanding Achievement Award of the Public Service of Canada from the Governor General and the Prime Minister. In 2003, Mr. Campbell was appointed by the Prime Minister as the Canadian Co-Chairman of the Canada-Japan Forum, an external advisory group established by the governments of Japan and Canada to provide advice and to promote the bilateral relationship between the two countries. Mr. Campbell is a graduate of Laurier University (Hon. B.A. Economics and Political Science) and holds Honorary Doctorate degrees from the University of Ottawa, Carleton University and Laurier University. He is a graduate of the Institute of Corporate Directors programme of the University of Toronto and holds an ICD.D.

Mr. Campbell chairs the General Partner's Governance Committee and is a member of the Audit Committee of CPPI and the General Partner and the Joint Capital Expenditure Committee.

No. of CPPI Shares	
<u>March 7, 2012</u>	<u>March 15, 2011</u>
11,000	11,000



Ronald L. Cliff, C.M., FCA, of West Vancouver, British Columbia, Canada was appointed to the Board of the General Partner on April 28, 2010. Mr. Cliff is Chairman of the Board of the General Partner.

Mr. Cliff is Chairman of the Board of Directors of Canfor and its subsidiary, CFP. Mr. Cliff is Chairman of Heathcliff Properties Ltd. He is also President of the Heathcliff Foundation.

Mr. Cliff was Chairman and a director of BC Gas Inc. (now Terasen Inc.) from 1972 to 2002. He also served as a director of the Royal Bank of Canada and was a director and Chairman of Southam Inc. Mr. Cliff is a Trustee and Chairman Emeritus of the Vancouver Police Foundation; a former Trustee of the Vancouver General Hospital and University of British Columbia Hospital Foundation and the Chairman of the Vancouver Symphony Foundation.

Mr. Cliff received his Commerce Degree from the University of British Columbia and qualified as a Chartered Accountant in 1954 and was elected a Fellow of the Institute of Chartered Accountants of British Columbia in 1994.

Mr. Cliff is a member of the General Partner's Audit and Governance Committees.

No. of CPPI Shares	
<u>March 7, 2012</u>	<u>March 15, 2011</u>
50,826	46,826



Charles J. Jago, PhD, C.M., of Prince George, British Columbia, Canada, was appointed to the Board of the General Partner on April 28, 2006. Dr. Jago has been a Director of CPPI since December 10, 2010 and served as a Trustee of the Fund from April 26, 2006 until January 1, 2011. Dr. Jago is Chairman of the Board of Canfor Pulp Products Inc.

Dr. Jago was President of the University of Northern British Columbia 1995-2006 and on an interim basis from 2008-09. 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, and the Northern BC United Way. He currently chairs the Boards of Northern Health Authority of British Columbia, Fraser Basin Council and the Sinclair 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 Jubilee Medal for community service in 2003 and the Order of Canada in 2006.

Dr. Jago is a member of the Audit Committee of CPPI and the General Partner and the Compensation and Governance Committees.

No. of CPPI Shares	
March 7, <u>2012</u>	March 15, <u>2011</u>
2,000	2,000



Michael J. Korenberg, of West Vancouver, British Columbia, Canada was appointed to the Board of the General Partner on May 3, 2011.

Mr. Korenberg is the Deputy Chairman & Managing Director of The Jim Pattison Group, a diversified group of companies. He was previously the Vice Chairman of The Jim Pattison Group.

Mr. Korenberg is a director of Canfor Corporation, Jim Pattison Group Inc. (and its affiliates), Sun-Rype Products Ltd., Westshore Terminals Investment Corporation and Westshore Terminals Ltd., 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.

Mr. Korenberg chairs the Joint Capital Expenditure Committee and is a member of the General Partner's Audit Committee.

No. of CPPI Shares	
March 7, <u>2012</u>	March 15, <u>2011</u>
893	893



William W. Stinson, of Vancouver, British Columbia, Canada was appointed to the Board of the General Partner on February 17, 2009.

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 Helicopters Ltd. He is currently the Chairman and CEO of Westshore Terminals Investment Corporation and a director of Canfor Corporation.

Mr. Stinson is a member of the General Partner's Audit, Compensation and Joint Capital Expenditure Committees.

No. of CPPI Shares	
March 7, <u>2012</u>	March 15, <u>2011</u>
95,000	95,000



Conrad A. Pinette, of Vancouver, British Columbia, Canada is nominated for appointment to the Board of the General Partner and CPPI on April 24, 2012.

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, Tolko Industries Ltd. (2005), Executive Vice President, 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, a director of the Cariboo Foundation and Canfor Corporation.

No. of CPPI Shares

March 7, 2012

Nil

To the knowledge of CPPI, no Director nominee of CPPI and no Director of the General Partner was, within the last 10 years of the date of this Information Circular, a director or executive officer of a company that (i) while the relevant director nominee or director was acting in that capacity, was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of 30 consecutive days; (ii) was subject to an cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of 30 consecutive days, that was issued after the relevant director nominee or director ceased to act in such capacity, and which resulted from an event that occurred while that person was acting in the capacity of director or senior officer of that company; or (iii) within a year of the relevant director nominee or director ceasing to act in such 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, other than:

- (a) Mr. Don Campbell was a director of Rutter Inc. ("Rutter"), which voluntarily requested a management cease trade order ("MCTO") as a result of Rutter's delay in filing its audited annual financial statements, CEO and CFO certifications, MD&A and annual information form for the year ended August 31, 2008 (the "Required Filings"). Rutter attributed this delay to the lack of final agreement on a potential restructuring of the debt with Rutter's principal lender. The Ontario Securities Commission ("OSC") issued a temporary MCTO on December 2, 2008 which prohibited the then current Chief Executive Officer of Rutter (the "Rutter CEO") and Chief Financial Officer of Rutter (the "Rutter CFO") from trading in or acquiring securities of Rutter for a period of 15 days. The OSC issued a permanent MCTO on December 16, 2008, prohibiting the Rutter CEO and Rutter CFO from trading in or acquiring securities of Rutter until the earlier of two (2) full business days after the Required Filings were received by the OSC, or a further order of the OSC (in the case of the permanent MCTO). The Required Filings were made on or about January 12, 2009 and the permanent MCTO was subsequently lifted. Neither the temporary nor the permanent MCTO were imposed on Mr. Campbell. Mr. Campbell ceased to be a director of Rutter on January 15, 2010.
- (b) Mr. Campbell was a director of Mecachrome International Inc. ("Mecachrome") from July, 2007 to December, 2009. Between December 2008 to 2009, Mecachrome obtained creditor protection from the Quebec Superior Court under the Companies Creditors Arrangement Act (Canada). In December, 2009, Mecachrome completed its financial restructuring and reorganization process. Mr. Campbell ceased to be a director in December 2009.
- (c) Mr. Campbell was a director of ExelTech Aerospace Inc. ("ExelTech"). On February 4, 2010, ExelTech filed a notice of intention (NOI) to file a proposal under the Bankruptcy and Insolvency Act (Canada), seeking protection from its creditors. On February 9, 2010, the Superior Court of Quebec appointed RSM Richter Inc. as interim receiver of the assets of ExelTech Canada Inc., a wholly-owned subsidiary of ExelTech. ExelTech was declared bankrupt in May 2010 and Mr. Campbell ceased to be a director.
- (d) Mr. Campbell is a director of Davie Yards Inc. ("Davie"). On February 25, 2010, Davie filed for creditor protection under the Companies' Creditor Arrangement Act (Canada) ("CCAA") with the Quebec Superior Court (the "Court"). On November 3, 2011, Davie obtained an order from the Court extending the stay of proceedings ordered by the Court, the whole pursuant to the CCAA.
- (e) 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 Company Creditors Agreement Act (Canada). Mr. Stinson ceased to be a director on June 30, 2010.

- (f) Messrs. Bentley and Calabrigo, each of whom were directors and/or officers of HSPP General Partner Ltd., general partner of Howe Sound Pulp and Paper Limited partnership ("HSLP"), during the period of January 29 to February 1, 2008 when HSLP completed a restructuring under the Companies Creditors Arrangement Act (Canada), and on January 27, 2011, when 6382 Pulp and Paper Limited Partnership (formerly HSLP) ("6382 LP") 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. 6382 LP filed a proposal under the BIA in February 2011.

To the knowledge of CPPI, no Director nominee of CPPI and no Director of the General Partner has, within the last 10 years of 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 Director nominee. To the knowledge of CPPI, no Director nominee of CPPI has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a Director nominee.

THE DIRECTORS OF THE GENERAL PARTNER

The Board of Directors of the General Partner currently consists of nine directors. Messrs. Bentley, Calabrigo, Cliff, Korenberg, Nemeth and Stinson are CFP's appointees and Messrs. Bracken-Horrocks, Campbell and Jago are CPPI's appointees. On April 24, 2012, CFP intends to appoint Mr. Conrad Pinette to replace Mr. Nemeth as a Director of the General Partner and the Board of the General Partner will consist of all of the nine individuals proposed as nominees for election as Directors of CPPI at the Meeting.

EXECUTIVE COMPENSATION

GENERAL

CPPI does not conduct any active business and the General Partner is responsible for the management of the pulp and paper business. As a result, CPPI does not function through a committee structure. Compensation issues are addressed through the committee structure of the General Partner which includes a Compensation Committee of its Board of Directors (the "Compensation Committee").

COMPOSITION OF THE COMPENSATION COMMITTEE

The Board of Directors of the General Partner has final authority to approve the recommendations of the Compensation Committee regarding the compensation of the executives of the General Partner and the Partnership. The following independent Directors of the General Partner were members of the Compensation Committee at December 31, 2011: Messrs. Bentley, Bracken-Horrocks, Jago and Stinson. For further information on the role and responsibility of the Compensation Committee see "Board Committees – 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 serves on the compensation committee of Canfor; Mr. Stinson was formerly the CEO of Canadian Pacific Ltd. and as such had responsibility for compensation policies and programs for that company and also serves on the compensation committee of Canfor. Mr. Bracken-Horrocks has extensive experience in public practice in auditing and review of pension and other compensation programs; Dr. Jago was formerly President of the University of Northern British Columbia and had oversight of the University compensation programs and policies; and Messrs. Bracken-Horrocks, Jago and Stinson are members of the General Partner Audit Committee; Messrs. Bentley and Jago are members of the Corporate Governance Committee; and Messrs. Bentley and Stinson are members of the Joint Capital Committee. The cross memberships between committees supports the oversight of compensation policies and standards and ensures alignment with the Partnership's risk management principles.

COMPENSATION DISCUSSION AND ANALYSIS

Overview of Compensation Policies, Programs and Objectives

The executive compensation policies of the General Partner relating to the main elements of compensation awarded to, earned by or paid to the Named Executive Officers (as defined under the section entitled "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 incentives 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 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 including the long term incentive plan, short term incentive plan, all as described further below. Hay is an independent resource for advice to the Compensation Committee and has assisted the Committee in reviewing compensation trends including market competitive information, designing compensation programs, and assisting the Committee in assessing the compensation of the CEO. The fees paid to Hay for compensation related services in 2011 was \$106,467 (2010 – Nil).

Compensation oversight and risk management are closely aligned. Mr. Bracken-Horrocks, who is the Chair of the Audit Committee, also is a member of the Compensation Committee. These Committees review the Partnership'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 Partnership.

Elements of Compensation

Base Salaries

Base salaries and salary ranges for the Named Executive Officers are established using market-competitive information provided by the Hay Group, the independent consulting firm retained by the Compensation Committee for this purpose. Salaries are reviewed annually. The mid-point for salary ranges is set at the median of the market place. The CEO's compensation is compared to top executive positions in the Canadian pulp and paper industry and to a broader industry group. The primary source for market information is the Hay Forest Industry Survey (FIS). The companies included in the peer group market data are AV Nackawic Inc.,

Fibrex Inc., Domtar Corporation, AbitibiBowater inc., Mercer International Inc., Ainsworth Engineered Canada L.P., Alberta-Pacific Forest Industries Inc., Canadian Forest Products Ltd., 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 of Directors the compensation of the CEO.

Annual (Short-Term) Incentive Plan

The General Partner has a short-term incentive plan known as the Canfor Pulp Salaried Incentive Plan ("PSIP"). The PSIP applies to the Named Executive Officers (including the CEO) and all other salaried employees of the Partnership and has three components: Partnership performance, Business Unit performance and Individual performance. The PSIP program and annual goals and objectives are designed to enhance annual operating performance and financial results.

Partnership performance is measured by return on net assets ("RONA") for the Partnership. Target RONA performance levels are established annually taking into account actual historical RONA levels and projected RONA levels for the year. An annual minimum threshold RONA must be achieved for any payout under the PSIP to be made. Business Unit performance is measured against specific safety, environmental, productivity and operating costs, and organization goals. Individual performance is measured against agreed upon goals and objectives. These goals and objectives may relate to health and safety, and specific individual projects or programs. Partnership RONA levels for the year, Business Unit specific operational and organization goals, and Individual performance goals and objectives are established as part of the annual planning process. Goals are based on improvements over historical results, adjusted to reflect projected production input costs and markets for the Partnership's products. For Named Executive Officers, Business Unit performance is measured in relation to the performance of competitors in the pulp and paper industry on an EBITDA/tonne basis. For this purpose, the industry competitors consist of Fibrex Inc. (formerly SFK Income Fund), the pulp and paper segments of Tembec Inc., West Fraser Timber Co. Ltd. and Catalyst Paper Corporation. Award opportunity will vary by employee responsibility level within the Partnership. Market competitive award PSIP targets as a percentage of base salary are 55% for the CEO and 40% for the other Named Executive Officers and range from 10% to 30% for all other salaried employees. Higher payout levels are possible with superior performance. In 2011, the General Partner paid to the Named Executive Officers a total of \$770,990 in PSIP awards, representing 131% of target for the year.

Target awards and payouts for the Named Executive Officers for 2011 by component are summarized as follows:

	2011 Average Award as % of Target	% of Total Award
Partnership Component	127%	48%
Business Unit Component ¹	200%	31%
Individual Component	93%	21%
Total	131%	100%

- For 2011, the Partnership performance as measured by RONA, exceeded the performance target level, resulting in an award of 127% for the Partnership Component.*
- For 2011 the Partnership performance, as measured on an EBITDA/tonne basis, was greater than 120% of the average of the industry competitor performance resulting in an award of 200% for the Business Unit Component.*

Long-Term Incentive Plan ("LTIP")

2011 and prior periods, the General Partner has an LTIP which applies to designated senior management including the CEO and the other Named Executive Officers. Awards are based on shareholder return and industry peer group comparison. For 2010 and prior periods, the shareholder return component was based on a multi-year comparison of the Fund's Total Shareholder Return ("TSR") to the Scotia Capital Business Trust Index (the "Trust Index"). The peer group component is based on the Partnership's performance relative to a peer group in the pulp and paper sector, as measured by EBITDA/tonne. For 2011, the Trust Index was replaced with the S&P/TSX Composite Total Return (the "TSX Index"). The peer group consists of Fibrex Inc. (formerly SFK Income Fund), Mercer International Inc., and the pulp and paper segments of Tembec Inc., West Fraser Timber Co. Ltd., and Catalyst Paper Corporation. Annual target award (the "Target") under the LTIP is 125% of base salary for the CEO and 100% of base salary for the other Named Executive Officers. The annual target awards for other designated participants in the LTIP range from 20% to 40% of base salary. For all LTIP participants, including the CEO and other Named Executives, the maximum LTIP award in any period is 200% of target. Annual awards for the peer group component are determined at 50%, 100% or 200% of target depending on annual Partnership distributions declared in relation to prior years, and for the TSR component at zero to 200% of target if the multi-year total shareholder return is more than 3% below the Index or more the 3% above the Index, respectively.

LTIP payouts are made in cash and participants are expected to use 50% of the after tax amount for purchase of CPPI Shares, to a maximum cumulative investment of 200% of salary for the CEO and 100% of salary for the other participants, including the other Named Executive Officers.

For 2011, the General Partner paid to the Named Executive Officers a total of \$1,757,765 in LTIP awards, representing a total of 125% of Target for the year. Target awards and payouts for the Named Executive Officers for 2011 by component are summarized as follows:

	LTIP Award Weighting	2011 Award as % of Target
Total Shareholder Return ¹	30%	200%
Peer Group Comparison ²	70%	92.5%

1. CPPI's TSR has outperformed the TSX Index by more than 3% for the measurement period from December 31, 2008 to December 31, 2011 and accordingly, or 200% award was made in this criteria for 2011.
2. There was reduction in the 2011 annual distribution from the Partnership compared to the prior year and the Partnership achieved a number 1 ranking in 2009 and 2011 and a number 2 ranking in 2010 on an EBITDA/tonne basis when compared to the peer group, resulting in an award of 92.5% for the peer group component.

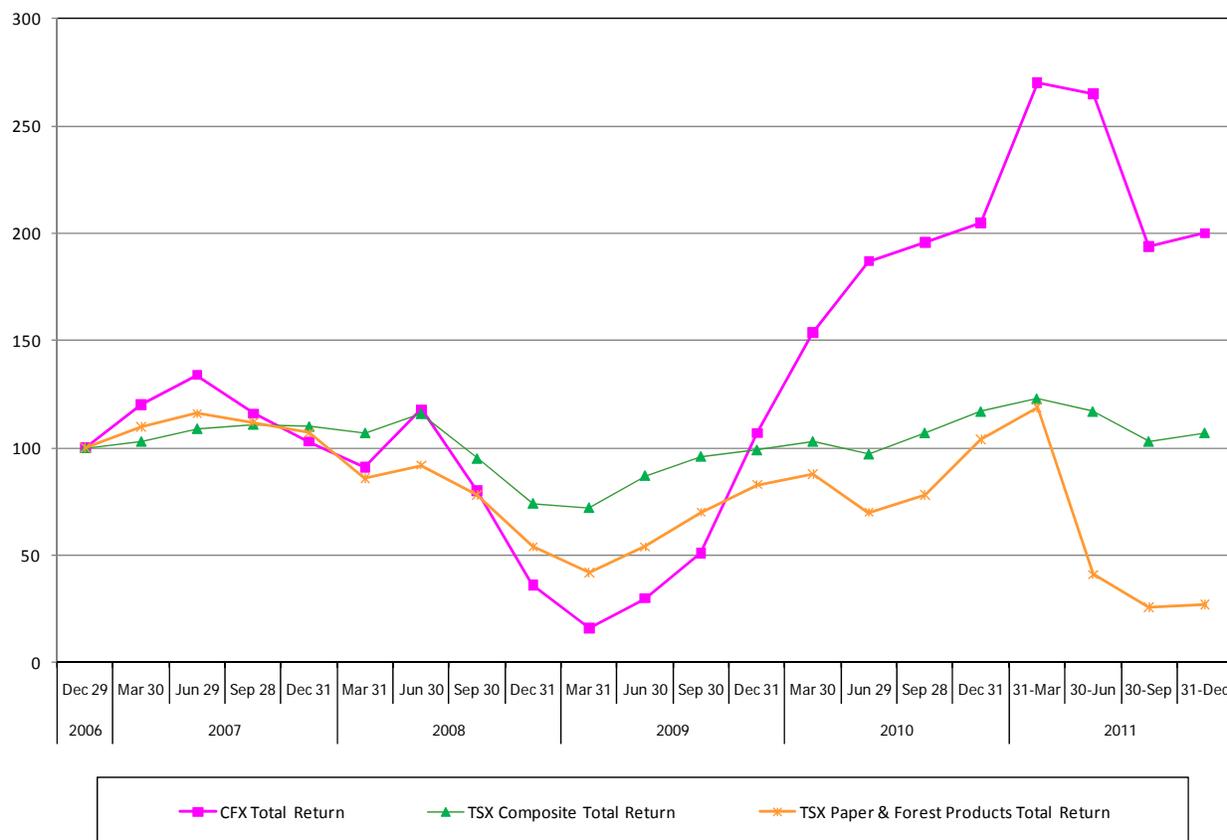
PERFORMANCE GRAPH

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 December 29, 2006, and assuming the reinvestment of distributions, with the cumulative total shareholder return of the S&P/TSX Composite Index, and S&P/TSX Composite Index - Paper & Forest Products (Industry) ending on December 31, 2011.

For 2011, the Cumulative Total Return of the Fund units / 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

Cumulative Total Return



	CFX.UN Total Return	TSX Composite Total Return	TSX Paper & Forest Products Total Return
Dec 29/06	100	100	100
Mar 30/07	120	103	110
Jun 29/07	134	109	116
Sep 28/07	116	111	112
Dec 31/07	103	110	107
Mar 31/08	91	107	86
Jun 30/08	118	116	92
Sep 30/08	80	95	78
Dec 31/08	36	74	54
Mar 31/09	16	72	42
Jun 30/09	30	87	54
Sep 30/09	51	96	70
Dec 31/09	107	99	83
Mar 30/10	154	103	88
Jun 29/10	187	97	70
Sep 28/10	196	107	78
Dec 31/10	205	117	104
Mar 31/11	270	123	119
Jun 30/11	265	117	41
Sep 30/11	194	103	26
Dec 31/11	200	107	27

EMPLOYEE SHARE PURCHASE PLAN

The Partnership has established an employee share purchase plan (the "Employee Purchase Plan") for employees of the Partnership, 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 Partnership in the growth and development of the Partnership by providing them with the opportunity to participate in the ownership of the Partnership through the purchase of outstanding Common Shares of CPPI. All regular employees of the Partnership 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. The Partnership makes a contribution each month in an amount equal to 30% of each participant's basic contribution and also pays the cost of brokerage and commissions.

All Common 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 Common Shares will be issued from treasury under the Employee Purchase Plan. All cash dividends received by the Trustee in respect of Common Shares held in the Employee Purchase Plan will be reinvested by the Trustee in additional Common Shares.

CHANGE OF CONTROL AGREEMENTS

The General Partner has entered into Change of Control Agreements with certain Named Executive Officers, as described below. The agreements provide that if, during a period commencing on a change of control and ending 18 months later, the Named Executive Officer's employment is terminated or he is constructively dismissed, the Named Executive Officer will receive a lump sum severance payment consisting of 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, the Named Executive Officers are 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 for each Named Executive Officer occurred on December 31, 2011, the following table represents the amounts that would be payable to the Named Executive Officers under these agreements:

Name	Principal Position	Lump Sum Payment \$
Joe Nemeth	President & Chief Executive Officer	3,529,330
Terry D. Hodgins	Chief Financial Officer & Secretary	1,535,671
Brett R. Robinson	Executive Vice President, Operations	1,726,898

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

SUMMARY COMPENSATION TABLE

Under applicable securities legislation, CPPI is required to disclose certain financial and other information relating to the compensation of: (i) each individual who was, in the most recently completed financial year, the Chief Executive Officer or Chief Financial Officer of CPPI; (ii) the three most highly compensated executive officers of CPPI other than the Chief Executive Officer and the Chief Financial Officer and (iii) any individual for whom disclosure would be required in accordance with (ii) but for the fact that the individual was not an executive officer at the end of the financial year. CPPI does not carry on an active business and does not have any executive officers, other than the Chief Executive Officer and Chief Financial Officer, who are also the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the General Partner, respectively, and who receive no compensation from CPPI. The executive officers of the General Partner, which include the CEO and CFO of CPPI, are responsible for the management of the business of the Partnership.

The following Summary Compensation Table sets forth the compensation of the CEO and the CFO and for the only two other executive officers of the General Partner, other than the CEO and CFO who were serving as executive officers at December 31, 2011 (the CEO, CFO and such executive officers are referred to collectively as the "Named Executive Officers").

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			
Joe Nemeth ³ President and Chief Executive Officer	2011	457,075	333,760	725,109	217,000	51,665	1,784,609
	2010	374,868	320,710	848,726	204,000	51,257	1,799,561
	2009	254,063	74,570	175,154	40,000	34,662	578,449
Terry D. Hodgins Chief Financial Officer & Secretary	2011	281,437	150,850	358,033	46,444	35,769	872,533
	2010	274,141	178,890	524,707	40,592	39,069	1,057,399
	2009	276,013	79,380	190,288	42,712	37,521	625,914
Brett R. Robinson ⁴ Executive Vice President, Operations	2011	285,270	157,540	372,641	133,482	13,942	962,875
	2010	254,339	173,020	501,865	75,265	19,366	1,023,855
	2009	239,438	67,430	165,032	171,476	17,341	660,717
Sean Curran ⁵ Vice President, Sales & Marketing	2011	230,916	128,890	301,982	168,000	34,385	864,123
	2010	197,520	117,190	291,136	36,000	7,216	649,062
	2009	168,927	41,070	23,292	24,000	8,524	265,813

1. These numbers reflect amounts in respect of the reporting year paid in the subsequent year under the General Partner's PSIP and LTIP (See "Executive Compensation" herein for a description of the plans).
2. For all Named Executive Officers these amounts may include automobile expenses, amounts contributed toward the General Partner's Employee Share Purchase Plan, flexible pension allocations, medical and dental benefits and other expenses. Specifically, amounts exceeding 25% of the total value of All Other Compensation includes car allowance of \$18,805 for Mr. Nemeth; \$12,000 for Mr. Hodgins; \$6,911 for Mr. Robinson; and \$16,033 for Mr. Curran. All Other Compensation also includes for Mr. Hodgins \$16,065 for club dues and for Mr. Curran \$13,967 for flexible pension allocations.
3. Mr. Nemeth was appointed President and Chief Executive Officer on April 28, 2010. Prior to April 28, 2010, Mr. Nemeth was the Vice President, Sales and Marketing.
4. Mr. Robinson was appointed Executive Vice President, Operations on July 22, 2011. Prior to July 22, 2011, Mr. Robinson was the Vice President, Operations.
5. Mr. Curran was appointed Vice President, Sales & Marketing on May 1, 2010. He was Director, Global Pulp and Paper Sales from September 2008 until May 1, 2010. Prior to May 1, 2008 he was Director, Americas Pulp Sales.

PENSION PLAN BENEFITS

Defined Benefit Pension Plans

The Named Executive Officers of the General Partner who are members of the Partnership'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 annual incentive plan (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 Partnership 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. The actuarial assumptions used in the determination of the accrued liability are disclosed in Note 10 to the Partnership's audited financial statements dated December 31, 2011. There were no amendments to benefit terms during the 2011 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 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 (\$)		Accrued Obligation at Start of Year (\$)	Compensatory Change (\$)	Non-Compensatory Change (\$)	Accrued Obligation at Year End (\$)
		At Year End	At Age 65				
Joe Nemeth President & Chief Executive Officer	8.91	76,600	218,000	621,000	217,000	99,000	937,000
Brett R. Robinson ¹ Executive Vice President, Operations	14.35	89,000	89,000	709,000	66,000	95,000	870,000
Sean Curran Vice President, Sales & Marketing	8.66	37,800	98,400	249,000	168,000	71,000	488,000

1. 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.

Defined Contribution Plan

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

Compensatory amounts consist of the Partnership 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 Partnership 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 (\$)
Terry D. Hodgins Chief Financial Officer & Secretary	155,897	46,444	9,321	211,662
Brett R. Robinson Executive Vice President, Operations	187,793	67,482	16,164	271,438

COMPENSATION OF THE DIRECTORS OF THE GENERAL PARTNER AND CPPI

For the twelve month period ended December 31, 2011, each non-executive Director of the General Partner who was neither employed by the Partnership nor by CFP, including the Directors of CPPI, was paid an annual retainer of \$30,000 and was also paid an attendance fee of \$1,500 for each day of a scheduled meeting and an attendance fee of \$2,000 for each day of a non-scheduled meeting of the Board of Directors of the General Partner or any Committee of the Board of the General Partner. Those non-executive Directors of the General Partner (including the Directors of CPPI) who serve on a Committee were also paid a pro-rated retainer of

\$5,000 for the most recently completed financial year. In addition, the Chairman of each Committee was paid an annual fee of \$5,000. The Chairman of the Board of the General Partner and CPPI were paid a quarterly fee of \$12,500 for serving as Chairman. Each Director of CPPI, other than the Chairman, was paid an annual retainer of \$5,000. The annual retainers and directors fees are as follows:

Directors Fees:	2011	2010
<u>Canfor Pulp Holding Inc.</u>		
Annual Board Chair Retainer	\$50,000	\$50,000
Annual Board Retainer	\$30,000	\$30,000
Annual Audit Committee Chair Retainer	\$10,000	\$5,000
Annual Audit Committee Retainer	\$10,000	\$5,000
Annual Compensation & Governance Committee Chair Retainer	\$5,000	\$5,000
Annual Compensation & Governance Committee Retainer	\$5,000	\$5,000
Board/Committee Meeting Fees for scheduled meeting	\$1,500	\$1,500
Board/Committee Meeting Fees for non-scheduled meeting	\$2,000	\$2,000
Annual Joint Capital Expenditure Committee Chair Retainer	\$10,000	n/a
Annual Joint Capital Expenditure Committee Retainer	\$10,000	n/a
<u>Canfor Pulp Products Inc.</u>		
Annual Chair Retainer	\$50,000	n/a
Annual Board Retainer	\$5,000	n/a

Directors' Compensation	Fees Earned (\$) ¹
Bentley, Peter J.G.	\$71,633
Bracken-Horrocks, Stan E.	\$83,167
Campbell, Donald W.	\$77,300
Cliff, Ronald L. ²	\$94,967
Jago, Charles ³	\$130,633
Korenberg, Michael ⁴	\$43,833
Stinson, William W.	\$74,167

1. There was no other compensation paid or payable or otherwise provided by CPPI, the Fund, the General Partner, the Partnership or any of their respective subsidiaries, directly or indirectly to Directors of the General Partner in any capacity (including to Messrs. Jago, Bracken-Horrocks and Campbell in their capacities as Directors of CPPI and Trustees of the Fund), except for compensation paid to Mr. Nemeth in his capacity as CEO from April 28, 2010 to December 31, 2010 and reported under Executive Compensation.

2. Mr. Cliff is the Chairman of Canfor Pulp Holding Inc.

3. Dr. Jago is the Chairman of Canfor Pulp Products Inc.

4. Mr. Korenberg was appointed to the Board of Directors of the General Partner on May 3, 2011.

Indebtedness of Directors, Executive Officers and Senior Officers

As at the date of this Information Circular, there is not any indebtedness, other than routine indebtedness, owing to CPPI, the General Partner, the Partnership or any of their respective subsidiaries by any of the executive officers, directors, employees and former executive officers, directors nor has any such individual's indebtedness to another entity at any time since the beginning of the most recently completed financial year of CPPI been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by CPPI, the General Partner, the Partnership or any of their respective subsidiaries.

CORPORATE GOVERNANCE

INTRODUCTION

On June 30, 2005, National Instrument 58-101 – Disclosure of Corporate Governance Practices ("NI 58-101") came into effect requiring 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 of Directors of CPPI and the Board of Directors of the General Partner have reviewed the governance practices of CPPI and General Partner and conclude that except as noted below, they comply with NI 58-101.

On March 2, 2012, CPPI increased its ownership interest in the Partnership from 49.8% to 100%. CPPI does not conduct any active business and the role of the CPPI Directors is to act primarily on behalf of CPPI and to manage the limited affairs of CPPI. The

General Partner is the general partner of the Partnership and therefore responsible for the management of the business of the Partnership. All of the Director nominees of CPPI and the General Partner are independent as defined in NI58-101, with the exception of Mr. Calabrigo, who is a member of senior management of Canfor Corporation and is not considered independent for this purpose. Mr. Calabrigo is not a member of any committees of the Board of Directors of either CPPI or the General Partner.

Due to the passive nature of CPPI, CPPI does not have independent active management nor do the Directors of CPPI exercise supervisory functions over management of the General Partner or the Partnership. By reason of the foregoing and the number of Directors, it has not been necessary for CPPI to function through a committee structure. The CPPI Directors collectively discharge the functions that would otherwise be discharged by an executive committee or a governance committee and all the Directors of CPPI serve on the Audit Committees of CPPI and of the General Partner.

As a result of the structure of CPPI, NI 58-101 is best addressed by the Directors of CPPI together with the Board of the General Partner. The following disclosure describes the General Partner's current corporate governance practices.

Board Responsibilities

Under a set of Governance Principles and Code of Conduct adopted by the Board of Directors of the General Partner, the Board of Directors has explicitly acknowledged its responsibility for the stewardship of the General Partner, including the supervision of the management of its affairs and business. The basic objective of the Board of Directors is to ensure that shareholder value is preserved and maximized over the longer term and that the highest ethical standards are maintained throughout the General Partner'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 General Partner. Under the Governance Principles, the Board of Directors (directly or through its Committees) has expressly assumed responsibility in the areas listed below, among others.

Culture of Integrity

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

Strategic Planning

The Board of Directors of the General Partner participates in the strategic planning process by reviewing, providing comments and approving management's strategic plan. The Board of Directors sets aside at least one meeting per year to review and comment on management's strategic plan. This allows the Board of Directors to gain a better appreciation of management's strategic planning priorities. Updates are provided to the Board of Directors throughout the year. The Board of Directors held a full day strategic planning session in 2011 and is provided with regular updates on the implementation of the strategic plan at regularly scheduled board meetings.

Risk Management

Risk Management is a primary responsibility of the CFO of the General Partner and includes the identification and management of the principal risks of the General Partner's business. Regular reports on risk issues are made to the Audit Committee of the General Partner (the "Audit Committee"). In its deliberations, the Board of Directors of the General Partner considers the principal risks of the General Partner's business and satisfies itself that management has systems in place to manage those risks. The Board of Directors of the General Partner has adopted a risk management controls policy which sets out the responsibilities, reporting and counterparty credit requirements associated with all risk management activity and an energy risk management policy which sets out principles for managing energy price exposure risk.

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 of Directors on succession planning matters.

Disclosure Control

The General Partner and CPPI have adopted a Corporate Disclosure Policy covering timely dissemination of material information. The policy establishes guidelines relating to how information is disclosed, responsibilities of officers, avoidance of selective disclosure and blackout periods. The General Partner and CPPI also communicate through the dissemination of continuous disclosure materials such as annual and quarterly reports, news releases and the annual information form. The General Partner maintains and regularly updates its website and conducts briefing sessions and group meetings.

Integrity of Internal and Disclosure Controls

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

THE BOARD OF DIRECTORS OF THE GENERAL PARTNER

Independence

The Board of Directors of the General Partner is currently composed of 9 directors, 7 of whom are independent directors as defined in NI 58-101. The three Directors of CPPI are independent directors as defined in NI 58-101. One of the present directors, Joe Nemeth is the President and CEO of the General Partner and therefore, is not considered to be independent for this purpose. Also, Mr. Calabrigo is a member of the senior management of CFP and is also not considered independent for this purpose. No independent director has entered into any contracts with the General Partner or CPPI, received remuneration from the General Partner or CPPI in excess of director's compensation or worked for the General Partner, the Fund or CPPI in the last 5 years. The Board of Directors has provided a means whereby individual directors may engage outside advisors at the expense of the General Partner in appropriate circumstances. In 2011, no advisors were engaged on behalf of individual directors of the General Partner. Of the 9 individuals proposed as nominees for election as Director of CPPI at the Meeting, 8 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 of CPPI or the General Partner presently serves as a director are set out under the "Election of Directors" section of this Information Circular. The names of other reporting issuers in respect of which each director of CPPI or the General Partner presently serves as a director are also set out therein.

Board Meetings

The independent directors of the General Partner, as part of each board meeting, hold in-camera sessions without the presence of Mr. Nemeth (as a non-independent management director) and other members of management to discuss issues relating to management and governance of the General Partner generally. The Board of Directors held 6 such meetings in 2011. The Chairman of the Corporate Governance Committee meets annually with the CEO and Chairman of the Board of Directors to discuss the relationship between management and the Board of Directors and reports the results of these discussions to the Board of Directors.

The independent directors of Canfor Pulp Products Inc., as part of each board meeting, hold in-camera sessions without the presence of Mr. Nemeth and other members of management to discuss issues relating to management and governance of CPPI generally. The Board of Directors held 3 such meetings in 2011.

Attendance Record

The attendance record of each director of the General Partner at Board meetings and committee meetings is disclosed under the section of this Information Circular entitled "Corporate Governance – Board/Committee Assessments".

Chairman

Dr. Charles Jago is the Chairman of the Board of CPPI. As discussed under "Independence" above, Dr. Jago is considered to be an independent director as defined in NI 58-101.

Mr. Ronald Cliff is the Chairman of the Board of Directors of the General Partner. As discussed under "Independence" above, Mr. Cliff is considered to be an independent director as defined in NI 58-101. As Chairman, Mr. Cliff is responsible for ensuring the effective functioning of the Board of Directors of the General Partner, 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 of Directors of the General Partner approved a written Board Mandate, which defines the Board of Directors' roles and responsibilities. The Board Mandate has been filed on SEDAR at www.sedar.com and on the General Partner's website at www.canforpulp.com and is incorporated into this Circular by reference.

POSITION DESCRIPTIONS

The Board of Directors of the General Partner has adopted position descriptions for the Chair of the Board, the Chair of each Board Committee and for the CEO, each of which is posted on the General Partner's web site at www.canforpulp.com.

ORIENTATION AND CONTINUING EDUCATION

Programs for the orientation for new directors of CPPI and the General Partner and the ongoing education of existing directors are the responsibility of the Governance Committee and the Chairman of the Board oversees the program. New directors are provided with a Directors Orientation Manual containing details of the General Partner's organizational structure, terms of reference for the Board of Directors and Committees, CPPI's most recent AIF and other relevant materials. Visits to various operations sites of the General Partner are organized for such members by the Chairman of the Board. The Board of Directors receives updates and other information from management relating to changes in law or other matters relevance to the Board of Directors of the General Partner or CPPI.

ETHICAL BUSINESS CONDUCT

Code of Conduct

As noted above, the Board of Directors of the General Partner 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 of Directors and management, functions of the Board of Directors, qualifications of directors, independence of directors, ethics and conflicts of interest. The Code of Conduct defines the standards and values which the General Partner expects all employees to follow in their dealings with stakeholders and is consistent with the General Partner'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 General Partner's website at www.canforpulp.com and a copy may be obtained from the Secretary of the General Partner.

The CEO of the General Partner 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. 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 of the General Partner is required to disclose and the Board of Directors reviews all of the directors' personal or business relationships with the General Partner in order to allow the Board of Directors 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 General Partner, that director would not participate in the relevant decision.

NOMINATION OF DIRECTORS

The responsibility for the identification of new candidates for Board of Directors of the General Partner nomination resides with the General Partner's Governance Committee (the "Governance Committee").

The Governance Committee canvasses members of the Board of Directors of the General Partner for their suggestions regarding potential appointees to the Board of Directors of the General Partner 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 Committee considers individual backgrounds, skills and expertise, geographic representation and the requirements of the Board in terms of skills and mix.

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

COMPENSATION

The process for the determination of the compensation of the General Partner's directors and officers is overseen by the General Partner's Compensation Committee (the "Compensation Committee"). The Compensation Committee annually reviews directors' and officers' compensation, with the assistance of its outside independent consultants, to amend compensation as required to reflect adequate compensation aligned with Shareholder interests. As described under the "Executive Compensation" section of this

Information Circular, the Compensation Committee engages the services of an independent consulting firm to assist the Compensation Committee in determining the General Partner's compensation levels.

The Compensation Committee is currently composed entirely of independent directors. A description of the responsibilities, powers and operations of the General Partner's Compensation Committee is set out under the section of this Information Circular entitled "Board Committees" below.

BOARD COMMITTEES

Set out below is a description of the three Committees of the Board of Directors of the General Partner, their mandates and their activities. All Board Committees are currently composed entirely of independent directors.

Audit Committee

The overall purpose of the Audit Committee is to oversee CPPI's and the General Partner's financial reporting process and to review with CPPI and General Partner's external auditors the audited financial statements that are to be submitted to the CPPI's annual general meeting. The Audit Committee also reviews with management and the external auditors of CPPI and General Partner the impact of significant risks, potential liabilities and uncertainties which may affect CPPI and General Partner, any financial statements that are to be included in a prospectus or take-over bid circular of CPPI 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 General Partner's Board of Directors. In addition, the Audit Committee makes recommendations to the Board of Directors regarding the appointment of independent auditors, reviews the nature and scope of the annual audit plan presented by CPPI's and the General Partner's external auditors, and reviews with management the risks inherent in the General Partner's business and the management of such risks. The Audit Committee also reviews with both external auditors and with management of the General Partner the adequacy of the internal accounting procedures and systems established by the General Partner and reviews the General Partner's annual financing plan, any proposed financings and the method by which the General Partner 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 in-camera sessions with the external auditors 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 approve non-audit work performed by the external auditors. The Audit Committee is composed of six independent directors and the Audit Committee of CPPI is composed of three independent directors, who also are members of the General Partner's Audit Committee.

For further information regarding the General Partner's Audit Committee, see the section of the AIF entitled "Directors and Officers – Committees of the Board of Directors of the General Partner – Audit Committee", which is incorporated by reference herein and which is available on SEDAR at www.sedar.com.

Governance Committee

The principal role and function of the Governance Committee is to ensure that the General Partner, through its Board of Directors, 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 General Partner'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 of Directors' overall relationship with management. The Governance Committee is also responsible for identifying and recommending proposed nominees for election to the Board of Directors, recommending the assignment of directors to Committees of the Board and undertaking an annual assessment of the size and effectiveness of the Board of Directors 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 of Directors. 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 currently composed of four independent directors.

Compensation Committee

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

The Compensation Committee is responsible for ensuring that the General Partner 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 Directors that officer's compensation and benefits and approves the compensation for all other designated officers of the General Partner, its subsidiaries and affiliates. This is done after considering the recommendations of the CEO, all within the human resources and compensation policies, guidelines and

pay and performance systems approved by the Board of Directors. The Compensation Committee also reviews from time-to-time, as and when required, the General Partner's broad policies and programs in relation to pension and other benefits. In addition, the Compensation Committee reviews from time-to-time with the CEO, broad 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 of Directors 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 currently composed of four independent directors.

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, as set by the Board from time to time. Subject to any change by the Board, the Capex Committee reviews and makes recommendations to the Board on individual capital expenditures between \$5 million and \$25 million. In addition, the Capex Committee reviews any lesser capital expenditures referred to it by the Board or the CEO. Any project capital expenditure in excess of \$25 million is subject to the approval of Canfor. The Capex Committee is composed of three directors of Canfor and three directors of the General Partner, currently all of whom are independent directors.

BOARD/COMMITTEE ASSESSMENTS

The Governance Committee annually undertakes assessments of the size and effectiveness of not only the Board of Directors' Committees, but also of the Board of Directors as a whole. It also reviews attendance by individual members at Committee and Board meetings. The Board of Directors of the General Partner evaluates its performance by asking each director to complete a questionnaire, the contents of which are summarized by an independent person, evaluated by the Chair of the Governance Committee and then discussed at a meeting of the full Board of Directors of the General Partner. The Governance Committee consults with the General Partner's CEO regarding periodic assessments of the relationship between management and the Board and after such reviews advises the Board of Directors of its findings.

Summary of the General Partner's Board/Committee Meetings Held

For the period from January 1 to December 31, 2011:

Board – General Partner	6
Audit	5
Compensation	7
Governance	2
Capital Expenditure	6
Board - CPPI	3

Summary of Attendance of Directors

For the period from January 1 to December 31, 2011:

Director (Age)	General Partner Board Meetings Attended	Committee Meetings Attended	CPPI Board Meetings Attended
Peter J. G. Bentley (81)	6 of 6	15 of 15	N/A
Stan E. Bracken-Horrocks (69)	6 of 6	12 of 12	3 of 3
David Calabrigo (53) ¹	4 of 4	N/A	3 of 3
Donald W. Campbell (71)	5 of 6	12 of 12	N/A
Ronald L. Cliff (82)	6 of 6	6 of 7	N/A
Charles J. Jago (68)	6 of 6	14 of 14	3 of 3
Michael J. Korenberg (51) ²	4 of 4	10 of 10	N/A
Joe Nemeth (47) ²	6 of 6	N/A	N/A
William W. Stinson (78)	6 of 6	17 of 17	N/A

1. Mr. Calabrigo was appointed to the Board of Directors of the General Partner on May 3, 2011. Mr. Calabrigo is not an independent director and is not a member of any Committee.

2. Mr. Korenberg was appointed to the Board of Directors of the General Partner on May 3, 2011.

3. Mr. Nemeth attends Committee meetings as management and is not a member of any Committee.

APPOINTMENT OF AUDITORS

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

PricewaterhouseCoopers LLP has served as the auditor of CPPI since its incorporation on March 12, 2010. PricewaterhouseCoopers LLP has served as the Fund's and the Partnership's auditing firm since July 25, 2006. Fees payable by CPPI and the Partnership for the period ended December 31, 2011 to PricewaterhouseCoopers LLP and its affiliates are \$641,790.

Financial Year Ending	Audit Fees¹	Audit-related Fees	Tax Fees	All other Fees	Total Fees
December 31, 2011	\$493,000	\$132,000	\$12,540	\$4,250	\$641,790
December 31, 2010	\$443,000	\$126,000	\$53,415	\$108,755	\$731,170

1. Audit Fees exclude travel costs and other disbursements.

The Audit Committee has the responsibility to approve any non-audit related services provided by the auditors of CPPI exceeding \$30,000 and the Chairman of the Audit Committee has the authority to approve any such services up to a cost of \$30,000.

INTERESTS OF CERTAIN PERSONS IN THE MATTERS TO BE ACTED UPON

Other than as set out under "Material Contracts" in the AIF of CPPI, none of the directors or executive officers of (a) CPPI, the Partnership, the General Partner, or Canfor, or (b) any person or company that beneficially owns, or controls or directs, directly or indirectly more than 10% of the CPPI Shares, or (c) any associate or affiliate of the persons or companies referred to in (a) or (b), has or has had any material interest, direct or indirect, in any transaction within the past three years or in any proposed transaction that has materially affected or is reasonably expected to materially affect CPPI, the General Partner, the Partnership or any of their subsidiaries.

OTHER INFORMATION

These securityholder materials are being sent to both registered and non-registered owners of the 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 issuer (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.

Additional information relating to CPPI can be found on SEDAR under the profile of CPPI at www.sedar.com. Shareholders may contact the Secretary of CPPI at 230 - 1700 West 75th Avenue, Vancouver, British Columbia V6P 6G2 or by telephone at (604) 661-5241 to request copies of the financial statements and Management Discussion and Analysis ("MD&A") for CPPI and the Circular. Further information can also be found on CPPI's website: www.canforpulp.com. Financial information for the most recent completed financial year of CPPI is provided in its comparative financial statements and the MD&A which are filed on SEDAR under the profile of CPPI and can be found at www.sedar.com.

In addition, copies of the AIF and the Board Mandate, each of which is incorporated, in whole or in part, into this Circular by reference, has been filed on SEDAR at www.sedar.com and may be accessed on CPPI's website, www.canforpulp.com. A copy of any such document will be promptly provided to a Shareholder of CPPI upon request to the Secretary of CPPI at 230 - 1700 West 75th Avenue, Vancouver, British Columbia V6P 6G2 or by telephone at (604) 661-5241.

APPROVAL OF DIRECTORS

The contents and the sending of this Information Circular to Shareholders of CPPI have been approved by the Directors of CPPI and the Board of Directors of the General Partner.

Dated at the City of Vancouver, in the Province of British Columbia, this 7th day of March, 2012.

**BY ORDER OF THE BOARD OF DIRECTORS
OF CANFOR PULP PRODUCTS INC.**

"Terry D. Hodgins"

Terry D. Hodgins, Chief Financial Officer and Secretary

Canfor Pulp Products Inc.

