

## CANFOR CORPORATION

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

To: The Common Shareholders of Canfor Corporation

Notice is hereby given that the Annual General Meeting (the “Meeting”) of the Common Shareholders of Canfor Corporation (the “Company”) will be held in a virtual only format conducted via live audio webcast online at <https://web.lumiagm.com/287768610> on Tuesday, May 3, 2022, at 11:30 am for the following purposes:

1. To receive and consider the consolidated financial statements of the Company and its subsidiaries for the fiscal year ended December 31, 2021 and the report of the auditors thereon;
2. To fix the number of Directors of the Company;
3. To elect the Board of Directors of the Company 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 16th day of March, 2022.

**By Order of the Board of Directors**

**David M. Calabrigo, QC**  
**Corporate 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 Company’s Annual Report is available electronically on the Company’s website at [www.canfor.com/Investor-Relations](http://www.canfor.com/Investor-Relations) or upon request at [annualreport@canfor.com](mailto:annualreport@canfor.com). The Annual Report includes consolidated financial statements of the Company for the year ended December 31, 2021 and the auditors’ report thereon and the Management’s Discussion and Analysis of Financial Condition and Results of Operations of the Company.

#### **IMPORTANT NOTICE**

The Meeting is scheduled to take place in a virtual-only format conducted via live audio webcast online at <https://web.lumiagm.com/287768610>. As such, Common Shareholders will not be able to attend the Meeting in person and the Company strongly encourages all Common Shareholders who wish to attend and participate in the Meeting to carefully follow the procedures described in the accompanying Information Circular to ensure they can attend and participate in the Meeting virtually via live audio webcast online at <https://web.lumiagm.com/287768610>. Following the virtual Meeting, a recorded copy of the webcast of the virtual Meeting will also be accessible on the Company’s website at [www.canfor.com](http://www.canfor.com) until May 3, 2023.

**A Common Shareholder who is unable to attend the virtual Meeting and who wishes to ensure that its shares will be voted at the virtual 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 CORPORATION

## INFORMATION CIRCULAR

Dated as of March 16, 2022  
(except as otherwise provided)

The Annual General Meeting (the “Meeting”) of the Common Shareholders of Canfor Corporation (“Canfor” or the “Company”, with such Common Shareholders being the “Common Shareholders”) is currently scheduled to take place in a virtual-only format conducted via live audio webcast online at <https://web.lumiagm.com/287768610> at the time set forth in the notice of the Meeting accompanying this Information Circular. As such, Common Shareholders will not be able to attend the Meeting in person and the Company strongly encourages all Common Shareholders who wish to attend and participate in the Meeting to carefully follow the procedures described in this Information Circular to ensure they can attend and participate in the Meeting virtually via live audio webcast online at <https://web.lumiagm.com/287768610>.

### SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation by the management of Canfor of proxies to be used at the Meeting of the Common Shareholders to be held virtually via live audio webcast online at <https://web.lumiagm.com/287768610> at the time 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 (the “Directors”) have fixed March 16, 2022 at the close of business as the record date for determining the names of Common Shareholders of the Company entitled to receive notice of the Meeting. Each person who is entered in the central securities register of the Company at the close of business on March 16, 2022 as a holder of one or more Common Shares of the Company is entitled to attend and vote at the Meeting virtually or by proxy and in the event of a poll to cast one vote for each Common 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 Common Shareholder has the right to appoint a person (who need not be a shareholder) as its nominee to virtually attend and act for it and on its behalf at the Meeting other than the persons designated in the form of proxy accompanying this Information Circular. To exercise this right, a Common Shareholder may insert the name in full of its nominee in the blank space provided in the form of proxy and strike out the names of the persons now designated.** The proxy will not be valid unless the completed form of proxy is delivered to TSX Trust Company (“TSX”), Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1 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 Common 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 (the “Articles”) 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 Common 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 may be delivered to the registered office of the Company at any time up to and including the last business day preceding the Meeting.

Common Shareholders should note that if they participate and vote on any matter at the virtual Meeting, they will revoke any previously submitted proxy.

### 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 the 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 Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Common 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 Common Shares represented by a proxy given to management are intended to be voted in favour of the resolutions referred to therein for the setting of the number of Directors, the nominees of management for election as Directors and the appointment of KPMG LLP as auditors.**

#### **VOTING BY REGISTERED AND NON-REGISTERED SHAREHOLDERS AT THE VIRTUAL MEETING**

**Please carefully review and follow the voting instructions below based on whether you are a “Registered Shareholder” or “Non-Registered Shareholder” of the Company.**

These securityholder materials are being sent to both registered (“Registered Shareholders”) and non-registered owners (“Non-Registered Shareholders”) of the Company’s Common Shares.

Registered Shareholders hold shares in the capital of the Company in their own names and can vote by attending and voting those shares at the virtual Meeting or by appointing a proxy holder as described in this Information Circular.

Non-Registered Shareholders will not have Common Shares recorded in their own names and will usually hold their shares in the name of an intermediary (for example, a bank, a trustee, a broker or an investment dealer) or in the name of a clearing agency of which the intermediary is a participant. If you are a Non-Registered Shareholder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

A Non-Registered Shareholder who receives these meeting materials from an intermediary must complete and return the voting materials in accordance with the instructions provided by their intermediary as to how to vote the Common Shares held by them. If the Company sends these materials to you, a Non-Registered Shareholder, 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. If a Non-Registered Shareholder does not complete and return the materials in accordance with the instructions, they may lose the right to vote at the Meeting, either virtually or by proxy. Although Non-Registered Shareholders may not be recognized directly at the virtual Meeting for the purposes of voting Common Shares registered in the name of their intermediary, a Non-Registered Shareholder may attend the Meeting virtually as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity by indicating as such in completing the materials in accordance with the voting instructions. Non-Registered Shareholders who have questions or concerns regarding any of these procedures should contact their intermediary directly or the Company.

#### **Instructions on voting at the meeting:**

Registered Shareholders and duly appointed proxyholders will be able to attend the virtual Meeting and vote in real time, provided they are connected to the internet and follow the instructions in this Information Circular. Non-Registered Shareholders who have not duly appointed themselves as proxyholder will be able to attend the virtual Meeting as guests but will not be able to vote at the virtual Meeting.

Common Shareholders who wish to appoint a person other than the management nominees identified in the form of proxy or voting instruction form (“VIF”) (including a Non-Registered Shareholder who wishes to appoint themselves as proxyholder to attend the virtual Meeting) must carefully follow the instructions in this Information Circular and on their form of proxy or VIF. These instructions include the additional step of registering such proxyholder with our transfer agent, TSX, after submitting the form of proxy or VIF. **Failure to register the proxyholder with our transfer agent will result in the proxyholder not receiving a control number to participate in the virtual Meeting and only being able to attend as a guest. Guests will be able to listen to the virtual Meeting but will not be able to vote.**

#### **How to vote:**

You have two ways to vote your Common Shares:

1. By submitting your proxy or VIF as per instructions indicated; or
2. During the Meeting by online ballot through the live webcast platform at <https://web.lumiagm.com/287768610>.

Registered Shareholders and duly appointed proxyholders (including Non-Registered Shareholders who have duly appointed themselves as proxyholder) that attend the Meeting online will be able to vote by completing a ballot online during the Meeting through the live webcast platform.

Guests (including Non-Registered Shareholders who have not duly appointed themselves as proxyholder) can log into the Meeting as set out below. Guests will be able to listen to the Meeting but will not be able to vote during the Meeting.

**Step 1:** Log in online at <https://web.lumiagm.com/287768610>.

**Step 2:** Follow these instructions:

- **Registered Shareholders:** Click “I have a control number” and then enter your control number and password “canfor2022” (case sensitive). The control number located on the form of proxy accompanying this Information Circular. If you use your control number to log in to the virtual Meeting, any vote you cast at the virtual Meeting will revoke any proxy you previously submitted. If you do not wish to revoke a previously submitted proxy, you should not vote during the virtual Meeting.
- **Duly appointed proxyholders:** Click “I have a control number” and then enter your control number and password “canfor2022” (case sensitive). Proxyholders who have been duly appointed and registered with TSX as described in this Information Circular will receive a control number by email from TSX after the proxy voting deadline has passed.
- **Guests:** Click “Guest” and then complete the online form.

**It is your responsibility to ensure internet connectivity for the duration of the virtual Meeting and you should allow ample time to log in to the Meeting online before it begins.**

**Non-Registered Shareholders/Appointees obtaining a control number to vote during the virtual Meeting:**

You must complete the additional step of registering the proxyholder by calling TSX at 1-866-751-6315 (within North America) or 1 (212) 235-5754 (outside of North America) or by completing an electronic form at <https://www.tsxtrust.com/control-number-request> by no later than 11:00 a.m. (Pacific Time) on May 02, 2022.

**Failing to register your proxyholder online will result in the proxyholder not receiving a control number, which is required to vote at the virtual Meeting. Non-Registered Shareholders who have not duly appointed themselves as proxyholder and registered with TSX in accordance with the instructions in this Information Circular will not be able to vote at the virtual Meeting but will be able to participate as a guest.**

**HOW TO PARTICIPATE IN AND ASK QUESTIONS AT THE MEETING**

Registered Shareholders and proxyholders (including Non-Registered Shareholders who have duly appointed themselves as proxyholder) who attend the Meeting virtually and have properly followed the instructions in this Information Circular to participate and vote virtually at the Meeting will have an opportunity to participate in discussions and ask questions at the Meeting during any discussion or question period. Should any such Common Shareholder or proxyholder wish to engage in a discussion or ask a question, the Common Shareholder or proxyholder should select the messaging icon and type the comment or question within the chat box at the bottom of the messaging screen and click the arrow button to submit the comment or question to the Chair of the Meeting. All submitted comments and questions will be reviewed by the Company through the Lumi virtual meeting platform before being sent to the Chair of the Meeting. Comments and questions can be submitted at any time during any discussion or question period during the Meeting up until the Chair of the Meeting closes such discussion or question period. It is anticipated that Common Shareholders will have substantially the same opportunity to engage in discussions and ask questions on matters of business before the Meeting as in past years when the annual meeting of Common Shareholders was held in person, provided that such Common Shareholders have properly followed the instructions in this Information Circular to participate in the virtual Meeting and remain connected to the internet at all relevant times.

**TECHNICAL ASSISTANCE**

Common Shareholders with questions regarding the virtual meeting platform or requiring assistance accessing the Meeting website should visit the provider’s website at <https://go.lumiglobal.com/faq> for additional information. Furthermore, should a

Common Shareholder wish to speak with a Lumi representative, both a live chat service and a contact ticket system are available through the website above.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at March 16, 2022, the Company has outstanding and entitled to be voted at the virtual Meeting 124,493,600 Common Shares, each Common Share carrying the right to one vote. To the knowledge of the Directors and senior officers of the Company, no person or company owns beneficially, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to all Common Shares of the Company entitled to be voted at the virtual Meeting except as set out below:

| Title of Class | Name of Beneficial Holder | Number of Shares          | Percentage of Class |
|----------------|---------------------------|---------------------------|---------------------|
| Common Shares  | James Pattison            | 63,728,722 <sup>(1)</sup> | 51.2%               |

Notes:

<sup>(1)</sup> The Common Shares beneficially owned by James Pattison are held by companies wholly owned by Mr. Pattison, being 4123221 Canada Inc. (the registered holder of 10,072,705 Common Shares), Great Pacific Capital Corp. (the registered holder of 37,285,572 Common Shares) and Great Pacific Capital Investments Inc. (the registered holder of 16,370,445 Common Shares).

During 2021, the Company purchased 725,800 Common Shares pursuant to the normal course bids applicable during the year. In 2020, no purchases of the Company's Common Shares were made by the Company as it did not renew its normal course issuer bid for that year. For additional information regarding the Company's normal course issuer bids, see the section of the Company's Annual Information Form dated March 1<sup>st</sup>, 2022 entitled "Business of Canfor – Significant Events – Normal Course Issuer Bids" which section is incorporated by reference herein.

## RECORDED AUDIO WEBCAST OF MEETING

Following the virtual Meeting, a recorded copy of the webcast of the virtual Meeting will also be accessible on the Company's website at [www.canfor.com](http://www.canfor.com) until May 03, 2023.

## SETTING NUMBER OF DIRECTORS

The size of the board of directors of the Company (the "Board") is currently thirteen, twelve of whom were appointed at the Company's Annual General Meeting in 2021. Pursuant to the Articles of the Company, the Company intends to set the number of Directors of the Company at thirteen and will ask the Common Shareholders to approve an ordinary resolution setting the number of Directors at thirteen at the Meeting.

## ELECTION OF DIRECTORS

The persons named in the enclosed form of proxy intend, unless otherwise directed, to vote for the election of a Board of Directors composed of the thirteen nominees in the list that follows, all of whom are currently Directors of the Company. If any of the nominees do not stand for election or re-election, as the case may be, or are unable to serve, proxies may be voted for a smaller Board at the discretion of the proxy nominee.

The term of each Director currently in office will expire on May 03, 2022. Each Director proposed as a nominee below will hold office until the Company's next Annual General Meeting, unless his or her office is earlier vacated in accordance with the Articles of the Company.

The following disclosure is further information regarding each of the individuals who are proposed as nominees for election as Directors of the Company, including their principal occupations, directorships and appointments and, where applicable, memberships on committees of the Board of Directors of the Company. A record of attendance at meetings of the Board and its committees during the twelve months ended December 31, 2021 is also noted below.



**The Honourable John R. Baird**

Toronto, Ontario  
Canada

Age: 52  
Director of Canfor since 2016

Independent

*Key areas of expertise:*

- Business Management
- Foreign Affairs
- Government Relations
- Financial
- Risk Management

Mr. Baird is the Chair of the Board of the Company and is also a Director and Chair of Canfor Pulp Products Inc. (“Canfor Pulp”).

Mr. Baird is the former Canadian Minister of Foreign Affairs. He is a Senior Advisor to various enterprises and a former Senior Cabinet Minister in the Government of Canada. An instrumental figure in bilateral trade and investment relationships, Mr. Baird has played a leading role in the Canada-China dialogue and worked to build ties with countries comprising the Association of Southeast Asian Nations (ASEAN). In addition, Mr. Baird has worked closely with international leaders to strengthen security and economic ties with the United States and Middle Eastern countries.

A native of Ottawa, Mr. Baird spent three terms as a Member of Parliament and four years as Minister of Foreign Affairs. He also served as President of the Treasury Board, Minister of the Environment, Minister of Transport and Infrastructure, and Leader of the Government in the House of Commons. In 2010, he was selected by MPs from all parties as Parliamentarian of the Year. Prior to entering federal politics, Mr. Baird spent ten years in the Ontario Legislature where he served as Minister of Community and Social Services, Minister of Energy, and Government House Leader.

Currently, Mr. Baird serves as a Senior Business Advisor with Bennett Jones LLP, a premier Canadian law firm. In addition, Mr. Baird sits on the advisory board of Barrick Gold Corp., the corporate boards of Canadian Pacific Railway Company, Canadian Pacific Railway Limited, the FWD Group (former ING Insurance Asia), PineBridge Investments (former AIG Investments), and Osisko Gold Royalties Ltd. He also serves as a Senior Advisor at Eurasia Group, a global political risk consultancy.

Mr. Baird also volunteers his time with Community Living Ontario, an organization that supports individuals with developmental disabilities, the Prince's Charities, the charitable office of His Royal Highness The Prince of Wales, and is a board member of the Friends of Israel Initiative. He holds an Honours Bachelor of Arts in Political Studies and an Honorary Doctor of Laws from Queen’s University at Kingston.

*Other public company board/committee memberships in the past five years:*

- Canfor Pulp (2016 – present)
- Canadian Pacific Railway Company (2015 – present)
- Canadian Pacific Railway Limited (2015 – present)
- Osisko Gold Royalties Ltd. (2020 – present)

| Board/Committee Membership <sup>1</sup> | Overall Attendance: 100%       |                |
|---|--------------------------------|----------------|
|   | Attendance at Regular Meetings |                |
| Board Chair*                            | 5/5                            |                |
| Securities Held                         |                                |                |
|   | March 16, 2022                 | March 23, 2021 |
| Common Shares <sup>6</sup>              | 17,685                         | 10,985         |
| DSUs <sup>2</sup>                       | Nil                            | Nil            |



**Ryan Barrington-Foote**  
FCPA, FCA

Vancouver, British Columbia  
Canada

Age: 43  
Director of Canfor since 2017

Non-Independent<sup>3</sup>

*Key areas of expertise:*

- Business Management
- Financial
- Taxation
- Risk Management
- Compensation

Mr. Barrington-Foote is an Executive Vice-President at The Jim Pattison Group, diversified holding company, where he has worked since 2001 with oversight responsibility for accounting and tax related functions.

He was associated with KPMG from 1996-2001 (audit and tax) where he earned his CPA (CA) designation in 2001. He obtained a degree in Business Administration (Hons.) from Simon Fraser University. Mr. Barrington-Foote was a former member of the Board of Directors of Just Energy Group Inc. from 2015-2017, director and treasurer of the Rick Hansen Institute from 2010-2016 and received an award as one of Vancouver’s Top 40 Under 40 in 2009.

*Other public company board/committee memberships in the past five years: NIL*

| Board/Committee Membership <sup>1</sup>             | Overall Attendance: 100%       |                |
|---|--------------------------------|----------------|
|   | Attendance at Regular Meetings |                |
| Board   | 5/5                            |                |
| Audit   | 5/5                            |                |
| Joint Management Resources and Compensation - Chair | 4/4                            |                |
| Securities Held                                     |                                |                |
|   | March 16, 2022                 | March 23, 2021 |
| Common Shares <sup>6</sup>                          | Nil                            | Nil            |
| DSUs <sup>2</sup>                                   | Nil                            | Nil            |



**Glen D. Clark**

Vancouver, British Columbia  
Canada

Age: 63  
Director of Canfor since 2009

Non-Independent<sup>3</sup>

*Key areas of expertise:*

- Business Management
- Government Relations
- Operations
- Financial
- Risk Management

Mr. Clark is the President and Chief Operating Officer of The Jim Pattison Group, a diversified holding company. Mr. Clark is also a member of the Board of Directors of Westshore Terminals Investment Corporation, a coal export terminal company.

Prior to 2001, Mr. Clark served as Premier of British Columbia from February 1996 to August 1999. He was Minister of Finance and Corporate Relations from November 1991 to September 1993 and Minister of Employment and Investment from September 1993 until February 1996. Mr. Clark was first elected to the Legislative Assembly of British Columbia in 1986 to represent the constituency of Vancouver-East. In the 1991 and 1996 general elections, he was re-elected to represent the constituency of Vancouver-Kingsway. Mr. Clark holds a Bachelor of Arts degree from Simon Fraser University and a Master's Degree in Community and Regional Planning from the University of British Columbia.

*Other public company board/committee memberships in the past five years:*

- Westshore Terminals Investment Corporation (2013 – present)

| Board/Committee Membership <sup>1</sup>    | Overall Attendance: 100%       |                |
|--|--------------------------------|----------------|
|  | Attendance at Regular Meetings |                |
| Board                                      | 5/5                            |                |
| Joint Governance and Sustainability- Chair | 3/3                            |                |
| Joint Capital Expenditure                  | 5/5                            |                |
| Securities Held                            |                                |                |
|  | March 16, 2022                 | March 23, 2021 |
| Common Shares <sup>6</sup>                 | 2,000                          | 2,000          |
| DSUs <sup>2</sup>                          | 7,500                          | 7,500          |



**Dieter W. Jentsch**

King City, Ontario  
Canada

Age: 62  
Director of Canfor since 2020

Independent

*Key areas of expertise:*

- Risk Management
- Finance
- Business Management
- Operations
- Compensation
- International Markets

Mr. Jentsch is a senior executive and career banker with experience in Canadian, US and International markets.

Mr. Jentsch had a 35 year career at Bank of Nova Scotia, holding numerous senior roles. In addition to being part of the Scotiabank's Operating Committee, he was Group Head of Global Banking and Markets (2016-2018) and Group Head of International Banking (2012-2016). Other prior roles included Executive Vice President Latin America and Executive Vice President Canadian Commercial Banking. Mr. Jentsch holds a Bachelor of Science degree in Agriculture and a Master of Business Administration degree. He holds a diploma from the Advanced Management Programme from the European Institute of Business (INSEAD) as well as a diploma from the University of Toronto Rotman-ICD Directors Education Program.

*Other public company board/committee memberships in the past five years:*

- Aimia Inc. (June 2019 – February 2020)
- Canfor Pulp (2020 – present)
- Mineros S.A. (2021 – present)

| Board/Committee Membership <sup>1</sup> | Overall Attendance: 100%       |                |
|---|--------------------------------|----------------|
|   | Attendance at Regular Meetings |                |
| Board                                   | 5/5                            |                |
| Audit                                   | 5/5                            |                |
| Joint Capital Expenditure               | 4/5 <sup>(4)</sup>             |                |
| Securities Held                         |                                |                |
|   | March 16, 2022                 | March 23, 2021 |
| Common Shares <sup>6</sup>              | 20,000                         | 20,000         |
| DSUs <sup>2</sup>                       | Nil                            | Nil            |

|  <p><b>Donald B. Kayne</b></p> <p>Delta, British Columbia<br/>Canada</p> <p>Age: 64<br/>Director of Canfor since 2017</p> <p>Non-Independent<sup>3</sup></p> <p><i>Key areas of expertise:</i></p> <ul style="list-style-type: none"> <li>• Business Management</li> <li>• Marketing</li> <li>• Operations</li> <li>• Government Relations</li> <li>• Risk Management</li> </ul> | <p>Mr. Kayne is the President and CEO of the Company and the CEO of Canfor Pulp. He is a Director of the Company and Canfor Pulp. He is a Director and past Chairman of the Forest Products Association of Canada and Chairman of the Council of Forest Industries, a past Director of the Alberta Forest Products Association, a Director the BC Lumber Trade Council and Director of Vida, AB (“Vida”). In 2014, he was appointed to the bi-national Softwood Lumber Board and is past Vice Chairman and Chairman of the Programs Committee. He is also a Director of Cameco Corporation and Chairman of its Human Resources and Compensation Committee, and past Chairman of the charitable organization, Educating Girls of Rural China Foundation, which works to transform the lives of women and communities in rural areas of western China by providing access to education.</p> <p>Mr. Kayne was appointed President and CEO of Canfor on May 5, 2011. He was additionally appointed CEO of Canfor Pulp on September 30, 2012. He has spent his entire career at Canfor, starting out as a regional sales representative in 1979. He is motivated by what lays ahead for the forest sector as the global population and demand for sustainable, renewable products grows. Prior to being appointed CEO, he spent 10 years as Canfor’s Vice President of Sales and Marketing and is one of the lead architects of Asian market development for British Columbia lumber. Mr. Kayne’s work growing markets for Canfor’s products around the world has provided him with deep connections to markets and customers in every region they serve.</p> <p><i>Other public company board/committee memberships in the past five years:</i></p> <ul style="list-style-type: none"> <li>• Cameco Corporation (2016 - present)</li> <li>• Canfor Pulp (2017 – present)</li> </ul> <table border="1" data-bbox="446 693 1542 1033"> <thead> <tr> <th colspan="3" style="text-align: right;"><b>Overall Attendance: 100%</b></th> </tr> <tr> <th rowspan="2"><b>Board/Committee Membership<sup>1</sup></b></th> <th colspan="2"><b>Attendance at Regular Meetings</b></th> </tr> </thead> <tbody> <tr> <td>Board</td> <td colspan="2" style="text-align: center;">5/5</td> </tr> <tr> <th colspan="3" style="text-align: center;"><b>Securities Held</b></th> </tr> <tr> <td></td> <th style="text-align: center;">March 16, 2022</th> <th style="text-align: center;">March 23, 2021</th> </tr> <tr> <td>Common Shares<sup>6</sup></td> <td style="text-align: center;">20,497</td> <td style="text-align: center;">20,497</td> </tr> <tr> <td>DSUs<sup>2</sup></td> <td style="text-align: center;">Nil</td> <td style="text-align: center;">Nil</td> </tr> </tbody> </table> | <b>Overall Attendance: 100%</b> |  |  | <b>Board/Committee Membership<sup>1</sup></b> | <b>Attendance at Regular Meetings</b> |  | Board | 5/5 |  | <b>Securities Held</b> |  |  |  | March 16, 2022 | March 23, 2021 | Common Shares <sup>6</sup> | 20,497 | 20,497 | DSUs <sup>2</sup> | Nil | Nil |
|---|---|---------------------------------|--|--|---|---------------------------------------|--|-------|-----|--|------------------------|--|--|--|----------------|----------------|----------------------------|--------|--------|-------------------|-----|-----|
| <b>Overall Attendance: 100%</b>   |   |                                 |  |  |   |                                       |  |       |     |  |                        |  |  |  |                |                |                            |        |        |                   |     |     |
| <b>Board/Committee Membership<sup>1</sup></b>   | <b>Attendance at Regular Meetings</b>   |                                 |  |  |   |                                       |  |       |     |  |                        |  |  |  |                |                |                            |        |        |                   |     |     |
|   | Board   | 5/5                             |  |  |   |                                       |  |       |     |  |                        |  |  |  |                |                |                            |        |        |                   |     |     |
| <b>Securities Held</b>  |   |                                 |  |  |   |                                       |  |       |     |  |                        |  |  |  |                |                |                            |        |        |                   |     |     |
|   | March 16, 2022  | March 23, 2021                  |  |  |   |                                       |  |       |     |  |                        |  |  |  |                |                |                            |        |        |                   |     |     |
| Common Shares <sup>6</sup>  | 20,497  | 20,497                          |  |  |   |                                       |  |       |     |  |                        |  |  |  |                |                |                            |        |        |                   |     |     |
| DSUs <sup>2</sup>   | Nil   | Nil                             |  |  |   |                                       |  |       |     |  |                        |  |  |  |                |                |                            |        |        |                   |     |     |

|  <p><b>Anders Ohlner</b></p> <p>Malmö, Skåne<br/>Sweden</p> <p>Age: 64<br/>Director of Canfor since 2020</p> <p>Independent</p> <p><i>Key areas of expertise:</i></p> <ul style="list-style-type: none"> <li>• Risk Management</li> <li>• Finance</li> <li>• Business Management</li> <li>• Operations</li> <li>• Governance</li> <li>• International Markets</li> </ul> | <p>Mr. Ohlner is the former Executive Vice President of Handelsbanken, a Swedish Bank.</p> <p>Mr. Ohlner had a successful 30 year career at Handelsbanken in Sweden holding various senior roles, including Executive Vice President, Head of the Regional Bank Eastern Sweden (2003-2008), Executive Vice President Head of the Regional Bank Southern Sweden (2008-2014) and Executive Vice President Central Head Office in Stockholm. In addition, he served as Chair of the Forest and Agriculture Advisory Board of the bank and is a member of its Life Insurance Company and Handelsbanken Regional Southern Sweden Advisory Board and was as a Director of Vida AB. Mr Ohlner studied Political Science and Information Technology as well as a Legal Overview Course at the Växjö University in Sweden.</p> <p><i>Other public company board/committee memberships in the past five years:</i></p> <ul style="list-style-type: none"> <li>• Handelsbanken Life Insurance (2014-present)</li> </ul> <table border="1" data-bbox="446 1428 1542 1942"> <thead> <tr> <th colspan="3" style="text-align: right;"><b>Overall Attendance:100%</b></th> </tr> <tr> <th rowspan="2"><b>Board/Committee Membership<sup>1</sup></b></th> <th colspan="2"><b>Attendance at Regular Meetings</b></th> </tr> </thead> <tbody> <tr> <td>Board</td> <td colspan="2" style="text-align: center;">5/5</td> </tr> <tr> <td>Joint Environmental, Health and Safety</td> <td colspan="2" style="text-align: center;">4/4</td> </tr> <tr> <th colspan="3" style="text-align: center;"><b>Securities Held</b></th> </tr> <tr> <td></td> <th style="text-align: center;">March 16, 2022</th> <th style="text-align: center;">March 23, 2021</th> </tr> <tr> <td>Common Shares<sup>6</sup></td> <td style="text-align: center;">Nil</td> <td style="text-align: center;">Nil</td> </tr> <tr> <td>DSUs<sup>2</sup></td> <td style="text-align: center;">Nil</td> <td style="text-align: center;">Nil</td> </tr> </tbody> </table> | <b>Overall Attendance:100%</b> |  |  | <b>Board/Committee Membership<sup>1</sup></b> | <b>Attendance at Regular Meetings</b> |  | Board | 5/5 |  | Joint Environmental, Health and Safety | 4/4 |  | <b>Securities Held</b> |  |  |  | March 16, 2022 | March 23, 2021 | Common Shares <sup>6</sup> | Nil | Nil | DSUs <sup>2</sup> | Nil | Nil |
|---|--|--------------------------------|--|--|---|---------------------------------------|--|-------|-----|--|--|-----|--|------------------------|--|--|--|----------------|----------------|----------------------------|-----|-----|-------------------|-----|-----|
| <b>Overall Attendance:100%</b>  |  |                                |  |  |   |                                       |  |       |     |  |  |     |  |                        |  |  |  |                |                |                            |     |     |                   |     |     |
| <b>Board/Committee Membership<sup>1</sup></b>   | <b>Attendance at Regular Meetings</b>  |                                |  |  |   |                                       |  |       |     |  |  |     |  |                        |  |  |  |                |                |                            |     |     |                   |     |     |
|   | Board  | 5/5                            |  |  |   |                                       |  |       |     |  |  |     |  |                        |  |  |  |                |                |                            |     |     |                   |     |     |
| Joint Environmental, Health and Safety  | 4/4  |                                |  |  |   |                                       |  |       |     |  |  |     |  |                        |  |  |  |                |                |                            |     |     |                   |     |     |
| <b>Securities Held</b>  |  |                                |  |  |   |                                       |  |       |     |  |  |     |  |                        |  |  |  |                |                |                            |     |     |                   |     |     |
|   | March 16, 2022   | March 23, 2021                 |  |  |   |                                       |  |       |     |  |  |     |  |                        |  |  |  |                |                |                            |     |     |                   |     |     |
| Common Shares <sup>6</sup>  | Nil  | Nil                            |  |  |   |                                       |  |       |     |  |  |     |  |                        |  |  |  |                |                |                            |     |     |                   |     |     |
| DSUs <sup>2</sup>   | Nil  | Nil                            |  |  |   |                                       |  |       |     |  |  |     |  |                        |  |  |  |                |                |                            |     |     |                   |     |     |



**Conrad A. Pinette**

Vancouver, British Columbia  
Canada

Age: 82  
Director of Canfor since 2008

Independent

*Key areas of expertise:*

- Business Management
- Compensation
- Operations
- Governance
- Risk Management

Mr. Pinette's work in the Canadian forest industry began 56 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 Gold Canyon Resources Inc., 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 and Chairman of the Vancouver General Hospital and University of British Columbia Prostate Advisory Board.

Mr. Pinette was the Chair of the Board of Canfor and Canfor Pulp from August 4, 2017 until April 29, 2021.

*Other public company board/committee memberships in the past five years:*

- Canfor Pulp (2012 – present)

| Board/Committee Membership <sup>*,1</sup> | Overall Attendance: 100%       |                |
|---|--------------------------------|----------------|
|   | Attendance at Regular Meetings |                |
| Board                                     | 5/5                            |                |
| Joint Capital Expenditure                 | 3/4 <sup>(4)</sup>             |                |
| Securities Held                           |                                |                |
|   | March 16, 2022                 | March 23, 2021 |
| Common Shares <sup>6</sup>                | 30,000                         | 30,000         |
| DSUs <sup>2</sup>                         | 10,000                         | 10,000         |



**M. Dallas H. Ross**

Vancouver, British Columbia  
Canada

Age: 65  
Director of Canfor since 2018

Independent

*Key areas of expertise:*

- Business Management
- Risk Management
- Financial
- Operations

Mr. Ross is a founder and general partner of Kinetic Capital Partners in Vancouver, BC, a private investment firm with large ownership percentages in a few high growth US private companies where he oversees management's strategic, financial, compensation and value creation activities.

He is also active with some public companies. He is: Chair of the Board, Chair of the Strategic Initiatives Committee and Chair of the Compensation Committee of Rogers Sugar Inc. and Lantic Inc.; a Director of Westshore Terminals Investment Corporation and Westshore Terminals Ltd. and is Chief Financial Officer of Westshore Terminals Investment Corporation; and a Director, member of the Audit Committee, Risk Committee and Compensation and EHS Committee of Just Energy Group Inc. Previously, Mr. Ross was on the Board and Chair of the Strategic Alternatives Committee, the Audit Committee and Comp Committee of Catalyst Paper Corporation to assist with its substantial debt restructuring from 2010 to 2013. Mr. Ross was asked to join the Board of Directors of Just Energy Group Inc. in June 2017 and was on the Board of Directors of Just Energy Group Inc. to execute a Plan of Arrangement under the CBCA in mid-2020 and then to subsequently execute a CCAA filing amidst significant issues in the Texas regulated market in early 2021.

Mr. Ross was on the Board of FutureShop.com from 1999 to 2004. Mr. Ross was on the Board and Chair of the Campus Task Force, on the Executive Committee and on the Finance Committee of Crofton House School in Vancouver from 2006 to 2013 as a key member of the leadership team that rebuilt the campus facilities, significantly improved the school's economic scale and raised significant donations from its community.

Prior to founding Kinetic Capital Partners, Mr. Ross was Managing Director, Investment Banking at Scotia Capital in Vancouver and, prior to that, Managing Director, Mergers & Acquisitions in Toronto with ScotiaMcLeod where he started at its predecessor, McLeod Young Weir, in Toronto in 1985.

*Other public company board/committee memberships in the past five years:*

- Rogers Sugar Inc. (1997 – present)
- Westshore Terminals Investment Corporation (1996 – present)
- Just Energy Group Inc. (2017 – present)

| Board/Committee Membership <sup>1</sup>     | Overall Attendance: 100%       |                |
|---|--------------------------------|----------------|
|   | Attendance at Regular Meetings |                |
| Board                                       | 5/5                            |                |
| Audit                                       | 5/5                            |                |
| Joint Management Resources and Compensation | 4/4                            |                |
| Joint Capital Expenditure – Chair           | 5/5                            |                |
| Securities Held                             |                                |                |
|   | March 16, 2022                 | March 23, 2021 |
| Common Shares <sup>6</sup>                  | Nil                            | Nil            |
| DSUs <sup>2</sup>                           | Nil                            | Nil            |



**Ross S. Smith, F.C.A.**

West Vancouver, British Columbia, Canada

Age: 82  
Director of Canfor since 2009

Independent

*Key areas of expertise:*

- Business Management
- Compensation
- Financial
- Operations
- Risk Management

Mr. Smith is a member of the Board of Directors of Rotherham Holdings Ltd., a holding corporation.

Mr. Smith had a successful 35 year career at KPMG LLP where he held various roles, including Managing Partner for British Columbia region and served for 13 years on the National Management Committee prior to his retirement in 1998. While in public practice, Mr. Smith served major public and private companies, many of which were in the forest industry, from an audit and securities perspective. Mr. Smith has served on many charitable and community boards in past years and is a past member of the Board of Governors of the University of British Columbia. Mr. Smith is a former member of the Board of Directors of HSBC Bank Canada, the Advisory Board of Marsh Canada Limited, N&T Properties Ltd., Kal Tire Holdings Ltd. and K-Bro Linen Inc. Mr. Smith qualified as a Chartered Accountant in 1962 and was elected a Fellow of the Institute of Chartered Accountants of British Columbia (“ICABC”) in 1990 and in 2010 was awarded a lifetime achievement award by the ICABC.

*Other public company board/committee memberships in the past five years:*

- K-Bro Linen Inc. (2004 – 2021)

| Board/Committee Membership <sup>1</sup>     | Overall Attendance: 100%       |                |
|---|--------------------------------|----------------|
|   | Attendance at Regular Meetings |                |
| Board                                       | 5/5                            |                |
| Audit - Chair                               | 5/5                            |                |
| Joint Management Resources and Compensation | 4/4                            |                |
| Securities Held                             |                                |                |
|   | March 16, 2022                 | March 23, 2021 |
| Common Shares <sup>6</sup>                  | 5,000                          | 5,000          |
| DSUs <sup>2</sup>                           | 7,500                          | 7,500          |



**Frederick T. Stimpson III**

Mobile, Alabama  
United States

Age: 70  
Director of Canfor since 2021

Non-Independent<sup>3</sup>

*Key areas of expertise:*

- Governance
- Business Management
- Operations
- Marketing
- Risk Management

Fred Stimpson is the former President of Canfor Southern Pine Inc. (“Southern Pine”) and currently is a Consultant for the Company. Mr. Stimpson is the third generation of a family with a long history in the forest products business. He started out working in the woods for the Gulf Lumber Company at the age of 14 during summer breaks and that continued through university. After graduating from the University of Alabama in Business and from the University of Georgia in Forestry, Fred continued his work with Gulf Lumber Company in various roles and was president from 1988 to 2009 and CEO of Scotch & Gulf Lumber until 2013. After the acquisition by Canfor of Scotch Gulf Lumber, he was appointed President of Southern Pine in 2015 until his retirement in 2020.

Through his career he’s always been passionate about people and building relationships. Fred has been an active member in local, state and regional lumber and timber associations throughout his entire career and thanks to these relationships Southern Pine was able expand from four mills to 15 operations including a trucking company and became one of the strongest wood products organizations in the United States. The leadership team under his guidance was able to increase the organizational success through the strength and focus of maintaining these and other relationships.

*Other public company board memberships in the last five years:*

- Nil

| Board/Committee Membership <sup>1</sup> | Overall Attendance: 100%       |                |
|---|--------------------------------|----------------|
|   | Attendance at Regular Meetings |                |
| Board                                   | 4/5 <sup>(5)</sup>             |                |
| Joint Environmental, Health and Safety  | 3/4 <sup>(4)</sup>             |                |
| Securities Held                         |                                |                |
|   | March 16, 2022                 | March 23, 2021 |
| Common Shares <sup>6</sup>              | Nil                            | Nil            |
| DSUs <sup>2</sup>                       | Nil                            | Nil            |

|  |  |   |                                |  |                                       |  |       |     |  |                                     |     |  |   |     |  |                           |     |  |
|--|--|---|--------------------------------|--|---------------------------------------|--|-------|-----|--|-------------------------------------|-----|--|---|-----|--|---------------------------|-----|--|
|  <p><b>William W. Stinson</b></p> <p>Vancouver, British Columbia<br/>Canada</p> <p>Age: 88<br/>Director of Canfor since 2011</p> <p>Independent</p> <p><i>Key areas of expertise:</i></p> <ul style="list-style-type: none"> <li>• Business Management</li> <li>• Compensation</li> <li>• Operations</li> <li>• Risk Management</li> </ul> | <p>Mr. Stinson is a director of Canfor Pulp and CEO and director of Westshore Terminals Investment Corporation, a coal export terminal company.</p> <p>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.</p> <p><i>Other public company board/committee memberships in the past five years:</i></p> <ul style="list-style-type: none"> <li>• Canfor Pulp (2009 – present)</li> <li>• Westshore Terminals Investment Corporation (1997 – present)</li> </ul> |   |                                |  |                                       |  |       |     |  |                                     |     |  |   |     |  |                           |     |  |
|  | <table border="1"> <tr> <td rowspan="2"><b>Board/Committee Membership<sup>1</sup></b></td> <td colspan="2" style="text-align: right;"><b>Overall Attendance: 88%</b></td> </tr> <tr> <td colspan="2" style="text-align: right;"><b>Attendance at Regular Meetings</b></td> </tr> <tr> <td>Board</td> <td colspan="2" style="text-align: right;">4/5</td> </tr> <tr> <td>Joint Governance and Sustainability</td> <td colspan="2" style="text-align: right;">3/3</td> </tr> <tr> <td>Joint Management Resources and Compensation</td> <td colspan="2" style="text-align: right;">4/4</td> </tr> <tr> <td>Joint Capital Expenditure</td> <td colspan="2" style="text-align: right;">4/5</td> </tr> </table>  | <b>Board/Committee Membership<sup>1</sup></b> | <b>Overall Attendance: 88%</b> |  | <b>Attendance at Regular Meetings</b> |  | Board | 4/5 |  | Joint Governance and Sustainability | 3/3 |  | Joint Management Resources and Compensation | 4/4 |  | Joint Capital Expenditure | 4/5 |  |
|  | <b>Board/Committee Membership<sup>1</sup></b>  |   | <b>Overall Attendance: 88%</b> |  |                                       |  |       |     |  |                                     |     |  |   |     |  |                           |     |  |
|  |  | <b>Attendance at Regular Meetings</b>         |                                |  |                                       |  |       |     |  |                                     |     |  |   |     |  |                           |     |  |
|  | Board  | 4/5   |                                |  |                                       |  |       |     |  |                                     |     |  |   |     |  |                           |     |  |
| Joint Governance and Sustainability  | 3/3  |   |                                |  |                                       |  |       |     |  |                                     |     |  |   |     |  |                           |     |  |
| Joint Management Resources and Compensation  | 4/4  |   |                                |  |                                       |  |       |     |  |                                     |     |  |   |     |  |                           |     |  |
| Joint Capital Expenditure  | 4/5  |   |                                |  |                                       |  |       |     |  |                                     |     |  |   |     |  |                           |     |  |
| <b>Securities Held</b>   |  |   |                                |  |                                       |  |       |     |  |                                     |     |  |   |     |  |                           |     |  |
|  | March 16, 2022   | March 23, 2021                                |                                |  |                                       |  |       |     |  |                                     |     |  |   |     |  |                           |     |  |
| Common Shares <sup>6</sup>   | 20,000   | 20,000  |                                |  |                                       |  |       |     |  |                                     |     |  |   |     |  |                           |     |  |
| DSUs <sup>2</sup>  | 2,500  | 2,500   |                                |  |                                       |  |       |     |  |                                     |     |  |   |     |  |                           |     |  |

|  |   |   |                                 |  |                                       |  |       |                    |  |  |                    |  |
|--|---|---|---------------------------------|--|---------------------------------------|--|-------|--------------------|--|--|--------------------|--|
|  <p><b>Sandra Stuart</b></p> <p>Vancouver, British Columbia<br/>Canada</p> <p>Age: 58<br/>Director of Canfor since 2021</p> <p>Independent</p> <p><i>Key areas of expertise:</i></p> <ul style="list-style-type: none"> <li>• Business Management</li> <li>• Compensation</li> <li>• Operations</li> <li>• Risk Management</li> </ul> | <p>Ms. Stuart was appointed to the Board of Directors for the Company and Canfor Pulp in June, 2021. She also currently serves as a Director of the Supervisory Board for HSBC Germany, Telus International, Belcorp Private Investment Management Co. and is a Trustee and the Audit Chair for DRI Healthcare Trust. She is active in the community volunteering on the Advisory Board for the Caldwell Top 40 under 40, and for the Loran Scholarship Program. She has been recognized by the Association of Women in Finance for Excellence in the Private Sector, received the Women’s Executive Network Deloitte Inclusion Vanguard Award (2016), was named one of WXN’s Top 100 Most Powerful Women in Canada (2014), and British Columbia’s Most Influential Women by BC Business Magazine (2015/19). Most recently, Ms. Stuart was selected as a Catalyst Canada Honors Champion</p> <p>Ms. Stuart has a BA with a double minor in Economics and Business from Simon Fraser University and has completed a number of Executive Management courses at the Harvard Business School, IMD, and UBC.</p> <p><i>Other public company board/committee memberships in the past five years:</i></p> <ul style="list-style-type: none"> <li>• Canfor Pulp (2021 – present)</li> <li>• DRI Healthcare Trust (2021 – present)</li> <li>• TELUS International (Cda) Inc. (2021 – present)</li> </ul> |   |                                 |  |                                       |  |       |                    |  |  |                    |  |
|  | <table border="1"> <tr> <td rowspan="2"><b>Board/Committee Membership<sup>1</sup></b></td> <td colspan="2" style="text-align: right;"><b>Overall Attendance: 100%</b></td> </tr> <tr> <td colspan="2" style="text-align: right;"><b>Attendance at Regular Meetings</b></td> </tr> <tr> <td>Board</td> <td colspan="2" style="text-align: right;">3/5<sup>(7)</sup></td> </tr> <tr> <td>Joint Environmental, Health &amp; Safety Committee</td> <td colspan="2" style="text-align: right;">2/4<sup>(7)</sup></td> </tr> </table>   | <b>Board/Committee Membership<sup>1</sup></b> | <b>Overall Attendance: 100%</b> |  | <b>Attendance at Regular Meetings</b> |  | Board | 3/5 <sup>(7)</sup> |  | Joint Environmental, Health & Safety Committee | 2/4 <sup>(7)</sup> |  |
|  | <b>Board/Committee Membership<sup>1</sup></b>   |   | <b>Overall Attendance: 100%</b> |  |                                       |  |       |                    |  |  |                    |  |
|  |   | <b>Attendance at Regular Meetings</b>         |                                 |  |                                       |  |       |                    |  |  |                    |  |
|  | Board   | 3/5 <sup>(7)</sup>                            |                                 |  |                                       |  |       |                    |  |  |                    |  |
| Joint Environmental, Health & Safety Committee   | 2/4 <sup>(7)</sup>  |   |                                 |  |                                       |  |       |                    |  |  |                    |  |
| <b>Securities Held</b>   |   |   |                                 |  |                                       |  |       |                    |  |  |                    |  |
|  | March 16, 2022  | March 23, 2021                                |                                 |  |                                       |  |       |                    |  |  |                    |  |
| Common Shares <sup>6</sup>   | Nil   | N/A   |                                 |  |                                       |  |       |                    |  |  |                    |  |
| DSUs <sup>2</sup>  | Nil   | N/A   |                                 |  |                                       |  |       |                    |  |  |                    |  |



**Dianne L. Watts (LLD)**

Surrey, British Columbia  
Canada

Age: 59  
Director of Canfor since 2018

Independent

*Key areas of expertise:*

- Business Management
- Government Relations
- Financial
- Risk Management
- Communications

Ms. Watts is a member of the Board of Directors of Westshore Terminals Investment Corporation.

Ms. Watts is a former Member of Parliament in the House of Commons representing Surrey/White Rock, BC, from 2015-2017. Prior entering federal politics, Ms. Watts served from 2005-2014 as Mayor of Surrey, BC and a Surrey City Councillor from 1996-2005.

During her time as a Member of Parliament, Ms. Watts was a member of the National Security and Public Safety Committee, National Infrastructure and Transportation Committee, Economic Development Caucus and Speaker of the House of Commons and All Party Parliamentary Tour – South Korea and Mongolia. Ms. Watts was awarded with an Honorary Doctors of Law Degree from the Justice Institute of British Columbia (contribution to Community and Public Safety) in 2013 and in 2014 KPU University awarded her with an Honorary Doctors of Law Degree (Leadership-Progressive Governance- Community Engagement and Public Safety). In 2018 Ms. Watts received the “Iconic Leader of the Decade” award from the All Ladies League and Woman’s Economic Forum. She received the Queen Elizabeth II Diamond Jubilee Medal in 2012, and in 2010 was selected as “4<sup>th</sup> Best Mayor in the World” by City Mayor’s Foundation UK and as “Woman of the Year” Business Excellence by Consumer Choice Awards. She was also recognized as the Paul Harris Fellow by The Rotary Foundation of Rotary International in 2009.

In addition, Ms. Watts is a political contributor to Global, CBC and CKNW media services.

*Other public company board/committee memberships in the past five years:*

- Westshore Terminals Investment Corporation (2018 - present)

| <b>Overall Attendance: 100%</b>                |                                       |                |
|--|---------------------------------------|----------------|
| <b>Board/Committee Membership<sup>1</sup></b>  | <b>Attendance at Regular Meetings</b> |                |
| Board  | 5/5                                   |                |
| Joint Environmental, Health and Safety - Chair | 4/4                                   |                |
| Joint Governance and Sustainability            | 3/3                                   |                |
| <b>Securities Held</b>                         |                                       |                |
|  | March 16, 2022                        | March 23, 2021 |
| Common Shares <sup>6</sup>                     | Nil                                   | Nil            |
| DSUs <sup>2</sup>                              | Nil                                   | Nil            |

*Notes:*

\* As the Chairman, Mr. Baird attends the Committee meetings as ex officio member. He was appointed Chair on April 29, 2021.

1. All Committees of the Company, other than Audit, have as members one or more directors of Canfor Pulp and are joint committees with Canfor Pulp. For more information on the power, responsibilities and composition of the joint committees, see “Executive Compensation – Composition of the Joint Management Resources and Compensation Committee” and “Board Committees” below and Canfor Pulp’s Information Circular dated March 1, 2022, which can be found on SEDAR at [www.sedar.com](http://www.sedar.com).
2. Represents deferred share units (“DSUs”) under the Non-Employee Director DSU Plan (See “Director Compensation - Compensation of Directors/Attendance Fees” herein).
3. With respect to Messrs. Clark, Barrington-Foote, Kayne and Stimpson reference is made to “The Board of Directors - Independence” herein.
4. Joined the Committee after April 29, 2021, therefore only eligible to attend meetings held after that date.
5. Became a Director on April 29, 2021, therefore only eligible to attend meetings held after that date.
6. The number of Common Shares held by each Director refers only to Common Shares of the Company and does not include common shares of Canfor Pulp (“CPPI Shares”), a subsidiary of Canfor, held by the Director. In particular, as at the date hereof: Mr. Pinette holds 10,000 CPPI Shares, Mr. Baird holds 2,000 CPPI Shares, Mr. Kayne holds 4,398 CPPI Shares and Mr. Stinson holds 95,000 CPPI Shares
7. Became a Director on June 15, 2021, therefore only eligible to attend meetings held after that date.

For additional information regarding those Directors of the Company, see the section of the Company’s Annual Information Form dated March 1, 2022 entitled “Directors and Officers”.

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 (each, an “Order”) that was in effect for a period of more than 30 consecutive days; (ii) was subject to an Order that was in effect for a period of more than 30 consecutive days that resulted from an event that occurred while the nominee was acting in such capacity but which was issued after he ceased to act in such capacity, other than Mr. Jentsch.

On August 19, 2020, The Bank of Nova Scotia (“Scotiabank”) announced that it entered into a Deferred Prosecution Agreement (“DPA”) with the U.S. Department of Justice (the “DOJ”). Additionally, the Commodity Futures Trading Commission (the “CFTC”) issued three separate orders against Scotiabank (collectively, the “CFTC Orders”). The DPA and the CFTC Orders (together, the “Resolutions”) resolve the DOJ’s and CFTC’s previously disclosed investigations into Scotiabank’s activities and trading practices in the metals markets and related conduct as well as pre-trade mid-market marks and related swap dealer compliance issues. Mr. Jentsch was a Senior Executive of Scotiabank during the time period during which such activities,

trading practices and related conduct occurred. Mr. Jentsch was not personally sanctioned as part of these proceedings nor was he the subject of these investigations.

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 10 years before 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 or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets other than Mr. Ross.

Mr. Ross was asked to join the board of directors of Catalyst Paper Corporation (“Catalyst”) in May 2010 to assist in the possible restructuring of Catalyst. Catalyst subsequently filed for protection under the CCAA in January 2012, reorganized its financial affairs significantly over a number of months and then successfully emerged from CCAA in September 2012, and at which time Mr. Ross ceased to be a director of Catalyst and a new board representing the post recapitalization stakeholders was appointed. Mr. Ross was asked to join the Board of Directors of Just Energy Group Inc. in June 2017. Mr. Ross was on the Board of Directors of the Company to execute a Plan of Arrangement under the CBCA in mid-2020 and then to subsequently execute a CCAA filing amidst significant issues in the Texas regulated market in early 2021.

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 – COMPENSATION DISCUSSION AND ANALYSIS**

This section describes the Company’s approach to its compensation programs, policies and practices for the Company’s Chief Executive Officer (“CEO”), the Company’s Chief Financial Officer (“CFO”) and the next three most highly compensated executive officers of the Company or any of its subsidiaries (collectively, the “Named Executive Officers” or “NEOs”).

### **Overview of Named Executive Officers**

The Company’s NEOs as of December 31, 2021 are as follows:

- Donald B. Kayne, President and CEO;
- Patrick Elliott, CFO and Senior Vice President, Sustainability;
- Alan Nicholl, Executive Vice President, Bio-based Solutions and Pulp Operations (former CFO);
- Stephen Mackie, Executive Vice President, North American Operations;
- David Calabrigo, Senior Vice President, Corporate Development, Legal and Corporate Secretary; and
- Kevin Pankratz, Senior Vice President, Sales and Marketing.

As of October 5, 2021, Mr. Nicholl ceased to hold the office of CFO of the Company and was appointed Executive Vice President, Bio-based Solutions and Pulp Operations. On October 5, 2021, Mr. Elliott was appointed the CFO of the Company.

### **Compensation Philosophy and Principles**

The Company’s executive compensation philosophy is designed to provide the NEOs with base salary (fixed) and short-term incentive programs (performance-based) in the proportions that the Company believes will achieve its fundamental compensation guiding principles as described below, which are to:

- enable the Company to attract and retain talented and engaged employees needed to define and lead the business;
- align the financial interest of the NEOs with the long-term interest of the Common Shareholders;
- integrate a pay-for-performance approach where compensation is closely linked with achieving both business and performance objectives;
- balance risk and compensation with sound management principles to align with the interests of Common Shareholders; and
- reward behaviors which align the Company values with the support of its customers.

The Company’s compensation philosophy is to position base salary at market median and to align total cash compensation (base salary and short-term incentives) at the 50<sup>th</sup> percentile for performance, which is at or above the 50<sup>th</sup> percentile against its peers (the comparator group as described below).

The Board regularly considers whether or not to hold an advisory “say on pay” vote at its annual general meeting of Common Shareholders on the Company’s approach to executive compensation. In 2021, it was determined not to hold such a vote at the next annual shareholder meeting in 2022. The Board believes that its executive compensation policies as discussed in this

Information Circular provide strong and appropriate performance incentives, provide adequate mitigation protections and are unequivocally preferable to equity-based compensation programs used by the Company in the past.

### **Compensation Programs and Practices**

The Company's compensation programs have been structured to establish a clear relationship between pay and performance by providing, in particular, a limited portion of base salary and higher compensation for outstanding performance and less compensation when performance expectations are not met, while also reflecting financial risk and strategic and operational objectives. In January 2021 the Company replaced its Senior Executive Performance Bonus Plan ("PBP") with its Executive Short-Term Incentive Plan ("Exec-STIP"). For more information on the PBP, see the Company's Information Circular dated March 23, 2021, which can be found on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com), under "Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Senior Executive Performance Bonus Plan (PBP)" which is incorporated by reference herein.

The Exec-STIP is intended to directly provide a link between the Company's financial performance and executive variable compensation and better align payments under the plan with the interests of the Common Shareholders. For the NEOs, a significant portion of target total cash compensation is at risk, which creates a strong pay-for-performance relationship.

The Board, through the Joint Management Resources and Compensation Committee (the "MRCC"), retains the discretion to award compensation to senior executives, including the NEOs, even when performance goals or targets are not achieved. In making such awards, the MRCC will consider several 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 factors the committee considers relevant. However, discretionary awards will only be granted by the MRCC to individuals who have shown exemplary or outstanding performance beyond normal job performance.

Every year, the Company undertakes back-testing analysis for the compensation of the NEOs and other senior management to assess the alignment of variable compensation and performance. The MRCC reserves the right to make changes to its compensation programs, if it is of the view that it would be necessary to achieve the Company's compensation objectives. In years where there are plan design changes, payout scenario analyses are conducted for various performance outcomes.

The Company also maintains the Canfor Salaried Incentive Plan, which is a short-term incentive plan for salaried employees. None of the Company's NEOs participate in this plan.

### **Establishing Market Competitive Pay Levels**

An important element of the Company's compensation programs is to provide the NEOs with compensation packages that are competitive with the compensation offered to executives in comparable positions in companies of similar size operating in similar geographies to attract dynamic and innovative executives to lead its strategic initiatives. As such, the MRCC utilizes and relies significantly on a competitive market analysis when determining the size, components and mix of the NEOs' compensation packages.

The MRCC periodically engages the services of an independent consulting firm, Mercer (Canada) Ltd. ("Mercer") in 2019 and, beginning in 2022, Willis Towers Watson ("WTW"), to provide advice and counsel on executive compensation matters, such as base salary, incentive programs, all as described further below. Mercer and WTW are independent resources for advice to the MRCC and, in the past, Mercer has assisted the MRCC in reviewing compensation trends including market competitive information, designing compensation programs, and assisting the MRCC in assessing the compensation of the CEO and other NEOs. WTW is expected to provide similar assistance in 2022.

For 2021, the primary sources for market information were three peer group datasets previously compiled by Mercer in 2019, including: a) a forestry peer group, b) a capital-intensive peer group, and c) a general industry peer group. Peer group membership is filtered to include companies that are a similar size as measured by revenue, market capitalization, assets, and levels of capital reinvestment. The previously compiled Mercer forestry peer group membership included Domtar Corp., Boise Cascade Co., Cascade Inc., Interfor Corp., Louisiana Pacific Corp., Mercer International Inc., Norbord Inc., Resolute Forest Products Inc., Stella-Jones Inc., Universal Forest Products Inc. and West Fraser Timber Co.

There were no consulting fees paid to Mercer or WTW (or other consultants) for compensation related services for 2021 and 2020.

### **Elements of Compensation**

Base salary and the Exec-STIP are the two principal components of the Company's executive compensation program, designed to closely link the compensation of the Company's NEOs and other senior executives with the performance of the Company and its subsidiaries. As noted above, the MRCC has previously periodically retained Mercer, to provide advice on market base salary and incentive plans information for its senior executives, including the CEO and the other NEOs.

The Company also provides the NEOs with certain other benefits including retirement plans, the ability to participate in the Employee Purchase Plan, and other benefits that are generally available to all other eligible employees.

In reviewing the executive compensation, the MRCC considers competitive market intelligence for compensation-related matters in respect of executive talents. In addition to market data, the MRCC considers other factors such as the Company and individual performance, the scope of the role, the responsibility and length of time in the role.

**Base Salary**

Base salary reflects each executive’s level of responsibility, capabilities and experience in the context of their role compared to market. It is provided in cash each pay period and is intended to be competitive to be able to retain key executives. The Company reviews base salaries on an annual basis, and generally provides increases based on salary increases guidelines from market intelligence. Base salaries are also adjusted when there is a material change in the compensation levels of comparable roles in the comparator group(s) that competes with the Company for business opportunities and executives. The MRCC has sole responsibility for recommending for approval by the Board the compensation of the CEO.

**Performance-Based Awards**

***(A) Exec-STIP***

The purpose of the Exec-STIP is to reward all senior executives, including NEOs who have significant management and decision-making responsibilities, by providing cash-based compensation intended to align their interests with those of the Common Shareholders. The Exec-STIP seeks to reinforce short-term business results with a performance period of one year from January 1<sup>st</sup> to December 31<sup>st</sup>, and to reward the achievement of short-term objectives determined in advance of such performance period aligned to both strategic and individual performance.

The Exec-STIP has the following objectives to:

- attract, motivate and foster retention for participants of outstanding ability;
- encourage participants to effectively balance short-term and long-term objectives;
- maintain the Company as a market leader in safety, sustainability and people; and
- advance the Company by encouraging a strong focus on strategy execution that leads to new value creation and return on invested capital.

The Exec-STIP is based on four elements (Base Salary, Incentive Target, the Business Component and Individual Performance), which are collectively considered the performance drivers, expressed as a percentage of base salary earnings, where the actual payouts will depend on the results achieved at the end of the calendar year.

The Exec-STIP is calculated is as follows:

$$\text{Base Salary Earnings} \times \text{Incentive Target} \times \left( \text{Financial} + \text{Safety} + \text{Strategy Execution} \right) \text{ Components} \times \text{Individual Performance}$$

The Incentive Target is 100% of base salary earnings for all first level of executives, which includes all the Company’s NEOs.

The three business-related components, namely “Financial,” “Safety” and “Strategy Execution” (collectively, the “Business Component”), are additive. By design, the cumulative score for these three components is capped at 100% of the Incentive Target and consequently shifts any above-target payout opportunity towards individual contributions calculated under the “Individual Performance” factor. The Financial performance component is based on Return on Investment Capital (“ROIC”) results. Safety performance is based on the Company’s Medical Incidents Rate (“MIR”). Strategy Execution incorporates progress against certain key strategic priorities such as Environment, Social and Governance (“ESG”), People, Customer Experience and Digital Transformation.

Under the Individual Performance factor, participants are assessed based on a performance rating matrix to result in an individual performance score. This score is then used to determine the multiple, ranging from a minimum of 0.8 up to a maximum of 2.0, to be multiplied in the calculation above. The participant must also meet the minimum performance rating threshold in such performance rating matrix to be eligible for any payout under the Exec-STIP.

In 2021, for the Business Component, the Company exceeded the Financial target and substantially achieved its Strategy Execution goals, but an employee fatality occurred at a Southern Pine mill, which resulted in there being no payout for the Safety sub-component. The combination of these sub-components resulted in a cumulative score of 93.75% of target before the Individual Performance factor.

### ***(B) Discretionary Award***

The MRCC also has the ability to grant discretionary cash awards, on the recommendation of the CEO, to individuals who have exemplified superior or exceptional performance during the year.

For 2021, the Board, as recommended by the MRCC, determined to grant a discretionary award to six (6) senior executives of the Company for having delivered exceptional performance in areas of significant responsibility, and for having a direct positive impact on the Company's performance despite extremely challenging conditions. For 2021, the President and CEO received a discretionary award of \$755,000 and five (5) other senior executives received discretionary awards of \$200,000 each, including the following NEOs: Messrs. Elliott, Mackie, Calabrigo, and Pankratz.

### **Employee Share Purchase Plan**

The Company has established an employee share purchase plan (the "Employee Purchase Plan") for employees of the Company's wholly owned subsidiary, Canadian Forest Products Ltd. ("CFP"). CFP is the direct employer of virtually all of the Company's employees, including all of the NEOs. The Employee Purchase Plan was approved by the shareholders of the Company by special resolution on April 20, 1999. 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 CFP 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 its outstanding Common Shares. All regular employees of CFP are eligible to participate in the Employee Purchase Plan upon completion of one year of employment with CFP. 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.

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.

### **Joint Management Resources and Compensation Committee (the "MRCC")**

#### **Mandate**

The Board of Directors has the final authority to approve the recommendations of the MRCC regarding the compensation of the executives of the Company. The mandate of the MRCC consists of submitting for approval to the Board of Directors its recommendations of the compensation levels for senior executives including the NEOs.

Other responsibilities of the MRCC's mandate include the nomination of the executive officers upon recommendation of the CEO, reviewing the performance assessment of the senior executives, monitor succession planning and retaining consulting services of outside experts to advise on executive compensation matters.

The MRCC monitors and assesses the performance of the NEOs and determines compensation levels on an annual basis. In its assessment of the annual compensation of the NEOs, the MRCC takes into consideration the median compensation paid by other Canadian companies of comparable size and the absolute and relative performance of the Company relative to such other companies. In addition, the MRCC takes into account other relevant factors such as pension and benefits costs. For more information on the MRCC, see "Board Committees – Joint Management Resources and Compensation Committee" below.

#### **Composition**

All members of the MRCC as at the date of this Information Circular have had 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. Ross currently is Chair of the compensation committee of Rogers Sugar Inc. and Lantic Inc., was previously Chair and now still serves on the compensation committee of Just Energy Group Inc.;
- Mr. Smith was formerly on the compensation committee for K-Bro Linen Inc. and 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;
- 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 served on the compensation committee of Canfor Pulp; and

- Mr. Barrington-Foote, the Chair of the MRCC, is the Executive Vice President of The Jim Pattison Group which runs a diversified group of companies, through which Mr. Barrington-Foote has obtained extensive and varied experience in addressing compensation matters in relation to companies within the group.

Messrs. Barrington-Foote, Ross and Smith were also members of the Audit Committee of the Company in 2021; Mr. Stinson is a member of the Joint Capital Expenditure Committee.

### **Compensation Governance**

In order to ensure compensation oversight and risk management are closely aligned, there are overlapping membership on both the MRCC and the Audit Committees, namely through Messrs. Barrington-Foote, Ross and Smith. These Committees review the Company's compensation policies and practices to ensure that they do not encourage any NEO 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.

No Director of the Company or member of senior management, including any Named Executive Officer, is permitted to purchase financial instruments for hedging purposes related to compensation, including to offset decreases in the market value of the Company's securities.

During the 2021 financial year, the MRCC held four (4) in camera sessions without members of management present at which the Committee discussed, among other things, the compensation of the President and CEO and the other NEOs.

The following table summarizes the respective roles of the MRCC and management with regards to compensation decisions:

| <b>Compensation Decisions</b>                           | <b>MRCC</b>  | <b>Management</b>  |
|---|--|--|
| <b>Philosophy and policy</b>                            | <ul style="list-style-type: none"> <li>▪ Work with management to develop compensation philosophy, principles and programs.</li> <li>▪ Review, approve and adopt the compensation philosophy, principles and programs.</li> </ul>           | <ul style="list-style-type: none"> <li>▪ Develop, recommend &amp; implement compensation philosophy, principles and programs.</li> <li>▪ Monitor actual practice to ensure consistency with compensation philosophy, principles and programs.</li> </ul> |
| <b>Performance-based plan design (Exec-STIP)</b>        | <ul style="list-style-type: none"> <li>▪ Review, approve and adopt plan objectives, plan type, eligibility and other provisions such as change of control, death, disability, termination with/without cause, resignation, etc.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Work with MRCC to develop performance-based plan design.</li> <li>▪ Implement performance-based plan design.</li> </ul>   |
| <b>Performance targets</b>                              | <ul style="list-style-type: none"> <li>▪ Review, approve &amp; adopt Company performance targets.</li> <li>▪ Receive and review business unit performance targets.</li> </ul>  | <ul style="list-style-type: none"> <li>▪ CEO recommends company's performance targets for Board approval.</li> <li>▪ CEO cross-calibrates and approves business unit performance targets.</li> </ul>   |
| <b>Performance evaluations</b>                          | <ul style="list-style-type: none"> <li>▪ Conduct CEO performance assessment.</li> <li>▪ Receive performance evaluation information for succession planning purposes.</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Conduct performance evaluations for direct reports and inform the MRCC for succession planning purposes.</li> </ul>   |
| <b>Individual salary increases and incentive awards</b> | <ul style="list-style-type: none"> <li>▪ Approve base salary &amp; performance-based compensation for NEOs.</li> </ul>   | <ul style="list-style-type: none"> <li>▪ CEO recommends base salary &amp; performance-based compensation for the NEOs to the MRCC for approval.</li> </ul>   |

### ***Outstanding Share-Based Awards, Option-Based Awards & Incentive Plan Awards***

There was no share or option-based awards outstanding at December 31, 2021 or value vested or earned in respect thereof during the financial year ended December 31, 2021. All non-equity incentive plan compensation awards and the value of such awards earned during the fiscal year ended December 31, 2021 for each NEOs are set out in the Summary Compensation Table below.

### ***Securities Authorized for Issuance Under Equity Compensation Plans***

There are no compensation plans of the Company under which equity securities of the Company are authorized for issuance and the Company has no securities to be issued upon exercise of outstanding options, warrants and rights as of

December 31, 2021. The Company does not currently plan to grant further stock options and has not granted options since 2002. Accordingly, option grants are not considered as part of the determination of compensation for NEOs.

### Share Trading Policy

The Share Trading Policy of the Company provide that the NEOs shall trade in the Company's shares only within predetermined trading periods and shall not trade in the Company's shares if they are aware of undisclosed material information. Executives are also instructed to obtain the approval of the Company before trading in the Company's securities in all circumstances.

### Summary Compensation Table

The following table sets out all the compensation earned by the NEOs for services rendered in all capacities to the Company and its subsidiaries during the fiscal years ended December 31, 2021, 2020 and 2019:

| INCUMBENT & POSITION  | YEAR | SALARY (\$) | SHARED-BASED AWARDS (\$) | OPTION-BASED AWARDS (\$) | NON-EQUITY                           |                          | PENSION VALUE (\$) | ALL OTHER COMPENSATION (\$) <sup>[1,2]</sup> | TOTAL COMPENSATION (\$) |
|---|------|-------------|--------------------------|--------------------------|--------------------------------------|--------------------------|--------------------|--|-------------------------|
|   |      |             |                          |                          | Annual Incentive (\$) <sup>[3]</sup> | Long-Term Incentive (\$) |                    |  |                         |
| <b>Don B. Kayne</b> <sup>[4]</sup>  | 2021 | 850,385     | -                        | -                        | 2,348,750                            | -                        | 762,000            | 46,528                                       | 4,007,663               |
| President and Chief Executive Officer                                     | 2020 | 778,846     | -                        | -                        | 1,500,000                            | -                        | 133,000            | 42,344                                       | 2,454,190               |
|   | 2019 | 750,000     | -                        | -                        | 250,000                              | -                        | 35,000             | 54,375                                       | 1,089,375               |
| <b>Patrick Elliott</b> <sup>[5]</sup>                                     | 2021 | 444,038     | -                        | -                        | 1,032,572                            | -                        | 174,000            | 59,670                                       | 1,710,280               |
| Chief Financial Officer & Senior Vice President, Sustainability           | 2020 | 407,692     | -                        | -                        | 850,000                              | -                        | 571,000            | 50,385                                       | 1,879,077               |
|   | 2019 | 299,999     | -                        | -                        | -                                    | -                        | 62,000             | 31,661                                       | 393,660                 |
| <b>Alan Nicholl</b> <sup>[6]</sup>  | 2021 | 550,000     | -                        | -                        | 825,000                              | -                        | 574,089            | 36,945                                       | 1,986,034               |
| Executive Vice President, Bio-based Solutions and Pulp Operations         | 2020 | 571,154     | -                        | -                        | 1,100,000                            | -                        | 427,998            | 46,550                                       | 2,145,702               |
|   | 2019 | 550,000     | -                        | -                        | 100,000                              | -                        | 82,168             | 29,706                                       | 761,874                 |
| <b>Stephen Mackie</b>   | 2021 | 550,000     | -                        | -                        | 1,231,250                            | -                        | 331,703            | 107,989                                      | 2,220,942               |
| Executive Vice President, North American Operations                       | 2020 | 557,442     | -                        | -                        | 1,100,000                            | -                        | 234,309            | 115,694                                      | 2,007,445               |
|   | 2019 | 435,000     | -                        | -                        | 75,000                               | -                        | 60,637             | 53,336                                       | 623,973                 |
| <b>David Calabrigo</b>  | 2021 | 500,000     | -                        | -                        | 1,137,500                            | -                        | 260,000            | 34,561                                       | 1,932,061               |
| Senior Vice President, Corporate Development, Legal & Corporate Secretary | 2020 | 473,077     | -                        | -                        | 1,000,000                            | -                        | 224,000            | 31,243                                       | 1,728,320               |
|   | 2019 | 425,000     | -                        | -                        | 200,000                              | -                        | 78,000             | 23,090                                       | 726,090                 |
| <b>Kevin Pankratz</b>   | 2021 | 480,173     | -                        | -                        | 1,100,000                            | -                        | 264,000            | 50,078                                       | 1,894,251               |
| Senior Vice President, Sales and Marketing                                | 2020 | 451,731     | -                        | -                        | 870,000                              | -                        | 99,000             | 48,780                                       | 1,469,511               |
|   | 2019 | 435,000     | -                        | -                        | 50,000                               | -                        | 239,000            | 50,685                                       | 774,685                 |

▪ Notes:

<sup>1</sup> The aggregate amount of compensation by way of perquisites or other personal benefits or property under this column paid to the Named Executive Officers does not exceed the lesser of \$50,000 or 10% of the total annual salary for the applicable financial year. The Company's perquisite plan for senior officers includes an automobile lease, financial counselling and club membership. The maximum annual amount available under the perquisite plan to the CEO is \$45,000 and to Senior Vice Presidents is \$40,000.

<sup>2</sup> For all Named Executive Officers, these amounts may also include flexible benefit cash allocations, medical and life insurance benefits and other items not included in the perquisite plan.

<sup>3</sup> In respect of the year 2021, these amounts include amounts paid under the Company's Exec-STIP, as discussed in this Information Circular (see "Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation" above). Prior to the adoption of the Exec-STIP in 2021, these amounts include amounts paid under the Company's PBP. Prior to 2020, PBP earnings were to be paid over a three-year period, 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. As at 2020, earnings pursuant to the PBP became payable in a one-year period. For more information on the PBP, see the Company's Information Circular dated March 23, 2021, which can be found on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). These amounts also include a one-time discretionary award paid to the Named Executive Officers for 2021 as discussed in this Information Circular, which was \$755,000, \$200,000, \$200,000, \$200,000 and \$200,000 for Messrs. Kayne, Elliott, Mackie, Calabrigo and Pankratz, respectively.

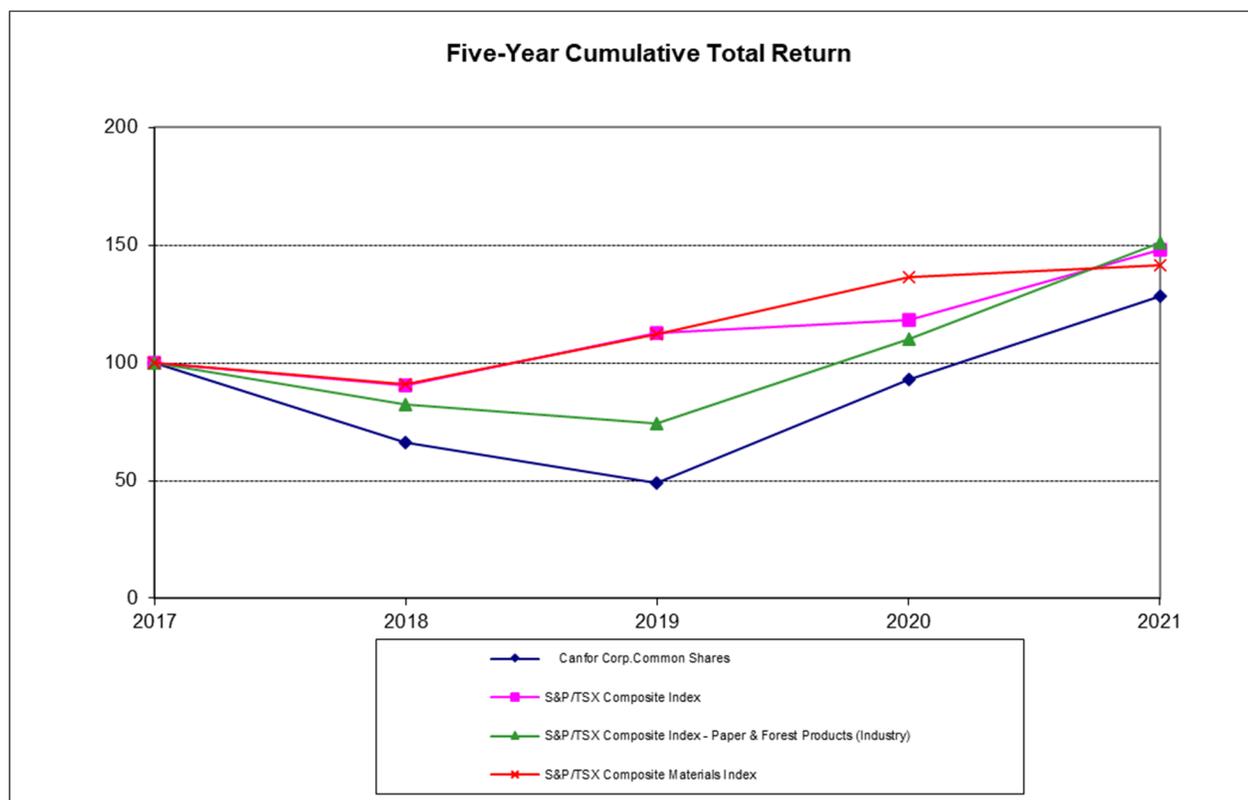
<sup>4</sup> As a Director who is also a member of the management of the Company, Mr. Kayne does not receive Director's or committee fees.

<sup>5</sup> Mr. Elliott was appointed Senior Vice President, Corporate Finance and Sustainability on March 1, 2020 and CFO on October 5, 2021.

<sup>6</sup> Alan Nicholl ceased to be CFO and became Executive Vice President, Bio- Based Solutions & Pulp Operations on October 5, 2021, and was also appointed President and CEO of Arbios Biotech, a joint venture between the Company and Licella Holdings Ltd. ("Licella Holdings") of Australia. As announced by the Company on February 8, 2022, effective March 31, 2022, Mr. Nicholl will cease to be Executive Vice President, Bio- Based Solutions & Pulp Operations, and will be Managing Director of Licella Holdings and will continue to serve as President and CEO of Arbios Biotech.

## PERFORMANCE GRAPH

The following graph compares the total cumulative shareholder return for \$100 invested in Common Shares of the Company on January 1, 2017 with the cumulative total shareholder return of the S&P/TSX Composite Index, S&P/TSX Composite Index - Paper & Forest Products (Industry) and S&P/TSX Composite Materials Index for the five most recently completed financial years.



|  | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|------|------|------|------|------|
| Canfor Corp. Common Shares                                   | 100  | 66   | 49   | 93   | 128  |
| S&P/TSX Composite Index                                      | 100  | 90   | 113  | 118  | 148  |
| S&P/TSX Composite Index - Paper & Forest Products (Industry) | 100  | 82   | 74   | 110  | 151  |
| S&P TSX Composite Materials Index                            | 100  | 91   | 112  | 136  | 142  |

*Note: Dividends declared on Common 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, the S&P/TSX Composite Index - Paper and Forest Products (Industry) and the S&P/TSX Composite Materials Index are similarly based on the reinvestment of dividends.*

In 2021 the Company's Common Shares were generally outperformed by the S&P/TSX Composite Index, the S&P/TSX Composite Index - Paper & Forest Products (Industry) and the S&P/TSX Composite Materials Index. Compensation of employees including the Named Executive Officers is linked to corporate performance. In 2021, under the Exec-STIP, the Company's corporate performance was assessed by financial and non-financial performance measures (see "Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Performance-Based Awards"). Prior to 2021, the Company's corporate performance was determined based on ROIC. For more information on the ROIC, see the Company's Information Circular dated March 23, 2021, which can be found on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com), under "Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Senior Executive Performance Bonus Plan (PBP)" which is incorporated by reference herein. The Company's compensation to its Named Executive Officers described above has followed the trend reflected in the graph above.

## **Pension Plan Benefits**

### ***Defined Benefit Plan***

The Company's accrued pension liability is calculated following the method prescribed by the Canadian Institute of Actuaries and is based on management's best estimate of future events that affect pension liabilities, including assumptions about future salary adjustments and incentives. Changes in accrued pension liabilities for the Named Executive Officers are summarized in the following table.

Other than Mr. Nicholl and Mr. Mackie, the Named Executive Officers are members of the Company's Canadian defined benefit pension plans, which provide retirement benefits determined primarily by: (i) highest average pensionable earnings which includes regular salary over five years; and (ii) years of credited service. Mr. Nicholl, Executive Vice President, Bio-based Solutions and Pulp Operations and Mr. Mackie, Executive Vice President, North American Operations are members of the Company's defined contribution plan.

The estimated annual benefits payable upon retirement to the Named Executive Officers under the Company's defined benefit pension plans are in accordance with the following table:

| INCUMBENT & POSITION  | Years credited service (#) | ANNUAL BENEFITS PAYABLE         |                               | Opening present value of defined benefit obligation (\$) <sup>[3]</sup> | Compensatory change (\$) <sup>[4]</sup> | Non-compensatory change (\$) <sup>[5]</sup> | Closing present value of defined benefits obligation (\$) <sup>[6]</sup> |
|---|----------------------------|---------------------------------|-------------------------------|---|---|---|--|
|   |                            | At year end (\$) <sup>[1]</sup> | At age 65 (\$) <sup>[2]</sup> |   |   |   |  |
| <b>Don B. Kayne</b><br>President and Chief Executive Officer  | 41.50                      | 637,200                         | 654,700                       | 9,706,000   | 762,000                                 | (213,000)                                   | 10,255,000   |
| <b>Patrick Elliott</b><br>Chief Financial Officer & Senior Vice President, Sustainability           | 19.58                      | 139,500                         | 247,300                       | 2,445,000   | 174,000                                 | (27,000)                                    | 2,592,000  |
| <b>David Calabrigo</b><br>Senior Vice President, Corporate Development, Legal & Corporate Secretary | 21.00                      | 170,100                         | 187,100                       | 2,764,000   | 260,000                                 | (65,000)                                    | 2,959,000  |
| <b>Kevin Pankratz</b><br>Senior Vice President, Sales & Marketing                                   | 15.59                      | 125,100                         | 200,900                       | 2,072,000   | 264,000                                 | (14,000)                                    | 2,322,000  |

Notes:

<sup>1</sup> Annual lifetime benefit accrued as of December 31, 2021 based on credited service and actual pensionable earnings on December 31, 2021.

<sup>2</sup> Annual lifetime benefit payable at age 65 based on credited service projected to age 65 and actual pensionable earnings on December 31, 2021.

<sup>3</sup> As of plan measurement date at end of prior year – December 31, 2020, using assumptions as of December 31, 2020 selected by the Company for the 2020 year-end disclosures under international accounting standards.

<sup>4</sup> The compensatory change includes the service cost, plus the impact of actual 2021 pensionable earnings that differ from the estimated earnings.

<sup>5</sup> The non-compensatory change includes interest on the obligation, changes in assumptions and employee contributions to the flexible pension option.

<sup>6</sup> As of plan measurement date at end of year – December 31, 2021 using assumptions as of December 31, 2021 selected by the Company for the 2021 year-end disclosures under international accounting standards.

### ***Defined Contribution Plan***

The Company provides defined contribution pension benefits to certain of its Named Executive Officers. The Company contributes up to a maximum amount of 12% of pensionable earnings.

Compensatory amounts consist of the Company pension contribution, interest credited on deferred balances at the average rate of return of the two balanced funds in the defined contribution plan fund line-up or the money market fund, whichever is greater and unused perquisite amounts for the year. Non-compensatory amounts include the Named Executive Officer's contributions and investment earnings or losses for the year.

The Board, upon recommendation from the MRCC, agreed to a special pension arrangement for Mr. Nicholl and Mr. Mackie. Under this arrangement, they will receive a special one-time lump sum contribution as well as an additional 3% special ongoing contribution on their pensionable earnings annually. For Mr. Nicholl and Mr. Mackie, these earnings include 75% of their

annual incentive payment, up to the incentive's target level amount. These pension improvements vest over a three-year period and are payable only in the event of voluntary termination of employment from the Company on or after age 55. Information on the Company contributions and accumulated value for the Named Executive Officers who are members of the defined contribution plan are as follows:

| <b>INCUMBENT &amp; POSITION</b>   | <b>Accumulated Value at Start of Year (\$)</b> | <b>Compensatory Change (\$)</b> | <b>Non-Compensatory Change (\$)</b> | <b>Accumulated Value at Year End (\$)<sup>(1)</sup></b> |
|---|--|---------------------------------|-------------------------------------|---|
| <b>Stephen Mackie</b><br>Executive Vice<br>President, North<br>American Operations                              | 1,123,992                                      | 331,703                         | 228,384                             | 1,684,079   |
| <b>Alan Nicholl<sup>(2)</sup></b><br>Executive Vice<br>President, Bio-based<br>Solutions and Pulp<br>Operations | 1,579,201                                      | 574,089                         | 240,136                             | 2,393,426   |

Note:

- (1) Includes all the special ongoing contributions for 2021 plus <sup>2</sup>/<sub>3</sub> of the special one-time lump sum contribution (i.e., the vested portion of the lump sum contribution) plus associated interest.
- (2) As noted above, effective March 31, 2022, Mr. Nicholl will cease to be Executive Vice President, Bio- Based Solutions & Pulp Operations, and will be Managing Director of Licella Holdings and will continue to serve as President and CEO of Arbios Biotech. For the period he was employed by Canfor in 2022, Mr. Nicholl will receive a prorated amount of the remaining portion of the special one-time lump sum contribution, plus associated interest.

### **Change of Control Agreements**

In 2000, the Company entered into change of control agreements with certain senior executives, including Mr. Kayne and Mr. Calabrigo who are Named Executive Officers, as described below. Other than Mr. Kayne and Mr. Calabrigo all other change of control agreements, have been terminated as a result of the relevant senior executives ceasing employment with the Company.

Each of the agreements with Mr. Kayne and Mr. Calabrigo provides that if, during a period commencing on a change in control of the Company and ending eighteen (18) months later, the senior executive's employment is terminated or he is constructively dismissed, the senior executive may elect to accept either a salary continuation or a lump sum payment. In either case, the senior executive will be entitled to a severance payment from the Company equal to twenty-four (24) months' salary, a percentage of annual base salary equal to the target incentive for that period and a pro-rated incentive for the year in which his or her employment ceased (including target incentive under the Exec-STIP), and in the case of the salary continuation, certain continued benefits.

For the purposes of the agreements, a "change in control" is defined as an acquisition by a person or group of persons of more than twenty (20%) percent of the Company's outstanding Common Shares, a change in a majority of the Board of Directors (other than through solicitation by management of the Company), a business combination involving the Company or any of its subsidiaries where, as a consequence, the book value of the assets of the resulting entity is more than one hundred and fifty (150%) per cent of the book value of the Company's assets on a consolidated basis before the business combination or any disposition of assets comprising more than fifty (50%) per cent in book value of the Company's assets on a consolidated basis.

Assuming a change in control and termination of employment for the Named Executive Officer having a change of control agreement with the Company referred to above occurred on December 31, 2021, the following table represents the amounts that would be payable to them.

| INCUMBENT & POSITION  | BASE SALARY (\$) | ANNUAL INCENTIVE (\$) <sup>[1]</sup> | BENEFITS (\$) <sup>[2]</sup> | TOTAL (\$) | PRESENT VALUE OF ADDITIONAL PENSION (\$) |
|---|------------------|--------------------------------------|------------------------------|------------|--|
| <b>Don B. Kayne</b><br>President and Chief Executive Officer  | 1,700,000        | 1,700,000                            | 90,000                       | 3,490,000  | 227,000                                  |
| <b>David Calabrigo</b><br>Senior Vice President, Corporate Development, Legal & Corporate Secretary | 1,000,000        | 1,000,000                            | 80,000                       | 2,080,000  | 217,000                                  |

▪ Notes:

<sup>1</sup> Estimated at Exec-STIP payout based on 24 months and an individual multiplier of 1.0.

<sup>2</sup> Represents two years maximum perquisite plan amounts.

## DIRECTOR COMPENSATION

### Compensation of Directors/Attendance Fees

Annual Director compensation for Board and Committee meetings for the year ended December 31, 2021 is summarized in the table below.

Effective January 1, 2021, the Board determined to reset annual Director compensation for the Board and Committees as summarized in the table below. Under this new compensation structure, there were no meeting fees payable to Directors.

### New Annual Director Compensation Structure<sup>1</sup>

|   | Fees      |
|---|-----------|
| Annual Board Chair retainer                         | \$130,000 |
| Annual Board retainer                               | \$120,000 |
| Annual Committee Chair retainer (Audit)             | \$20,000  |
| Annual Committee Chair retainer (Joint Capex)       | \$5,000   |
| Annual Committee Chair retainer ( Other Committees) | \$10,000  |

Notes:<sup>(1)</sup> Effective January 1, 2021

As in prior years, the Company and Canfor Pulp paid fees to each of their representatives on the Joint Capex Committee except where such representative sat on both the Canfor Pulp Board and the Company Board, in which case then the fee was split 50/50 between the two companies.

Effective January 1, 2002, the Company instituted a non-employee Director DSU plan (the “2002 Non-Employee Director DSU Plan”). Until July 2011, each non-employee Director of the Company received 2,500 DSUs annually in accordance with the 2002 Non-Employee Director DSU Plan. A DSU under this plan is a notational entry having the same value as one Common Share of the Company but is not paid out until such time as the Director leaves the Board, thereby providing the financial equivalent of an ongoing equity stake in the Company throughout the Director’s period of Board service. Payment in respect of DSUs may be made in cash or Common Shares of the Company purchased on the open market or both. The 2002 Non-Employee Director DSU Plan provided that Directors holding DSUs are credited with additional units reflecting an equivalent value to dividends paid from time to time in respect of the Company’s Common Shares and also allowed for the adjustment to the outstanding DSUs held by the Directors which are appropriate to reflect any significant reorganizations or other corporate changes affecting the Company’s Common Shares. As at December 31, 2021, the accrual in respect of the DSUs currently outstanding to Board members was \$879,450. Effective July 27, 2011 the Board determined not to issue any further DSUs to Directors under the 2002 Non-Employee Director DSU Plan.

## Directors' Share Ownership Expectations

The Board is reviewing its guidelines on shareholding expectations for each of its Directors, other than Directors who are members of management of the Company. Under the current guidelines, each Director is expected to own 10,000 Common Shares of the Company or the equal amount of the annual Director's fees that each Director receive. The Directors have a period of three years in which to achieve the guidelines and DSUs are included in the ownership guideline.

## Directors' Compensation Summary for 2021

The following table summarizes the amount of Directors' fees paid to Directors for the fiscal year ending December 31, 2021 (as discussed under "Director Compensation - Compensation of Directors/Attendance Fees" above).

| Name  | Retainer    |                      |                       | Total Paid <sup>(1)(6)</sup><br>\$ |
|---|-------------|----------------------|-----------------------|------------------------------------|
|   | Board<br>\$ | Board<br>Chair<br>\$ | Committee Chair<br>\$ |                                    |
| John R. Baird                               | 120,000     | 87,142               | n/a                   | 207,142                            |
| Ryan Barrington-Foote <sup>(3)</sup>        | 120,000     | n/a                  | 10,000                | 130,000                            |
| Glen D. Clark <sup>(3)</sup>                | 120,000     | n/a                  | 10,000                | 130,000                            |
| Barbara Hislop <sup>(2)</sup>               | 39,560      | n/a                  | 3,297                 | 42,857                             |
| Dieter Jentsch                              | 120,000     | n/a                  | n/a                   | 120,000                            |
| Donald Kayne <sup>(5)</sup>                 | Nil         | Nil                  | Nil                   | Nil                                |
| Anders Ohlner                               | 120,000     | n/a                  | n/a                   | 120,000                            |
| Conrad A. Pinette                           | 120,000     | 42,857               | n/a                   | 162,857                            |
| Dallas H. Ross                              | 120,000     | n/a                  | 3,352.00              | 123,351                            |
| Ross S. Smith                               | 120,000     | n/a                  | 20,000                | 140,000                            |
| William Stinson                             | 120,000     | n/a                  | n/a                   | 120,000                            |
| Dianne L. Watts                             | 120,000     | n/a                  | 6,703                 | 126,703                            |
| Frederick T. Stimpson<br>III <sup>(4)</sup> | 80,440.00   | n/a                  | n/a                   | 80,440.00                          |
| Sandra Stuart <sup>(4)</sup>                | 64,945.05   | n/a                  | n/a                   | 64,945.                            |

Notes:

1. Before deduction of applicable taxes.

2. Ms. Hislop ceased to be a Director of the Company in April 2021.

3. All Director's retainers and attendance fees for Messrs. Clark and Barrington-Foote were paid to GPCC (See "Management Agreement" below).

4. Mr. Stimpson was appointed a Director of the Company in April 2021 and Ms. Stuart in June 2021.

5. As a Director and a member of the management of the Company, Mr. Kayne does not receive Director's or committee fees.

6. Other than the retainer and attendance fees set out herein and the DSUs previously granted under the 2002 Non-Employee Director DSU Plan, Directors do not receive any share-based awards, option-based awards or non-equity incentive plan compensation as compensation for their services as Directors.

## Summary of Board/Committee Meetings Held

For the 12-month period ended December 31, 2021

|   |   |
|---|---|
| Board   | 5 |
| Audit   | 5 |
| Joint Governance and Sustainability                   | 3 |
| Joint Environmental, Health and Safety                | 4 |
| Joint Capital Expenditure                             | 5 |
| Joint Management Resources and Compensation Committee | 4 |

## INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

During the most recently completed financial year and as at the date of this Information Circular, other than as set forth herein, there was no indebtedness, other than routine indebtedness, outstanding to the Company or any of its subsidiaries, or to another entity of which indebtedness the Company or any of its subsidiaries has provided a guarantee, support agreement, letter of

credit or other similar arrangement or understanding, owed by any current and/or former officers, Directors and employees of the Company and its subsidiaries. The Company provided a non-interest bearing loan in 2019 to one of its Named Executive Officers, for home relocation purposes in the aggregate principal amount of \$500,000. This loan is to be forgiven over eight annual instalments, and the balance repayable on demand on the cessation of his employment for any reason

## **MANAGEMENT AGREEMENT**

The Company is a party to a services agreement with Great Pacific Capital Corp. (“GPCC”), a company wholly owned by James Pattison, the largest shareholder of the Company. Pursuant to this agreement, GPCC provides to the Company, on its request, the services of certain of its senior officers, the use by Company personnel of certain premises and other assets of GPCC and its affiliates and administrative assistance and advisory support in respect of various corporate functions. In the year ended December 31, 2021, these services were provided at market rates for a total of \$2,262,000. In addition to the services provided under the services agreement, the Company arranges for certain other lease and insurance services through other companies owned by The Jim Pattison Group, all of which are wholly owned by Mr. Pattison.

All Director’s retainers and attendance fees for senior officers of GPCC or its affiliates in The Jim Pattison Group acting as Directors of the Company are paid to GPCC, not the individual Directors.

## **CORPORATE GOVERNANCE**

### **Introduction**

National Instrument 58-101 “*Disclosure of Corporate Governance Practices*” (“N1 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 following disclosure describes the Company’s current corporate governance practices.

### **Board Responsibilities**

Under a set of Governance Principles and a 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 generally 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. However, the Board is updated on the Company’s strategic plan throughout the year and also provides comments and input at those times.

#### *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 activities as well as a specific energy risk management policy which sets out principles for managing energy price exposure risks. See “Executive Compensation – Compensation Discussion and Analysis - Compensation Governance” herein for a discussion on risk as it relates to compensation issues.

### *Succession*

The MRCC reviews succession planning for the CEO and other key senior executives as well as personal development plans for senior management. The MRCC 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 Financial Disclosure Controls*

The Board directly and through the 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 the Company'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 Pulp. 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 the Audit Committee. The Audit Committee regularly meets with the internal auditor, external auditor and management to review the effectiveness of such controls.

## **THE BOARD OF DIRECTORS**

### **Independence**

The Board is currently composed of thirteen Directors, a majority of whom are independent, as defined in NI 58-101. The Chairman of the Company, Mr. Baird, does not exercise any management functions and is 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 Company in the last five years. The Board has provided a means whereby individual Directors may engage outside advisors at the expense of the Company in appropriate circumstances. No advisors on behalf of individual Directors were engaged in 2021.

Of the thirteen individuals proposed as nominees for election as Directors at the Meeting, all are independent as defined in NI 58-101, other than Messrs. Kayne, Clark, Barrington-Foote and Stimpson. Mr. Kayne is not independent due to his position as the CEO of the Company. Mr. Stimpson is not independent as he was formerly the president of Southern Pine and retired from that position on December 31, 2020 and, effective January 1, 2021, as a result of receiving consulting fees under a consultancy agreement with the Company. Messrs. Clark and Barrington-Foote are not independent due to their positions as employees, directors or officers of one or more companies owned by James Pattison, the largest shareholder of the Company (see "Voting Shares and Principal Holders Thereof"). Except for their positions with companies owned by Mr. Pattison, neither of Messrs. Clark or Barrington-Foote are considered by the Board to have any material relationships which would reasonably be expected to interfere with the exercise of their independent judgment as Directors. This assessment was undertaken by both the Governance and Sustainability Committee (as defined below) and the Board with both Messrs. Clark and Barrington-Foote abstaining from any decision by those bodies.

### **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. Messrs. Pinette, Stinson, Kayne, Baird, Jentsch and Ms. Stuart are directors of Canfor Pulp. Messrs. Clark, Stinson and Ross and Ms. Watts are directors of Westshore Terminals Investment Corporation. Mr. Baird is also a director of Canadian Pacific Railway Limited, Canadian Pacific Railway Company and Osisko Gold Royalties Ltd., Mr. Kayne is also a director of Cameco Corporation and Mr. Ross is also a director of Rogers Sugar Inc. (and Lantic Inc.) and Just Energy Group Inc. Mr. Jentsch is also a director of Mineros S.A. and Ms. Stuart is also a director of DRI Healthcare Trust and TELUS International (Cda) Inc.

The Governance and Sustainability Committee (see "Board Committees – Joint Governance and Sustainability Committee" below) reviews whether the presence of Directors with common outside directorships affects the independence, decision making or functioning of the Board. The Governance and Sustainability Committee also considers these relationships in its assessment of the effectiveness of the Board and overall board composition, as well as the impact of Director's memberships on other public company boards generally.

In 2021, the Board implemented a policy pursuant to which, at any given time, a Director shall not be on the board of directors of more than a total of five public companies, including the Company, without taking into account any directorship in respect of Canfor Pulp. As at the date hereof, each of the Directors is in compliance with the requirements in respect of board memberships under such policy.

### **Board Meetings**

The independent Directors and those Directors who are not members of management, as part of each Board meeting, hold *in-camera* sessions without the presence of Mr. Kayne and other members of management to discuss issues relating to management and governance of the Company generally. The Board held five such meetings with such *in-camera* sessions in 2021. The Chairman of the Board meets annually with the CEO and Chairman of the Governance and Sustainability 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 nominated for re-election for Board meetings and committee meetings is disclosed under the “Election of Directors” section of this Information Circular. In 2021, the Board implemented a policy pursuant to which each Director must attend at least 75% of all Board and Committee meetings of which he/her is a member unless such non attendance is for health reasons. As at the date hereof, each of the Directors is in compliance with the requirements in respect of meeting attendance under such policy.

### **Chairman**

Mr. Baird was appointed Chairman of the Board on April 29, 2021. As discussed under “Independence” above, Mr. Baird is considered to be an independent Director as defined in NI 58-101. As Chairman, Mr. Baird 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. A written position description of the Chair of the Board is available on the Company’s website at [www.canfor.com](http://www.canfor.com).

### **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](http://www.sedar.com) and on the Company’s website at [www.canfor.com](http://www.canfor.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 web site at [www.canfor.com](http://www.canfor.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 and Sustainability 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 and other eligibility requirements of Directors, ethics and conflicts of interest. The Code of Conduct defines the standards and values which the Company expects all of its 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 have been filed on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.canfor.com](http://www.canfor.com) and a copy may be obtained from the Corporate Secretary of the Company.

The CEO of the Company reports to the Governance and Sustainability Committee (as defined below) 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 and Sustainability 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, and his or her positions on the Board or any of the Company's committees. 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 and Sustainability Committee.

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 director unless the Governance and Sustainability Committee determines that there are extraordinary circumstances that should delay the resignation.

The Governance and Sustainability 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 and Sustainability Committee considers individual backgrounds, skills and expertise, geographic representation, gender diversity and the requirements of the Board in terms of skills, experience and mix (see "Election of Directors" and "Board/Committee Assessments of Effectiveness and Renewal" herein).

The Governance and Sustainability Committee is composed of four members, a majority of whom are independent and two of whom are Directors of the Company only. 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 Company's Directors and senior officers is overseen by the Company's MRCC with regard to senior officers and by the Governance and Sustainability Committee with regard to Directors. As described under the "Executive Compensation – Compensation Discussion and Analysis" section of this Information Circular, the MRCC engaged the services of Mercer in 2017 and 2019, and beginning in 2022, WTW, to assist the MRCC in determining the Company's compensation levels.

The MRCC annually reviews 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 Governance and Sustainability Committee reviews Directors' compensation as required.

The MRCC is composed of four members, a majority of whom are independent and three of whom are Directors of the Company only. A description of the responsibilities, powers and operations of the Company's MRCC is set out under the section of this Information Circular entitled "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. In order to create efficiencies in the governance and reduce cost, all Committees of the Company, other than the Audit Committee, have as members, one or more directors of Canfor Pulp. These Committees meet jointly to deal with issues that relate to the Company and Canfor Pulp. All Board Committees are composed of a majority of independent members, except the Audit Committee, which is composed of four Directors, three of whom are independent and one of whom has been determined by the Board as appropriate for membership of this committee, as described under "Audit Committee" below.

Any actual or perceived conflicts of interest between the Company and Canfor Pulp are referred to the companies' respective Audit Committees for consideration.

## **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 and internal 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 Audit 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 plan. 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 four Directors of the Company: Messrs. Smith, Jentsch, Barrington-Foote and Ross, three (a majority) of whom are independent Directors and one of whom, Mr. Barrington-Foote, is non-independent because he is an employee, director or officer of one or more companies wholly owned by James Pattison, the largest shareholder of the Company.

In its assessment of the composition of the Audit Committee, the Board determined that Mr. Barrington-Foote was an appropriate member for this committee on the bases that: except for his positions with Mr. Pattison's companies, he is not considered to otherwise have any material relationships which could reasonably be expected to interfere with the exercise of his independent judgment as a Director; and given his financial literacy and his active, day to day involvement in relevant financial matters and issues, his role on the Audit Committee in 2022 is required in the best interests of the Company.

This assessment of Mr. Barrington-Foote inclusion on the Audit Committee was undertaken by both the Board and the Governance and Sustainability Committee, with both Messrs. Clark and Barrington-Foote abstaining from any recommendations or decisions by those bodies.

For further information regarding the Company's Audit Committee, see the section of the Company's Annual Information Form dated March 1, 2022, entitled "Audit Committee Information", which section is incorporated by reference herein and which is available on SEDAR at [www.sedar.com](http://www.sedar.com). Upon request by a securityholder of the Company, the Company will promptly provide a copy of such Annual Information Form free of charge.

## **Joint Governance and Sustainability Committee (the "Governance and Sustainability Committee")**

The principal role and function of the Governance and Sustainability Committee is to ensure that the Company, through its Board, sustains an effective approach to corporate governance and sustainability. The Governance and Sustainability 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. The Governance and Sustainability Committee is also responsible for overseeing, on behalf of the Board, the development, implementation and monitoring of the Company's sustainable development in all its internal policies and operations around the three pillars of a Sustainability framework – ESG. An additional function of the Governance and Sustainability Committee is to review the Board's overall relationship with management. The Governance and Sustainability 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 composition and effectiveness of the Board and the

Board committees and their terms (see “Board/Committee Assessments of Effectiveness and Renewal” below) to monitor the Company’s compliance with sustainability best practice and with relevant legal and regulatory requirements and to recommend to the Board such changes or additional action as the Governance and Sustainability Committee deems necessary. The Governance and Sustainability Committee receives regular reports from management on its activities, on progress on the Company’s sustainability practices and on developments in the external sustainability environment and approve the annual Sustainability Report, including Sustainability Disclosures, of the Company. The Governance and Sustainability 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. It also annually reviews the adequacy and form of the compensation of the Directors and reports and makes recommendations to the Board accordingly. The Governance and Sustainability Committee has also been given responsibility by the Board for overseeing and implementing the Company’s Diversity Policy (see “Board/Committee Assessments of Effectiveness and Renewal - Diversity” below). The list of nominees to the Company’s Board of Directors includes two women, of the thirteen nominees. The Governance and Sustainability 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 and Sustainability Committee is composed of four members, a majority of whom are independent. Of these four members, two members are Directors only, one member is a director of both the Company and Canfor Pulp and one member is a director of Canfor Pulp only. The only non-independent member of the Governance and Sustainability Committee is Mr. Clark.

The Governance and Sustainability Committee does not institute any special measures to ensure the objectivity of the committee’s decisions, other than ensuring Mr. Clark abstain from any decisions relating to consideration of his independence, committee memberships or roles on the Board.

#### **Joint Management Resources and Compensation Committee (the “MRCC”)**

The Board of Directors has the final authority to approve the recommendations of the MRCC regarding the compensation of the executives of the Company. The mandate of the MRCC consists of submitting for approval to the Board of Directors its recommendations of the compensation levels for senior executives including the NEOs.

Other responsibilities of the mandate include the nomination of the executive officers upon recommendation of the CEO, reviewing the performance assessment of the senior executives, monitor succession planning and retaining consulting services of outside experts to advise on executive compensation matters.

The MRCC monitors and assesses the performance of the NEOs and determines compensation levels on an annual basis. In its assessment of the annual compensation of the NEOs, the MRCC takes into consideration the median compensation paid by other Canadian companies of comparable size and the absolute and relative performance of the Company relative to such other companies. In addition, the Committee takes into account other relevant factors such as pension and benefits costs.

The overall purpose of the MRCC is to oversee compensation policies approved by the Board and to make recommendations to the Board regarding executive compensation. The MRCC 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 MRCC 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 MRCC also reviews from time-to-time, as and when required, the Company’s broad policies and programs in relation to pension and other benefits. In addition, the MRCC reviews from time-to-time with the CEO, policies on compensation for all employees. The MRCC 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 MRCC is composed of four members, a majority of whom are independent. Of these four members, three members are Directors only and one member is a director of both the Company and Canfor Pulp. The only non-independent member of the MRCC is Mr. Barrington-Foote.

The MRCC does not institute any special measures to ensure the objectivity of the committee’s decisions, other than ensuring Mr. Barrington-Foote abstains from any decisions relating to consideration of his compensation, independence, committee memberships or roles on the Board.

#### **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, safety and First Nations, as well as with respect to developing government policy and regulation regarding carbon, greenhouse gas emissions and the potential impact of climate change. 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 four members, a majority of whom are independent. Of these four members, three members are Directors only and one member is a director of both the Company and Canfor Pulp. The only non-independent member of the EH&S Committee is Mr. Stimpson.

#### **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 Pulp. Subject to any change by the Board, the Capex Committee reviews and considers individual capital expenditures of \$15 million or more. The Capex Committee has the authority to approve any capital expenditure between \$15 million and \$50 million. Any project approval in excess of \$50 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 five members, a majority of whom are independent. Of these five members, three members are Directors only and two members are directors of both the Company and Canfor Pulp. The only non-independent member of the Capex Committee is Mr. Clark.

### **BOARD/COMMITTEE ASSESSMENTS OF EFFECTIVENESS AND RENEWAL**

#### *General*

The Governance and Sustainability Committee undertakes assessments of the size, composition and effectiveness of not only the Board's Committees, but also of the Board as a whole. The Governance and Sustainability Committee's annual assessments include consideration of the key skills, experience and competencies (such as strategic experience and leadership, financial acumen, international experience and industry or relevant knowledge) for Board and Committee membership, as well as other relevant factors such as diversity, cross or interlocking directorships and directorship terms, and the impact of service as directors of other public companies.

The Board evaluates its performance through a formal annual review process based on individual Director questionnaires, the contents of which are summarized and evaluated by the Governance and Sustainability 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. This formal evaluation process is used not only to better assess the effectiveness and composition of the Board but also to engage Board members further in the business and emphasize the Company's strategic decision-making processes. The Governance and Sustainability Committee also reviews attendance by individual members at Committee and Board meetings. The Governance and Sustainability 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, thirteen nominees will stand for election as Directors, all of whom are current Directors. 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.

#### *Board Renewal*

The Company does not have an established term limit for its directors or an established retirement policy. The Governance and Sustainability Committee believes the assessment processes described under "General" above are an effective basis to ensure board renewal and, has therefore determined that set term limits are unnecessary. The terms of the current nominees for election as Directors are not high, when compared to other similar public companies and prevailing governance standards. The tenure of four of the current nominees is equal to or greater than ten years and the balance of the other current nominee Directors have been on the Board for between one to eight years. Furthermore, the Governance and Sustainability Committee recognizes that considerable Company and industry-specific knowledge is gained over a consistent tenure with the Board, and therefore seeks to retain this unique experience and skill set among its Board members unless circumstances otherwise require.

#### *Diversity*

The Company believes that diverse perspectives enhance its organizational strength, problem solving ability and opportunity for innovation. Furthermore, the Company recognizes that diversity of skill and experience, including gender diversity, is a

critical and valuable consideration in the assessment of the Board, its composition and prospective nominee candidates as well as the composition of its senior management team. The Company has therefore adopted a written diversity policy (the “Diversity Policy”) promoting diversity within the Company, Canfor Pulp and all of their subsidiaries, which encompasses its policy relating to the identification and nomination of women directors and senior executives. The Governance and Sustainability Committee has the responsibility for the oversight and implementation of this policy.

The Diversity Policy is intended to provide a framework for promoting diversity within the Company and its subsidiaries at both the Board and senior management levels (with diversity in relation to other employees of the Company and its subsidiaries being addressed in its other human resources policies).

The Diversity Policy is designed to address diversity in all of its characterizations, being those which make individuals different from one another, and expressly includes gender, geographic representation, education, experience, ethnicity, age and disability. In order to support its diversity objectives, under the Diversity Policy, the Company includes consideration of these diversity criteria (including gender) in identifying and considering the selection of candidates for election, re-election or hiring as Directors or members of senior management and, when appropriate, the engagement of qualified independent external advisors to search for candidates who meet these criteria.

As part of its mandate, the Governance and Sustainability Committee is responsible for overseeing the implementation and effectiveness of the Diversity Policy. The Company does not currently apply targets regarding the representation of women on the Board or in its senior management positions, as it does not believe that quotas or a formulaic approach to diversity issues will necessarily result in the identification or selection of the best candidates. The Company rather believes that, together with the implementation of the Diversity Policy, it will be more successful in the identification, nomination and appointment of the best candidates based on merit and the assessment of the suitability of a candidate for a particular role in light of the needs of the Company, the candidate’s skills, background experience and knowledge, while taking into account the Company’s diversity criteria as set out in the Diversity Policy.

In addition to its written Diversity Policy, the Company emphasizes the internal development of its employees for career advancement, which it believes contributes not only to the consistency of the Company’s culture but also the development of industry specific knowledge as its employees gain seniority. The Company believes that one of the most effective ways to enhance gender diversity is to increase the representation of women in leadership roles by fostering this type of development for high potential female employees within the Company at earlier stages of their careers.

In order to support the implementation and effectiveness of the Diversity Policy, the Governance and Sustainability Committee reviews with management the application and progress of the Company’s approach to diversity as expressed in the Diversity Policy. As at the date hereof, there are two women on the Board (the same as in 2021), representing 15.4% of the Board, and twenty (20) women were in senior management positions with the Company and its major subsidiaries an increase from 2021, representing 24% of overall executive and senior management personnel with those companies. Over the past several years since the Company’s adoption of the Diversity Policy, there has been a general trend towards increasing the number and percentage of women on the Board and the percentage of women in senior management positions with the Company and its major subsidiaries.

A copy of the Company’s Diversity Policy may be accessed on the Company’s website [www.canfor.com](http://www.canfor.com)

## APPOINTMENT OF AUDITOR

On the recommendation of the Audit Committee, subject to confirmation at the Meeting, the Board has proposed that KPMG LLP (“KPMG”), Chartered Accountants of Vancouver, British Columbia, be appointed as auditors of the Company for the year ending December 31, 2022. The Company recommends that KPMG be reappointed.

The Audit Committee is satisfied that KPMG meets the relevant independence requirements and is free from conflicts of interest that could impair their objectivity in conducting the Company’s audit. The resolution appointing auditors must be passed by a majority of the votes cast by the shareholders who vote in respect of that resolution at the Meeting.

## AUDITOR FEES

KPMG is the current auditor of the Company. The aggregate fees billed by the Company’s auditors for the last two fiscal years, was an aggregate of \$4.3 million. These amounts were for audit, tax, financial and other verification audits. The decrease in total external auditor fees from 2020 to 2021 is due to \$0.7 million decrease in tax fees offset in part by a \$0.1 increase in audit fees. The decrease in tax fees is primarily due to a decline in advisory services in Canada and the United States.

| External Auditor Service Fees (000s) | 2021           | 2020           |
|--------------------------------------|----------------|----------------|
| Audit Fees <sup>(1)</sup>            | \$1,201        | \$1,109        |
| Audit-Related Fees <sup>(2)</sup>    | \$98           | \$96           |
| Tax Fees <sup>(3)</sup>              | \$405          | \$1,116        |
| All Other Fees <sup>(4)</sup>        | \$130          | \$173          |
| <b>Total Fees <sup>(5)</sup></b>     | <b>\$1,834</b> | <b>\$2,494</b> |

Notes:

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- (1) *For the audit of the Company's annual financial statements and services normally provided by the principal auditor in connection with the Company's statutory and regulatory filings.*
  - (2) *For assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported in item (1), including accounting consultations and various agreed upon procedures.*
  - (3) *For tax compliance and tax consulting services.*
  - (4) *For fees other than the fees reported in items (1) to (3).*
  - (5) *In addition to the above fees, total fees of \$0.4 million were billed to the Company's subsidiary, Canfor Pulp, in 2021 (\$0.4 million in 2020).*

The Audit Committee has the responsibility to pre-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.

#### **ADDITIONAL INFORMATION**

The Company's Annual Report, which contains the audited financial statements for the year ended December 31, 2021 and Management's Discussion and Analysis ("MD&A") of Financial Condition and Results of Operations, which contain financial information relating to the Company, together with this Information Circular and any interim financial statements filed subsequent to the annual audited Financial Statements and related MD&As, 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.canfor.com](http://www.canfor.com). Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://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 16, 2022

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