

CANFOR PULP PRODUCTS INC.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

To: The Common Shareholders of Canfor Pulp Products Inc.

Notice is hereby given that the Annual General Meeting (the “Meeting”) of the Common Shareholders of Canfor Pulp Products Inc. (the “Company”) will be held at Terminal City, 837 W Hastings St, Vancouver, British Columbia, on Wednesday, April 25, 2018, 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, 2017 and the report of the auditors thereon;
2. To elect Directors for the ensuing year;
3. To appoint auditors for the ensuing year; and
4. To transact such other business as may properly come before the Meeting.

DATED at Vancouver, British Columbia this 23rd day of March, 2018.

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.canforpulp.com/InvestorRelations Relations or upon request at annualreport@canforpulp.com. The Annual Report includes consolidated financial statements of the Company for the year ended December 31, 2017 and the auditors’ report thereon and the Management’s Discussion and Analysis of Financial Condition and Results of Operations of the Company.

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

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CANFOR PULP PRODUCTS INC.

INFORMATION CIRCULAR

Dated as of March 23, 2018
(except as otherwise provided)

SOLICITATION OF PROXIES

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

RECORD DATE

The Directors of the Company have fixed March 23, 2018 at the close of business as the record date for determining the names of Shareholders of the Company entitled to receive notice of the Meeting. Only Shareholders whose names have been entered in the applicable register of common shares of the Company ("CPPI Shares") at the close of business on March 23, 2018 as a holder of one or more CPPI Shares of the Company is entitled to attend and vote at the Meeting in person or by proxy and in the event of a poll to cast one vote for each CPPI Share held.

APPOINTMENT OF PROXYHOLDER AND REVOCATION OF PROXIES

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

VOTING OF SHARES AND EXERCISE OF DISCRETION BY PROXYHOLDER

The form of proxy accompanying this Information Circular confers discretionary authority upon the proxy nominees with respect to any amendments or variations to matters identified in the notice of the Meeting and any other matters which may properly come before this Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the notice of the Meeting and routine matters incidental to the conduct of the Meeting. In the event that any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of

proxy to vote in accordance with their judgment of such business. **On any ballot or poll, the CPPI Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder as specified in the proxy with respect to any matter to be acted on. If a choice is not so specified with respect to any such matter, the CPPI Shares represented by a proxy given to management are intended to be voted in favour of the resolutions referred to therein, for the nominees of management for election as Directors and for the appointment of KPMG LLP as auditors.**

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

VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. CPPI Shares not held by Shareholders in their own names in the records of the Company (“Non-Registered Shareholders”) will usually be held 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. In Canada, all the CPPI Shares held through intermediaries are registered under the name of CDS & Co. (the registration name for the Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). A Non-Registered Shareholder which receives these meeting materials must complete and return the voting materials in accordance with the instructions provided by their intermediary as to how to vote the CPPI Shares held by them. If a Non-Registered Shareholder does not complete and return the materials in accordance with these instructions, it may lose the right to vote at the Meeting, either in person or by proxy. Non-Registered Shareholders who have questions or concerns regarding any of these procedures should contact their intermediary directly.

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

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at March 23, 2018, the Company has outstanding and entitled to be voted at the Meeting, 65,250,759 CPPI Shares, each CPPI Share carrying the right to one vote. To the knowledge of the Directors and executive officers of the Company, no person or company owns beneficially, directly or indirectly, or exercises control or direction over, CPPI Shares carrying more than 10% of the voting rights attached to the issued and outstanding CPPI Shares other than:

1. CDS & Co., as the sole registered Shareholder of 65,250,759 CPPI Shares, representing 100% of the total number of issued CPPI Shares. Other than as disclosed herein, the Company has no knowledge as to the beneficial holders of the CPPI Shares held by CDS & Co. which are 10% or more of the outstanding CPPI Shares.
2. Canadian Forest Products Ltd. (“CFP”) owns 35,776,483 CPPI Shares representing 54.8% of the issued and outstanding CPPI Shares.

During 2017, the Company purchased 1,448,109 CPPI Shares pursuant to a normal course issuer bid commenced March 3, 2017, and renewed on March 2, 2018. For additional information regarding these normal course issuer bids, see the section of the Company’s Annual Information Form dated February 22, 2018 entitled “Business of CPPI – Other Significant Events – Normal Course Issuer Bid.”

CPPI, THE PARTNERSHIP AND THE GENERAL PARTNER

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

On March 2, 2012, Canfor Corporation ("Canfor") (through its wholly owned subsidiary, CFP), exchanged the Class B Exchangeable LP Units held by it in the Partnership and the common shares held by it in the General Partner for CPPI Shares. Immediately following this exchange, Canfor held 50.2% of CPPI Shares, and the Company held a 100% interest in both the Partnership and the General Partner.

Until December 2013, the General Partner operated the pulp and paper business on behalf of the Partnership. On December 27, 2013, the Company transferred all of its partnership units in the Partnership to the General Partner in exchange for new shares of the General Partner. As a result of this exchange, the Partnership was dissolved and all of the assets formerly held by the Partnership were then held by the General Partner, which was subsequently renamed "Canfor Pulp Ltd." and is a wholly owned subsidiary of the Company.

ELECTION OF DIRECTORS

The Board of Directors of the Company (the "Board") is currently set at seven. The persons named in the enclosed form of proxy intend, unless otherwise directed, to vote for the election of a Board composed of the seven nominees in the list that follows. All of the nominees, other than Mr. Kayne, are currently Directors of the Company. If any of the other current Directors who are nominees for election do not stand for re-election or are unable to serve, proxies may be voted for a smaller Board at the discretion of the proxy nominee.

All Directors elected at the Meeting will hold office until the next annual general meeting of Shareholders or until their successors are duly elected or appointed. The Board proposes to nominate for election as Directors at the Meeting the persons listed in the following table. All proposed nominees have consented to be named in this Information Circular and to serve as Directors, if elected.

The following table sets forth the name, province and country of residence, and principal occupation for each proposed nominee for election as Director, including their principal occupations during the past five years. In addition, the table shows the date on which each proposed nominee first became Director of the Company (or a Trustee of the Fund or a director of the General Partner) and the number of CPPI Shares, beneficially owned, controlled or directed, directly or indirectly, by any proposed nominee and their associates or affiliates as of March 23, 2018.



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

Vancouver, British Columbia
Canada

Age: 88

Director of the Company since 2012
Director of the General Partner from 2006-2012

Independent

Key areas of expertise:

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

Mr. Bentley is Chairman Emeritus of the Board of Canfor. Mr. Bentley is also Chairman and a Director of Sierra Mountain Minerals Inc., a member of the Board of the Canadian Institute for Advanced Research, a member of the Advisory Board of BuildDirect.com, and a Trustee and Chair Emeritus of the Vancouver General Hospital and University of British Columbia Hospital Foundation.

Background: Mr. Bentley was formerly the Chairman of the Board of Canfor from 1983 to 2009. After working in various positions throughout Canfor, Mr. Bentley became Executive Vice-President in 1970, President in 1975, and Chairman and CEO in 1985, a position he held until April 24, 1995. Mr. Bentley was reappointed to the position of President and CEO of Canfor on July 25, 1997 and relinquished the position of President and CEO on January 1, 1998. Mr. Bentley served for many years as a Director of Bank of Montreal and Shell Canada Ltd. Mr. Bentley retired as Chancellor of the University of Northern British Columbia in May 2007. Mr. Bentley holds Honorary Doctorate of Laws degrees from the University of British Columbia and University of Northern British Columbia.

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

- Canfor (1966 – present)

Overall Attendance: 100%		
Board/Committee Membership¹	Attendance at Regular Meetings	
Board	4/4	
Joint Corporate Governance - Chair	3/3	
Joint Capital Expenditure	4/4	
Joint Environmental, Health & Safety	3/3	
Joint Management Resources and Compensation	5/5	
Securities Held		
	March 23, 2018	March 16, 2017
CPPI Shares	928,574	928,574



Conrad A. Pinette

Vancouver, British Columbia
Canada

Age: 77

Director of the Company since 2012

Independent

Key areas of expertise:

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

Mr. Pinette is the Chair of the Board of the Company and a Director and the Chair of the Board of Canfor Corporation ("Canfor"). He is also a member of the Vancouver General Hospital and University of British Columbia Prostate Advisory Board.

Background: Mr. Pinette's work in the Canadian forest industry began 40 years ago as an owner and President of a family lumber business, Pinette & Therrien Mills Ltd. Mr. Pinette has also served as Executive Vice President, Tolko Industries Ltd. (2005), Executive Vice President, Riverside Forest Products Limited (2004) and served as President and Chief Operating Officer of Lignum Limited from January 1990 to April 2004. Mr. Pinette is the former Chairman of Finning International Inc. and a former Director of 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.

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

- Canfor (2008 – present)
- Gold Canyon Resources Inc. (2011 – 2014)

Overall Attendance: 100%		
Board/Committee Membership¹	Attendance at Regular Meetings	
Board	4 /4	
Joint Management Resources and Compensation	3/3	
Joint Capital Expenditure	2/2	
Joint Environmental, Health and Safety - Chair	3/3	
Securities Held		
	March 23, 2018	March 16, 2017
CPPI Shares	4,000	4,000



Barbara Hislop

London, England

Age: 63

Director of the Company since 2017

Independent

Key areas of expertise:

- Governance
- Business Management
- Operations

Ms. Hislop, is an award-winning senior executive and an active community leader.

Background: Mrs. Hislop was Vice President of Operations at Canfor, from 1977-2004. After 28 years at Canfor, Barbara became President and CEO of Genus Resource Management Technologies Inc. from 2002-2005. She then was the Executive Director of Variety-The Children’s Charity of BC from 2006-2012 and is currently President of Variety – The Children’s Charity International. Mrs. Hislop is a graduate of the Institute of Corporate Directors Governance Program in Canada and has sat on several Boards including Bank of Canada, Hudson’s Bay and Canfor.

Other public company board memberships in the last five years:

- None

Board/Committee Membership ¹	Overall Attendance: N/A	
	Attendance at Regular Meetings	
Board	4/4	
Audit	3/3	
Joint Corporate Governance	2/2	
Joint Environmental Health and Safety Committee	1/1	
Securities Held		
	March 23, 2018	March 16, 2017
CPPI Shares	444,772	N/A



Stan E. Bracken-Horrocks, FCA

Kelowna, British Columbia
Canada

Age: 74

Director of the Company since 2010

Director of General Partner from
2006 - 2012

Trustee of the Fund from
2006 -2011

Independent

Key areas of expertise:

- Business Management
- Compensation
- Financial
- Risk Management

Mr. Bracken-Horrocks is a retired partner of PricewaterhouseCoopers LLP.

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

Other public company board memberships in the past five years:

- None

Board/Committee Membership ¹	Overall Attendance: 100%	
	Attendance at Regular Meetings	
Board	4/4	
Audit - Chair	5/5	
Joint Capital Expenditure	4/4	
Joint Corporate Governance	3/3	
Securities Held		
	March 23, 2018	March 16, 2017
CPPI Shares	2,000	2,000



Honourable John R. Baird

Toronto, Ontario
Canada

Age: 48

Director of the Company since 2016

Independent

Key areas of expertise:

- Business Management
- Foreign Affairs
- Government Relations
- Financial

Mr. Baird is a former Canadian Foreign Minister. He currently serves as a Senior Business Advisor with Bennett Jones LLP, a premier Canadian law firm. In addition, Mr. Baird currently sits on the advisory board of Barrick Gold Corp., the corporate boards of Canfor, Canadian Pacific, FWD Group and PineBridge Investments, is a Global Strategic Advisor to Hatch Ltd, a Canadian global multidisciplinary management, engineering and development consultancy, and is a Senior Advisor at Eurasia Group, a global political risk consultancy.

Background: Mr. Baird is a Senior Business 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 ASEAN countries. 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 in the House of Commons, most recently as Minister of Foreign Affairs (2011 – 2015). Previously, Mr. Baird held a variety of government posts, including President of the Treasury Board (2006 - 2007), Minister of the Environment (2007 - 2008, and 2010 - 2011), Minister of Transport, Infrastructure and Communities (2008 - 2010), and Leader of the Government in the House of Commons (2010 - 2011).

Prior to entering federal politics, Mr. Baird spent ten years in the Ontario Legislature. From 1995 to 2005 he served as Minister of Community and Social Services, Minister of Energy, and Government House Leader.

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 from Queen's University at Kingston.

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

- Canfor (2016 – present)
- Canadian Pacific Railway Limited (May 14, 2015 - present)

Overall Attendance: 100%		
Board/Committee Membership¹	Attendance at Regular Meetings	
Board	4/4	
Joint Environmental, Health and Safety	3/4	
Joint Capital Expenditure ⁴	4/4	
Securities Held		
	March 23, 2018	March 16, 2017
CPPI Shares	NIL	N/A



Donald B. Kayne

Proposed Nominee

Delta, British Columbia
Canada

Age: 60

Non-Independent

Key areas of expertise:

- Business Management
- Operations
- Government Relations
- Risk Management

Mr. Kayne is the CEO of the Company, and a Director, President and CEO of Canfor. He is also a Director and Past Chairman of the Forest Products Association of Canada and a Director of the Council of Forest Industries, Alberta Forest Products Association and the BC Lumber Trade Council. In 2014, Don was appointed to the bi-national Softwood Lumber Board and currently serves as Vice Chairman and Chairman of the Programs Committee. He is also a Director of Cameco Corporation and 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.

Background: Mr. Kayne was appointed President and CEO of Canfor on May 5, 2011. He was additionally appointed CEO of the Company on September 30, 2012. Mr. Kayne has spent his entire career at Canfor, starting out as a regional sales representative in 1979. Mr. Kayne 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 the market for British Columbia lumber in China. Don's work growing markets for Canfor and the Company's products around the world has provided him with deep connections to markets and customers in every region they serve.

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

- Canfor (2017 – present)
- Cameco Corporation (2016 – present)

Overall Attendance: 100%		
Board/Committee Membership¹	Attendance at Regular Meetings	
N/A	N/A	
Securities Held		
	March 23, 2018	March 16, 2017
CPPI Shares	5,600	N/A



William W. Stinson

Vancouver, British Columbia
Canada

Age: 84

Director of the Company since 2012

Director of the General Partner from
2009 - 2012

Independent

Key areas of expertise:

- Business Management
- Compensation
- Operations
- Risk Management

Mr. Stinson is a Director of Canfor and a Director and CEO of Westshore Terminals Investment Corporation.

Background: Mr. Stinson spent the majority of his business career with Canadian Pacific Ltd., retiring as Chairman and CEO in 1996 after 11 years in that position. He has served on a wide variety of boards and has held the positions of Chairman of Sun Life Financial, Chairman of the Executive Committee of United Dominion Industries and Lead Director of CHC Helicopter Corporation.

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

- Canfor (2009 – present)
- Westshore Terminals Investment Corporation (1997 – present)

Overall Attendance: 100%		
Board/Committee Membership¹	Attendance at Regular Meetings	
Board	4 / 4	
Audit	5 / 5	
Joint Environmental, Health and Safety	3 / 3	
Joint Management Resources and Compensation	5 / 5	
Joint Capital Expenditure	4 / 4	
Securities Held		
	March 23, 2018	March 16, 2017
CPPI Shares	95,000	95,000

1. All Committees of the Company, other than Audit, have as members Directors of Canfor Pulp and are joint committees with Canfor Pulp.

For additional information regarding current Directors of the Company, see the section of the Company's Annual Information Form dated February 22, 2018 entitled "Directors and Officers", which is incorporated by reference herein.

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

To the knowledge of the Company, no nominee for election as a Director of the Company has, within the last 10 years prior to the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver or receiver manager or trustee appointed to hold his assets.

EXECUTIVE COMPENSATION

COMPOSITION OF THE JOINT MANAGEMENT RESOURCES AND COMPENSATION COMMITTEE

The Board of Directors has final authority to approve the recommendations of its Joint Management Resources and Compensation Committee (the "Compensation Committee") regarding the compensation of the executives of the Company. The following independent Directors were members of the Compensation Committee as at December 31, 2017: Messrs. Bentley, Stinson, Barrington-Foote and Smith. For further information on the role and responsibility of the Compensation Committee see "Board Committees – Joint Management Resources and Compensation Committee" herein.

All members of the Compensation Committee have experience in compensation matters either as members of compensation committees of other public companies and/or from having served as senior executives with significant responsibility for or involvement in compensation matters, including as follows: Mr. Bentley was formerly on the compensation committees of the Bank of Montreal and Shell Canada Ltd. and serves as a director of Canfor; Mr. Stinson was formerly the CEO of Canadian Pacific Ltd. and as such had responsibility for compensation policies and programs for that company and serves

as a director of Canfor; Mr. Smith is a director of Canfor and currently serves on the compensation committee for K-Bro Linen Inc. and was formerly on the compensation committee for the Board of Governors of University of British Columbia and on the National Management Committee with KPMG, which included the responsibility for compensation and benefit plans for the partners of KPMG; and, Mr. Barrington-Foote, the current Chair of the Compensation Committee and a director of Canfor, is the Managing Director, Accounting 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. Smith and Stinson are also members of the Audit Committee of the Company; Mr. Bentley and Mr. Barrington-Foote are members of the Joint Corporate Governance Committee. The cross memberships between committees supports the oversight of compensation policies and standards and ensures alignment with the Company's risk management principles.

COMPENSATION DISCUSSION AND ANALYSIS

Overview of Compensation Policies, Programs, Objectives and Consulting Fees

Overview

The Company's executive compensation policies are designed to enable it to attract and retain high calibre executives who will successfully lead the organization so as to ensure a satisfactory return to Shareholders, financial soundness and competitiveness within its business sectors. The compensation package for executives (including the Named Executive Officers (as defined under the section entitled "Summary Compensation Table" below) includes base salary and incentive bonus programs. The incentive programs are designed to provide competitive compensation when compared to similar positions in the Canadian forest products sector and to a broader industry comparison. The programs are based on the combination of a set level of base salary plus a significant portion of total compensation based on a combination of both short and long term performance based bonus incentives.

The Compensation Committee periodically engages the services of an independent consulting firm, previously Hay Group ("Hay") and, from 2017, Mercer (Canada) Ltd. ("Mercer"), to provide advice and counsel on executive compensation matters, such as base salary, incentive and bonus programs, all as described further below. Hay and Mercer are independent resources for advice to the Compensation Committee and have assisted the Compensation Committee in reviewing compensation trends including market competitive information, designing compensation programs, and assisting the Compensation Committee in assessing the compensation of the CEO.

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

Executive Compensation – Related Fees

No consulting fees were paid to Hay for compensation related services in 2016 or 2017. In 2015, the Company paid to Hay the amount of \$44,290 which related to advice on the Company's compensation framework. Mercer was engaged in 2017 and was paid \$26,375 for services relating to the compensation of a Named Executive Officer and a review of Directors Compensation (See "Directors Compensation" herein).

Hedging

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.

Say on Pay

The Board regularly considers whether or not to hold an advisory "say on pay" vote at its annual general meeting of Shareholders on the Company's approach to executive compensation. It was determined not to hold such a vote at the Meeting. Given the cyclical nature of the forest products industry and the longer payment terms (of three years) under the PBP (as defined below), the Board believes that its 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. The Board will again review the issue of holding an advisory vote for its annual general meeting in 2019.

Elements of Compensation

Pay for Performance Principles

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. The Company's executive compensation programs under the Canfor Pulp Salary Incentive Plan ("PSIP") and Senior Executive Performance Bonus Plan ("PBP"), each as described below, are designed to directly provide a link between the Company's financial performance and executive bonuses and better align payments under the plans with the interests of shareholders.

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

The terms of the PSIP and PBP described below reflect the Company's plans which will be in place in 2018. The Compensation Committee does not anticipate making significant further changes to its compensation policies and practices in the next year, but has reserved the right to do so if the Compensation Committee is of the view that it would be necessary to achieve the Company's compensation objectives.

Base Salaries

Base salaries and salary ranges for all of the Company's executive officers are established using market-competitive information provided by Mercer, the independent consulting firm retained by the Compensation Committee for this purpose. The Compensation Committee periodically retains Mercer to provide advice on market base salary and bonus information for its senior executives, including the CEO and the other Named Executive Officers. Market information is updated when necessary and salaries are reviewed annually. The mid-point for salary ranges is set at the median of the marketplace. The primary source for market information are three peer group datasets compiled by Mercer, 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 Mercer forestry peer group membership includes Clearwater Paper Corp., Glatfelter, Stella-Jones Inc., Neenah Paper Inc., Mercer International Inc., Western Forest Products Inc.; Winpak Ltd.; Intertape Polymer Group Inc., CanWel Building Materials Ltd., Hardwoods Distribution Inc.; Goodfellow Inc.; Conifex Timber Inc. and Fortress Paper Ltd. The Compensation Committee has sole responsibility for recommending for approval by the Board the compensation of the CEO.

Canfor Pulp Salaried Incentive Plan (PSIP)

The PSIP is a short-term incentive program that provides for salaried employee participation in the success of the Company, recognizes employee contribution to the Company’s business improvement objectives and supports a “one team” approach. The Company’s CEO, Chief Financial Officer and President and Senior Vice Presidents (including the Named Executive Officers) are not eligible to participate in the PSIP.

The PSIP is designed to meet the following objectives:

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

Target incentive levels for participating employees under the PSIP are determined by job or position and may change if the employee’s position within the Company changes. The table below outlines the structure of the PSIP’s target incentive levels, representing the percentage of annual base salary payable to senior management, on achieving the target payout requirements of the plan, as discussed below. All salaried employees participating in the PSIP at incentive target levels ranging from 10% to 30%. Payments under the incentive program are based on annual base salary as of December 31 of the year for which the incentive is payable.

Employee Group	Target Incentive Level (as a % of salary)
Senior Management ⁽¹⁾	30%
Management/Department Heads	20%
Team Leaders	15%
Supervisors/Other Salaried Staff	10%

Note: ⁽¹⁾ Excludes the CEO, CFO and President and Senior Vice Presidents (including the Named Executive Officers)

The PSIP is based on two components: the ROIC achieved in the year; and controllable performance gains, as measured against goals and objectives established at the beginning of each year. ROIC is defined as the sum of operating income / (loss), realized gains / (losses) on derivative financial instruments and other income/(expense), all net of any minority interest, divided by the average invested capital during the year, and accounts for 50% of the PSIP program. Controllable performance gains also account for 50% of the PSIP program, and are measured by four factors: safety, quality, cost and delivery as well as the degree of individual contributions during that year. Payments are subject to threshold, target and maximum levels established under the PSIP. Threshold is defined as the minimum level of performance required to qualify for a 50% payout under a component of the PSIP. Target is defined as

the level of performance required to receive a 100% payout under a component of the PSIP. Maximum is defined as the level of performance required to receive a payout of 150% under a component of the PSIP.

The ROIC payout factors are as follows:

Performance Level	Payout factor of ROIC Target Incentive	Annual ROIC
Threshold	0.5	9%
Target	1.0	13.5%
Maximum	1.5	18%

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

Payments made under the PSIP are, unlike the PBP, made in one year.

For 2017, the amount of \$5,765,750 was paid pursuant to the PSIP. As noted above, no Named Executive Officers (as defined below) are participants in the PSIP.

Senior Executive Performance Bonus Plan (PBP)

The PBP applies to all senior executives of the Company who have significant management and decision-making responsibilities in the Company, including certain Named Executive Officers (excluding Messrs. Kayne and Nicholl, who are participants in the Canfor bonus plan, as described in connection with the “Summary Compensation Table” below).

Pursuant to the PBP, bonuses are awarded based on annual ROIC percentage. PBP ROIC bonus payment factors for senior executives eligible to participate in the PBP, including the Named Executive Officers are:

Annual ROIC	Payout as a Percent of Annual Salary
9%	50%
13.5%	75%
18%	100%

Bonuses are capped at 100% of salary. In order to emphasize the intended long-term incentive objective of the PBP, payments are made over three years, 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. The Compensation Committee has staggered payments in this way to mitigate perceived risks associated with single year incentive bonus compensation and believes it eliminates the need for any other mitigation factors, such as claw-backs. If a person voluntarily leaves the Company during the three year PBP payment period, then his/her unpaid PBP bonus entitlement is forfeited. If the annual ROIC is below 9%, no payment will be made under the PBP pursuant to the ROIC portion of the plan. However, if the threshold ROIC of 9% is not met, the Compensation Committee has the discretion to award bonuses, on the recommendation of the CEO, to individuals who have exemplified superior or exceptional performance during the year.

For 2017, the total amount of \$1,056,880 was earned by the senior management including the Named Executive Officers of which \$879,843 was paid in 2018 and the balance to be paid equally in 2019 and 2020 in accordance with the terms of the PBP. The amount paid in 2018 included PBP payments earned in 2015 and 2016. Reference is made to the Summary Compensation Table below for amounts paid to Named Executive Officers.

Compensation of the CEO

Compensation for Mr. Kayne as CEO of the Company is paid for by Canfor, where Mr. Kayne is also CEO. Under an arrangement with Canfor, the Company agrees to reimburse Canfor for 30% of his total compensation. The level and composition of the CEO's compensation is monitored and assessed by the Compensation Committee, which is a joint committee with members of the board of both Canfor and the Company, thereby ensuring an overall review of his compensation on the basis of his roles and contributions for both companies and appropriate comparative compensation as compared to similar positions and companies in the forest products sector. See also "Summary Compensation Table" below.

Employee Share Purchase Plan

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

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

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

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

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

Summary Compensation Table

The following Summary Compensation Table sets forth, for each of the Company's three most recently completed financial years, the compensation of each person who served as the CEO or the CFO during the fiscal year ended December 31, 2017 and the three most highly compensated executive officers of the Company, other than the CEO and CFO, who were serving as executive officers at December 31, 2017 (such CEO, CFO and executive officers are referred to collectively as the "Named Executive Officers"). For the year-ended December 31, 2017, the Company paid aggregate direct remuneration to its Directors and senior officers in the total amount of \$2,732,251.

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

Name and Principal Position	Year	Salary (\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation ^(2,3) (\$)	Total Compensation (\$)
			Annual Incentive Plans	Long-term Incentive Plans ⁽¹⁾			
Donald B. Kayne ⁽⁴⁾ Chief Executive Officer	2017	N/A	N/A	N/A	N/A	N/A	N/A
	2016	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A
Alan Nicholl ⁽⁴⁾ Chief Financial Officer	2017	N/A	N/A	N/A	N/A	N/A	N/A
	2016	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A
Brett R. Robinson ⁽⁵⁾ President	2017	435,000	-	675,000	86,522	66,145	1,262,667
	2016	420,000	-	358,050	32,757	66,185	876,992
	2015	420,000	-	344,400	35,400	66,297	866,097
Martin Pudlas Vice President, Operations	2017	310,000	-	211,120	63,000	49,553	634,146
	2016	304,385	-	178,870	129,000	54,162	666,417
	2015	288,699	-	265,700	244,000	42,083	840,482
Peter Hart ⁽⁶⁾ Vice President Pulp and Paper Sales & Marketing	2017	236,000	-	160,760	43,172	28,201	468,345
	2016	218,957	-	124,710	50,453	35,542	429,661
	2015	107,900	-	68,762	7,553	16,996	201,211

Notes:

⁽¹⁾ These numbers reflect the total amounts awarded in respect of each year in this Table but also include amounts to be paid in the subsequent years under the Company's PBP. As discussed in this Information Circular (see "Compensation Discussion and Analysis – Elements of Compensation – Senior Executive Performance Bonus Plan" above), the PBP is designed as a long term incentive bonus plan which provides for payments of performance based incentives over three years. Accordingly, 50% of the awards reflected above were paid to the Named Executive Officer in respect of the year ended December 31, 2017 and the balance will be paid evenly over the next two years, which latter amounts are forfeited if the executive leaves the Company during that time.

⁽²⁾ 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.

⁽³⁾ For all Named Executive Officers, except Messrs. Kayne and Nicholl, these amounts may include flexible pension allocations, medical and life insurance benefits and other minor items not included in the perquisite plan.

⁽⁴⁾ Compensation for Messrs. Kayne and Nicholl is paid by Canfor under an arrangement whereby 30% of their total compensation is reimbursed to Canfor by the Company. For 2017 the total amount was \$800,500 and \$699,505. Messrs. Kayne and Nicholl participate in the Canfor bonus programs and they are not members in the Company's PBP or PSIP.

⁽⁵⁾ Starting on January 1, 2013, Mr. Robinson no longer participated in the Company's PSIP program and only participated in the PBP. Any awards under the PBP are not pensionable and awards from the PSIP were 50% pensionable. The figures disclosed above represent the impact of future bonuses under the PBP no longer being pensionable. Awards under PBP are paid to 50% with the balance paid equally over the following two years. This amount also includes a discretionary bonus in the amount of \$250,000. Due to an organizational change, Mr. Robinson left the Company effective March 5, 2018 and his President responsibilities were consolidated under Mr. Kayne, the CEO.

⁽⁶⁾ Peter Hart became an officer of the Company as at July 21, 2015, therefore amounts disclosed for 2015 represent the period from July 21, 2015 to December 31, 2015.

PENSION PLAN BENEFITS

Defined Benefit Pension Plans

The Named Executive Officers of the Company who are members of the Company's defined benefit pension plans are provided retirement benefits determined primarily by: (i) highest average pensionable earnings, which consists of regular salary and 50% of the PSIP awards, in a highest period of five consecutive years during their final ten years of employment; and (ii) years of credited service. Normal

retirement under the plans is age 65, with benefits payable for early retirement after age 55, discounted at 3% per year for retirement prior to age 60.

The Company's accrued pension liability under its defined benefit pension plan 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 bonuses. There were no amendments to benefit terms during the 2017 year. Compensatory changes to the accrued obligations include service cost plus differences between actual and estimated earnings. Non-compensatory changes include the effects of changes in actuarial assumptions and interest on the accrued obligations at the start of the year. Information on annual benefits payable and the accrued pension obligation for those Named Executive Officers who are members of the defined benefit plan is as follows:

Name	Number of Years Credited Service (#)	Annual Benefits Payable ⁽³⁾ (\$)		Accrued obligation at start of year ⁽⁵⁾ (\$)	Compensatory Change ⁽⁶⁾ (\$)	Non-Compensatory Change ⁽⁷⁾ (\$)	Accrued obligation at year end ⁽⁸⁾ (\$)
		At Year ⁽³⁾ End	At Age 65 ⁽⁴⁾				
Donald B. Kayne ⁽¹⁾ Chief Executive Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Alan Nicholl ⁽¹⁾ Chief Financial Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Martin Pudlas Vice President, Operations	27.39	169,800	242,800	2,330,000	63,000	348,000	2,741,000
Brett R. Robinson ⁽²⁾ President	14.36	116,500	116,500	1,544,000	8,000	246,000	1,798,000

Notes:

⁽¹⁾ Pension for Messrs. Kayne and Nicholl is provided by Canfor.

⁽²⁾ On January 1, 2006, Mr. Robinson became a member of the defined contribution plan and, concurrently, became a deferred member and ceased to accrue credited service under the defined benefit plan.

⁽³⁾ Annual lifetime benefit accrued as at December 31, 2017 based on credited service and actual pensionable earnings at December 31, 2017.

⁽⁴⁾ Annual lifetime benefit payable at age 65 based on credited service projected to age 65 and actual pensionable earnings at December 31, 2017.

⁽⁵⁾ As of plan measurement date at end of prior year – December 31, 2016, using assumptions as at December 31, 2016 selected by the Company for the 2016 year-end disclosures under international accounting standards.

⁽⁶⁾ The compensatory change includes the service cost, plus the impact of actual 2017 pensionable earnings that differ from the estimated earnings, less the impact of future bonuses no longer being pensionable.

⁽⁷⁾ The non-compensatory change includes interest on the obligation, changes in assumptions and employee contributions to the flexible pension option.

⁽⁸⁾ As of plan measurement date at end of year – December 31, 2017 using assumptions as at December 31, 2017 selected by the Company for the 2017 year-end disclosures under international accounting standards.

Defined Contribution Plan

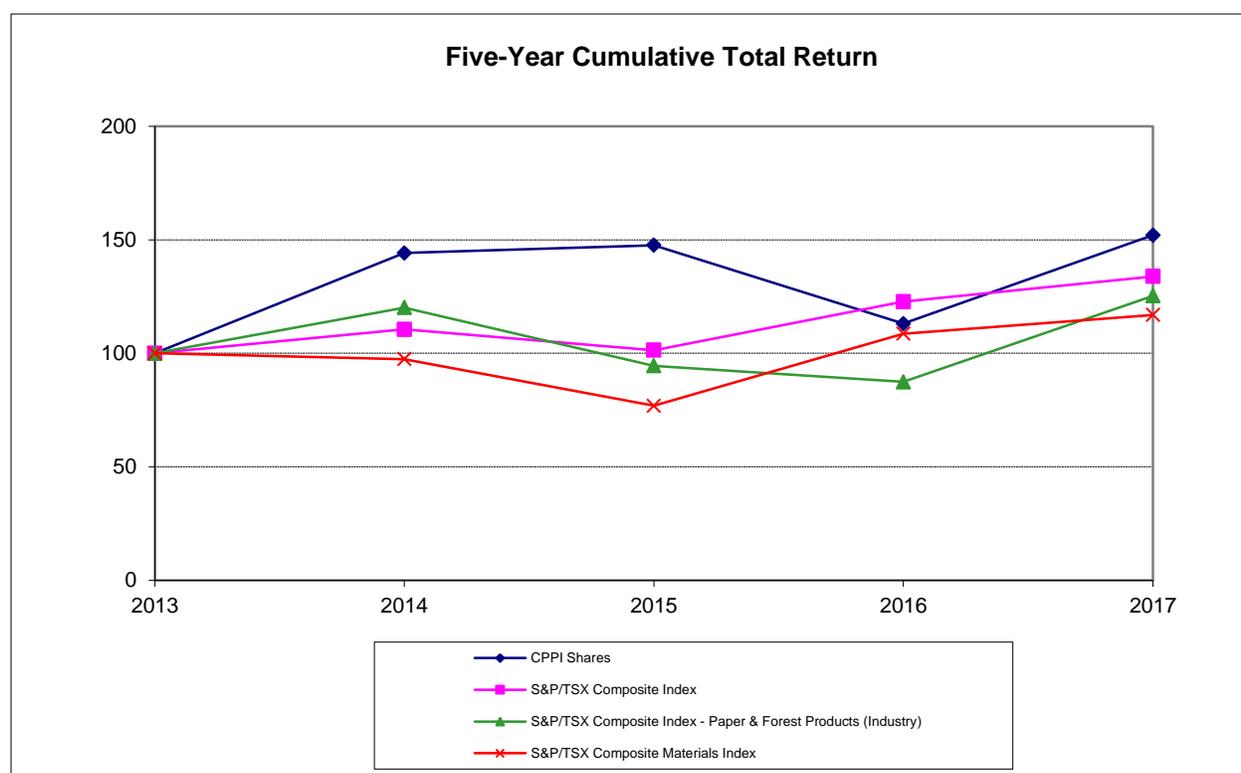
The Company provides defined contribution pension benefits to two of its Named Executive Officers, Peter Hart, Vice President Pulp and Paper Sales & Marketing and Brett Robinson, the President of the Company. The Company contributes up to a maximum amount of 12% of pensionable earnings, which consists of regular salary and 50% of the PSIP awards.

Compensatory amounts consist of the Company pension contribution, interest credited on deferred balances at the rate of 4% for the year 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. Information on the Company contributions and accumulated value for the Names Executive Officers that are members of the defined contribution plan is as follows:

Name	Accumulated Value at Start of Year (\$)	Compensatory (\$)	Non-Compensatory (\$)	Accumulated Value at Year End (\$)
Brett R. Robinson President	885,819	78,522	70,957	1,035,298
Peter Hart Vice President Pulp and Paper Sales & Marketing	216,951	43,171	28,762	298,855

PERFORMANCE GRAPH

The following graph compares the total cumulative return for \$100 assuming investment in the CPPI Shares made on January 1, 2013, and assuming the reinvestment of dividends, with the cumulative total shareholder return of the S&P/TSX Composite Index, and S&P/TSX Composite Index - Paper & Forest Products (Industry) and the S&P/TSX Composite Materials Index ending on December 31, 2017.



	2013	2014	2015	2016	2017
CPPI Shares	100	100	144	148	113
S&P/TSX Composite Index	100	100	111	101	123
S&P/TSX Composite Index - Paper & Forest Products (Industry)	100	100	120	94	87
S&P/TSX Composite Materials Index	100	100	97	77	109

Note: Dividends declared on CPPI Shares are assumed to have been reinvested at the market price on their 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 2017, the CPPI Shares were in line with the S&P/TSX Composite Index - Paper & Forest Products (Industry) and generally outperformed the S&P/TSX Composite Index and the S&P/TSX Composite Materials Index. Compensation of employees including the Named Executive Officers is linked to corporate performance. Corporate performance is generally measured by ROIC. The Company's compensation plans have minimum ROIC thresholds in order for bonuses to be paid. As corporate performance increases as measured by ROIC, compensation for the Named Executive Officers increases in accordance with the term of the PBP (see "Executive Compensation – Elements of Compensation – Senior Executive Performance Bonus Plan" herein).

DIRECTOR COMPENSATION

Compensation of Directors / Attendance Fees

Annual Director compensation for Board and Committee meetings is summarized in this section and in the table set out below.

In contrast to its other committees, the Chair of the Audit Committee receives a \$10,000 retainer and a \$10,000 annual fee and each Audit Committee member receives a \$10,000 annual fee. In respect of the Joint Capital Expenditure ("Joint Capex") Committee with Canfor, the Joint Capex Chair receives a \$10,000 retainer and a \$10,000 annual fee and each member receives a \$10,000 annual fee, and no meeting fees. The Company and Canfor pay fees to each of their representatives on the Joint Capex Committee except where such representative sits on both the Canfor Board and the Company Board, and then the fee is split 50/50 between the two companies.

	Fees
Annual Board Chair retainer	\$50,000
Annual Board meeting retainer	\$40,000
Board/Committee meeting fees for scheduled meeting	\$1,500 ⁽¹⁾
Board/Committee meeting fees for non-scheduled meeting	\$2,000 ⁽¹⁾
Annual Committee Chair retainer (Audit & Joint Capex)	\$10,000
Annual Committee retainer (Audit & Joint Capex)	\$10,000
Annual Committee Chair retainer (other)	\$5,000
Annual Committee retainer (other)	\$5,000
Joint Capex Committee meeting fees	N/A

Note:

⁽¹⁾ Excluding Joint Capex Committee. The meeting fees for scheduled meetings were increased to \$2,000 effective January 1, 2018.

Directors' Compensation Summary for 2017

The following table summarizes the amount of Director's fees paid to Directors for the fiscal year ending December 31, 2017 (as discussed under "Director's Compensation – Compensation of Directors/ Attendance Fees" above)

Name	Retainer				Attendance Fees		Total Paid ⁽¹⁾ \$
	Board \$	Board Chair \$	Committee Member \$	Committee Chair \$	Board \$	Committee Meetings \$	
Peter J.G. Bentley	40,000	-	12,500	2,500	6,000	4,000	65,000
John Baird	40,000	-	5,625	-	4,500	3,000	53,125
Stan Bracken-Horrocks	40,000	-	25,000	10,000	6,000	12,000	93,000
Charles Jago ⁽²⁾	40,000	-	10,000	-	6,000	8,000	64,000
Michael Korenberg	40,000	50,000	17,500	5,000	6,000	12,000	130,500
Conrad Pinette	40,000	-	10,000	2,500	6,000	4,000	62,500
William Stinson	40,000	-	20,000	-	6,000	16,000	82,000
Barbara Hislop ⁽²⁾	30,000	-	7,500	833	4,500	9,000	51,833

Notes:

⁽¹⁾ Before deduction of applicable taxes.

⁽²⁾ Mr. Jago ceased to be a Director in April 2017. Ms. Hislop was elected as a Director in April 2017.

Summary of Board/Committee Meetings Held

For the 12-month period ended December 31, 2017

Board	4
Audit	5
Joint Corporate Governance	3
Joint Environmental, Health and Safety	3
Joint Capital Expenditure	4
Joint Management Resources and Compensation	5

Director's Share Ownership Expectations

The Company does not have any minimum share ownership expectations for members of the Board.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There are no material loans outstanding as at March 23, 2017 payable by officers, Directors, employees and former Directors, officers and employees of the Company or any of its subsidiaries to the Company or any of its subsidiaries.

CORPORATE GOVERNANCE

Introduction

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

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

Board Responsibilities

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

Culture of Integrity

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

Strategic Planning

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

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 “Compensation Discussion and Analysis - Overview of Compensation Policies, Programs and Objectives” herein for a discussion on risk as it relates to compensation issues.

Succession

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

Communication Policy and Disclosure Control

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

Integrity of Internal and Financial Disclosure Controls

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

THE BOARD OF DIRECTORS

Independence

The Board is currently composed of eight Directors, all of whom are independent Directors as defined in NI 58-101 other than Mr. Kayne, who is a member of management of the Company. Mr. Pinette, Chairman of the Company, does not exercise any management functions and is considered to be an independent director. No current independent Director has entered into any contracts with the Company, received remuneration from the Company in excess of Director's compensation or worked for the 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. In 2017, no advisors were engaged on behalf of individual Directors.

Of the seven individuals proposed as nominees for election as Directors at the Meeting, all are considered to be independent as defined in NI 58-101, other than Mr. Kayne, who is a member of management of the Company. Mr. Bentley has not held a management position with the Company and the Board has determined that given the length of time since 1998 when he held a management position with Canfor, he may now be regarded as independent of management and other interests which could affect his independent decision making as a Director. Ms. Hislop has not been a member of management of Canfor since 2004 and can be regarded as independent. Neither Mr. Bentley nor Ms. Hislop are involved in any management decision making processes.

In compliance with its legal and other regulatory requirements, in assessing the independence of each Director, the Board has considered (and regularly re-evaluates) whether there are any financial or other

material relationships between any one or more of the Directors and their outside interests, whether it be pursuant to shareholding, financial or transactional relationships or otherwise.

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. Stinson is director of Westshore Terminals Investment Corporation and each of Messrs. Bentley, Pinette, Kayne, Stinson and Baird are Directors of Canfor. Mr. Baird is a director of Canada Pacific Railway Limited and Mr. Kayne is a director of Cameco Corporation. The Governance Committee reviews whether the presence of directors with common outside directorships affects the independence, decision making or functioning of the Board. The Governance 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.

Board Meetings

The independent Directors, as part of each Board meeting, hold *in camera* sessions without the presence of management to discuss issues relating to management and governance of the Company generally. The Board held four such meetings in 2017. The Chairman of the Board meets annually with the CEO and Chairman of the Governance Committee to discuss the relationship between management and the Board and reports the results of these discussions to the Board.

Attendance Record

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

Chairman

Mr. Pinette was appointed Chairman of the Board on August 4, 2017. As discussed under "Independence" above, Mr. Pinette is considered to be an independent Director as defined in NI 58-101. As Chairman, Mr. Pinette 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 Chair of the Board is available on the Company's website at www.canforpulp.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 and on the Company's website at www.canforpulp.com.

POSITION DESCRIPTIONS

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

ORIENTATION AND CONTINUING EDUCATION

Programs for the orientation of new Directors and the ongoing education of existing Directors are the responsibility of the Governance Committee and the Chairman of the Board oversees these programs. New Directors are provided with a Directors Orientation Manual containing details of the Company's

organizational structure, terms of reference for the Board and Committees, the Company's Annual Information Form and other relevant materials. Visits to various operations sites of the Company are organized for such members by the Chairman of the Board. The Board receives updates and other information from management relating to changes in law or other matters relevant to the Board.

ETHICAL BUSINESS CONDUCT

Code of Conduct

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

The CEO of the Company reports to the Governance Committee (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 Committee is set out under the section "Board Committees" below.

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

NOMINATION OF DIRECTORS

The responsibility for the identification of new candidates for Board nomination resides with the Company's Governance Committee.

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

The Governance Committee canvasses Board members for their suggestions regarding potential appointees to the Board and identifies and recommends annually to the Board, for its consideration, a short list of proposed nominees for election to the Board. In considering the candidates on the list, the Governance Committee considers individual backgrounds, skills and expertise, geographic representation, 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). Five of the persons who are nominees for the Board are nominees for the board of directors of Canfor, the Company's controlling shareholder.

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

COMPENSATION

The process for the determination of the compensation of the Company's Directors and senior officers is overseen by the Company's Compensation Committee with regard to senior officers and by the Governance Committee with regard to Directors. As described under the "Executive Compensation" section of this Information Circular, the Compensation Committee engaged the services of Hay to assist the Compensation Committee in determining the Company's compensation levels in 2015. In 2017, Mercer was engaged to provide a review of directors' compensation which led to an adjustment in committee chair retainer and meeting fees for 2018. (See "Directors Compensation Summary for 2017" herein.)

The Compensation Committee 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 Committee reviews Directors compensation as required.

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

BOARD COMMITTEES

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

Any actual or perceived conflicts of interest between the Company and Canfor 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 internal and external auditors and with management of the Company the adequacy of the internal accounting procedures and systems established by the Company and reviews the Company's annual financing plan, any proposed financings and the method by which the Company measures financial results and performance. The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and may retain special legal, accounting or other experts in the performance of its duties. The Audit Committee has regular sessions with the internal auditor and the external auditors (both with and without management) to discuss issues as it deems appropriate and requires management to implement and maintain appropriate internal controls and reviews these controls

regularly at Committee meetings. The Audit Committee has implemented controls to pre-approve non-audit work performed by the external auditors.

The Audit Committee also has the responsibility to oversee the administration, financial reporting and investment activities of the Company's defined benefit pension 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 three independent Directors of the Company. For further information regarding the Company's Audit Committee, see the Section of the Company's Annual Information Form dated February 22, 2018 entitled "Audit Committee Information", which is incorporated by reference herein and which is available on SEDAR at www.sedar.com.

Joint Corporate Governance Committee (the "Governance Committee")

The principal role and function of the Governance Committee is to ensure that the Company, through its Board, sustains an effective approach to corporate governance. The Governance Committee monitors best practices for corporate governance and reviews practices and terms of reference to ensure the Company's compliance with industry standards and applicable laws and regulatory rules and policies. An additional function of the Governance Committee is to review the Board's overall relationship with management. The Governance Committee is also responsible for identifying and recommending proposed nominees for election to the Board, recommending the assignment of Directors to committees of the Board and undertaking an annual assessment of the size composition and effectiveness of the Board and the Board committees and their terms (see "Board/Committee Assessments of Effectiveness" below). The Governance Committee also develops and periodically reviews compliance with the Board Governance Principles and the Code of Conduct and the resolution of potential or real conflicts of interest and also functions as a forum for concerns of individual Directors about matters that are not readily or easily discussed in a full meeting of the Board. It also annually reviews the adequacy and form of the compensation of the Directors and reports and makes recommendations to the full Board accordingly. The Governance Committee has also been given responsibility by the Board for overseeing and implementing the Company's Diversity Policy (see "Board/Committee Assessments of Effectiveness-Diversity" below). The Governance Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and may retain special legal, accounting or other experts in the performance of its duties. The Governance Committee is composed of six independent Directors, two members who are directors of both the Company and Canfor, two members who are directors of the Company only and two members who are directors of Canfor only.

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

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

The Compensation Committee is responsible for ensuring that the Company has in place programs and policies to attract and retain high calibre executives and a process to provide for the orderly succession of

management. The Compensation Committee annually assesses the performance of the CEO, recommends for approval by the Board of that officer's compensation and benefits and approves the compensation for all other designated senior officers of the Company, its subsidiaries and affiliates. This is done after considering the recommendations of the CEO, all within the compensation policies, guidelines and pay and performance systems approved by the Board. The Compensation Committee also reviews from time-to-time, as and when required, the Company's board policies and programs in relation to pension and other benefits. In addition, the Compensation Committee reviews from time-to-time with the CEO, policies on compensation for all employees. The Compensation Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and may retain special legal, accounting or other experts in the performance of its duties. The Compensation Committee is composed of four independent Directors, two members who are directors of both the Company and Canfor and two members who are directors of Canfor only.

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

The overall purpose of the EH&S Committee is to develop, review and make recommendations as required on matters related to the Company's environmental, health and safety policies and practices and to monitor compliance with government regulations and with the Company's commitment to excellence on these issues. The EH&S Committee is also responsible for reviewing and making recommendations to the Board concerning the Company's compliance with policy statements and implementation standards adopted from time to time by the Company on environmental, health and safety issues, the Company's environmental disaster response plan and degree of readiness for each of its operations and the Company's management programs and standards addressing the health of its employees and the public and the safety of the workplace. The EH&S Committee monitors the Company's development of policies and initiatives in the area of environment, health, 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 six independent Directors, three members of the Committee are directors of both the Company and Canfor, one member who is director of the Company only and two members who are directors of Canfor only.

Joint Capital Expenditure Committee (the "Capex Committee")

The overall purpose of the Capex Committee is to act on behalf of the Board in reviewing and making recommendations on expenditures for capital projects that are in excess of the management limit, but within the authority of the Capex Committee, as set by the Board from time to time. The Capex Committee also has the authority to review capital projects proposed by Canfor. Subject to any change by the Board, the Capex Committee reviews and considers individual capital expenditures of \$7.5 million or more. The Capex Committee has the authority to approve any capital expenditure between \$7.5 million and \$35 million. Any project approval in excess of \$35 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 six independent Directors - three members of the Committee are directors of both the Company and Canfor, one member is director of the Company only and two members are directors of Canfor only.

BOARD/COMMITTEE ASSESSMENTS OF EFFECTIVENESS AND RENEWAL

General

The Governance 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 Committee's bi-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, bi-annual review process based on individual Director questionnaires, the contents of which are summarized and evaluated by the Governance Committee and then discussed at a meeting of the full Board or by the Chairman interviewing each Director on Board effectiveness and reporting the results to the Board. 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 Committee also reviews attendance by individual members at Committee and Board meetings. The Governance Committee consults with the Company's CEO regarding periodic assessments of the relationship between management and the Board, and after such reviews advises the Board of its findings.

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

Board Renewal

The Company does not have an established term limit for its directors or an established retirement policy. The Governance Committee emphasizes the assessment processes described under "General" above as an effective basis to ensure board renewal and has therefore determined that set term limits are therefore 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. Other than the tenure of the longest serving Director, Mr. Bentley, the tenure of two of the Directors is eight years and the balance of the Directors have been on the Board for seven years or less. Furthermore, the Governance 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 promoting diversity within the Company and all of their subsidiaries, which encompasses its policy relating to the identification and nomination of women directors and senior executives. The Governance 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.

The Diversity Policy also contemplates that the Company will, as required by corporate and securities laws, include information in its annual meeting materials regarding the yearly review by the Governance Committee of the effectiveness of the Diversity Policy and the measures taken by the Company to ensure its implementation and effectiveness.

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.

As at December 31, 2017, there is one women on the Board of the Company and 13 women were in senior management positions with the Company and its parent company, Canfor, representing 15.7% of overall executive and senior management personnel with those companies.

A copy of the Company's Diversity Policy may be accessed on the Company's website www.canfor.com.

APPOINTMENT OF AUDITORS

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, 2018. 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 2017

KPMG LLP is the current auditor of the Company. The aggregate fees billed by the auditors of the Company for the last two fiscal years, was \$0.6 million. Fees listed below were for audit, tax, financial and other verification audits.

<u>External Auditor Service Fees (000s)</u>	<u>2017</u>	<u>2016</u>
Audit Fees ⁽¹⁾	\$261	\$261
Audit-Related Fees ⁽²⁾	6	6
Tax Fees ⁽³⁾	-	-
All Other Fees ⁽⁴⁾	<u>21</u>	<u>29</u>
Total Fees	<u>\$288</u>	<u>\$296</u>

Notes:

- ⁽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) including services related to chain of custody and greenhouse gas offset projects.

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.

OTHER INFORMATION

These security holder materials are being sent to both registered and non-registered owners of the Company's securities. If you are a non-registered owner, and the 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.

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

The Company's Annual Report which contains the audited Financial Statements for the year ended December 31, 2017 and Management's Discussion and Analysis of Financial Condition and Results of Operations, which contain financial information relating to the Company, together with this Information Circular, any interim financial statements filed subsequent to the annual audited Financial Statements, and additional information regarding the Company, may be obtained from the Corporate Secretary of the Company and may be accessed on the Company's website www.canforpulp.com. Additional information relating to the Company is available on SEDAR at www.sedar.com

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

BY ORDER OF THE BOARD OF DIRECTORS

David M. Calabrigo, Q.C.
Corporate Secretary
Vancouver, BC
March 23, 2018

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