Western Forest Products Inc.

Notice of Annual Meeting of Shareholders

March 31, 2016

Information Circular

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LETTER FROM THE CHAIRMAN

March 31, 2016

Fellow Shareholders:

On behalf of the Board of Directors, I would like to invite you to attend the Western Forest Products Inc. Annual Meeting of Shareholders (the “Meeting”) at Suite 2800, 666 Burrard Street, Vancouver, British Columbia on May 6, 2016 at 9:00 a.m. Pacific Daylight Time. At the Meeting, we will review the business and affairs of the Corporation and ask you to elect directors and appoint auditors for the coming year.

Following the Meeting, you will have an opportunity to meet the directors and executives who will be pleased to answer your questions.

Along with the Notice of Meeting and Management Information Circular, we also enclose the Form of Proxy for registered shareholders.

I hope you can attend the Meeting and vote in person. However, if you are unable to attend in person, I encourage you to vote as soon as possible, either by mail, telephone, internet, proxy or by instructing your financial advisor or institution.

By Order of the Board of Directors

Lee Doney
Chairman, Board of Directors
Western Forest Products Inc.

NOTICE OF ANNUAL MEETING

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the “Meeting”) of Western Forest Products Inc. (the “Corporation”) will be held at Suite 2800, 666 Burrard Street, Vancouver, British Columbia, Canada on **May 6, 2016 at 9:00 a.m.**, Pacific Daylight Time, for the following purposes:

1) to receive the annual report to shareholders, including our consolidated financial statements, together with the auditors’ report thereon, and Management’s Discussion and Analysis for the fiscal year ended December 31, 2015;

2) to set the minimum number of directors at seven (7);

3) to elect directors for the ensuing year;

4) to appoint auditors for the ensuing year and authorize the directors to fix the remuneration to be paid to the auditors; and

5) to transact such other business as may properly come before the Meeting or any adjournment thereof.

The Management Information Circular accompanying this Notice provides additional information relating to the matters to be dealt with at the Meeting.

Dated at Vancouver, BC on March 31, 2016.

By Order of the Board of Directors

Lee Doney
Chairman, Board of Directors
Western Forest Products Inc.

Registered shareholders who are unable to attend the Meeting in person or who wish to vote in advance of the Meeting, are invited to vote by signing and returning the enclosed form of proxy in the envelope provided for that purpose. A proxy will not be valid unless it is deposited at the office of Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, on or before 9:00 a.m. Pacific Daylight Time (12:00 p.m. Eastern Daylight Time) on May 4, 2016. Instructions for voting by telephone or via the Internet are located on the enclosed form of proxy.

Non-registered shareholders will be provided with voting instructions by the intermediaries who hold the shares on their behalf.

VOTING INFORMATION

SOLICITATION OF PROXIES

This Management Information Circular (the "Circular") is furnished in connection with the solicitation by management of Western Forest Products Inc. ("Western", the "Corporation", "us", "we", or "our") of proxies from owners of common shares ("Common Shares") of the Corporation for use at our Annual Meeting of Shareholders (the "Meeting") referred to in the accompanying Notice of Meeting (the "Notice") to be held at the time and place and for the purposes set forth in the Notice. The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers or employees of the Corporation. The cost of solicitation will be borne by the Corporation. Unless otherwise specified, all information provided in this Circular is as at March 31, 2016 and all dollar amounts are in Canadian currency.

APPOINTMENT OF PROXIES

The persons named in the enclosed form of proxy are management representatives and are directors and/or officers of the Corporation.

Each shareholder has the right to appoint any person or company, who need not be a shareholder of the Corporation, other than the persons named in the enclosed form of proxy to represent such shareholder at the Meeting or any adjournment thereof. This right may be exercised by inserting such person's name in the blank space provided in the form of proxy.

The completed form of proxy must be deposited with our registrar and transfer agent, Computershare Investor Services Inc. 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, not later than 9:00 a.m. Pacific Daylight Time (12:00 p.m. Eastern Daylight Time) on May 4, 2016. Instructions for voting by telephone or via the Internet are located on the enclosed form of proxy.

NON-REGISTERED HOLDERS

Only registered holders of our Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a "Non-Registered Holder") are registered either:

a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or

b) in the name of a depository, such as CDS Clearing and Depository Services Inc., (the "Depository") of which the Intermediary is a participant.

In accordance with the Canada Business Corporations Act ("CBCA") and Canadian securities law, we have distributed copies of the accompanying Notice, this Circular, and the 2015 Annual Report (collectively, the "Meeting Materials") to Intermediaries for onward distribution to Non-Registered Holders who have not waived their right to receive them.

Non-Registered Holders who have not waived the right to receive the Meeting Materials will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own.

Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

VOTING INSTRUCTION FORM

In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on his or her behalf), the voting instruction form can be completed, signed and returned in accordance with the directions on the form. Voting instruction forms can be completed by telephone or through the Internet. If a Non-Registered Holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on his or her behalf), the Non-Registered Holder must complete, sign and return the voting instruction form in accordance with the directions provided. A form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Holder upon receipt of the voting instruction form.

FORM OF PROXY

Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise incomplete. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on his or her behalf), the Non-Registered Holder can complete the form of proxy and deposit it in accordance with the instructions set out in the section titled “Appointment of Proxies”, set out above. If a Non-Registered Holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on his or her behalf), the Non-Registered Holder must strike out the names of the persons named in the proxy and insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided. To be valid, the completed form of proxy must be deposited with our registrar and transfer agent, Computershare Investor Services Inc.,100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, not later than 9:00 a.m. Pacific Daylight Time (12:00 p.m. Eastern Daylight Time) on May 4, 2016.

Non-Registered Holders should follow the instructions on the forms they receive and contact their Intermediaries promptly if they need assistance.

REVOCATION OF PROXIES

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by the proxy and may do so: (1) by delivering another properly executed form of proxy bearing a later date and depositing it as described above; (2) by depositing an instrument in writing revoking the proxy executed by the shareholder or by the shareholder's attorney authorized in writing (a) at our registered office, c/o DLA Piper (Canada) LLP, Suite 2800, 666 Burrard Street, Vancouver, BC, V6C 2Z7, Attention: Ruby Chan, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or (b) as to any matter in respect of which a vote shall not already have been cast pursuant to such proxy, with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (3) by any other manner permitted by law.

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote that was given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

VOTING OF COMMON SHARES REPRESENTED BY MANAGEMENT PROXIES

The management representatives designated in the enclosed form of proxy will vote or withhold from voting the Common Shares in respect of which they are the appointed proxy on any ballot that may be called for in accordance with the instructions of the shareholder as indicated on the proxy and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

In respect of each matter identified or referred to for which no instruction is given, the management representatives will vote the Common Shares represented thereby in accordance with management's recommendation contained in this Circular.

The enclosed form of proxy confers discretionary authority with respect to amendments to or variations of matters identified in the Notice and with respect to other matters which may properly come before the Meeting. At the date of this Circular, the management of the Corporation knows of no such amendments, variations or other matters expected to come before the Meeting.

VOTING SHARES

As at March 31, 2016, the Corporation had outstanding 395,365,407 fully paid and non-assessable Common Shares. Each registered holder of Common Shares of record at the close of business on the record date of March 31, 2016 (the “Record Date”) established for the purposes of determining shareholders entitled to receive notice of and to vote at the Meeting, will be entitled to one vote for each Common Share held on all matters to come before the Meeting or any adjournment thereof either in person, or by proxy. For a description of the procedures to be followed by Non-Registered Holders to direct the voting of Common Shares beneficially owned, see the section above titled “Non-Registered Holders”.

PRINCIPAL HOLDERS OF VOTING SHARES

To the knowledge of our directors and executive officers, no party beneficially owns, or controls or directs, directly or indirectly, 10% or more of the outstanding Common Shares.

BUSINESS OF THE MEETING

1) ANNUAL REPORT AND FINANCIAL STATEMENTS

The Annual Financial Statements of the Corporation and Management's Discussion and Analysis for the fiscal year ended December 31, 2015, which are included in the Corporation's 2015 Annual Report, will be placed before the shareholders at the Meeting. The Corporation's 2015 Annual Report is being mailed with this Circular to all registered holders of Common Shares, except to those who have elected not to receive it, and to Non-Registered Holders who have so requested. Additional copies of the 2015 Annual Report will be available at the Meeting. Alternatively, the 2015 Annual Report can be requested from the Corporation or accessed through the Corporation's website at www.westernforest.com or on SEDAR at www.sedar.com.

2) SETTING THE NUMBER OF DIRECTORS

The shareholders of the Corporation will be asked to vote to set the number of directors on the Board of Directors of the Corporation (the "Board" or "Board of Directors") at seven (7), until such time as may be otherwise determined by the Corporation's shareholders by ordinary resolution.

The management representatives designated in the enclosed form of proxy intend, unless otherwise directed, to vote for the resolution setting the number of directors of the Corporation at seven (7).

3) ELECTION OF DIRECTORS

Seven nominees are proposed for election to the Board at this Meeting. See "About our Board of Directors", beginning at page 6, for biographical information about all our directors.

The management representatives designated in the enclosed form of proxy intend, unless otherwise directed, to vote for the election of a Board composed of the seven nominees listed below to serve until the next Annual Meeting of Shareholders of the Corporation or until their successors are duly elected or appointed.

Management has received consents from the proposed nominees to serve as directors, but if, for any reason prior to the Meeting any of the proposed nominees is unable to serve as a director, the management representatives designated in the enclosed form of proxy, unless directed to withhold from voting in the election of directors, reserve the right to vote for other nominees at their discretion.

MAJORITY VOTING FOR DIRECTORS

The Board has adopted a policy providing that in an uncontested election of directors, any nominee who receives a greater number of votes "withheld" than votes "for" will tender a resignation to the Board, effective on acceptance by the Board, immediately following the relevant shareholder meeting. The Nominating and Corporate Governance Committee will consider the offer of resignation and, absent exceptional circumstances, will be expected to recommend that the Board accept the resignation. The Board will make its decision and announce it in a press release within 90 days following the shareholder meeting, including the reasons for rejecting the resignation, if applicable. A director who tenders a resignation pursuant to this policy will not participate in any meeting of the Board or any committee of the Board at which the resignation is considered.

4) APPOINTMENT OF AUDITORS

At the Board meeting held on February 17, 2016, the Audit Committee recommended the nomination of KPMG LLP for reappointment as our external auditors, subject to shareholder approval. KPMG LLP were first appointed as our auditors effective from our incorporation on April 27, 2004 and have served as our auditors since then. KPMG LLP were the auditors of our predecessor, Doman Industries Limited (including certain of its subsidiaries), from 1999 to 2004. The resolution to appoint KPMG LLP as auditors must be passed by a simple majority of the votes at the meeting cast either in person or by proxy.

Unless the shareholder has specified in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld from voting in the appointment of auditors, on any ballot that may be called for on the appointment of auditors, the management representatives designated in the enclosed form of proxy intend to vote such Common Shares in favour of reappointing KPMG LLP, as auditors of the Corporation to hold office until the next Annual Meeting of Shareholders, and authorizing the directors to fix the remuneration to be paid to the auditors.

AUDIT FIRM FEES

Aggregate fees billed to the Corporation for the fiscal year ended December 31, 2015 by KPMG LLP amounted to $660,453. The Audit Committee has adopted a policy regarding the provision of non-audit services by the Corporation’s external auditors. This policy requires Audit Committee pre-approval of permitted audit, audit-related and non-audit services.

The following table sets forth further information on the fees billed by KPMG LLP to the Corporation for the past two years:

	Fees Paid	
	2015	*2014*
Audit	$527,900	$648,600
Audit-related	29,500	105,010
Taxation	103,053	72,320
Total for all services	$660,453	$825,930

Description of Services:

Audit includes the audit of our annual financial statements, the review of our unaudited condensed consolidated interim financial statements, prospectus work and accounting consultation.

Audit-related includes audits of our pension plans, supplemental audit and review procedures conducted during the course of the year, and French translation costs.

Taxation services consist of tax compliance services and tax planning and structuring.

KPMG LLP has advised the Audit Committee that it considers itself to be independent of the Corporation and the Audit Committee has confirmed that it considers KPMG LLP to be independent.

5) OTHER BUSINESS

Management does not intend to present any other business at the Meeting and are not aware of changes to the proposed matters or other matters that may be presented for action. If changes or other matters are properly brought before the Meeting, the management representatives designated in the enclosed form of proxy will vote on them using his or her best judgement.

ABOUT OUR BOARD OF DIRECTORS

DIRECTOR BIOGRAPHIES

Following is a biography for each director nominee for election at the meeting. Other director information can be found in this section following the director biographies, starting at page 10, and in the section titled "Statement of Corporate Governance Practices" starting on page 16.

JAMES ARTHURS — INDEPENDENT

North Vancouver, British Columbia — Director since: July 2004
Age: 57

Mr. Arthurs is Executive Vice President, Heavy Duty Systems for Westport Innovations Inc., a developer and supplier of natural gas engine technologies and Chairman of Cummins Westport Inc. Previously, Mr. Arthurs was President of Cummins Westport Inc. from 2012 to 2013 and Vice President, Cryogenic Systems for Westport Innovations Inc. from 2011 to 2012. Previously, he was a Managing Partner with i3 Transition Partners, a Vancouver-based management consulting firm. Prior to this, Mr. Arthurs was Senior Vice President, North American Operations, Integrated Paving Concepts Inc., a manufacturer of equipment, tooling and high technology coatings for the decorative asphalt industry from 2004 to 2009. He was Managing Director, Operations, for The Jim Pattison Group, one of Canada's largest privately-held companies, from 2002 through 2004. Mr. Arthurs holds a Bachelor of Science degree in Computer Science from the University of Calgary. He is a member of the Institute of Corporate Directors.

Share Ownership as at December 31, 2015 and 2014						
Year	Common shares(1)	Options(2)	DSUs(3)	Market value(4)	Meets requirement(5)	Total compensation
2015	52,436	5,000	-	$118,505	- / 1.3x	$104,417
2014	52,436	5,000	-	$141,577	- / 2.0x	$99,000

2015 Membership and Attendance(6)			2015 AGM Voting Results		Public Directorships
Board	8 of 8	100%	For	225,653,406	None
Audit (Chair)	6 of 6	100%	Withheld	8,883,201	
EH&S	4 of 4	100%	% For	96.2%	
MRCC	6 of 6	100%	% Withheld	3.8%	**Interlocks**
NCGC	5 of 5	100%			None

(1) Common share disclosure includes common shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by the respective directors. This information has been furnished by each respective director in regards to his or her own shareholdings.

(2) Options have not been granted to non-executive directors since 2006.

(3) Deferred Share Units, hereinafter referred to as "DSUs", are defined further on page 13.

(4) Market value is calculated as the value of Common Shares and DSUs at the December 31, 2015 and 2014 closing prices of $2.26 and $2.70, respectively. The value of stock options is not included as they do not count towards the meeting the minimum equity ownership requirements.

(5) All non-executive directors are required to own a minimum value of Common Shares and DSUs equal to three times the aggregate of their annual retainer amount by the later of 5 years from becoming a director, or February 17, 2021.

(6) Committees of the Board of Directors have been abbreviated in their presentation in each of the director biographies. The full committee names are the Audit Committee ("Audit"), the Environmental, Health and Safety Committee ("EH&S"), the Nominating and Corporate Governance Committee ("NCGC") and the Management Resources and Compensation Committee ("MRCC").

JANE BIRD | **INDEPENDENT**

Vancouver, British Columbia | Director since: August 2015

Age: 54

Ms. Bird is a Senior Business Advisor with Bennett Jones LLP, focusing on complex public and private infrastructure initiatives. Prior to this, Ms. Bird completed an engagement with Canada's Department of Foreign Affairs, International Trade and Development in London, UK, where she was responsible for the renewal of Canada House on Trafalgar Square. Ms. Bird was formerly CEO of Columbia Power Corporation, a BC crown corporation that develops and operates hydroelectric generation facilities. Ms. Bird was also CEO of Canada Line Rapid Transit Inc. Prior to her career in infrastructure, Ms. Bird practiced law. Ms. Bird is a Director of BC Ferry Services Inc., Global Container Terminals Inc. and IBI Group Inc. Ms. Bird holds a law degree from the University of Dalhousie, and a Bachelor of Arts from Queen's University. She is a member of the Institute of Corporate Directors.

Share Ownership as at December 31, 2015 and 2014						
Year	Common shares	Options	DSUs	Market value	Meets requirement	Total compensation
2015	-	-	-	-	- / 0.0x	$32,712
2014	n/a(1)					

2015 Membership and Attendance			2015 AGM Voting Results		Public Directorships
Board	1 of 1	100%	For	n/a(1)	IBI Group Inc.
NCGC	0 of 0(1)	100%	Withheld		
			% For		**Interlocks**
			% Withheld		None

(1) Ms. Bird was appointed as a Director of the Corporation August 4, 2015, and subsequently appointed to the position of Chair of the NCGC on November 3, 2015.

DONALD DEMENS | **NON-INDEPENDENT**

Vancouver, British Columbia | Director since: February 2013

Age: 54

Mr. Demens is President and Chief Executive Officer of the Corporation. Prior to this, Mr. Demens served in a number of roles for the Corporation including: President since July 2012; Chief Operating Officer since June 2011; Senior Vice President, Sales and Marketing since August 2009; and Senior Vice President, Western Red Cedar and Custom Cut since April 2009. Over the span of his 30-year career in the coastal forestry industry, Mr. Demens has successfully assumed progressively senior positions in Sales and Manufacturing including with International Forest Products (Interfor) in Canada and Japan. Mr. Demens brings this extensive experience to his current role as President and CEO of Western Forest Products. Mr. Demens holds a Bachelor of Commerce degree from the University of British Columbia.

Share Ownership as at December 31, 2015 and 2014
Refer to Executive Compensation section, beginning on page 25.

2015 Membership and Attendance			2015 AGM Voting Results		Public Directorships
Board	8 of 8	100%	For	229,450,296	None
			Withheld	5,086,311	
			% For	97.8%	**Interlocks**
			% Withheld	2.2%	None

LEE DONEY **NON-INDEPENDENT**

Victoria, British Columbia Director since: July 2004
Age: 65 Chairman since: February 2014

Mr. Doney is a consultant through his company, RLD Strategies, the Chairman of the Board of Columbia Power Corporation, member of the Board of Directors of the College of New Caledonia and independent consultant working in public policy and industrial relations. Mr. Doney was a Deputy Minister in the British Columbia Government for over 15 years and served in a number of other posts in the government. Most recently, he was Deputy Minister of Skills and Development and Labour from June 2001 until his retirement in April 2004. Mr. Doney's previous responsibilities include: Deputy Minister of Forests; Chief Executive Officer of Forest Renewal British Columbia; Interim Chairman, Industry Training and Apprenticeship Commission; Chief Executive Officer of the British Columbia Labour Force Development Board; Chairman of the Workers' Compensation Board of Governors; Executive Director to the Provincial Round Table on the Environment and the Economy; and Executive Director for the BC Treaty Commission. Mr. Doney holds a Masters degree in Economics from Queen's University.

Share Ownership as at December 31, 2015 and 2014						
Year	Common shares	Options	DSUs	Market value	Meets requirement	Total compensation
2015	5,000	5,000	641,012	$1,459,987	Yes / 11.7x	$279,823
2014	5,000	5,000	615,227	$1,674,613	Yes / 18.5x	$383,100

2015 Membership and Attendance			2015 AGM Voting Results		Public Directorships
Board (Chair)	8 of 8	100%	For	169,363,036	None
EH&S	4 of 4	100%	Withheld	65,173,571	
NCGC	1 of 1 (1)	100%	% For	72.2%	**Interlocks**
			% Withheld	27.8%	None

(1) Mr. Doney was an interim NCGC member upon retirement of a former director and until additional directors were appointed.

DANIEL NOCENTE **INDEPENDENT**

Vancouver, British Columbia Director since: May 2014
Age: 60

Until September 2012, Mr. Nocente was Vice Chairman of Corporate and Investment Banking with National Bank Financial Inc. Previously, he was Vice Chairman and BC Geography Head with RBC Dominion Securities. Mr. Nocente currently sits on the Vancouver Coastal Health Board and is Chairman of the Audit Committee. He is also currently Chairman of Savary Gold Inc., a gold exploration company with assets in Burkina Faso, Africa. In addition, he has served as Director and Audit Committee Chair with Canada Line Rapid Transit Inc., Chair of St. Paul's Hospital Foundation, Chairman of the Nature Trust of BC, Vice Chair and Director of Providence Healthcare, Director and Head of the Governance Committee with the Arts Club Theatre Company, and was a member of the YMCA Cabinet. Mr. Nocente holds a Bachelor of Arts degree from the University of British Columbia, a Masters degree in Business Administration from George Washington University in Washington, DC and has completed the Leadership in Professional Services Firms course at the Harvard Business School.

Share Ownership as at December 31, 2015 and 2014						
Year	Common shares	Options	DSUs	Market value	Meets requirement	Total compensation
2015	15,400	-	13,064	$64,329	- / 0.6x	$103,288
2014	10,400	-	-	$28,080	- / 0.6x	$45,333

2015 Membership and Attendance			2015 AGM Voting Results		Public Directorships
Board	8 of 8	100%	For	172,868,817	Savary Gold Corp.
Audit	6 of 6	100%	Withheld	61,667,790	
MRCC (Chair)	6 of 6	100%	% For	73.7%	**Interlocks**
NCGC	5 of 5	100%	% Withheld	26.3%	None

J. BARRIE SHINETON **INDEPENDENT**

Toronto, Ontario Director since: January 2015

Age: 69

Mr. Shineton currently serves as the Vice Chair of the Board of Directors at Norbord Inc. Mr. Shineton previously held the position of President and Chief Executive Officer of Norbord from 2004 through 2013, and was named #1 CEO of the Year by Financial Post Magazine. Prior to that, he has held various positions with Norbord, including Executive Vice President, Wood Products of Norbord Inc., President, Norbord Industries Inc., and Managing Director, Norbord Limited (UK). Mr. Shineton has more than 30 years of experience in the forest products industry, having held senior marketing, sales, and operations positions for companies in North America and Europe. Mr. Shineton holds a Degree in Mechanical Engineering from the University of Manitoba.

Share Ownership as at December 31, 2015 and 2014						
Year	Common shares	Options	DSUs	Market value	Meets requirement	Total compensation
2015	-	-	-	-	- / 0.0x	$86,417
2014	n/a(1)					

2015 Membership and Attendance			2015 AGM Voting Results		Public Directorships
Board	7 of 7(1)	100%	For	229,748,784	Norbord Inc.
EH&S (Chair)	4 of 4	100%	Withheld	4,787,823	
MRCC	6 of 6	100%	% For	98.0%	**Interlocks**
NCGC	4 of 4(1)	100%	% Withheld	2.0%	None

(1) Mr. Shineton was appointed as a Director of the Corporation January 19, 2015, and was subsequently appointed to the position of Chair of the EH&S and as a member of the MRCC and NCGC.

MICHAEL T. WAITES **INDEPENDENT**

Vancouver, British Columbia Director since: November 2014

Age: 62

Mr. Waites currently serves as a member of the Board of Directors for Repsol Oil & Gas Canada, Inc., and is Chair of its Audit Committee. Mr. Waites also currently serves as a member of the Board of Directors for HudBay, and is a member of both its Audit and Technical Committees. Previously, Mr. Waites served as President and CEO of Finning International Inc. for five years, retiring in 2013. Prior to that, Mr. Waites was Executive Vice President and CFO of Finning. He has also held senior positions with Canadian Pacific Railway and Chevron Canada Resources. Mr. Waites holds a Bachelor of Arts (Honours) in Economics from the University of Calgary, a Master of Business Administration from Saint Mary's College of California, and a Master of Arts, Graduate Studies in Economics from the University of Calgary. He has also completed the Executive Program at the University of Michigan Business School.

Share Ownership as at December 31, 2015 and 2014						
Year	Common shares	Options	DSUs	Market value	Meets requirement	Total compensation
2015	40,000	-	47,904	$198,663	- / 2.2x	$94,417
2014	40,000	-	-	$108,000	- / 2.2x	$8,333

2015 Membership and Attendance			2015 AGM Voting Results		Public Directorships
Board	8 of 8	100%	For	229,688,017	HudBay Minerals Inc.
Audit (V.Chair)	6 of 6	100%	Withheld	5,927,708	Repsol Oil & Gas Canada Inc.
EH&S	4 of 4	100%	% For	97.5%	
MRCC	6 of 6	100%	% Withheld	2.5%	**Interlocks**
NCGC	5 of 5	100%			None

DIRECTOR SKILLS AND EXPERIENCE

A Board of Directors with a broad set of skills is better able to oversee the range of issues that arise with a corporation of our size and complexity. Accordingly, each non-executive director is evaluated on the basis of the skills and experience that he or she contributes. The Nominating and Corporate Governance Committee maintains a skills matrix to assist with reviewing the skill set of current non-executive directors, as well as with identifying director candidates who best meet the needs of the Corporation. This analysis, presented below, is also used as a tool in evaluating continuing director education programs.

Skills and Experience	Arthurs	Bird	Doney	Nocente	Shineton	Waites
Business Strategy, Development & Risk Assessment	√	√		√	√	√
Capital Allocation, Mergers, Acquisitions and Divestitures	√			√	√	√
Communications	√	√	√	√	√	√
Corporate Finance and Capital Markets				√		√
Corporate Governance	√	√		√	√	√
Financial Reporting, Accounting & Audits	√			√		√
Government and Stakeholder Relations		√	√			
Human Resources and Labour Relations		√	√	√	√	√
Industry Knowledge & Experience	√		√	√	√	
Legal		√				
Regional Business Experience	√	√	√	√	√	√
Sales, Marketing, and Product Development	√				√	

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS HELD

It is the Board's expectation that each member of the Board should attend each meeting of the Board and the committees of which he or she is a member. However, in circumstances where individual directors are unable to attend a meeting, the Chairman of the Board ("Chairman") or senior management will meet with the absent director at a convenient time after the meeting to brief him or her on the events of the meeting. Directors are invited to attend all committee meetings. The following table summarizes directors' attendance at our Board and committee meetings during 2015.

Director(1)	Board of Directors Meetings	Audit Committee Meetings	Environmental, Health and Safety Committee Meetings	Management Resources and Compensation Committee Meetings	Nominating and Corporate Governance Committee Meetings
James Arthurs	8 of 8	6 of 6	4 of 4	6 of 6	5 of 5
Jane Bird(2)	1 of 1	N/A	N/A	N/A	N/A
Donald Demens	8 of 8	N/A	N/A	N/A	N/A
Lee Doney	8 of 8	N/A	4 of 4	N/A	1 of 1(4)
Daniel Nocente	8 of 8	6 of 6	N/A	6 of 6	5 of 5
J. Barrie Shineton(3)	7 of 7	N/A	4 of 4	6 of 6	4 of 4
Michael T. Waites	8 of 8	6 of 6	4 of 4	6 of 6	5 of 5

(1) Director attendance is presented on the basis of Board meetings for which each director was eligible to attend in the year.

(2) Ms. Bird was elected as a director of the Corporation on August 4, 2015.

(3) Mr. Shineton was elected as a director of the Corporation on January 19, 2015.

(4) Mr. Doney was an interim NCGC member upon retirement of a former director and until additional directors could be appointed.

During 2015, the Board held eight meetings and its four standing committees held twenty-one meetings. Committee meetings included six meetings of the Audit Committee, four meetings of the Environmental, Health and Safety Committee, six meetings of the Management Resources and Compensation Committee and five meetings of the Nominating and Corporate Governance Committee.

In addition, there were four meetings of the independent directors, as such term is defined under the standards established by Canadian securities regulatory authorities. As a matter of course, the independent directors must meet at least once each quarter without any non-independent (as defined below under "Statement of Corporate Governance Practices") director or executive officer in attendance, generally following the quarterly scheduled Board meeting. The Independent Lead Director presides at these meetings.

DIRECTOR COMPENSATION

PHILOSOPHY AND PROCESS

The Nominating and Corporate Governance Committee is responsible for the periodic review of the level and mix of director compensation relative to the Corporation's comparator group, and for making recommendations to the Board for adjustments when necessary. These periodic reviews assist in determining whether total compensation for its directors remains in target pay range.

Our director compensation philosophy targets a competitive positioning that is aligned with the Corporation's percentile ranking, on the basis of revenue and market capitalization, relative to the comparator group. Additionally, while director equity ownership is an important tool in alignment of interests with shareholders, we no longer issue stock options ("Options") to non-executive directors.

The comparator group is set and monitored by the Nominating and Corporate Governance Committee, and is comprised of Canadian forest and paper product companies with annual revenue and market capitalization between $250 million and $4 billion.

BENCHMARKING AND ROLE OF COMPENSATION CONSULTANT

In 2015, the Nominating and Corporate Governance Committee retained consultant Willis Towers Watson to review and provide expert, objective advice on the Corporation's director compensation arrangements relative to its peers. This review included an assessment of the comparator group (listed below) and analysis of equity ownership guidelines applicable to non-executive directors of the comparator group.

Acadian Timber	Interfor Corporation
Ainsworth Lumber Co. Ltd.(1)	Norbord Ltd.
Canfor Corporation	Mercer International Inc.
Canfor Pulp Products	Resolute Forest Products Inc.
Catalyst Paper Corporation	Stella-Jones Inc.
Conifex Timber Inc.	Tembec Inc.
Domtar Corporation	West Fraser Timber Co. Ltd.

(1) Ainsworth Lumber Co. Ltd. merged with Norbord Ltd. on April 1, 2015 but was included at the time of this analysis.

The comparative information reviewed by the Nominating and Corporate Governance Committee demonstrated that total pay for a typical director of the Corporation was below the 25th percentile of the comparator group and the Corporation's revenue and market capitalization were at the 30^{th} and 48^{th} percentile, respectively.

On consideration of this data, the Nominating and Corporate Governance Committee recommended a moderate increase in total director compensation which positioned the Corporation at the 33^{rd} percentile of the comparator group. Following additional market analysis, the Nominating and Corporate Governance Committee also recommended the implementation of director equity ownership guidelines. The foregoing recommendations were approved by the Board with effective dates of August 1, 2015 and February 17, 2016, respectively. A summary of the current fee schedule and director equity ownership guidelines follow below.

DIRECTORS' FEES AND RETAINERS

Our non-executive directors, who are not officers or employees, are compensated for their services as directors through a combination of retainer fees and meeting-attendance fees. Effective August 1, 2015, the Board approved revised fees and retainers as summarized below:

Role	Amount	Individual
Chairman	$125,000 per annum	Doney
Independent Lead Director	$95,000 per annum	Nocente
Non-executive director annual retainer	$75,000 per annum	Arthurs, Bird, Shineton, Waites
Audit Committee Chair	$15,000 per annum	Arthurs
Audit Committee Vice-Chair	$5,000 per annum	Waites
Environmental, Health and Safety Committee Chair	$5,000 per annum	Shineton
Nominating and Corporate Governance Committee Chair	$5,000 per annum	Bird
Management Resources and Compensation Committee Chair	$5,000 per annum	Nocente
Board and standing committee meeting fees	$1,000 per meeting attended	Non-executive directors

Fees for participation on any special committees established by the Board are determined by the Board at the time the work of the special committee is completed. Directors are reimbursed for travel and other out-of-pocket expenses incurred in attending Board or committee meetings.

DIRECTOR EQUITY OWNERSHIP GUIDELINES

The Corporation has established minimum equity ownership requirements for its Board. The Board has adopted a guideline to the effect that each non-executive director should own, by the later of February 17, 2021 or within five years of joining the Board, Common Shares, Deferred Share Units or share equivalents of the Corporation, if any ("WFP Securities") with a value of at least three times the aggregate of the annual director retainer (the "Minimum Shareholding Requirement"). In the case of the Chairman of the Board, the Minimum Shareholding Requirement is based on the Chairman of the Board retainer. Each non-executive director is required to continue to hold such value throughout his or her tenure as a director. The WFP Securities held to comply with the Minimum Shareholding Requirement shall not be, during the director tenure, the object of specific monetization procedures or other hedging procedures to reduce the exposure related to his or her holding.

All directors are prohibited from trading in our securities or entering into transactions through participation in the Stock Option Plan (the "Option Plan") unless such transactions are executed and disclosed in full compliance with the Corporation's Code of Business Conduct and Ethics, Communication Policy and Insider Trading Policy and all relevant securities regulations and laws. A director who violates these policies may face disciplinary action including possible removal from the Board. The violation of these policies may also violate certain securities laws. If the Corporation discovers that a director has violated any securities laws, the matter may be referred to the appropriate regulatory authorities, which could lead to penalties and fines.

OTHER EQUITY-BASED DIRECTOR COMPENSATION

In 2006, the Corporation ceased the granting of Options to non-executive directors.

DIRECTOR COMPENSATION TABLE

The following table sets forth all compensation paid or payable to the non-executive directors with respect to the financial year ended December 31, 2015:

Director	Fees Paid in Cash	DSUs Received in Lieu of Fees	All Other Compensation	2015 Total Compensation
James Arthurs	$104,417	-	-	$104,417
Jane Bird	$32,712	-	-	$32,712
Lee Doney[(1)]	$111,750	-	$157,083	$268,833
Daniel Nocente[(2)]	$77,466	$25,822	-	$103,288
J. Barrie Shineton	$86,417	-	-	$86,417
Michael T. Waites[(2)]	-	$94,417	-	$94,417

(1) Mr. Doney provides certain management consultancy services to the Corporation pursuant to a consultancy arrangement effective January 1, 2011 with RLD Strategies Ltd., an entity controlled by Mr. Doney. RLD Strategies Ltd. was paid $157,083 for these services during 2015.

(2) Mr. Nocente elected to take 25% of his directors' fees earned during 2015 in the form of DSUs, and Mr. Waites elected to take 100% of his directors' fees earned during 2015 in the form of DSUs.

DEFERRED SHARE UNIT PLAN FOR NON-EXECUTIVE DIRECTORS

The Deferred Share Unit Plan ("DSU Plan") is designed to focus directors on the long-term interests of the Corporation and growth in shareholder value. Non-executive directors may elect to take a portion of their directors' fees in the form of Deferred Share Units ("DSUs"). The number of DSUs allotted is determined by dividing the dollar value of the portion of the fees that the director previously elected to take in DSUs by the closing price of our Common Shares on the fifth day following the quarter end with respect to which the directors' fees are payable, and if that is not a trading day on the TSX, the next trading day.

Holders of DSUs are eligible to receive additional DSUs to reflect any cash dividend declared on Common Shares during the term of the participants' participation in the DSU Plan. The number of additional DSUs to be allocated is determined by dividing the aggregate dollar value of the declared dividend that would have been paid to the participants if the DSUs held by the participants on the relevant record date for dividends had been Common Shares, by the market price on the payment date of such dividend.

DSUs can only be redeemed for cash after the participant ceases to be a Director of the Corporation or of a subsidiary. The value of the DSUs on redemption is based on the closing price of the Corporation's Common Shares, on the date the notice of redemption is received from the director, or if no notice of redemption is received, on November 30th in the year following the year of the termination of employment and if that is not a trading day on the TSX, the next trading day.

The following table sets forth details of directors' DSU election percentage for 2015 and 2016, as well as the value vested for each director who elected to take all or a portion of their directors' fees in DSUs during the financial year ended December 31, 2015 on an aggregate basis:

Director	Election Percentage of Directors' Fees received in DSUs		Deferred Share Unit Value Vested During the Year[(1)]
	2015	2016	
Jane Bird	n/a[(2)]	60%	n/a[(2)]
Daniel Nocente[(3)]	25%	100%	$25,822
Michael T. Waites[(4)]	100%	100%	$94,417

(1) Represents the aggregate grant-date value of directors' fees taken as DSUs during the year, as DSUs vest immediately. Dividend equivalent DSUs are not included in the above table.

(2) Ms. Bird was elected as a director of the Corporation on August 4, 2015 and was not eligible to make a DSU election for 2015.

(3) The number of DSUs held by Mr. Nocente at December 31, 2015 is 13,064 with a market value of $29,525. During 2015, Mr. Nocente was awarded 191 DSUs as dividend equivalents, which are excluded from the total presented in the table above.

(4) The number of DSUs held by Mr. Waites at December 31, 2015 is 47,904 with a market value of $108,263. During 2015, Mr. Waites was awarded 740 DSUs as dividend equivalents, which are excluded from the total presented in the table above.

Additional Information

Indebtedness of Directors, Executives and Senior Officers

As at the date hereof, there was no indebtedness in respect of the purchase of securities and other indebtedness owed to us or any of our subsidiaries (other than routine indebtedness) or to another entity where the indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement provided by us or any of our subsidiaries, by present and former executive officers, directors and employees of the Corporation or any of our subsidiaries.

As at the date hereof and since the beginning of our most recently completed financial year, there was no indebtedness in respect of the purchase of securities and no other indebtedness owed to us or any of our subsidiaries (other than routine indebtedness) or to any other entity where the indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement provided by us or any of our subsidiaries, by any individual who is or was since the beginning of the recently completed financial year end a present or former executive officer or director of the Corporation, a proposed nominee for election as a director of the Corporation or an associate of any of the foregoing.

Directors' and Officers' Liability Insurance

Western has entered into indemnification agreements with certain of its directors, directors of its subsidiaries, and officers. There was no indemnification payable during the most recent financial year to any of Western's directors or officers.

Western maintains liability insurance for directors and officers in the aggregate amount of $75 million, subject to a deductible of $100,000. The premium, in the amount of $204,000, was paid with respect to the period from November 1, 2015 to November 1, 2016. Under this insurance coverage, the Corporation is reimbursed for indemnity payments made to directors or officers as required or permitted by law or under provisions of its by-laws. Such payments could be made to directors or officers to indemnify for losses, including legal costs, arising from acts, errors or omissions committed by directors and officers during the course of their duties as such. This insurance also provides coverage to individual directors and officers if they are not indemnified by the Corporation. The insurance coverage for directors and officers has certain exclusions including, but not limited to, those acts determined to be deliberately fraudulent or dishonest or to have resulted in personal profit or advantage.

Interest of Certain persons in matters to be acted upon

Other than as set forth in this Circular, none of our directors or executive officers, nor any person who has held such a position since the beginning of our last completed financial year, nor any of our proposed nominees for election as a director of the Board, nor any of their respective associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting (excluding the election of directors and the appointment of auditors).

Interest of Management and Others in Material Transactions

Other than as set forth in this Circular, we are not aware of any material interest, direct or indirect, of any informed person of the Corporation, any of our proposed nominees for election as a director of the Board, or any associate or affiliate of any of the foregoing, in any transaction which has been entered into since the commencement of our most recent completed financial year or in any proposed transaction which, in either case, has materially affected or will materially affect us or any of our subsidiaries.

Shareholder Engagement

The Board is committed to engaging actively with our shareholders. Shareholders may provide feedback to the Chairman or the Independent Lead Director, care of our Corporate Secretary, at the address set out below.

Western Forest Products Inc.
510 – 700 West Georgia St.
TD Tower, P.O. Box 10032
Vancouver, BC V7Y 1A1
Attention: Corporate Secretary
Email: corporatesecretary@westernforest.com

RECENT CORPORATE GOVERNANCE INITIATIVES

Below is a summary of recent key actions the Nominating and Corporate Governance Committee, Management Resources and Compensation Committee and the Board have taken to address feedback received through engagement with shareholders and to enhance Western's corporate governance to meet evolving best practices in Canada:

INITIATIVE	STATUS
Independent Lead Director	The independent directors appointed Mr. Nocente as Independent Lead Director in August 2015, to provide independent leadership to the Board and preside over the in camera meetings of the independent directors.
Independence of the Board	A majority (83%) of non-executive directors are independent. The total number of independent directors was increased to five with the appointment of Ms. Bird to the Board in August 2015.
Gender Diversity of Directors and Senior Leadership	Western has not adopted any fixed targets or quotas with respect to gender diversity; however, the representation of women on the Board and senior leadership has increased with the appointment of Ms. Bird to the Board in August 2015, and with the additions to the senior leadership team of Ms. Shannon Janzen and Ms. Jennifer Foster in January and December 2015, respectively.
Director Compensation Benchmarking	In 2015, Willis Towers Watson was engaged to benchmark the Corporation's total director compensation in comparison to a peer comparator group. The Corporation implemented changes to increase its total director compensation to the 33rd percentile of its peer comparator group.
Board Evaluation Policy	The Board expanded on and formalized its annual director assessment requirements through the adoption of a written Board evaluation policy.
Director Equity Ownership Guidelines	To better align director objectives with those of shareholders, the Corporation's Equity Ownership Guidelines were extended from its executives to include non-executive directors beginning in 2016.
Director Over-boarding Policy	In the recent transition of the Corporation's directors, evaluation metrics for potential director candidates have included an assessment of their time available to effectively represent shareholders' interests. Consistent with this approach, in February 2016, the Board chose to implement a policy limiting the public company directorships that may be held by each director.
Eliminating Option Repricing Provision	The Corporation has never repriced its outstanding Options; however, the ability to do so existed, without the need for Shareholder approval in certain circumstances, in the Corporation's Option Plan until March 2016, when the Corporation received approval from the Toronto Stock Exchange to amend its Option Plan to eliminate the Board's ability to reprice options in any circumstance, without Shareholder approval.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the members of the Board who are elected by and are accountable to the shareholders, and takes into account the role of management who are appointed by the Board and who are charged with ongoing management of the Corporation. The Board encourages sound corporate governance practices designed to promote the well-being and ongoing development of the Corporation, having always as its ultimate objective our best long-term interests and the enhancement of value for all shareholders. The Board also believes that sound corporate governance benefits our employees and the communities in which we operate.

The Board is of the view that our corporate governance policies and practices, outlined below, are comprehensive and consistent with the corporate governance guidelines outlined in National Policy 58-201, *Corporate Governance Guidelines*.

MANDATE OF THE BOARD OF DIRECTORS

The Board oversees the management of our affairs either directly or through its standing committees as described below. In doing so, the Board acts at all times with a view to the best interests of Western and our shareholders. The responsibilities of the Board and each committee of the Board are set out in written charters. A copy of the Board's charter is attached as Appendix A to the Information Circular.

In fulfilling its mandate, the Board is responsible, among other matters, for the following: reviewing our overall long-term business strategies and the Corporation's annual business plan; reviewing our principal business risks to assess whether these risks are within acceptable limits and the appropriate systems are in place to manage these risks; reviewing major strategic initiatives to determine whether our proposed actions accord with long-term shareholder objectives; appointing the Chief Executive Officer and other members of senior management and reviewing succession planning; assessing management's performance against approved business plans; reviewing and approving the reports issued to shareholders, including annual and interim financial statements; promoting the effectiveness of the board of directors; and safeguarding shareholders' interests.

MEETINGS OF THE BOARD

The Board meets at least once each quarter and once following the annual general meeting, with additional meetings held when appropriate. During 2015, there were five regularly scheduled meetings and three meetings to review specific matters. Four regular meetings are scheduled for 2016. Meeting frequency and agenda items may change depending on the opportunities or risks faced by the Corporation. The agenda for regularly scheduled Board meetings is prepared by the Chairman.

MEETINGS OF THE INDEPENDENT DIRECTORS

The independent directors hold an in camera session, without management and non-independent Board members in attendance, at every quarterly meeting of the Board. The Independent Lead Director (as defined below under "Independent Lead Director") presides at each of these sessions. The only meetings at which the Board may not meet without management and non-independent Board members are special meetings. The Corporation's independent Board members met separately at the four regularly scheduled quarterly Board meetings held during 2015.

SIZE, COMPOSITION AND INDEPENDENCE OF THE BOARD

The Board currently consists of seven directors, all of whom will be standing for re-election at the Meeting. This is within the minimum and maximum number range set out in our articles, and which the Corporation considers to be appropriate at this time. A majority of the directors are independent within the meaning of NI 58-101 (as defined below under "Executive Compensation"), being Mr. Arthurs, Ms. Bird, Mr. Nocente, Mr. Shineton, and Mr. Waites.

The Board reviewed the relationships between each of its director nominees and the Corporation and has determined that the proposed list of director nominees fairly represents the share ownership interests in the Corporation and the requirements for director independence under Canadian securities legislation. In reaching this conclusion, the Board considers that Mr. Demens is related to the Corporation due to his position as Chief Executive Officer of the Corporation. Effective January 1, 2011, Mr. Doney, who had since November 2008 acted in a non-executive capacity as Vice Chairman of the Board and effective February 21, 2014 as Chairman of the Board, began providing certain management services to the Corporation under a consultancy arrangement; accordingly he is not considered an independent director. It is the policy of the Board that all Board meetings and committee meetings include an in camera session without the presence of management and related directors. In the case of the Audit Committee, each meeting includes a session with only the external auditors and the committee members.

For the attendance record of each director for all Board meetings during 2015, see the section titled “Attendance at Board and Committee Meetings Held” above.

INDEPENDENT LEAD DIRECTOR

Mr. Daniel Nocente was appointed the Independent Lead Director on August 4, 2015. The Board elected to create an Independent Lead Director role in 2015 to strengthen the independence of its Board leadership. The Board has developed a written position description for the Independent Lead Director to ensure separation of the Chairman’s and the Independent Lead Director’s respective roles and responsibilities, which are as set out below.

Mr. Nocente’s responsibilities include (a) providing effective leadership so that the Board can function independently of management by requiring that the independent directors meet regularly, (b) presiding over all meetings of the Board at which the Chairman, if any, is not present, including independent directors’ meetings; (c) serving as liaison with the other independent directors; (d) consulting with the Chairman, Chief Executive Officer and Chief Financial Officer regarding meeting agendas and information sent to the Board; (e) ensuring that he is available for consultation and direct communication with shareholders; and (f) notifying other members of the Board regarding any legitimate shareholder concerns of which he becomes aware.

COMMITTEES OF THE BOARD

Board committees assist in the effective functioning of the Board. All Board standing committees are comprised primarily of independent directors, which ensures that the views of independent directors are effectively represented. The Board currently has four standing committees, the membership of which is summarized below, as at March 31, 2016:

Committee	**Arthurs**	**Bird**	**Doney**	**Nocente**	**Shineton**	**Waites**
Audit Committee	Chair			X		Vice-Chair
Environmental, Health and Safety Committee	X		X		Chair	X
Nominating and Corporate Governance Committee	X	Chair		X		X
Management, Resources and Compensation Committee	X			Chair	X	

The roles and responsibilities of each committee chair are delineated in the committee charters, which are available on the Corporation’s website at www.westernforest.com.

In addition to these standing committees, special committees may be formed from time to time as required to review particular matters or transactions. All Board members have an open invitation to attend any committee meeting.

AUDIT COMMITTEE

The Audit Committee assists the Board in meeting its fiduciary responsibilities relating to corporate accounting and reporting practices. The Audit Committee is responsible for reviewing our quarterly and annual financial statements and management's discussion and analysis prior to their approval by the Board and release to the public. The Audit Committee is also responsible for appointing our external auditors, subject to the approval of the Board and shareholders, and for pre-approving the fees associated with any non-audit work to be performed by the external auditors. Each meeting of the Audit Committee includes a session with only the external auditors and the committee members. The Board reviews the terms of reference of the Audit Committee on a regular basis and updates such terms of reference as legislation governing audit committees changes and best practices are established. The Board considers all three members of the Audit Committee to be independent and financially literate under the standards established by Canadian securities regulatory authorities in National Instrument 52-110, *Audit Committees*. Additional information on the Audit Committee, including the Audit Committee's charter can be found in our Annual Information Form, under the heading "Audit Committee", which is posted on our website at www.westernforest.com or can be found on SEDAR at www.sedar.com.

ENVIRONMENTAL, HEALTH AND SAFETY COMMITTEE

The mandate of the Environmental, Health and Safety Committee ("EH&S") is to assist the Board in carrying out its responsibilities with respect to environmental, health and safety issues. The EH&S reviews compliance with relevant Board resolutions and with our environmental, health and safety policies, and assesses the effectiveness of our environmental management processes and health and safety programs including the review of internal audits of these processes and programs. A copy of the EH&S charter can be found on our website at www.westernforest.com.

MANAGEMENT RESOURCES AND COMPENSATION COMMITTEE

The Management Resources and Compensation Committee ("MRCC") assists the Board with respect to our compensation and benefits policies and practices. In particular, the MRCC: recommends to the Board persons to be appointed as our executive officers; assesses the performance of the Chief Executive Officer against agreed-upon targets and recommends his compensation to the Board; approves the compensation levels for other executive officers; reviews overall compensation plans for executive officers and recommends changes thereto to the Board; and oversees the funding, investment management and administration of our employee retirement plans, as delegated to our Pension Advisory Committee, which is not a Board committee. All of the members of this committee are independent. A copy of the Management Resources and Compensation Committee charter can be found on our website at www.westernforest.com.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

The Nominating and Corporate Governance Committee ("NCGC") is responsible for assisting the Board in the development and monitoring of our corporate governance practices. Its duties include the identification and recommendation of potential nominees or appointees to the Board, and the assessment of the effectiveness of the Board, its size and composition, its structure and the individual performance of its directors. The NCGC also has responsibility for the review of our Disclosure Policy and Code of Business Conduct and Ethics. All of the members of this committee are independent. A copy of the NCGC charter can be found on our website at www.westernforest.com.

DIRECTOR OVER-BOARDING

Certain of our directors serve as directors on boards of other reporting issuers in Canada or a foreign jurisdiction as set out below:

Director	Jane Bird	Daniel Nocente	Barrie Shineton	Michael T. Waites
Reporting Issuer	IBI Group Inc.	Savary Gold Corp.	Norbord Inc.	HudBay Minerals, Inc. Repsol Oil & Gas Canada Inc.

To ensure our Board remains strongly independent and that all directors are able to properly discharge their duties to act effectively and in the best interests of the Corporation, the Board actively reviews the number of outside boards on which any one director sits. Specifically, the Board has determined that:

- Maximum directorships: directors are limited in the number of boards of directors on which they serve to no more than four public company boards, including the Corporation.

- Maximum directorships for the Chief Executive Officer: the Chief Executive Officer is limited in the number of boards of directors on which he or she serves to no more than two public company boards, including the Corporation.

All the proposed nominees, who are the current directors, meet the foregoing guidelines. The Board is fully satisfied that each director has sufficient time, attention and ability to devote the time required to be a high-performing contributor to the Board. Each director has demonstrated the necessary commitment to do so as is evidenced by the attendance record.

As at March 31, 2016, no members of the Board served together on the board of any other public company.

BOARD RENEWAL AND DIRECTOR TERM LIMITS

The term of each director expires at the end of each annual general meeting of shareholders, or when his or her successor is elected or appointed to the Board. The Corporation does not otherwise have an established term limit for its directors or a retirement policy. The Board, including in particular the NCGC, considers the criteria and process mentioned under "Board Evaluation" below an effective basis to assess board renewal and, as a result, has 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 longest serving directors, Mr. Arthurs and Mr. Doney, who have been on the Board for 11 years, the other four non-executive directors have been on the Board for less than two years. Due to recent turnover of a significant component of the Board, the NCGC considers the establishment of term limits for its directors as a counter-productive governance initiative at this time. Furthermore, it recognizes that considerable Corporation and industry-specific knowledge is gained over a consistent tenure with the Board and therefore seeks to retain this skill set among its Board members unless circumstances otherwise require.

NOMINATION OF DIRECTORS

Each year, the NCGC reviews the composition of the Board, assesses Board performance and the contributions of individual directors and, if appropriate, identifies new candidates and makes recommendations to the Board for nominees for election as directors. In that regard, the committee considers: the competencies and skills that are considered to be necessary for the Board, as a whole, to possess; the competencies and skills that each existing director possesses; the competencies and skills each new nominee will bring to the boardroom and whether the nominees can devote sufficient time to the Corporation and the Board; and the performance of existing directors.

GENDER DIVERSITY

The Corporation has not adopted a written policy relating to the identification and nomination of female director nominees or executive officer candidates. However, when identifying new candidates for nomination to the Board, the NCGC takes into account a broad variety of factors it considers appropriate, including skills, independence, financial acumen, board dynamics and personal characteristics, including gender. In addition, diversity in perspective arising from personal, professional or other attributes and experiences is considered when identifying potential director candidates. In the process of identifying candidates for executive officer appointments, the Corporation does consider whether its senior executive group consists of persons with sufficiently diverse and independent backgrounds.

The Corporation does consider gender diversity to be important and believes that its current framework for evaluating Board and executive officer candidates takes into account gender diversity. The priority of the Corporation in recruiting new candidates is ensuring individuals bring value to the Corporation and its shareholders by possessing a suitable mix of qualifications, experience, skills and expertise.

The Board currently has one female director and two women in executive officer roles within the Corporation's organization. The Corporation does not currently intend to adopt targets for female nominee directors or executive officers as the composition of the Board and the senior executive group is based on a broad variety of factors the Corporation considers appropriate. It is ultimately the skills, experience, characteristics and qualifications of the individual that are most important in assessing the value the individual could bring to the Corporation.

Ms. Bird was appointed as an independent director on August 4, 2015. The search for qualified individuals is an ongoing process, regardless of whether there is a vacancy on the Board of Directors, and the NCGC, having identified a qualified candidate with the right fit and a strong skill set, complementary to the skills of the other directors of the Corporation, decided to recommend her appointment. This appointment brought the number of directors to seven, and increased female representation on the Board to one out of six non-executive directors (approximately 17%). The Board is of the view that its size and composition are adequate and allow for efficient functioning of the Board as a decision making body.

DIRECTOR ORIENTATION AND CONTINUING EDUCATION

The Board has established an orientation and continuing education program for directors to ensure they are equipped to fulfill their roles. New directors are provided with comprehensive information about the Corporation prior to their appointment that includes annual reports, management information circulars and strategic and operating plans. Shortly after becoming a director, new directors are invited to tour our operations and spend time at the head office for personal briefings by senior management on our strategic plan, major risks and other key business matters.

Informative updates by appropriate senior management and consultants on our business, operations and products are regularly scheduled for presentation to directors to help them understand our business environment, strategies and operations. In addition, all directors have the opportunity to meet and participate in work sessions with management to obtain further insight into the operations and our business. Directors also receive and review materials on industry trends and regulatory updates from management and other sources on a regular basis. Periodically, directors are invited to visit our operations at various locations to tour the facilities and to meet with employees and local officials.

Directors are free to consult with members of management, whenever they so require, and to engage outside advisors at the expense of the Corporation subject to approval of the Chairman or a majority of the independent Board members. Directors may participate in outside professional development programs approved by the Chairman at the expense of the Corporation. Each committee is also authorized to engage outside advisers at the Corporation's expense.

Board Evaluation

The Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. The assessment considers: (a) compliance with the Board's mandate; (b) the charter of each committee of the Board; and (c) the competencies and skills that the individual director brings to the Board.

The Board has a process to annually assess its effectiveness, the effectiveness of its committees, the Chairman of the Board, the committee chairs and individual directors. This review process relates directly to the description of the duties and responsibilities of the Board of Directors and to the mandate of its committees and of the Independent Lead Director.

This process is under the supervision of the NCGC and the Chairman of the Board and is comprised of the following steps:

- The following questionnaires are prepared by the Corporate Secretary and approved by the NCGC and the Chairman of the Board, taking into account current issues, the findings of previous years and input from the Board of Directors:
    - Board and committee performance evaluation questionnaires, including a self-assessment by individual directors;
    - Chairman of the Board evaluation questionnaire; and
    - Chairman of committee evaluation questionnaires.
- Each questionnaire is then sent to every director and a complete set of the responses is forwarded to the Chairman of the Board, except for the responses to the evaluation questionnaire relating to the Chairman of the Board, which is forwarded directly to each of the chairs of the NCGC and the MRCC.
- Following receipt of the completed questionnaires, the Chairman of the Board contacts every director and conducts confidential one-on-one meetings. The purpose of these meetings is to discuss the answers received from and in respect of each director, to take into account any comments which the director may have and to review the self-evaluation of each director. One of the NCGC or MRCC chairs also discusses individually with each director his or her responses and comments on the Chairman of the Board evaluation questionnaire.
- Reports are then made by the Chairman of the Board, and the NCGC and MRCC chairs to the Board of Directors, with suggestions to improve the effectiveness of the Board of Directors, Board committees, Chairman of the Board and committee chairs, and separately to individual directors in respect of their personal performance and peer feedback.
- The Chairman of the Board and committee chairs take into consideration the overall results and suggestions derived from the annual Board performance assessment in order to improve the functioning and activities of the Board and Board committees.

From time to time as determined by the NCGC, the annual Board evaluation process may be supplemented to include assessment by an independent, third party board evaluation specialist.

Compensation

See the section titled "Director Compensation" starting on page 11 for descriptions of the process by which the Board determines the compensation for the Corporation's directors.

BOARD AND MANAGEMENT RESPONSIBILITIES

The Board has developed written position descriptions for the Chairman of the Board and the Chairman of each Board committee. In addition, the Board and Chief Executive Officer have developed a written position description for the Chief Executive Officer. The duties and responsibilities of the Chairman and Chief Executive Officer are set out in the Board's mandate attached as Appendix A to this Circular. Our Board has also developed and approved the corporate goals and objectives that the Chief Executive Officer is responsible for meeting.

Effective February 21, 2013, the positions of Chairman of the Board and Chief Executive Officer were separated. These positions are currently held by Lee Doney and Donald Demens, respectively. Additionally, the independent directors meet without management in attendance as they see necessary. Standing board committees are comprised primarily of independent directors (all directors are independent with the exception of Mr. Doney and Mr. Demens).

The Chairman is generally responsible for managing the affairs of the Board and ensures that the functions identified in its mandate are being carried out effectively. In addition the Chairman is responsible for:

- preparing the agenda for each Board meeting in consultation with the Chief Executive Officer and Chief Financial Officer;
- ensuring that all directors receive the information required for the proper performance of their duties;
- presiding over all meetings of the Board and ensuring that there is adequate time for discussion of relevant issues and for members of the Board to meet without the presence of management;
- ensuring that the appropriate committee structure is in place and assisting the NCGC in recommending appointments to such committees;
- together with the NCGC, leading the annual review of directors, Board committees and Board performance and making recommendations for changes when appropriate; and
- monitoring progress on corporate governance, corporate performance and to represent the Corporation to external stakeholders.

The Chief Executive Officer provides leadership for the Corporation and is generally responsible for managing the operation, organization and administration of the Corporation, subject to approved policies and direction by the Board. The responsibilities of the Chief Executive Officer include: providing vision and leadership for the Corporation; presenting a strategic plan together with the business and financial plans for the Corporation to the Board for approval; managing the business operations in accordance with the strategic and operational policies as approved by the Board; acting as the primary spokesperson for the Corporation to all its stakeholders; presenting to the Board for annual approval an assessment of the Corporation's management resources together with recommendations on appropriate rewards and incentives; developing and implementing the systems and processes to support the policies established by the Board and reporting non-compliance to the Board on a timely basis; and fostering a corporate culture that promotes ethical practices and encourages individual integrity and social responsibility.

MANAGEMENT'S RELATIONSHIP TO THE BOARD

The primary responsibility of management is to safeguard Western's assets and to create value for its shareholders. In the event that management's performance is found to be inadequate, the Board has the responsibility to bring about change to enable the Corporation to perform satisfactorily.

Our senior management reports to and is accountable to the Board. At its meetings, the Board regularly engages in a private session with the Chief Executive Officer without other members of management present. The Board also meets independently of management at every meeting.

MANAGEMENT ACCOUNTABILITY

The Board believes in the importance of developing strategic and operating plans to ensure the compatibility of shareholder, Board and management views on direction and performance targets, and the effective utilization of shareholder capital. Each year, the Board reviews the strategic initiatives and annual plan submitted by senior management. The Board's approval of the annual plan provides a mandate for senior management to conduct our affairs within the terms of the plan, knowing it has the support of the Board. Material deviations from the plan are reported to and considered by the Board.

BOARD AND COMMITTEE INFORMATION

The information provided by our management to the Board is critical to the Board's effectiveness. In addition to reports presented to the Board and its committees at regular meetings, the Board is also informed on a timely basis by management of corporate developments and key decisions taken by management in pursuing Western's strategic plan and objectives. The Board periodically assesses the quality, completeness and timeliness of information provided by management to the Board.

CODES OF BUSINESS CONDUCT

The Board has adopted two written codes of conduct (the "Codes"), an Employee Code of Conduct for employees and a Code of Business Conduct and Ethics for directors and officers, prescribing the minimum moral and ethical standards of conduct required of all directors, officers and employees of the Corporation and its subsidiaries.

These Codes address the following matters:

(a) conflicts of interest, including transactions and agreements in respect of which a director or executive officer has a material interest;

(b) protection and proper use of corporate assets and opportunities;

(c) confidentiality of corporate information;

(d) fair dealing with our security holders, customers, suppliers, competitors and employees;

(e) compliance with laws, rules and regulations; and

(f) reporting of any illegal or unethical behaviour.

A copy of the Code of Business Conduct and Ethics for directors and officers can be found on our website at www.westernforest.com or can be found on SEDAR at www.sedar.com.

We provide, on an annual basis, a copy of the Employee Code of Conduct to all salaried employees who are required to sign an acknowledgment that they have received, read and understand the contents of the Employee Code of Conduct and agree to adherence to its principles. All violations of law or of the Employee Code of Conduct must be reported. As part of the Employee Code of Conduct, we have implemented a Compliance and Code of Conduct Hotline, allowing directors, officers, employees, customers and suppliers to report, in confidence, a violation of law, the Employee Code of Conduct, or any other ethical concerns through an independent third-party ethics reporting system, called "Global Compliance".

The NCGC oversees compliance with each of the Codes and policies, authorizes any waivers and confirms with management the appropriate disclosure of any waiver. Where appropriate, the Committee will also cause an investigation of any reported violation of the Code of Business Conduct and Ethics and oversee an appropriate response to any violation. The Chief Executive Officer promotes compliance with the Employee Code of Conduct, causes an investigation of any reported violations to be undertaken and determines an appropriate response to any violation.

Certain directors are directors or officers of other corporations and, to the extent that such other corporations may participate in transactions or other ventures in which we may participate, the directors may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Board requires that directors provide disclosure to it of all boards and committees that they are members of, and all offices held at, other issuers. Western also requires conflicts of interest to be disclosed to our Code of Business Conduct and Ethics contact person and reported to the NCGC. In the event that a conflict of interest arises, a director who has such a conflict is required under the CBCA to disclose the conflict and (except in limited circumstances permitted by the CBCA), to abstain from voting for or against the approval of the matter. In addition, in considering transactions and agreements in respect of which a director has a material interest, our Board will require that the interested person absent himself from portions of Board or committee meetings so as to allow independent discussion of points in issue and the exercise of independent judgment. In appropriate cases, we may also establish a special committee of independent directors to review a matter in respect of which directors or management may have a conflict.

COMMUNICATION POLICY

We have adopted a Communication Policy that summarizes the policies and practices regarding disclosure of material information to the public, investors, analysts and the media. The purpose of this policy is to ensure that our communication with the investment community is timely, consistent and in compliance with all applicable securities legislation. The Communication Policy is reviewed annually.

We endeavour to keep our shareholders informed of our progress through a comprehensive annual report, quarterly interim reports and periodic press releases. The Corporation also maintains a web site that provides summary information on Western and ready access to its published reports, press releases, statutory filings and supplementary information provided to analysts and investors. Directors and management meet with our shareholders at the Annual Meeting. Senior management is available to answer questions either directly or via e-mail. Shareholders who wish to contact the Chairman or other Board members can do so directly or through our Corporate Secretary.

We maintain an investor relations program to respond to inquiries in a timely manner. Management meets on a regular basis with investment analysts and financial advisors to ensure that accurate information is available to investors on our financial results. We also endeavour to ensure that the media are kept informed of developments as they occur, and have an opportunity to meet and discuss these developments with our designated spokespersons.

EXECUTIVE COMPENSATION

COMPOSITION AND MANDATE OF THE MANAGEMENT RESOURCES AND COMPENSATION COMMITTEE

In accordance with its terms of reference, all members of the MRCC of the Board are independent directors under the standards established by Canadian securities regulatory authorities in National Instrument 58-101, *Disclosure of Corporate Governance Practices* ("NI 58-101"). The independent directors hold in camera sessions without management present as a matter of practice at each regularly scheduled Committee meeting.

Our executive compensation program is administered by the MRCC. As part of its mandate, the MRCC makes recommendations to the Board with respect to the compensation of the Chief Executive Officer and reviews and approves the compensation of all other executive officers including the Chief Financial Officer and the next three most highly compensated executive officers included in the Summary Compensation Table on page 34 (collectively, the "Named Executive Officers" or "NEOs"). The MRCC is also responsible for reviewing the design and general competitiveness of our compensation and benefit programs and recommending any changes to the Board.

As at the date of this Circular, the MRCC is comprised of Mr. Nocente (Chairman), Mr. Arthurs, and Mr. Shineton. Each of these individuals has held senior executive roles which have included involvement in executive compensation issues. None of the members of the MRCC is an officer, employee or former officer of the Corporation or is eligible to participate in our executive compensation programs. The MRCC members have diverse professional backgrounds as discussed in their respective biographies provided at pages 6 to 9.

The MRCC, in accordance with its terms of reference, meet as required to monitor and review management compensation policies, management succession planning and to review the overall composition and quality of our management resources. In addition, the MRCC oversees the funding, investment management and administration of our employee retirement plans. The MRCC met six times during 2015.

Our Chief Executive Officer is not a member of the MRCC but does make recommendations to the MRCC with respect to the Corporation's compensation policy and regarding compensation paid to senior officers.

ADVISORY VOTE ON EXECUTIVE COMPENSATION: "SAY ON PAY"

The Corporation continues to undergo a transition following the September 2014 departure of its former majority shareholder. Operational growth aside, this transition has included significant change to key management personnel and the departure and replacement of three long-standing directors of the Corporation. The reconstituted Board and its standing committees have since engaged in re-evaluating and updating the Corporation's strategy and practices, as necessary, including as they relate to executive compensation philosophy.

The MRCC and Board considered implementing an advisory vote on executive compensation for the Meeting. Given the extent of transition of existing corporate governance practices and compensation philosophy, it was determined by the Board that such an advisory would not be taken until the Corporation had executed its related planned actions and adequately communicated the nature and extent of that repositioning, as is presented in this Circular. The Board intends to adopt an advisory vote on executive compensation for the Corporation's 2017 annual general meeting.

COMPENSATION DISCUSSION AND ANALYSIS

ACTIONS TAKEN IN 2015

Under the direction of past Board leadership, the Corporation administered a compensation philosophy whereby senior executives received below market annual cash compensation, with long-term incentives (delivered 100% in Options) used to ensure total compensation was broadly competitive. This approach was adopted to preserve cash as the Corporation, along with the forestry industry as a whole, experienced highly challenging market conditions.

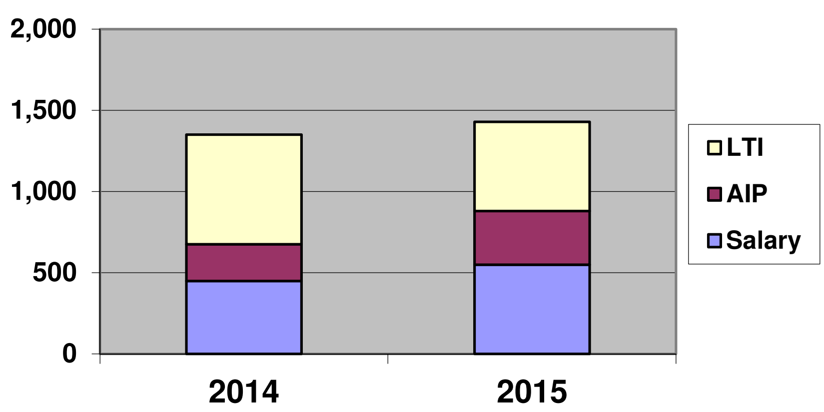
Having successfully repositioned the business for growth, the Corporation needs to attract highly qualified talent to execute its strategy. As the reconstituted Board began to evaluate its executive compensation, it became apparent that the existing compensation philosophy limited the Corporation's ability to attract the calibre of candidates required. This conclusion prompted a review of our compensation programs to ensure their suitability for the Corporation's next stage of growth and its long-term success.

Upon recommendation from the MRCC, the Board approved the following changes to executive compensation programs effective for 2015:

- Rebalancing compensation away from an emphasis on Options towards a more balanced mix of salary, annual incentives and long-term incentives to improve competitiveness relative to the Corporation's comparator group, while retaining strong emphasis on long-term performance;
- Introducing a performance share unit ("PSU") program to the Long-Term Incentive ("LTI") Plan alongside a reduction in the value of Options granted to executives;
- Establishing a supplemental retirement program to more closely align with the retirement programs available among the comparator group; and
- Introducing equity ownership guidelines, an anti-hedging policy and a clawback policy to bring the Corporation's compensation governance more in line with the practices of leading Canadian companies.

Following these changes, overall compensation levels are not significantly different year-over-year as illustrated below by the target total direct compensation (the sum of base salary plus target Annual Incentive Plan ("AIP") award plus target LTI awards) of the Corporation's Chief Executive officer in 2014 and 2015.

Target Total CEO Direct Compensation



Compensation Objectives and Philosophy

The objective of the Corporation's compensation philosophy is to attract, develop, motivate and retain high performing individuals who are capable of delivering the next stage of our development. Our compensation program emphasizes variable pay designed to align with corporate performance and the experience of shareholders. Compensation levels are assessed on a holistic basis to include salary, short- and long-term incentives and benefit programs with total compensation targeted in a range around the median of the Corporation's comparator group.

Competitive Market Assessments

The MRCC periodically reviews market compensation levels to determine whether total compensation for the Corporation's executive officers remains in the targeted median pay range, and makes adjustments when necessary. This review includes assessment of base salary, annual incentives, long-term incentives, and a qualitative assessment of the value of retirement programs.

The most recent assessment was undertaken in late 2014 and completed in 2015 as part of which the MRCC established a new comparator group comprised of Canadian forest and paper product companies (listed below) with annual revenue and market capitalization between $250 million and $4 billion.

Acadian Timber	Interfor Corporation
Ainsworth Lumber Co. Ltd. (1)	Norbord Ltd.
Canfor Corporation	Mercer International Inc.
Canfor Pulp Products	Resolute Forest Products Inc.
Catalyst Paper Corporation	Stella-Jones Inc.
Conifex Timber Inc.	Tembec Inc.
Domtar Corporation	West Fraser Timber Co. Ltd.

(1) Ainsworth Lumber Co. Ltd. merged with Norbord Ltd. on April 1, 2015 but was included at the time of this analysis.

In addition to the current pay practices of this group, from time to time, the MRCC reviews various pay surveys, including surveys of pay practices of forest products companies and comparably-sized manufacturing companies, along with general industry data for similar size companies. This information, when available, is considered by the MRCC in determining the total compensation to be paid to each executive officer.

Role of Compensation Consultant

From time to time, the MRCC uses an independent consultant to provide expert, objective advice on compensation matters. In 2015, the MRCC retained consultant Willis Towers Watson to assist in ensuring that compensation practices aligned with the Corporation's compensation philosophy. Aggregate fees for director and executive compensation services provided by Willis Towers Watson in 2015 and 2014 are as follows:

Compensation related fees	2015	2014
Willis Towers Watson	$103,933	$35,513

Risk Management and Governance

The MRCC considers the implications of the risks associated with our compensation policies and practices, including the significant component of each executive's compensation that is variable and therefore at-risk. In order to mitigate any incentive to undertake inappropriate or excessive risk taking, the MRCC considers the balance between long-term objectives and short-term financial goals incorporated into our executive compensation program. Risks, if any, may be identified and mitigated through regular meetings of the MRCC and the Board. No risks have been identified arising from our compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

The following policies have been adopted to mitigate risks associated with our compensation program.

Diversified pay mix and performance measures

Western uses two LTI vehicles to reward both share price and corporate performance over the mid- to long-term (i.e. three to a maximum 10 years). This approach encourages executives to adopt a long-term view of performance. Additionally, overlapping PSU and stock option performance vesting periods reward sustained performance and provide equity at different share prices reflecting the experience of shareholders.

Equity ownership guidelines and disclosure

Minimum equity ownership requirements for the Corporation's executive officers were introduced in 2015 to align executive officer interests with those of our shareholders. Ownership levels must be met by the later of March 13, 2020 or within five years of becoming an executive officer. Equity ownership value as a multiple of base salary is set at 3 times for the Chief Executive Officer, 1.25 times for the Chief Financial Officer, and 1 time for other Vice Presidents of the Corporation. These guidelines are subject to MRCC discretion to ensure no unintended consequences arise. Qualifying equity for the purposes of the equity ownership requirements include Common Shares and DSUs under the Corporation's DSU Plan. The table below summarizes equity holdings for each of the Corporation's NEOs at December 31, 2015.

Named Executive Officer	**Equity Ownership Requirement**(1)	**Number**		**Value**(2)		**Ownership Requirement Met?**(3)
		Shares	*DSUs*	*Shares*	*DSUs*	
Donald Demens	3.00x	-	213,513	-	$496,185	- / 0.9x
Stephen Williams	1.25x	58,500	-	$132,210	-	- / 0.3x
Rick Forgaard	1.00x	40,500	-	$91,530	-	- / 0.3x
Michael Cass	1.00x	-	17,130	-	$39,992	- / 0.1x
Anton Peiffer	1.00x	30,000	-	$67,800	-	- / 0.4x

(1) Compliance with the equity ownership requirement is calculated on the greater of the current market value and the grant or acquisition date value of eligible securities.

(2) Based on the Corporation's closing price per Common Share of $2.26 as at December 31, 2015 and subject to (1) above.

(3) Executive equity ownership guideline must be met by the later of March 13, 2020 or within five years of becoming an executive.

Hedging

All executive officers are prohibited from trading in our securities or entering into transactions through participation in the Option Plan unless such transactions are executed and disclosed in full compliance with the Corporation's Code of Business Conduct and Ethics, Communication Policy, Insider Trading Policy and all relevant securities regulations and laws. An executive who violates these policies may face disciplinary action including possible termination of employment. The violation of these policies may also violate certain securities laws. If the Corporation discovers that an executive has violated any securities laws, the matter may be referred to the appropriate regulatory authorities, which could lead to penalties and fines.

Effective March 13, 2015, executive officers and directors are prohibited from purchasing financial instruments for the purpose of hedging or offsetting a decrease in market value of the Corporation's equity securities. Specifically, this policy prohibits the executive officers from engaging in the following transactions with respect to Common Shares: short sales, monetization of stock option awards before vesting, transactions in derivatives on Common Shares such as put and call options, any other hedging or equity monetization transactions where the individual's economic interest and risk exposure in the Common Shares are changed, such as collars or forward sale contracts.

To the knowledge of the Corporation, none of the NEOs or directors has purchased any such instruments for such purpose.

Clawback policy

Incentives paid and equity compensation vested can be clawed back at the Board's discretion where it determines that there has been misconduct resulting in a material restatement of the Corporation's financial results.

KEY ELEMENTS OF TOTAL COMPENSATION

Our executive compensation program includes the following elements:

Element	Objective	Details
Base salary	Compensation for experience and expertise	▪ Paid in cash ▪ Assessed annually
Annual incentive plan ("AIP")	Designed to incentivize executives to meet short-term corporate and individual goals	▪ Variable compensation paid in cash contingent on performance relative to established goals
Performance share units	Incentivizes executives to maximize medium-term corporate performance	▪ Variable compensation linked to the value of the Corporation's shares ▪ Settled in cash at the end of the 3-year performance term contingent on performance against targets
Options	Long-term alignment of shareholder performance and executive compensation	▪ Variable compensation with awards vesting 20% per year for 5 years ▪ Total term up to 10 years
Retirement program	Provide executives with income in retirement	▪ Defined contribution program
Other benefits	Offer market competitive benefits	▪ Medical, dental and insurance benefits

BASE SALARIES

Base salaries for executive officers are established with reference to market data and internal job classification as it relates to the contribution to our strategic and financial results. Base salaries of our executives are reviewed by the MRCC and approved by the Board annually to ensure that they reflect the contribution of each executive officer.

In 2015, the MRCC recommended and the Board approved salary increases for the NEOs to rebalance the Corporation's approach to total compensation. Salary increases in respect of 2015, as highlighted below, reflect the MRCC's decision to rebalance the manner by which Western provides total compensation.

Named Executive Officer	2014	2015	2016(1)
Donald Demens	$450,000	$550,000	$610,000
Stephen Williams	$300,000	$400,000	$420,000
Rick Forgaard	$275,000	$325,000	$340,000
Michael Cass	$205,000	$325,000(2)	$325,000
Anton Peiffer	$210,000	$192,000(3)	$192,000(3)

(1) Mr. Demens' salary increase is effective April 1, 2016. All other executive salary increases were effective February 17, 2016.

(2) Mr. Cass's 2015 salary figure reflects a July 1, 2015 compensation change in conjunction with his appointment as Vice President, Timberlands on May 19, 2015. Previous to this, Mr. Cass held the position Vice President, Human Resources.

(3) Mr. Peiffer's 2015 and 2016 salary figures reflect a reduced-hours working arrangement at 80% of full-time commencing July 2015, with a commensurate reduction in base salary. Mr. Peiffer retired effective March 31, 2016.

Revised executive salaries were set based on consideration of several factors including salaries paid to similar positions at Comparator companies as identified through the most recent market comparison assessment.

ANNUAL INCENTIVE PLAN

We provide target annual incentive compensation to all executive officers expressed as a percentage of base salary. The AIP is designed to foster an environment of continuous improvement based on key performance indicators of the business and to recognize collective and individual performance directly related to our financial and strategic goals.

AIP awards paid in 2016 in respect of 2015 performance

Amounts paid for 2015 were based on a combination of corporate and individual performance. Corporate performance is calculated using the Corporation's Return on Capital Employed ("ROCE"). ROCE is a non-IFRS measure (refer to page 41 for an expanded definition).

In order to align pay with performance of the Corporation, a minimum ROCE must be attained for payments to be made in respect of the AIP. In addition, for an employee to be eligible for an AIP award both the corporate and individual factors must achieve at least the minimum level of performance. For 2015, ROCE performance must be greater than 4% to result in a payment, with a maximum 200% payment for ROCE of 30% and above. Amounts paid for 2015 were based on the following formula:

Annual Salary x Target Award(1) % x [(2/3 x Company Factor) + (1/3 x Individual Factor)](2)

(1) Target awards, expressed as a percentage of base salary, have been established for all salaried employees. Target awards reflect competitive practices in the market for similar positions. Targets for executive officers ranged 45% to 60% of base salary for 2015. For all other salaried employees the target award ranges from 5% to 20%, depending on pay grade.

(2) The Company Factor will be zero if ROCE is 4% or less and will reach a maximum of 2.0 with a ROCE of 30% or above. The Individual Factor will be zero if performance is less than 0.6 (below expectations) and will reach a maximum of 2.0 (exceptional). For an employee to be eligible for an award, both the corporate and individual factors must achieve at least the minimum level of performance (defined as a ROCE of greater than 4% and an individual performance factor of 0.6 or higher). The MRCC reviews our financial performance as part of the award setting process.

Target and actual AIP awards for NEOs are summarized below:

Named Executive Officer	Range of AIP Opportunity	Target AIP Award %	Target 2015 AIP Award	Actual 2015 AIP Award
Donald Demens	0% to 120%	60%	$330,000	$320,000
Stephen Williams	0% to 110%	55%	$220,000	$250,000
Rick Forgaard	0% to 110%	55%	$178,750	$175,000
Michael Cass[1]	0% to 110%	55%	$151,325	$145,000
Anton Peiffer[1]	0% to 110%	55%	$118,764	$115,000

(1) Target awards have been revised to reflect changes in respect of base salary that arose in the year. See notes (1) & (2) under the base salary table on page 29 for more information.

LONG-TERM INCENTIVE PLAN

We believe it is important that the interests of executives be aligned with the interests of shareholders. Our LTI consists of a Stock Option Plan and Performance Share Unit plan that reward management based on increases in the value of the Corporation's Common Shares and also the achievement of key corporate performance objectives. The weighting between the two LTI vehicles, based on grant date award value, is 40% Options and 60% PSUs. Target LTI awards, as a percentage of base salary, for the NEOs and the resulting 2015 value at grant are as follows:

Named Executive Officer	**LTI Target Award** (as a % of salary)	2015 Grant Date Value
Donald Demens	100%	$550,000
Stephen Williams	70%	$280,000
Rick Forgaard	65%	$211,250
Michael Cass	60%	$135,000
Anton Peiffer	60%	$144,000

Stock Option Plan

Our Stock Option Plan was adopted in 2004 and is administered by the Board with the assistance of the MRCC in accordance with our compensation policies and the policies of the Toronto Stock Exchange ("TSX").

The purpose of the Option Plan is to advance the interests of the Corporation in the following ways:

- aligning the interests of executives and shareholders in the success of the Corporation through increases in the value of our Common Shares;
- providing an additional incentive in lieu of cash remuneration thereby encouraging retention of executives as a result of the vesting provisions; and
- attracting new executives by remaining competitive in terms of total compensation arrangements.

Executive officers are eligible to receive Options. The exercise price for stock options granted pursuant to the Option Plan is determined on the date of the grant, and the price may not be less than the market value. Options vest at the annual rate of 20% per year beginning on the first anniversary of the date of grant and have a maximum term of 10 years.

The Option Plan permits the granting of stock options up to a maximum of 20,000,000 Common Shares (representing approximately 5.1% of the issued and outstanding Common Shares as of the date hereof).

Performance Share Unit Plan

The Performance Share Unit Plan ("PSU Plan") was introduced in 2015 to complement the existing Option Plan by providing executives with an incentive linked to maximizing shareholder value as reflected in the share price, and performance of the Corporation against a key financial metric. PSUs are settled in cash with a payment at the end of the three-year performance period, in line with Canadian *Income Tax Act* regulations. The final value of PSUs that are cash-settled at the end of the performance period is determined based on a formula, as summarized below:

(Number of PSUs at grant + Additional PSUs equal to the value of accrued notional dividends) x Performance multiplier (0% to 200%) x Closing Common Share price at end of performance period

The performance multiplier for the 2015 PSU award is based on ROCE over a three-year period as follows:

ROCE	Performance multiplier
Below threshold of 10%	0%
Threshold of 10%	50%
Target of 15%	100%
Maximum 20% or higher	200%

For performance between threshold and maximum, the performance multiplier is determined by straight line interpolation.

Holders of PSUs are eligible to receive additional PSUs to reflect any cash dividend declared on Common Shares during the term of the participants' participation in the PSU Plan. The number of additional PSUs to be allocated is determined by dividing the aggregate dollar value of the declared dividend that would have been paid to the participants if the PSUs held by the participants on the relevant record date for dividends had been Common Shares, by the closing share price on the trading day immediately after the dividend date or record.

2015 Long-Term Incentive Awards

The Corporation's 2015 LTI awards were as follows:

Named Executive Officer	Options(1)		PSUs(2)		Total Grant Value
	Number	Grant Value	Number	Grant Value	
Donald Demens	523,810	$220,000	146,667	$330,000	$550,000
Stephen Williams	266,667	$112,000	74,667	$168,000	$280,000
Rick Forgaard	201,190	$84,500	56,333	$126,750	$211,250
Michael Cass	128,571	$54,000	36,000	$81,000	$135,000
Anton Peiffer	137,143	$57,600	38,400	$86,400	$144,000

(1) Stock option grant date value was $0.42 per unit. Refer to note 3 under the Summary Compensation Table on page 34 for more details on stock option valuation.

(2) PSU grant date value was $2.25 per unit calculated as the 20-day volume weighted average closing market value of Common Shares on the date of grant.

DEFERRED SHARE UNIT PLAN

The DSU Plan was closed to executives as of January 1, 2015. Prior to this, designated executives were able to elect to receive all or a portion of their AIP compensation in the form of DSUs. Executives were required to make an irrevocable election to participate in the DSU Plan prior to the end of each fiscal year to which the AIP compensation applied. Remaining DSUs held by executives continue to be governed by the terms of the DSU Plan.

Holders of DSUs are eligible to receive additional DSUs to reflect any cash dividend declared on Common Shares during the term of the participants' participation in the DSU Plan. The number of additional DSUs to be allocated is determined by dividing the aggregate dollar value of the declared dividend that would have been paid to the participants if the DSUs held by the participants on the relevant record date for dividends had been Common Shares, by the market price on the payment date of such dividend.

As DSUs are only paid out in the year following termination of employment, those executives holding DSUs remain eligible for additional DSUs to reflect dividends declared on Common Shares. In 2015, the NEOs received 8,613 DSUs to reflect cash dividends declared.

Refer to "Deferred Share Unit Plan for Non-Executive Directors" on page 13 for more information.

RETIREMENT AND OTHER BENEFITS

Retirement Benefits

The Corporation provides a defined contribution pension plan with a supplemental component for executives whose benefits are affected by *Income Tax Act* limits. See "Pension Plan Benefits" below for more information.

Other Benefits

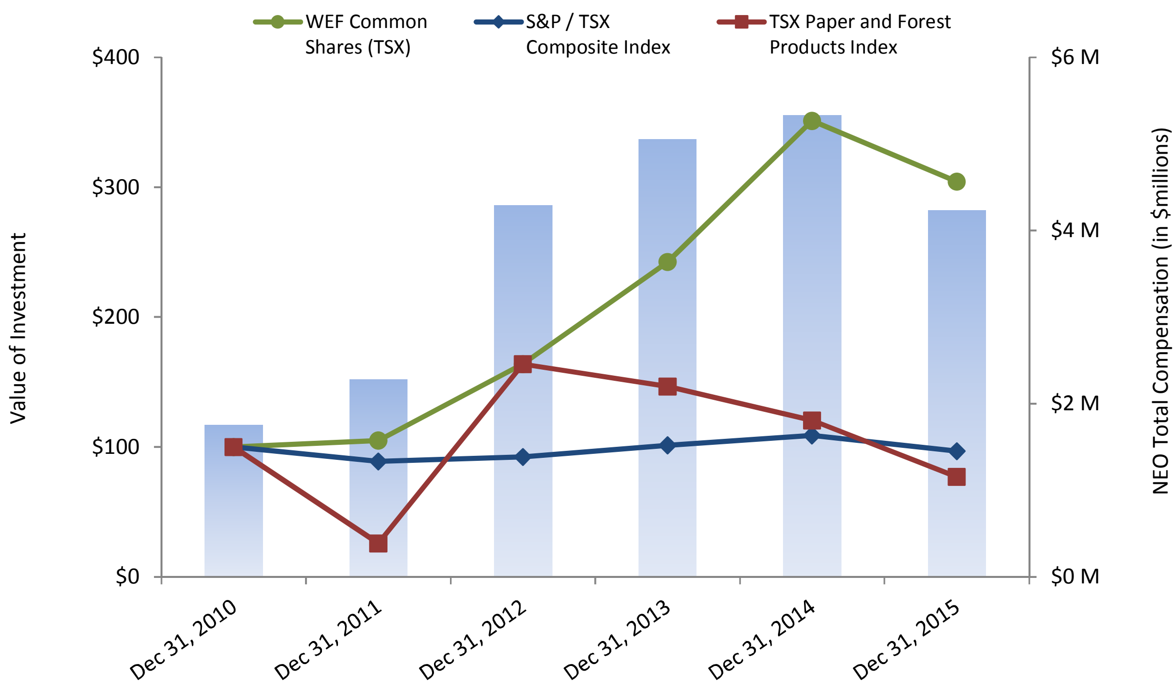
All salaried employees, including executive officers, are eligible to participate in various other benefits including: health and dental coverage, life insurance, disability insurance, car allowance, paid leave and paid holidays. These benefits are designed to be competitive with market practices.

PERFORMANCE GRAPH

The following data and graph present the total shareholder return over the last five years of an investment in our Common Shares as compared to the performance of the S&P / TSX Composite Index and the S&P / TSX Composite Forest Products Index. This analysis assumes $100 was invested on December 31, 2010, and assumes that all dividends are reinvested. Also presented in the graph is the trend in total shareholder return compared to the trend in Named Executive Officer compensation.

	As at December 31,					
	2010	**2011**	**2012**	**2013**	**2014**	**2015**
WEF Common Shares	$100	$105	$164	$243	$351	$304
S&P / TSX Composite Index	$100	$89	$92	$101	$109	$97
S&P / TSX Composite Forest Products Index	$100	$26	$164	$147	$121	$77

The decline in the S&P / TSX Composite Forest Products Index between 2010 and 2011 reflects the removal of Sino Forest Corporation from the index in 2011, which constituted a significant part of the index.



The performance of our share price relative to the S&P / TSX Composite Index and the S&P / TSX Composite Forest Products Index has improved over the last five years. Worldwide markets for our products have improved over this period.

SUMMARY COMPENSATION TABLE

The following table sets forth all compensation paid or payable from Western or its subsidiaries in respect of each of the NEOs for services rendered during the three most recently completed financial years ended December 31, 2015:

Name and Principal Position	Year	Salary (1)	Share-Based Awards (2) (3)	Option-Based Awards (4)	Non-Equity Incentive Plan Compensation		Pension Value (5)	All Other Compen-sation (6)	Total Compensation
					Annual Incentive Plan(3)	Long Term Incentive Plan			
Donald Demens President and Chief Executive Officer	2015	$535,616	$330,000	$220,000	$320,000	-	$38,251	$30,668	$1,474,535
	2014	$454,231	-	$749,200	$300,000	-	$24,930	$9,399	$1,537,760
	2013	$390,577	$100,000	$887,500	$300,000	-	$23,820	$2,542	$1,704,439
Stephen Williams(6) Senior Vice President, Chief Financial Officer & Corporate Secretary	2015	$386,027	$168,000	$112,000	$250,000	-	$26,488	$9,565	$952,080
	2014	$101,538	-	$186,930	$120,000	-	$7,269	$101,125	$516,862
	2013	-	-	-	-	-	-	-	-
Rick Forgaard(7) Vice President, Manufacturing	2015	$317,671	$126,750	$84,500	$175,000	-	$24,078	$20,226	$748,225
	2014	$56,058	-	-	$25,000	-	$3,332	-	$84,390
	2013	-	-	-	-	-	-	-	-
Michael Cass(8) Vice President, Timberlands	2015	$271,945	$81,000	$54,000	$145,000	-	$22,559	$7,117	$581,621
	2014	$209,385	-	$243,497	$75,000	-	$14,215	$1,563	$543,660
	2013	$194,058	$9,500	$353,040	$85,500	-	$13,584	-	$655,682
Anton Peiffer(9) Vice President, Log Sales	2015	$211,414	$86,400	$57,600	$115,000	-	$14,791	$4,402	$489,615
	2014	$211,654	-	$468,260	$95,000	-	$14,929	$1,463	$791,306
	2013	$180,288	-	$532,500	$105,000	-	$12,620	$1,173	$831,581

(1) The amount in this column for each NEO reflects the dollar amount of base salary earned in each of the three financial years, including salary increases, if any.

(2) Share-based awards consist of DSU awards made under the DSU Plan and PSU awards made under the PSU Plan. The value of DSUs and PSUs was calculated by multiplying the number of share units granted during the respective period by the closing price of Common Shares on the grant date for the DSUs and PSUs.

(3) The AIP awards represent bonuses earned by the NEOs in the fiscal year noted but paid subsequent to the end of the applicable year. Prior to the closure of the DSU Plan to executives on January 1, 2015, a portion of NEO annual incentive plan compensation was eligible to be taken in the form of DSUs, where elected by the NEO. The number of DSUs allotted is determined by dividing the dollar portion of the bonus that the NEO elected to take in DSUs by the volume weighted average price of the Common Shares for the five trading days prior to the issue notification date.

(4) The dollar value of Option-based awards is the grant date fair market value of Options granted during the respective year using the Hull-White or Black Scholes option pricing models which include assumptions on expected volatility, expected life, expected termination rate, expected dividend yield, and risk-free interest rate. This value is also the accounting fair value and the assumptions applied in valuing these Option grants are detailed in the Corporation's consolidated financial statements for the applicable year. The stock options are only exercisable when the share price exceeds $0.70 for 60 consecutive days on a volume weighted average price basis. **The value stated does not represent the actual value which will be realized upon exercise of the stock option.**

(5) Pension value includes compensation relating to the Defined Contribution Plan, personal registered retirement saving plans and the Supplementary Executive Retirement Plan.

(6) All other compensation includes the value of premiums for executive life insurance payable by the Corporation and additional DSUs and PSUs corresponding to dividends declared on the Common Shares credited under the DSU Plan and PSU Plan (Mr. Demens: $27,911, 8,605 DSUs, 5,777 PSUs; Mr. Williams: $5,731, 2,941 PSUs; Mr. Forgaard: $4,323, 2,219 PSUs; Mr. Cass: $4,097, 690 DSUs, 1,417 PSUs; and Mr. Peiffer: $2,946, 1,512 PSUs). PSU dividend equivalents are allotted on the basis of aggregate dividend value divided by common share price and are applied on the basis of target PSU performance. In addition, in the case of Mr. Williams, it includes $100,000 paid for consulting services in 2014 prior to his appointment as an executive on October 31, 2014.

(7) Mr. Forgaard became Vice President, Manufacturing effective October 20, 2014.

(8) Mr. Cass was appointed Vice President, Timberlands effective May 19, 2015. Mr. Cass was previously Vice President, Human Resources.

(9) Mr. Peiffer's base salary was reduced commensurate with an 80% reduced-hours working arrangement, effective July 1, 2015.

The following table sets forth Option and share-based (DSU and PSU) awards outstanding as at December 31, 2015 for each of the NEOs:

Named Executive Officer	Option-based Awards				Share-based Awards[4]		
	Number of securities underlying unexercised options[1]	Option exercise price ($/share)	Option expiration date[2]	Value of unexercised in-the-money options[3]	Number of share units that have not vested	Market or payout value of share-based awards that have not vested[5]	Market or payout value of vested share-based awards not paid out or distributed
Donald Demens	1,000,000 500,000 550,000 1,650,000 1,000,000 600,000 523,810	$0.22 $0.77 $0.95 $0.96 $1.27 $2.61 $2.20	Mar 2, 2020 Feb 22, 2021 Feb 21, 2022 Jul 30, 2022 Feb 20, 2023 Feb 20, 2024 Mar 13, 2025	$6,671,929	152,444	$439,799	$482,539
Stephen Williams	300,000 266,667	$2.34 $2.20	Oct 31, 2024 Mar 13, 2025	$16,000	77,608	$223,898	-
Rick Forgaard	201,190	$2.20	Mar 13, 2025	$12,071	58,552	$168,922	-
Michael Cass	300,000 250,000 400,000 195,000 128,571	$0.95 $0.96 $1.27 $2.61 $2.20	Feb 21, 2022 Jul 30, 2022 Feb 20, 2023 Feb 20, 2024 Mar 13, 2025	$1,121,714	37,417	$107,948	$38,714
Anton Peiffer	480,000 375,000 137,143	$1.27 $2.61 $2.20	Feb 20, 2023 Feb 20, 2024 Mar 13, 2025	$483,429	39,912	$115,146	-

(1) All stock options were granted under the Option Plan and entitle each NEO to purchase Common Shares.

(2) All stock options issued after March 2010 with expiry dates equal to or greater than March 2020 are exercisable only when the share price exceeds $0.70 for a period of 60 consecutive days on a volume weighted average price basis.

(3) Of the in-the-money Options, Mr. Demens, Mr. Cass and Mr. Peiffer each have a number of vested options with an aggregate value totalling $5,459,300 as at December 31, 2015.

(4) Share-based awards includes DSUs and PSUs. The value of DSUs and PSUs was calculated by multiplying the number of share units granted, including dividend equivalent share units and, for PSUs, through the application of target performance multiplier, by the closing price of the Common Share on December 31, 2015, being $2.26. The DSU Plan was closed to executives effective January 1, 2015 however certain executives continue to earn DSU dividend equivalents on their outstanding DSU awards.

(5) This column represents the value of unvested PSUs where the number of PSUs eligible for vesting is based on performance and has not yet been determined, including dividend equivalent PSUs credited on such PSUs. PSUs vest on completion of a three year period and entitle the holder, upon vesting, to a variable payout based on the value of a Common Share and dependent on the Corporation's performance against specific performance criteria. The market value presented does not reflect the actual value of the payment that may be received after the vesting of the award.

The following table sets forth the value vested or earned by the NEOs under the Corporation's Option and share-based award programs for the year ended December 31, 2015:

Named Executive Officer	Value vested during the year		Value earned during the year
	Option-based Awards[1]	Share-based Awards[2]	Non-equity incentive plan compensation[3]
Donald Demens	$1,215,000	$16,654	$320,000
Stephen Williams	-	-	$250,000
Rick Forgaard	-	-	$175,000
Michael Cass	$221,200	$1,336	$145,000
Anton Peiffer	$132,000	-	$115,000

(1) Option value vested was calculated by multiplying the number of Options that vested in 2015 by the difference between the exercise price and the closing price of the Common Shares on the vesting date, where the result was a positive amount.

(2) Share-based awards vested reflects DSU dividend equivalents credited in 2015. The DSU Plan was closed to executives effective January 1, 2015 however certain executives continue to earn DSU dividend equivalents, which vest immediately upon grant, on their outstanding DSU awards. Share-based awards vested was calculated by multiplying the number of share units that vested in 2015 by the closing price of the Common Shares on the vesting date.

(3) Relates to cash bonuses issued for 2015 under the Annual Incentive Plan – see "Summary Compensation Table".

PENSION PLAN BENEFITS

There are two funded industry defined benefit pension plans, two unfunded defined benefit pension plans, a funded defined contribution pension plan and several voluntary group retirement savings plans, all of which provide retirement benefits to substantially all of our salaried employees and certain hourly employees. In addition, we provide other unfunded retirement and post-employment benefits to certain former salaried and hourly employees.

The defined benefit pension plans ("DB Plans I & II") were closed to new participants effective June 30, 2006, and the DB Plans I & II ceased to accrue credited service after December 31, 2010. Benefits for compensation increases on and after January 1, 2017 will no longer be taken into account in calculating pension benefits under DB Plans I & II. This change is subject to regulatory approval. As the former members of DB Plans I & II have a future pension benefit entitlement from the plans, the Corporation is responsible for ensuring that the DB Plans I & II's investments are monitored and that any funding shortfalls are addressed.

With the closure of DB Plans I & II, as described above, the former members became eligible to join our existing defined contribution pension plan ("Plan III" or "DC Plan"). As of January 1, 2011, substantially all existing salaried employees, including NEOs are members of our DC Plan and all new salaried employees also participate in the DC Plan.

For executive officers who participate in the DC Plan, the Corporation contributes 7% of each participant's base salary and AIP, up to the maximum contribution allowed under the *Income Tax Act* (Canada) (the "ITA Limit"). Effective January 1, 2015, the Corporation commenced a Supplementary Executive Retirement Plan (the "SERP"). The SERP provides a pension supplement to executive officers who are also members of the DC Plan in order to provide total pension benefits to the level that members would receive if no ITA Limit was in place. Pensionable earnings and benefits for eligible executive officers, as supplemented by the SERP, are calculated upon the same basis as benefits and earnings under the DC Plan with the exception that the ITA Limit does not apply. The SERP is funded from general operations.

Pension benefits derived from the DB Plans I & II are based on final average earnings at the time the member leaves the Corporation and credited service up to December 31, 2010. Under the DB Plans I & II, the normal retirement age is 65, but a member may retire and collect a pension benefit up to 10 years prior to the age of 65. If a member retires before the age of 65 and receives a pension, his or her pension will be reduced. If a DB Plan I member retires before the age of 65, he or she will receive a bridging benefit for service up to June 30, 2006. Apart from the bridging benefit, which terminates at age 65, pensions are paid for life with a guarantee of at least five years' payment should the retired member die within five years of retirement. Benefits payable under the DB Plans I & II are limited to the ITA Limit.

Mr. Demens, Mr. Williams, Mr. Forgaard, and Mr. Cass are members of the DC Plan. Mr. Peiffer has elected to opt-out of the DC Plan and receives pension designated contributions to a personal registered retirement savings plan. The following table provides information on the change in the accumulated value for each of the NEOs participating in the DC Plan and SERP:

Named Executive Officer	Accumulated Value at January 1, 2015	Compensatory Change(1)	Accumulated Value at December 31, 2015
Donald Demens	$118,688	$38,251	$156,939
Stephen Williams	$7,357	$26,488	$33,845
Rick Forgaard	$3,415	$24,078	$27,493
Michael Cass	$50,716	$22,559	$73,275
Anton Peiffer(2)	-	-	-

(1) Compensatory change represents the Corporation's DC Plan and SERP contributions on behalf of the NEO.

(2) Mr. Peiffer chose not to participate in the DC Plan upon his date of hire. In lieu of pension contributions, a financial institution where he has a personal registered retirement savings plan, receives payments equal to 7% of his base salary ($14,799).

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Corporation has entered into agreements with each NEO that provide notice or payment in lieu thereof on instance of termination for other than just cause, including termination involving change of control.

Change of control is defined as (i) the acquisition of 50% or more of the voting rights attached to all outstanding voting shares of the Corporation by a person or combination of persons, (ii) the amalgamation, consolidation or combination of the Corporation with, or merger into, any other person (unless the Corporation is the surviving person, and at least 50% of the voting rights attached to all outstanding voting shares immediately after such a transaction are held by persons who held them immediately before such a transaction), (iii) the disposition of 90% or more of the assets of the Corporation (unless the disposition is to a corporation and immediately after the disposition, at least 50% of the voting rights attached to all outstanding voting shares of such corporation are owned by the Corporation, or by persons who held the voting rights immediately before such a disposition), or, (iv) directors elected at the beginning of any one year term cease to be constitute 50% of the Board during such year, other than as a result of voluntary resignation.

Pursuant to the Corporation's LTI plans, the extent to which unvested stock options and PSUs may be forfeited, paid out (PSUs) or continue to vest, following termination of employment, varies depending on the circumstances giving rise to the termination. See the discussion under the table "Securities Authorized for Issuance Under Equity Compensation Plans" for further information with respect to the treatment of stock options under different scenarios on ceasing employment with the Corporation.

The table below outlines the Corporation's approach to compensation payable to NEOs upon retirement, termination or termination involving change of control:

Event	Base Salary	AIP	Option Plan	PSU Plan
Retirement	None	Prorated up to retirement	No further vesting of awards	Prorated up to retirement(3)
Termination for just cause	None	None	Immediate forfeiture	
Termination without cause(1)	18-24 months	18-24 months(2)	90 day exercise window for vested only	Prorated up to termination(3)
Termination without cause within 24 months of change of control	24 months	24 months(2)	Immediate vesting of all awards, 90 day exercise window	Immediate vesting of all awards(4)

(1) Agreements provide 24 months' notice or payment in lieu thereof to the Chief Executive Officer and 18 months' notice or payment in lieu thereof to other NEOs.

(2) Incremental payment due is calculated as the average AIP award earned in the past three years, multiplied by the number of months' notice or payment in lieu thereof due. If the NEO has worked for the Corporation for less than three years, the AIP award will be averaged over the actual period worked.

(3) Plan participants continue to be entitled to payment, occurring at the end of each underlying three-year performance period. Incremental payment due is calculated as the final value of PSUs vested at the end of the performance period, prorated based on the number of days employed during the related performance period.

(4) Participants will be entitled to payment on the date of termination without cause within 24 months of change of control, applying a Performance Multiplier of 100%.

The following table sets forth NEO entitlement to incremental termination benefits as at December 31, 2015, in the event of the scenarios described below:

Named Executive Officer	Incremental Payment; Termination Without Cause	Incremental Payment; Termination Without Cause Within 24 Months of Change of Control
Donald Demens	$2,024,957	$2,254,639
Stephen Williams	$1,062,137	$1,513,624
Rick Forgaard	$834,859	$1,186,660
Michael Cass	$722,867	$1,010,802
Anton Peiffer	$508,936	$728,693

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As at December 31, 2015	Number of Securities to be issued upon exercise of outstanding Options	Weighted-average exercise price of outstanding Options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities in column (a))
Plan Category	*(a)*	*(b)*	*(c)*
Equity compensation plans approved by shareholders	10,158,667	$1.44	5,244,333
Equity compensation plans not approved by shareholders	-	-	-
Total	10,158,667	$1.44	5,244,333

Our Option Plan was adopted in 2004 and amended on May 10, 2007, May 8, 2008, June 3, 2011, May 8, 2013, March 13, 2015 and February 17, 2016. The Option Plan is administered by the Board with the assistance of the MRCC in accordance with our compensation policies and the policies of the TSX.

The Option Plan permits the granting of Options in accordance with the terms of the Option Plan to eligible participants to purchase up to a maximum of 20,000,000 Common Shares (representing approximately 5.1% of the issued and outstanding Common Shares as of the date hereof). In addition to the 10,158,667 Options outstanding at December 31, 2015, a further 1,330,918 Options were granted on February 17, 2016, 39,000 options were forfeited in February 2016, and 125,000 Options were exercised in March 2016. Hence there are Options to purchase 11,325,585 Common Shares (representing approximately 2.9% of the issued and outstanding Common Shares as of the date hereof) that have been granted to eligible participants and are outstanding, 4,717,000 Common Shares that have been issued pursuant to the exercise of Options, and a total of 3,952,415 Common Shares that will remain available under the Option Plan. Options which have expired, were cancelled or otherwise terminated without having been exercised are available for subsequent grants under the Option Plan.

The Option Plan provides that the Board may from time to time grant Options to acquire Common Shares to any participant who is an employee, officer or director of Western or its affiliates or a consultant to the Corporation or its affiliates. The Options are non-assignable and non-transferable otherwise than by will or by laws governing the devolution of property in the event of death. Each Option entitles the holder to acquire one Common Share, subject to certain adjustments. The exercise price for Options granted pursuant to the Option Plan will be determined by the Board on the date of the grant, which price may not be less than the market value. “Market value” is defined under the Option Plan as the closing price of our Common Shares on the TSX on the trading day immediately preceding the grant day and if there is no closing price, the last sale prior thereto. The term of the Options granted is determined by the Board, which term may not exceed a maximum of ten years from the date of the grant. Pursuant to the Option Plan, additional terms and conditions, including vesting requirements, may be imposed by the Board on Options granted. The Option Plan does not contemplate that the Corporation will provide financial assistance to any optionee in connection with the exercise of the Option.

The maximum number of Common Shares that may be issued to the Corporation's insiders and their associates pursuant to Options granted under the Option Plan within any one-year period, when taken together with the number of Common Shares issued to such insiders and their associates under our other previously established or proposed share compensation arrangements, may not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis at the end of such period and, in the case of any one insider and his associates, may not exceed 5% of such issued and outstanding Common Shares. The maximum number of Common Shares that may be reserved for issuance under Options granted to insiders and their associates under the Option Plan together with the number of Common Shares reserved for issuance to such insiders and their associates under other previously established or proposed share compensation arrangements may not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis at the grant date of the Options.

Unless otherwise determined by the Board, if the holder of the Option ceases to be an eligible participant under the Option Plan:

(a) for any reason other than death, retirement, early retirement, sickness or disability, the Options held by the participant terminate;

(b) as a result of retirement (other than early retirement), Options that are held by the participant that have vested continue in force;

(c) by reason only of early retirement as permitted under the provisions of our pension plan, Options that are held by the participant that have vested continue in force; and

(d) as a result of death, the legal representatives of the participant may exercise the Options that are held by the participant within six months after the date of the participant's death to the extent such Options were by their terms vested and exercisable as of the date of the participant's death or within the period of six months following the participant's death.

For greater clarity, no Option shall be exercisable after the expiry of the option period applicable thereto.

The Option Plan also provides that if an Option expires:

(a) within a self-imposed black-out period. The expiry date will be a date which is ten business days after expiry of the black-out period; or

(b) within nine business days after the end of a self-imposed black-out period. The expiry date will be a date which is ten business days after expiry of the black-out period less the number of business days between the date of expiry of the Option and the date on which the black-out period ends.

The expiry dates for black-out periods are fixed under the Option Plan and are not subject to the discretion of the board of directors.

The Board may, subject where required to securities regulators' and/or TSX and security holder approval, from time to time amend, suspend or terminate the Option Plan in whole or in part. The directors also have the right, in their absolute discretion, to amend the Option Plan or any Option without shareholder approval to make the following changes:

(a) amending the time or times that the Common Shares subject to each Option will become purchasable by an optionee, including accelerating the vesting terms, if any, applicable to an Option;

(b) amending the process by which an optionee who wishes to exercise his or her Option can do so, including the required form of payment for the Common Shares being purchased, the form of exercise notice and the place where such payments and notices must be delivered;

(c) extending the term of an Option, other than an Option held by an insider of the Corporation;

(d) amending the terms of the Option Plan relating to the effect of termination, cessation or death of an optionee on the right to exercise Options (including Options held by an insider of the Corporation);

(e) making any amendments of a typographical, grammatical or clerical nature; and

(f) making any amendments necessary to bring the Option Plan into compliance with applicable securities and corporate laws and the rules and policies of the TSX.

Amendments which extend the term of an Option held by an insider, reduce the exercise price of an Option, or which increase the fixed maximum number of Common Shares issuable under the Option Plan will require shareholder approval.

As noted under "Recent Corporate Governance Initiatives" herein, the Board approved certain amendments to the Option Plan not requiring shareholder approval. These amendments were effective on February 17, 2016. The current version of the Option Plan is available at www.sedar.com under our name and a copy may also be obtained by any shareholder by request to our Corporate Secretary at 604-648-4500.

OTHER INFORMATION

PERFORMANCE AND NON-INTERNATIONAL FINANCIAL REPORTING STANDARDS MEASURES

We use a number of non-IFRS measures to measure overall performance and to assess each of our business. Non-IFRS measures are not defined terms under IFRS and, therefore, are unlikely to be comparable to similar terms used by other issuers. Therefore, they should not be considered in isolation or as a substitute for any other financial information prepared in accordance with IFRS.

A non-IFRS measure referenced in this Circular is ROCE. ROCE is defined as the earnings of Western before interest charges, taxes, depreciation and amortization ("adjusted EBITDA"), divided by capital employed (defined as net working capital, property, plant and equipment, intangible assets, biological assets and other assets).

For a discussion of adjusted EBITDA and how it relates to our reported net income, see our most recent Management's Discussion and Analysis which is available on the Corporation's website at www.westernforest.com.

SHAREHOLDER PROPOSALS FOR NEXT YEAR'S ANNUAL MEETING

The CBCA permits certain eligible shareholders of the Corporation to submit shareholder proposals to the Corporation, which proposals may be included in a management information circular relating to an Annual Meeting of shareholders. Any notice of a shareholder proposal intended to be raised at next year's Annual Meeting of our shareholders must be submitted to us at our registered office, to the attention of the Corporate Secretary, on or before December 30, 2016, to be considered for inclusion in the management information circular for the Annual Meeting of our shareholders in 2017.

AVAILABILITY OF DISCLOSURE DOCUMENTS

Financial information is provided in our comparative annual financial statements and management's discussion and analysis of financial condition and results of operations for the financial year ended December 31, 2015.

We will provide any person or company, upon request to the Corporate Secretary of the Corporation, with a copy of this Circular and: (i) the most recent Annual Information Form of the Corporation, together with a copy of any document, or pertinent pages of any document, incorporated therein by reference; (ii) the comparative financial statements of the Corporation for the fiscal year ended December 31, 2015, together with the report of the auditors thereon; (iii) the most recent annual report of the Corporation, which includes management's discussion and analysis of financial condition and results of operations; and (iv) the interim financial statements of the Corporation for the periods subsequent to the end of its fiscal year. This information, along with other information relating to the Corporation, is also available on the Corporation's web site at www.westernforest.com or on SEDAR at www.sedar.com.

DIRECTORS' APPROVAL

The contents and sending of the Circular have been approved by the directors of the Corporation.

BY ORDER OF THE BOARD OF DIRECTORS

Lee Doney
Chairman, Board of Directors
Western Forest Products Inc.

Appendix A

MANDATE OF THE BOARD OF DIRECTORS OF

WESTERN FOREST PRODUCTS INC.

1. General

The Board of Directors (the "Board") of Western Forest Products Inc. (the “Corporation”) is responsible for the overall stewardship of the Corporation and is elected by the shareholders to represent and serve the interests of all shareholders of the Corporation.

The Board will appoint a competent executive management team to run the day-to-day operations of the Corporation and will oversee and supervise the management of the business of the Corporation by that team. The Board will also review the Corporation’s systems of corporate governance and financial reporting and controls with the objective that the Corporation reports accurate and complete financial information to shareholders and engages in ethical and legal corporate conduct. The Board will carry out its mandate directly and through the following committees of the Board (and such other committees as it may appoint from time to time): the Audit Committee, the Management Resources and Compensation Committee, the Nominating and Corporate Governance Committee and the Environmental, Health and Safety Committee.

2. Appointment, Supervision and Compensation of Management

To carry out its responsibilities, the Board will:

- Appoint the Chief Executive Officer (“CEO”) and confirm the appointment of other senior officers comprising the senior management team (“SMT”) and provide them with advice and counsel.
- Monitor the performance of the CEO and SMT against a set of mutually agreed corporate objectives directed at maximizing shareholder value.
- To the extent feasible, satisfy itself as to the integrity of the CEO and other senior officers and encourage the CEO and other senior officers to create a culture of integrity throughout the organization.
- Approve CEO compensation.
- Establish a process to provide for management succession.
- Establish boundaries between the Board and management responsibilities and establish limits of authority delegated to management.
- Review and consider for approval:
    - corporate strategy and operating plans;
    - capital and operating budgets; and
    - matters of policy;

  and any material amendments thereto or departures therefrom proposed by management.

3. Strategic Planning and Risk Management

The Board will:

- Adopt a strategic planning process and review and approve annually a corporate strategic plan which takes into account, among other things, the opportunities and risks of the business on a long-term and short-term basis.
- Review for consistency with the corporate strategy and approve annually management’s operational plans.
- Monitor management’s performance against both short-term and long-term strategic plans and annual performance objectives.
- Confirm that a management system is in place to identify the principal risks to the Corporation and its business and that appropriate procedures are in place to monitor and mitigate those risks.
- Confirm that processes are in place to comply with the Corporation’s by-laws, Codes of Conduct and all other significant policies and procedures.

4. Financial Reporting, Regulatory Compliance and Controls

The Board will:

- Approve the Corporation's financial statements and oversee the Corporation's compliance with applicable audit, accounting and financial reporting requirements.
- Review and approve annual operating and capital budgets.
- In addition to the Audit Committee, review and assess the adequacy and effectiveness of the Corporation's internal control and management information systems.
- Review operating and financial performance results relative to established strategy, budgets and objectives.
- Review and assess the adequacy of the Audit Committee Charter periodically.
- Confirm that management processes are in place to address and comply with applicable regulatory, corporate, securities and other compliance matters.

5. Shareholder Communication and Disclosure

The Board will:

- Confirm that management has established a system for effective corporate communications including processes for consistent, transparent regular and timely public disclosure.
- Approve the adoption of a disclosure policy relating to, among other matters, the confidentiality of the Corporation's business information (the "Communications Policy") and monitor compliance with such policy;
- Report annually to shareholders on the Board's stewardship for the previous year.
- Determine appropriate criteria against which to evaluate corporate performance against shareholder expectations and confirm that the Corporation has a system in place to receive feedback from shareholders.
- Review and assess the adequacy of the Communications Policy and Insider Trading Policy periodically.

6. Corporate Governance

The Board will:

- Establish an appropriate system of corporate governance including practices to permit the Board to function independently of management.
- Adopt, from time to time, criteria for selection of Board members.
- Approve the nomination of directors. Prior to approving such nominations, the Board should first consider what competencies and skills the Board, as a whole, should possess. It should then assess what competencies and skills each existing director possesses. It is unlikely that any one director will have all the competencies and skills required by the Board. Instead, the Board should be considered as a group, with each individual making his or her own contribution. Attention should also be paid to the personality and other qualities of each director as these may ultimately determine the boardroom dynamic. The Board should then consider the competencies and skills each new nominee will bring and whether he or she can devote sufficient time to the Board.
- Establish committees, initially an Audit Committee, an Environmental, Health and Safety Committee, a Nominating and Corporate Governance Committee and a Management Resources and Compensation Committee and approve their respective charters, the limits of authority delegated to each committee and position descriptions for the Chair of the Committee.
- The Board should regularly assess its own effectiveness, as well as effectiveness and contribution of each Board Committee and each individual director. An assessment should consider (a) compliance with this Board mandate, (b) the Charter of each Board Committee, and (c) the competencies and skills each individual director is expected to bring to the Board.
- Review on an annual basis the independence of each Board member and whether the composition of the Board needs to be changed due to independence concerns.
- Review the adequacy and form of directors' compensation.
- Arrange for non-management directors to meet regularly, and with the objective of not less frequently than quarterly, without management present.

- Establish a minimum attendance expectation for Board members in respect of Board and committee meetings, keeping in mind the principle that the Board believes that all directors should attend and participate in all meetings of the Board and each committee on which he or she sits.

7. Codes of Conduct

The Board will:

- Adopt a Code of Business Conduct and Ethics and an Employee Code of Conduct (collectively, the "Codes of Conduct") and monitor compliance with those codes.
- Approve any waivers and require disclosure of any waivers of the Codes of Conduct in the Corporation's annual report or management information circular.

8. The Chair of the Board

The Chair of the Board reports to the shareholders and provides leadership to the Board in matters relating to the effective execution of all Board responsibilities and works with the CEO and SMT to address the organization's responsibilities to stakeholders including shareholders, employees, customers, governments and the public. The Chair of the Board will:

- Provide effective leadership so that the Board can function independently of management by requiring that the Board meets regularly without management and that the Board and Board members may engage outside advisors subject to the approval of the Chair or the majority of independent Board members.
- Establish procedures to govern the Board's work including:
    - scheduling meetings of the Board and its committees;
    - chairing all meetings of the Board;
    - encouraging full participation, stimulating debate and facilitating consensus and clarity regarding decision-making;
    - developing the agenda for Board meetings with input from other Board members and management;
    - requiring that proper and timely information is delivered to the Board;
    - requiring that the Board has appropriate administrative support; and
    - addressing complaints, questions and concerns regarding Board matters.
- Require that the Board fully exercises its responsibilities and duties and complies with applicable governance and other policies.
- Meet or communicate regularly with the CEO regarding corporate governance matters, corporate performance and feedback from Board members.
- Act as a liaison between the Board and management.
- Serve as advisor to the CEO and other officers.
- Together with the Nominating and Corporate Governance Committee, establish appropriate committee structures, including the assignment of Board members and the appointment of committee chairs.
- Establish, together with the Nominating and Corporate Governance Committee, an adequate orientation and ongoing training programs for Board members.
- Together with the Board's Nominating and Corporate Governance Committee, establish performance criteria for the Board and for individual Board members and coordinate the evaluation of performance and reporting against these criteria.
- Establish performance criteria for the CEO to facilitate the evaluation of the CEO's performance.
- Work with the Nominating and Corporate Governance Committee to establish and manage a succession program for the CEO's position.
- Oversee matters relating to shareholder relations and chair meetings of the shareholders.
- Work with the CEO to represent the Corporation to external stakeholders including shareholders, the investment community, governments and communities. The Chair of the Board's performance will be measured by the Board, with the recommendations of the Nominating and Corporate Governance Committee, against the following key metrics:

- The effectiveness with which the Board functions, including satisfaction of Board members regarding the functioning of the Board.
- The extent to which the Corporation carries out its responsibilities to shareholders, employees, customers, governments, and the public.
- The quality of communications between the Board and management, including satisfaction of members of management and Board members regarding this communication.

9. The Chief Executive Officer

The CEO is accountable to the Board for achieving corporate objectives within specified limitations and in accordance with the CEO's performance objectives determined annually by the Board.

The CEO will:

- Provide vision and leadership for the Corporation.
- Develop and recommend corporate strategies, and business and financial plans for the approval of the Board.
- Execute the corporate strategy with a goal of achieving profitable growth and maximizing shareholder value for the Corporation's shareholders.
- Manage the business operations in accordance with the strategic direction approved by the Board and within operational policies as determined by the Board.
- Challenge management to set and achieve viable annual and long-term strategic and financial goals.
- Monitor the performance of management against a set of initially agreed corporate objectives directed at maximizing shareholder value.
- Recommend appropriate rewards and incentives for management.
- Report information from management to the Board in a manner and time so that the Board may effectively monitor and evaluate corporate (operational and financial) performance against stated objectives and within executive limitations.
- Report to the Board on relevant trends, anticipated media and analyst coverage, material external or internal changes, and any changes in the assumptions upon which any Board decision or approval has previously been made.
- Advise the Board if, in the CEO's opinion, the Board is not in compliance with its own policies, or legal and/or regulatory requirements.
- Provide the Board with all information and access that the Board may require in order to make fully-informed decisions.
- Report in a timely manner any actual or anticipated non-compliance with any Board approved policy or decision.
- Promote compliance with the Employee Code of Conduct, cause an investigation of any reported violations to be undertaken and cause an appropriate response to be taken to any violation of the Employee Code of Conduct.

Dated as of February 21, 2013