

# CORPORATE COMMUNICATIONS AND DISCLOSURE POLICY

## 1. PURPOSE

- 1.01 The purpose of this Corporate Communications and Disclosure Policy (the "**Policy**") is to set out the policies and procedures that govern communications by Western Forest Products Inc. (the "**Company**") and its subsidiaries to the public. Subject to certain exceptions, the fundamental principles underlying this Policy are to ensure that the communication of material information is:
- (a) timely, factual and accurate; and
  - (b) broadly disseminated in accordance with all applicable legal and regulatory requirements.
- 1.02 The Policy applies to all directors, officers and employees of the Company and its subsidiaries and those authorized to speak on the Company's behalf.
- 1.03 The Policy covers all methods used by the Company to communicate to its shareholders and other stakeholders, the media and the investment community, including, but not limited to: press releases; written statements made in annual and quarterly reports; documents filed with the securities regulatory authorities; communications made during investor conferences; speeches made by senior management; oral statements made in the course of meetings or calls with securities markets professionals, shareholders, media or other external audiences; and websites and social media communications.
- 1.04 The Company has established a disclosure committee (the "**Committee**") that is responsible for the administration and implementation of this Policy.
- 1.05 This Policy is to be read in conjunction with the GV 1.1 - Insider Trading Policy, which mandates prohibitions against trading or recommending trading based on undisclosed material information.

## 2. POLICY

### General Disclosure Principles

- 2.01 As a reporting issuer, the Company is required to disclose material information in a timely manner, subject to certain exceptions.
- 2.02 Material information includes material facts and material changes that would reasonably be expected to have a significant effect on the market price or value of the Company's securities. Material information may include facts or changes that are proposed but not yet final. Examples of potentially material information include: major reorganizations, amalgamations or mergers; changes in the Company's dividend payments or policies; planned repurchases or redemptions of all or part of the Company's securities; unexpected changes in the financial results of the Company for any periods, changes in the value or composition of the Company's assets; a significant change in capital investment plans or corporate objectives; significant new contracts; major labour disputes or significant disputes with major contractors or suppliers; and significant acquisitions or dispositions of assets, property or joint venture interests. The foregoing is not an exhaustive list of the types of events or information that may be material. In assessing the materiality of information, the Company will consider the nature of the information itself, the potential impact on the market price of the Company's securities and prevailing market conditions.

- 2.03 In complying with its disclosure requirements, the Company will be guided by the following basic disclosure principles:
- (a) Disclosure will include all material information, including any information that if omitted would make the rest of the disclosure misleading.
  - (b) Disclosure will provide sufficient detail to permit investors to appreciate the substance and importance of the information.
  - (c) Disclosure will be factual and balanced, neither over-emphasizing favourable news, nor under-emphasizing unfavourable news. Unfavourable news will be disclosed just as promptly and completely as favourable news.
  - (d) Selective disclosure is not acceptable. If previously undisclosed material information has been inadvertently disclosed to any person who is not bound by an express confidentiality obligation, such information will be broadly disclosed via news release.

### **Maintaining Confidentiality**

- 2.04 Any director, officer or employee privy to confidential information is prohibited from communicating such information to anyone else, unless it is necessary to do so in the ordinary course of business. Confidential information is information about the Company and its subsidiaries (including, but not limited to, material information) that has not been generally disclosed to the public.
- 2.05 In order to prevent the misuse or inadvertent disclosure of confidential information, the following procedures should be observed at all times:
- (a) Documents and files containing confidential information should be kept in a safe and restricted place.
  - (b) Confidential information should not be discussed in places where the discussion could be overheard, such as elevators, taxis or restaurants.
  - (c) Unnecessary copying of documents containing confidential information must be avoided, and extra copies of documents must be promptly removed from meeting rooms and work areas at the conclusion of the meeting and destroyed if no longer required.
  - (d) Confidential documents should not be read or displayed in places where members of the public are present.
  - (e) Confidential documents must be discarded in a manner that maintains confidentiality of the document (i.e. destroyed).
  - (f) Confidentiality must be obtained inside and outside of the office.
  - (g) Transmission of documents by electronic means should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions. Where practicable, employees should avoid using e-mail to transmit confidential information.

- 2.06 Undisclosed material information shall not be disclosed to anyone unless it is necessary to do so in the ordinary course of business and the person receiving such information clearly understands that it is to be kept confidential, and, in appropriate circumstances, executes a confidentiality agreement. If an employee is in doubt as to whether communication is in the ordinary course of business, the employee should discuss it with a member of the Committee.

### 3. DISCLOSURE COMMITTEE

- 3.01 Members of the Committee are the Company's:

- (a) Chief Executive Officer (“**CEO**”);
- (b) Chief Financial Officer (“**CFO**”);
- (c) Senior Director, Legal and Corporate Secretary (the “**Corporate Secretary**”);
- (d) Senior Director, Finance and Administration; and
- (e) such other members of senior management as are deemed appropriate by the Committee.

- 3.02 The Committee may hold such meetings as are necessary or appropriate for the Committee to fulfill its responsibilities. The presence of three members of the Committee present in person, by teleconference, or by videoconference will constitute a quorum.

- 3.03 The Committee will have the following duties:

- (a) Assist senior management of the Company to establish, maintain and implement a system of disclosure controls and procedures (“**DC&P**”) designed to ensure that information required to be disclosed by the Company under securities laws or stock exchange rules is recorded, processed, summarized and reported within the time periods specified under such securities laws and stock exchange rules. In fulfilling this objective, the Committee will:
  - (i) designate senior officers who have access to information regarding the operations of the Company to be responsible for accumulating and reporting potentially significant events, developments, changes or other facts to the Committee and to the Company's management, as appropriate, to allow timely decisions regarding required disclosure;
  - (ii) determine when events, developments, changes or other facts constitute material information or a material change in the affairs of the Company. In making such determination, the Committee will assess the impact of any such event, development, change or other fact on:
    - the assets, liabilities and earnings of the Company on a consolidated annual basis and on a consolidated quarterly basis to the extent the item is nonrecurring;
    - the reputation or overall operations of the Company;
    - the strategic direction of the Company; and
    - the market price or value of any of the Company's securities;

- (iii) determine when material information or a material change should be kept confidential and determine how confidential information will be maintained and controlled;
  - (iv) review annual disclosure compliance timetable and due diligence procedures for reviewing the final versions of any continuous disclosure documents required to be filed by the Company with securities regulatory authorities;
  - (v) confirm the individuals responsible for the preparation and filing of continuous disclosure documents required to be filed by the Company with securities regulatory authorities; and
  - (vi) confirm the individuals responsible for maintaining the Investor Relations page on the Company's website in compliance with securities laws and stock exchange rules.
- (b) Report, on a quarterly basis, to the Audit Committee on the activities of the Committee, including any decisions and action taken by the Committee.
  - (c) Monitor and evaluate the adequacy of the DC&P and make recommendations to the Audit Committee on corrective measures to be taken to correct deficiencies in the DC&P.
  - (d) Review the Policy annually or as needed for compliance with securities laws and stock exchange rules.
  - (e) Review disclosures made in the Company's disclosure documents and news releases.
  - (f) Undertake any other responsibilities delegated to it from time to time by the Audit Committee or any authorized committee of the Board.

#### **4. PROCEDURES**

##### **News Releases Containing Material Information**

- 4.01 Material information will be promptly generally disclosed. "Generally disclosed" means that information has been released via a news release disseminated through a news wire service that provides simultaneous service to widespread news services, financial media and stock exchanges that the Company's shares are listed on. The only exceptions to the foregoing will be in circumstances permitted by applicable securities laws and stock exchange policies.
- 4.02 News releases shall be pre-cleared with the Investment Industry Regulatory Organization of Canada and released in accordance with the rules of the stock exchange(s) upon which the Company's securities are listed.
- 4.03 All news releases containing forward-looking information must include the disclosure required under Sections 4.24 to 4.26.
- 4.04 All news releases containing material information must be reviewed by the Corporate Secretary prior to publication.
- 4.05 All news releases containing material information will be filed on SEDAR.

- 4.06 If determined to be required by the Corporate Secretary, material change reports will be prepared and filed in accordance with applicable securities laws.
- 4.07 Annual and interim financial results will be publicly released as soon as practicable following approval of the applicable press release and related financial statements by the Board of the Company (the “**Board**”).

#### **News Releases Containing Non-Material Information**

- 4.08 Although the Company is not required to disclose non-material information, it may in some circumstances be necessary or desirable to do so. In such circumstances, all news releases containing non-material information must be generally disclosed.
- 4.09 All news releases containing forward-looking information must include the disclosure required under Sections 4.24 to 4.26.
- 4.10 All news releases containing non-material information must be reviewed by the Corporate Secretary prior to publication.

#### **Designated Spokespersons**

- 4.11 The Company has designated the following spokespersons responsible for communication with the investment community, regulators and the media:
  - (a) Chairman of the Board
  - (b) CEO
  - (c) CFO

The individuals listed may, from time to time, designate others within the Company to speak on behalf of the Company as back-ups or to respond to specific inquiries.

Employees who are not authorized spokespersons must not respond, under any circumstances, to inquiries from the investment community, the media or others, unless specifically asked to do so by an authorized spokesperson. All such inquiries shall be referred to one of the designated spokespersons.

#### **Conference Calls**

- 4.12 Management may hold conference calls to discuss quarterly earnings and major corporate developments. Such conference calls must be simultaneously accessible to all interested parties by telephone or via a webcast over the Internet. Each such call will be preceded by a news release setting out relevant material information. Appropriate cautionary language with respect to any forward-looking information will be provided at the beginning of the call, and participants will be directed to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties.
- 4.13 The Company will provide advance notice of any conference call or webcast by issuing a news release announcing the date, time and access information. In addition, the Company may invite analysts, institutional investors, media and other interested parties to participate. A tape recording of the conference call and/or an archived audio webcast on the Internet will be made available following the call for a minimum of 7 days.

- 4.14 A member of the Committee or an individual designated by the Committee will review the recording or transcript of each conference call as soon as practicable, and if such review uncovers selective disclosure of previously undisclosed material information, the Company will disclose such information broadly via news release as soon as practicable.

#### **Rumours**

- 4.15 The Company does not comment, affirmatively or negatively, on rumours. This also applies to rumours on the Internet. The Company's spokespersons will respond consistently to those rumours with the following comment:

***"It is our policy not to comment on market rumours or speculation."***

Should the TSX request that the Company make a definitive statement in response to a market rumour that is causing significant volatility in the shares of the Company, the CFO or an individual designated by the CFO will consider the matter and decide whether to make a Policy exception.

#### **Contact with Analysts, Investors and Media**

- 4.16 Meetings with analysts and significant investors are an important element of the Company's investor relations program. The Company will meet with analysts and investors on an individual or small group basis as needed, and will initiate or respond to analyst and investor calls in accordance with this Policy.
- 4.17 Disclosure in individual or group meetings does not constitute adequate disclosure of information that is material non-public information. If the Company intends to announce material information at an analyst or shareholder meeting or a press conference or conference call, the announcement should be preceded by a news release.
- 4.18 The Company will provide only non-material or publicly disclosed information in individual and group meetings. The Company cannot alter the materiality of information by breaking down the information into smaller, non-material components.
- 4.19 Spokespersons should keep notes of telephone conversations with analysts and investors or ensure that more than one representative of the Company is present at all individual and group meetings. If selective disclosure of previously undisclosed material information occurs during such interactions, then appropriate action should be taken under the guidance of the Committee.

#### **Reviewing Analyst Draft Reports and Models**

- 4.20 The Company will review draft analyst reports or top-level financial models for the purpose of correcting factual errors based on publicly disclosed information. It is the Company's policy, when an analyst inquires with respect to his/her estimates, to question an analyst's assumptions if the estimate is a significant outlier among the range of estimates and/or the Company's published earnings guidance. The Company will limit its comments in responding to such inquiries to non-material or generally disclosed information. The Company will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's model and earnings estimates.

#### **Distributing Analyst Reports**

- 4.21 Analyst reports are proprietary products of the analyst's firm. Re-circulating a report by an analyst may be viewed as an endorsement by the Company of the report. For these reasons, the Company

will not provide analyst reports to persons outside of the Company, including posting such information on its website or including links to any investment firm's or analyst's websites or publications.

- 4.22 The Company may post on its website a complete list, regardless of the recommendation, of all the investment firms and analysts who are known to the Company to provide research coverage on the Company. If provided, such list will not include links to the analysts' or any other third-party websites or publications.
- 4.23 The Company may distribute analyst reports to its directors, senior officers and financial and professional advisers, provided that such reports remain confidential and are not further distributed by such individuals or advisers.

### **Forward-Looking Information**

- 4.24 The Company may provide forward-looking information in appropriate circumstances to enable evaluation of the Company's operations and prospects for performance. Forward-looking information may include statements about future or anticipated growth, operating results and performance of the Company and business prospects and opportunities.
- 4.25 To the extent that forward-looking information is provided by the Company in a disclosure document, news release or statement by a spokesperson, it will be accompanied by, or reference will be made to, among other things:
  - (a) Cautionary language to warn of the risk that material factors could cause actual results to differ materially from statements made in the forward-looking information.
  - (b) A statement of material factors or assumptions that were applied in the preparation of the forward-looking information.
- 4.26 The Company will also disclaim any intention to update or revise the forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

### **Quiet Periods**

- 4.27 To avoid the potential, perception or appearance of selective disclosure, the Company will observe quiet periods commencing on the first day of the month following the end of a quarter and ending with the issuance of a news release disclosing earnings results for that period. During quiet periods the Company's communications with analysts, investors and other market professionals should be limited to responding to unsolicited inquiries concerning factual matters, and no earnings guidance or comments with respect to the Company's expected results or operations for such quarter will be provided. Notwithstanding the foregoing, the Company may participate in investment meetings and conferences organized by third parties provided that there is no disclosure of material information that is not generally disclosed, and that caution is exercised to prevent selective disclosure.

### **Company Website**

- 4.28 The Company maintains an Internet website that includes information of interest to investors. The Corporate Finance Department manages the investor relations section of the Company's website. The Corporate Finance Department will continuously update the investor relations section of the Company's website and will monitor all information placed on the website for accuracy,

completeness, currency and compliance with relevant securities laws. The Corporate Finance Department will approve all links from the Company's website to a third-party website. Any such links will include a notice that advises the reader that he or she is leaving the Company's website and that the Company is not responsible for the contents of the other site.

- 4.29 Investor relations material will be contained within a separate section of the Company's website and will include a notice that advises the reader that the information posted was considered accurate at the time of posting but may be superseded by subsequent disclosures or become inaccurate over time. All data posted to the website, including text and audiovisual material, will identify the date such material was issued. Any material changes in information will be updated as soon as possible. The Company will maintain a log indicating the date that material information is posted and/or removed from the investor relations website. Removal of material corporate information from the website will require approval of the Committee.
- 4.30 Disclosure on the Company's website alone does not constitute adequate disclosure of information that is considered material non-public information. Any disclosures of material information on the website will be preceded by the issuance of a news release.
- 4.31 Responses to electronic inquiries will be provided as appropriate. Only public information or information that could otherwise be disclosed in accordance with this Policy will be utilized in responding to electronic inquiries.
- 4.32 Each employee's corporate e-mail address is, in fact, a company address. Therefore, all correspondence received and sent via e-mail is to be considered corporate correspondence.

#### **Use of Social Networks**

- 4.33 Use of social networks (including corporate blogs, employee blogs, chat boards, Twitter, Instagram, Facebook, LinkedIn, YouTube and any other non-traditional means of communication) to disclose material, non-public information is considered selective disclosure and violates this Policy.
- 4.34 In order to ensure that no material non-public information is inadvertently disclosed, employees are prohibited from participating in Internet chat rooms, bulletin boards or newsgroup discussions on matters pertaining to the Company's activities or its securities. Employees who encounter such a discussion involving a Company employee should advise a member of the Committee as soon as possible.
- 4.35 For further information on the Company's policies regarding social media, see Policy HR 4.13 – Social Media.

#### **5. COMMUNICATION AND ENFORCEMENT**

- 5.01 Violations or suspected violations of this Policy must be reported to the Corporate Secretary.
- 5.02 Any employee who violates this Policy may face disciplinary action up to and including termination of his or her employment with the Company (or an affiliate) without notice. Violation of this Policy may also violate certain securities laws. If it appears that an employee may have violated securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

Dated as of November 6, 2019.