

MANDATE OF THE BOARD OF DIRECTORS

1. Purpose

The Board of Directors (the "**Board**") of Western Forest Products Inc. (the "**Corporation**") directly and through its committees, 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 while considering the interests of the Corporation's various stakeholders.

2. Authority and Organization

The Board retains authority over the administration of its own affairs, including:

- selecting the Chair of the Board;
- forming 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 "**MRCC**"),
 - the Nominating and Corporate Governance Committee (the "**NCGC**"); and
 - the Environmental, Health and Safety Committee (each a "**Committee**" and collectively the "**Committees**"); and
- delegating powers to Committees.

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.

3. Members

The number of directors comprising the Board is determined from time to time by the Corporation's shareholders. A majority of the directors on the Board must be independent in accordance with applicable law.

The Corporation's shareholders elect directors annually to the Corporation's Board. Elections are conducted in accordance with the applicable legislation and the Corporation's constating documents, including its articles and by-laws.

4. Meetings

The Board may hold such meetings as are necessary or appropriate in order for the Board to fulfill its responsibilities and the Chair should establish a meeting calendar annually. The Chair will set the agenda and may seek input from Board members and the Corporation's management in setting the agenda. The agenda and information concerning the business to be conducted at each Board meeting will be distributed to the members of the Board in advance of each meeting to permit meaningful review.

All directors are expected to attend and participate in meetings, including reviewing all meeting materials before every Board meeting.

The independent directors will meet separately after every regularly scheduled Board meeting without non-independent directors, and members of management in attendance. The independent directors may also hold other meetings at such times and with such frequency as the independent directors consider necessary.

5. Quorum

A majority of members of the Board, present in person, by teleconference, or by videoconference will constitute a quorum.

6. Duties

The Board will:

(a) *Appointment, Supervision and Compensation of Management*

- (i) *Executive Officer and Officer Appointments.* Appoint the Executive Officers and corporate officers of the Corporation. The term “**Executive Officer**” refers to all senior vice presidents, executive vice presidents, the Chief Financial Officer, the Chief Operating Officer and the President and Chief Executive Officer (“**CEO**”).
- (ii) *CEO Position Description.* Together with the CEO develop a clear position description for the CEO (including delineating management responsibilities).
- (iii) *CEO Goals.* Review and approve the corporate goals and objectives that the CEO is responsible for meeting.
- (iv) *CEO and Executive Officer Compensation.* Review and approve CEO and other Executive Officer compensation in light of performance with respect to the corporate goals and objectives.
- (v) *Pension, Benefit and Incentive Pension Plans.* Review and approve pension, benefit, compensation, incentive and equity-based plans or policies and the designation of and grants to participants under such pension, benefit, compensation, incentive and equity-based plans or policies, as may be required by the respective plan or policy.
- (vi) *Executive Officer Share Ownership Guidelines.* Review and approve share ownership guidelines applicable to Executive Officers.
- (vii) *Integrity.* To the extent feasible, satisfy itself as to the integrity of the CEO and the Executive Officers, and encourage the CEO and Executive Officers to create a culture of integrity throughout the organization.
- (viii) *Succession Planning.* Review matters relating to Executive Officer succession.

(b) *Risk Management*

- (i) *Risk Identification.* Oversee identification of the principal risks of the Corporation’s business and ensure that appropriate procedures and systems are in place to manage, monitor and mitigate such risks.
- (ii) *Internal Controls.* Review and assess the adequacy and effectiveness of the Corporation’s internal control and management information systems.

- (iii) *Delegation of Authority.* Develop and review delegation of authority guidelines to distinguish between areas of Board authority and those delegated to the CEO and management. The guidelines will set out matters to be presented to the Board for review.
 - (iv) *Compliance.* Confirm that management processes are in place to address and comply with applicable regulatory, corporate, securities and other compliance matters.
- (c) *Strategic Planning*
- (i) *Strategic Planning Process.* Adopt a strategic planning process and annually review and approve a corporate strategic plan that takes into account, among other things, the opportunities and risks of the business on a long-term and short-term basis.
 - (ii) *Annual Budget.* Review and approve the Corporation's annual budget.
 - (iii) *Operational Plans.* Review management's annual operational plans.
 - (iv) *Performance.* Monitor performance against both short-term and long-term strategic plans, budgets, operational plans and annual performance objectives.
- (d) *Shareholder Communication and Disclosure*
- (i) *Management Systems.* Confirm that management has established a system for effective corporate communications, including processes for consistent, transparent regular and timely public disclosure.
 - (ii) *Disclosure Policy.* Review and approve the adoption of a disclosure policy relating to, among other matters, the confidentiality of the Corporation's business information (the "**Communications Policy**").
 - (iii) *Disclosure.* Review and approve the Corporation's financial statements, management's discussion and analysis, annual information form, information circular and other public disclosure documents.
 - (iv) *Financial Reporting.* Oversee the Corporation's compliance with applicable audit, accounting and financial reporting requirements.
 - (v) *Shareholder Reporting.* Report annually to shareholders on the Board's stewardship for the previous year.
 - (vi) *Shareholder Feedback.* 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.
- (e) *Nomination, Composition and Operation of the Board and Governance Processes*
- (i) *Policies and Processes.* Review and approve the Corporation's corporate governance practices, policies and procedures including a majority voting policy, a policy relating to the number of outside boards on which any one director can sit, and a policy regarding share ownership requirements.
 - (ii) *Nominations.* Review and approve the constitution of the Board and the appointment of Board member candidates with regard to the approved criteria for selection of Board members.
 - (iii) *Position Descriptions.* Review and approve position descriptions for the Chair of the Board and the Chair of each Committee.

- (iv) *Board Committee Charters.* Annually review the adequacy of and approve changes to the Charters of each Board committee.
- (v) *Independence.*
 - Review the independence of each Board member on an annual basis.
 - Establish an appropriate system of corporate governance to permit the Board to function independently of management, including regular meetings of the independent members of the Board and the appointment of an independent Lead Director if the Chair of the Board is not independent.
- (vi) *Director Compensation.* Review and approve director compensation (including benefits).
- (vii) *Assessment.* Complete an annual assessment process, as developed by the NCGC, regarding the effectiveness of the Board, its committees and its members.
- (viii) *Code of Conduct.*
 - Review and approve a Code of Business Conduct and Ethics (the “**Code**”).
 - Review and approve officer or director waivers to the Code.
 - Where a waiver has been granted, determine whether disclosure of the waiver is necessary in accordance with applicable law.
- (f) *Environmental, Health and Safety.* Monitor and review, as appropriate, the Corporation’s policies and practices relating to environmental, health and safety issues.

7. Adequacy of Charter

The Board will review this Charter at least annually.

8. Experts and Advisors

The Board may, in its sole discretion, retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfil its duties and responsibilities under this Charter. The Board will set the compensation and oversee the work of any outside counsel and other advisors to be paid by the Corporation.

9. Secretary and Minutes

The Chair shall appoint a secretary for each meeting to keep minutes of such meeting. The minutes of the Board will be in writing and duly entered into the books of the Corporation. The minutes of the Board will be circulated to all members of the Board.

Dated as of May 1, 2019.