

# NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER.

## 1. Purpose

The Board of Directors (the “**Board**”) of Western Forest Products Inc. (the “**Corporation**”) has established a Nominating and Corporate Governance Committee (the “**Committee**”) to assist the Board in fulfilling its oversight responsibilities regarding:

- (a) selection of new directors to become Board members;
- (b) reviewing the size and composition of the Board;
- (c) the Corporation’s development and compliance with corporate governance principles, including such procedures as may be necessary to allow the Board to function independently of management; and
- (d) any additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

## 2. Members

The Committee will consist of at least three members of the Board. Each member must be independent in accordance with the applicable securities laws and stock exchange policies.

Committee members, including the Committee Chair (the “**Chair**”), will be appointed annually by the Board and will serve until the earlier of (a) the appointment of their successor or (b) their removal (which will automatically occur if the member ceases to be a director). The Board may remove any member from the Committee at any time and may fill any vacancies by appointing a member from the Board. If a vacancy on the Committee exists, the remaining members will exercise all the Committee's powers so long as a quorum exists.

## 3. Meetings

The Committee may hold such meetings as are necessary or appropriate in order for the Committee to fulfill its responsibilities and the Chair should establish a meeting calendar annually. The Committee is governed by the same rules regarding meetings that apply to the Board. The Chair will set the agenda and may seek input from Committee members and the Company’s management in setting the agenda. The agenda and information concerning the business to be conducted at each Committee meeting will be distributed to the members of the Committee in advance of each meeting to permit meaningful review.

## 4. Quorum

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

## 5. Duties

The Committee will:

- (a) *Nomination, Composition and Operation of Board*
  - (i) *Board Constitution.* Review and make appropriate recommendations to the Board regarding the constitution of the Board, including:

- the size and composition of the Board;
  - the general responsibilities and functions of the Board and its members, including position descriptions for the Chair of the Board and the Lead Independent Director, if any; and
  - the procedures for effective Board meetings so that the Board can function independently of management and without conflicts of interest.
- (ii) *Long Term Plan and Board Succession Planning.* Review the long term plan for the constitution of the Board that takes into consideration the current strengths, skills and experience on the Board and the strategic direction of the Corporation. This plan will include:
- the desired qualifications, demographics, skills and experience for potential directors;
  - the appropriate rotation of directors on Board committees;
  - an interview process for potential candidates for Board membership;
  - a list of future candidates for Board membership; and
  - succession planning for Board members.
- (iii) *Nominations.* As required, identify, screen and make recommendations to the Board regarding Board member candidates. Prior to making its recommendations the Committee should consider: the competencies, skills and diversity of the Board as a whole; the desired competencies and skills of the Board; the competencies and skills of each existing director; and the competencies and skills of each new nominee.
- (iv) *Shareholder Nominations.* Consider any director candidates recommended by the Corporation's shareholders under the procedures set forth in the *Canada Business Corporation Act*.
- (v) *Compensation.* Review and make appropriate recommendations to the Board regarding the compensation (including benefits) for the directors of the Corporation (including the Chair of the Board), having regard to the Corporation's comparator group, which is set and monitored by the Committee.
- (vi) *Board Committees.* Review and make appropriate recommendations to the Board regarding the responsibilities of Board committees, the establishment or disbanding of Board committees, the structure and composition of Board committees and position descriptions for the Chair of each committee.
- (vii) *Insurance and Indemnity.* Review and make appropriate recommendations to the Board regarding any material changes to directors' or officers' indemnity agreements. Periodically review the terms and conditions of directors and officers third-party liability insurance coverage in light of the directors' and officers' indemnity agreements.
- (viii) *Orientation and Continuing Education.* Oversee an orientation program for new directors and a continuing education program for current directors.
- (b) *Governance Processes.*
- (i) *Corporate Governance Practices, Policies and Procedures.* Oversee and, as required, make appropriate recommendations to the Board regarding the Corporation's corporate governance practices, policies and procedures, including the Board's stewardship role and

- the ability of directors to carry out their duties with due diligence and in compliance with all legal and regulatory requirements
- (ii) *Majority Voting Policy Resignations.* Review and make appropriate recommendations to the Board regarding any resignation tendered pursuant to the Corporation's majority voting policy.
  - (iii) *Share Ownership Requirements.* Review and make appropriate recommendations to the Board regarding share ownership guidelines applicable to directors.
  - (iv) *Overboarding Policies.* Review and make appropriate recommendations to the Board regarding any policies relating to the number of outside boards on which any one director sits.
  - (v) *Lobbying Policies.* Review and make appropriate recommendations to the Board regarding any policies relating to political contributions.
  - (vi) *Disclosure.* Review, discuss with management and make recommendations to the Board regarding the Corporation's corporate governance disclosure, including disclosure regarding the operations of the Committee and other Board committees, director independence and the director nominations process.
  - (vii) *Assessment.* Develop, subject to approval by the Chair of the Board, a process for an annual assessment of the effectiveness of the Board, its Chair, its members, its committees and its committee chairs, and oversee the conduct of this annual assessment.
  - (viii) *Director Concerns.* Together with the Chair of the Board (where appropriate), address concerns of individual directors about matters that are not readily or easily discussed at full Board meetings.
- (c) *Diversity.* Review, consider any recommendations from the Management Resources and Compensation Committee, and make recommendations to the Board with respect to practices relating to Board diversity, including the representation of women on the Board.
  - (d) *Insider Trading Policy.* Oversee and make recommendations to the Board for any necessary amendments with respect to the Corporation's Insider Trading Policy. Authorize any waiver granted in connection with such policy, and confirm with management the appropriate disclosure of any such waiver.
  - (e) *Code of Conduct.*
    - (i) *Review.* Review and make appropriate recommendations to the Board regarding any amendments to the Corporation's Code of Business Conduct and Ethics (the "Code").
    - (ii) *Compliance.* Review the program used by management to monitor compliance with the Code.
    - (iii) *Waivers.* Review and make appropriate recommendations to the Board regarding any director or officer waivers granted under the Code.

## 6. Board Relationship and Reporting

The Committee will report to the Board on all matters set out in this Charter and any other matters as may be assigned to the Committee by the Board.

**7. Delegation of Authority**

The Committee has the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

**8. Adequacy of Charter**

The Committee will, together with the Nominating and Corporate Governance Committee, review this Charter at least annually and recommend any proposed changes to the Board for approval.

**9. Experts and Advisors**

The Committee 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 Committee will set the compensation and oversee the work of any outside counsel and other advisors to be paid by the Corporation.

**10. Secretary and Minutes**

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

Dated as of May 1, 2019.