



Western Forest Products Inc.
DEFINING A HIGHER STANDARD™

Western Forest Products Inc.
Notice of Annual Meeting of Shareholders
May 2, 2019

Information Circular

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LETTER FROM THE CHAIR

March 20, 2019

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 2, 2019 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.

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

“Michael T. Waites”

Michael T. Waites
Chair, 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 2, 2019 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, 2018;
- 2) to set the number of directors at eight (8);
- 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;
- 5) to consider a non-binding advisory resolution on our approach to executive compensation; and
- 6) to transact such other business as may properly come before the Meeting or any adjournment thereof.

The Corporation’s Board of Directors have fixed the close of business on March 20, 2019, as the record date for determining the common shareholders entitled to receive notice of and vote at the Meeting.

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 20, 2019.

By Order of the Board of Directors

“Michael T. Waites”

Michael T. Waites
Chair, 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, 8th 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 April 30, 2019. 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 20, 2019, 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, 8th 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 April 30, 2019. Instructions for voting by telephone or via the Internet are located on the enclosed form of proxy.

NON-REGISTERED HOLDERS

The following information is important to the many shareholders who do not hold Common Shares in their own name (a “Non-Registered Holder”). 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 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.

Every Intermediary has its own mailing procedure and provides its own return instructions to clients. These instructions should be carefully followed by Non-Registered Holders to ensure that Common Shares are voted at the Meeting. The form of proxy provided to a Non-Registered Shareholder by its Intermediary is similar to the form of proxy provided to registered Shareholders, except that its purpose is limited to instructing the Intermediary how to vote on behalf of the Non-Registered Holder. The majority of intermediaries now delegate responsibility for obtaining these instructions to Broadridge Financial Services Inc., who typically mails a scannable voting instruction form instead of the form of proxy.

Under applicable securities legislation, a beneficial shareholder is a “non-objecting beneficial owner” (or “NOBO”) if such beneficial owner has, or is deemed to have, provided instructions to the Intermediary not objecting to the disclosure of the beneficial owner’s ownership information in accordance with securities legislation. A beneficial owner is an “objecting beneficial owner” (or “OBO”) if such beneficial owner has, or is deemed to have, provided instructions to the Intermediary objecting to disclosure of the beneficial owner’s ownership information.

If you are a NOBO, you received these materials from your Intermediary or its agent, and your Intermediary is required to seek your instructions as to how to exercise the voting rights attached to your Common Shares. The Corporation has agreed to pay for Intermediaries to deliver the proxy-related materials and the relevant voting instruction form (or, less frequently, the form of proxy) to NOBOs. The voting instruction form or form of proxy sent to you by your Intermediary or its agent should contain an explanation as to how you can exercise the voting rights attached to your Common Shares, including how to attend and vote directly at the Meeting. **Please read these instructions carefully to ensure that your Common Shares are voted at the Meeting.** If you wish to vote in person at the Meeting, you must insert your own name in the "Appointee" section of the voting instruction form you receive and return the completed form.

If you are an OBO, you received these materials from your Intermediary or its agent, and your Intermediary is required to seek your instructions as to how to exercise the voting rights attached to your Common Shares. The Corporation has agreed to pay for Intermediaries to deliver the proxy-related materials and the relevant voting instruction form (or, less frequently, the form of proxy) to OBOs who have not otherwise waived their right to receive them. The voting instruction form or form of proxy that is sent to you by your Intermediary or its agent should contain an explanation as to how you can exercise the voting rights attached to your Common Shares, including how to attend and vote directly at the Meeting. **Please read these instructions carefully to ensure that your Common Shares are voted at the Meeting.**

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

REVOCAION 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 Chair 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 20, 2019, a total of 382,414,965 Common Shares were issued and outstanding. Each Common Share carries the right to one vote 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 "*Voting Information – Non-Registered Holders*".

The Board of Directors of the Corporation (the "Board" or "Board of Directors") have fixed the close of business on March 20, 2019, as the record date (the "Record Date"), which is established for the purposes of determining shareholders entitled to received notice of and to vote at the Meeting.

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, except as set out below.

<u>Name of Beneficial Holder</u>	<u>Number of Common Shares</u>	<u>Percentage Ownership</u>
Letko, Brosseau & Associates Inc.	68,698,998 ⁽¹⁾	18.0%

(1) As per Form 62-103F3 filed publicly on March 8, 2019.

BUSINESS OF THE MEETING

1. RECEIVING THE 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, 2018, which are included in the Corporation's 2018 Annual Report, will be placed before the shareholders at the Meeting. The Corporation's 2018 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 2018 Annual Report will be available at the Meeting. Alternatively, the 2018 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 at eight (8). The resolution to set the number of directors on the Board at eight (8) must be passed by a simple majority of the votes at the Meeting cast either in person or by proxy.

Management recommends voting in favour of setting the number of directors at eight. Unless otherwise directed, the management representatives designated in the enclosed form of proxy intend to vote FOR the resolution setting the number of directors of the Corporation at eight (8).

3. ELECTION OF DIRECTORS

Eight nominees are proposed for election to the Board at this Meeting. See "*About our Board of Directors*", beginning at page 8, for biographical information about all our directors.

Management recommends voting in favour of each nominee. Unless otherwise directed, the management representatives designated in the enclosed form of proxy intend to vote FOR the election of a Board composed of the eight nominees listed below.

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 12, 2019, 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.

Management recommends voting in favour of the reappointment of KPMG. The management representatives designated in the enclosed form of proxy intend, unless otherwise directed, to vote FOR the reappointment of 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, 2018 by KPMG LLP amounted to \$734,071. 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	
	2018	2017
Audit	\$555,000	\$545,000
Audit-related	25,000	25,000
Taxation - compliance	50,109	45,277
Taxation - advisory	103,962	56,497
Total for all services	\$734,071	\$671,774

Non-recurring, incremental tax advisory and compliance support fees in 2018 were the result of the correspondence received from the Canada Revenue Agency regarding certain restructuring transactions, occurring in 2004 and 2007 to 2011, and the general anti-avoidance rule.

Description of Services:

Audit includes the audit of our annual financial statements and the review of our unaudited condensed consolidated interim financial statements.

Audit-related includes audits of our pension plans.

Taxation - compliance consists of tax compliance services and supporting regulatory review.

Taxation - advisory consists of tax planning, structuring and related advisory services.

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. ADVISORY VOTE ON EXECUTIVE COMPENSATION

At a meeting of the Board held on February 16, 2017, the Board adopted a policy to hold an advisory vote on our approach to executive compensation at every annual general meeting. The purpose of this 'Say on Pay' advisory vote is to provide shareholders with the opportunity to indicate their acceptance of the Board's overall approach to executive compensation.

Western is committed to providing its shareholders with clear, comprehensive and transparent disclosure on executive compensation. Please refer to the "*Executive Compensation*" section starting on page 29 which sets out the philosophy, objectives and elements of the Corporation's executive compensation program, as well as the measurement and assessment processes used.

Management recommends voting in favour of the approach to executive compensation disclosed herein. The management representatives designated in the enclosed form of proxy intend, unless otherwise directed, to vote FOR the following resolution:

"RESOLVED that, on an advisory basis only and not to diminish the role and responsibilities of the Board, the shareholders accept the approach to executive compensation disclosed in the Corporation's Management Information Circular dated March 20, 2019."

Since this is an advisory vote, the results will not be binding on the Board or Western. The Board remains fully responsible for its compensation decisions and is not relieved of its responsibilities by either a positive or a negative advisory vote. However, the Board will consider the outcome of the vote as part of its ongoing review of the executive compensation program of the Corporation, together with the feedback received from shareholders in the course of regular communications.

6. OTHER BUSINESS

Management does not intend to present any other business at the Meeting and is 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

Upon recommendation of the Nominating and Corporate Governance Committee, the Board has nominated eight directors for election at the Meeting.

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 13, and in the section titled “Statement of Corporate Governance Practices” starting on page 20.

JAMES ARTHURS

North Vancouver, British Columbia, Canada
Age: 60

INDEPENDENT

Director since: July 2004

Mr. Arthurs is Executive Vice President, Electronics Group for Westport Fuel Systems Inc., a developer and supplier of natural gas engine technologies, and a member of the board of directors of Cummins Westport Inc. Mr. Arthurs was Chairman of Cummins Westport Inc. from 2015 to 2017 and President of Cummins Westport Inc. from 2012 to 2013. He was Executive Vice President, Heavy Duty Systems for Westport Innovations Inc. from 2014 to 2017, 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.

Securities Held at December 31, 2018 and 2017

Year	Common Shares ⁽¹⁾	DSUs ⁽²⁾	Value ⁽³⁾	Meets requirement ⁽⁴⁾	Total compensation ⁽⁶⁾
2018	53,564	49,403	\$218,995	- / 2.0x	\$125,000
2017	53,564	21,170	\$184,375	- / 1.8x	\$115,000

2018 Membership and Attendance ⁽⁵⁾			2018 AGM Voting Results		Public Directorships
Board	7 of 7	100%	For	260,221,126	None
Audit (Chair)	4 of 4	100%	Withheld	29,650,324	
EH&S	4 of 4	100%	% For	89.77%	Interlocks
MRCC	2 of 2	100%	% Withheld	10.23%	
NCGC	4 of 4	100%			

- (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. As at the date hereof, all directors hold Common Shares, with the exception of Ms. Cillis and Ms. Phyfer who were appointed to the Board March 1, 2019.
- (2) Deferred Share Units, hereinafter referred to as “DSUs”, are defined further on page 15.
- (3) Value of Shares and DSUs held is calculated on the greater of the current market value and the grant or acquisition date value of eligible securities. The market value as at December 31, 2018 and 2017 was \$1.89 and \$2.45 respectively per Share or DSU held, which was the closing price of Shares on those dates.
- (4) All non-executive directors are required to own a minimum value of Common Shares and DSUs equal to three times the value of their annual retainer by the later of 5 years from becoming a director, or February 17, 2021.
- (5) Committees of the Board of Directors have been abbreviated in this Circular. The full committee names are the Audit Committee (“Audit”), the Environmental, Health and Safety Committee (“EH&S”), the Management Resources and Compensation Committee (“MRCC”) and the Nominating and Corporate Governance Committee (“NCGC”).
- (6) Excludes the value of dividends received on DSUs held. For further information see “Director Compensation Table” on page 16.

JANE BIRD

Vancouver, British Columbia, Canada
Age: 57

INDEPENDENT

Director since: August 2015

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 the Canada Infrastructure Bank and Global Container Terminals 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.

Securities Held as at December 31, 2018 and 2017

Year	Common Shares ⁽¹⁾	DSUs ⁽²⁾	Value ⁽³⁾	Meets requirement ⁽⁴⁾	Total compensation ⁽⁶⁾
2018	5,300	111,175	\$263,145	- / 2.4x	\$115,000
2017	5,300	58,474	\$158,188	- / 1.6x	\$105,000

2018 Membership and Attendance ⁽⁵⁾			2018 AGM Voting Results		Public Directorships
Board	7 of 7	100%	For	278,125,292	None
MRCC	4 of 4	100%	Withheld	11,748,403	Interlocks
NCGC	4 of 4	100%	% For	95.95%	
			% Withheld	4.05%	

LAURA A. CILLIS

Calgary, Alberta, Canada
Age: 60

INDEPENDENT

Director since: March 2019

Ms. Cillis is a corporate director with 25 years of experience working in publicly traded, primarily international, organizations and has a broad range of leadership, corporate governance and financial experience. Ms. Cillis currently serves as a Board member of Crescent Point Energy Corp and Solium Capital Inc. where she is the Chair of both their respective Audit Committees. She was previously a member of the Board of Enbridge Income Fund Holdings Inc. until its privatization in 2018. Ms. Cillis also held the role of Senior Vice President, Finance and Chief Financial Officer of Calfrac Well Services Ltd. from 2008 until 2013, and Chief Financial Officer of Canadian Energy Services L.P. from 2006 to 2008. Prior thereto, she held various positions at Precision Drilling Corporation and Schlumberger Canada. Ms. Cillis is a Chartered Accountant and holds the ICD.D designation granted by the Institute of Corporate Directors. She earned her Bachelor of Commerce degree from the University of Alberta.

Securities Held as at December 31, 2018 and 2017

Year	Common Shares ⁽¹⁾	DSUs ⁽²⁾	Value ⁽³⁾	Meets requirement ⁽⁴⁾	Total compensation ⁽⁶⁾
2018	Nil	Nil	Nil	N/A	N/A
2017	Nil	Nil	Nil	N/A	N/A

2018 Membership and Attendance ⁽⁵⁾			2018 AGM Voting Results		Public Directorships
Board	N/A	N/A	For	N/A	Crescent Point Energy Corp
			Withheld	N/A	Solium Capital Inc.
			% For	N/A	Interlocks
			% Withheld	N/A	

DONALD DEMENS

Vancouver, British Columbia, Canada
Age: 57

NON-INDEPENDENT

Director since: February 2013

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 is a Director of the BC Council of Forest Industries. Mr. Demens holds a Bachelor of Commerce degree from the University of British Columbia.

Securities Held as at December 31, 2018 and 2017

Refer to Executive Compensation section, beginning on page 29.

2018 Membership and Attendance			2018 AGM Voting Results		Public Directorships
Board	7 of 7	100%	For	275,871,299	None
			Withheld	14,000,151	
			% For	95.17%	Interlocks
			% Withheld	4.83%	None

LEE DONEY

Victoria, British Columbia, Canada
Age: 69

NON-INDEPENDENT

Director since: July 2004

Mr. Doney is a consultant through his company, RLD Strategies Ltd, the Chairman of the Board of Columbia Power Corporation, Chair 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. He was Deputy Minister of Skills and Development and Labour from June 2001 until 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; Chair of the Board of WorkSafeBC; Chief Executive Officer of the BC 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 Master's degree in Economics from Queen's University.

Securities Held as at December 31, 2018 and 2017

Year	Common Shares ⁽¹⁾	DSUs ⁽²⁾	Value ⁽³⁾	Meets requirement ⁽⁴⁾	Total compensation ⁽⁶⁾
2018	6,128	715,408	\$1,412,050	Yes / 7.4x	\$190,000
2017	6,128	688,835	\$1,705,739	Yes / 11.8x	\$277,000

2018 Membership and Attendance ⁽⁵⁾			2018 AGM Voting Results		Public Directorships
Board (Chair)	7 of 7	100%	For	275,281,991	None
EH&S	4 of 4	100%	Withheld	14,591,704	
			% For	94.97%	Interlocks
			% Withheld	5.03%	None

DANIEL NOCENTE

Vancouver, British Columbia, Canada
Age: 64

INDEPENDENT

Director since: May 2014

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 its Audit Committee. He is also currently Chairman of Savary Gold Inc., a gold exploration company with assets in Burkina Faso, Africa. He has also served as Director and Audit Committee member of Carmanah Technologies Corporation, 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 Master's 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.

Securities Held as at December 31, 2018 and 2017

Year	Common Shares ⁽¹⁾	DSUs ⁽²⁾	Value ⁽³⁾	Meets requirement ⁽⁴⁾	Total compensation ⁽⁶⁾
2018	204,762	103,271	\$672,001	Yes / 6.1x	\$135,000
2017	200,000	99,435	\$735,388	Yes / 7.4x	\$125,000

2018 Membership and Attendance ⁽⁵⁾			2018 AGM Voting Results		Public Directorships
Board	7 of 7	100%	For	278,180,376	Savary Gold Corp.
Audit	4 of 4	100%	Withheld	11,693,319	
MRCC (Chair)	4 of 4	100%	% For	95.97%	Interlocks
NCGC	4 of 4	100%	% Withheld	4.03%	None

CHERI PHYFER

Bay Village, Ohio, United States
Age: 48

INDEPENDENT

Director since: March 2019

Ms. Phyfer is President, the Americas, Moen for Fortune Brands Home & Security, a home and security products company headquartered in the United States. Prior to her current role, Ms. Phyfer was President, US Business, Moen from 2018 to 2019; President, Consumer Brands Division of Sherwin Williams Company during 2017; and President and General Manager of the Diversified Brands Division of Sherwin Williams Company from 2013 to 2017. Ms. Phyfer currently sits on the board of W.C. Bradley Company. Ms. Phyfer holds an MBA and a Bachelor of Science from Clemson University.

Securities Held as at December 31, 2018 and 2017

Year	Common Shares ⁽¹⁾	DSUs ⁽²⁾	Value ⁽³⁾	Meets requirement ⁽⁴⁾	Total compensation ⁽⁶⁾
2018	Nil	Nil	Nil	N/A	N/A
2017	Nil	Nil	Nil	N/A	N/A

2018 Membership and Attendance ⁽⁵⁾			2018 AGM Voting Results		Public Directorships
Board	N/A	N/A	For	N/A	None
			Withheld	N/A	
			% For	N/A	Interlocks
			% Withheld	N/A	None

MICHAEL T. WAITES

Vancouver, British Columbia, Canada
Age: 65

INDEPENDENT

Director since: November 2014
Chair since: February 2019

Mr. Waites was President and CEO of Finning International Inc. from 2008 through to retirement 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.

Securities Held as at December 31, 2018 and 2017					
Year	Common Shares ⁽¹⁾	DSUs ⁽²⁾	Value ⁽³⁾	Meets requirement ⁽⁴⁾	Total compensation ⁽⁶⁾
2018	125,000	202,903	\$707,155	Yes / 6.4x	\$118,333
2017	60,000	145,285	\$505,873	Yes / 5.1x	\$105,000

2018 Membership and Attendance ⁽⁵⁾			2018 AGM Voting Results		Public Directorships
Board	7 of 7	100%	For	280,733,737	None
Audit (V.Chair)	4 of 4	100%	Withheld	9,139,958	
EH&S	4 of 4	100%	% For	96.85%	
NCGC	4 of 4	100%	% Withheld	3.15%	Interlocks
					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	Cillis	Doney	Nocente	Phyfer	Waites
Business Strategy, Development and Risk Assessment	✓	✓	✓		✓	✓	✓
Capital Allocation, Mergers, Acquisitions and Divestitures	✓		✓		✓	✓	✓
Communications	✓	✓		✓	✓	✓	✓
Corporate Finance and Capital Markets					✓		✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓
Financial Reporting, Accounting and Audits	✓		✓		✓	✓	✓
Government and Stakeholder Relations		✓		✓			
Human Resources and Labour Relations		✓	✓	✓	✓	✓	✓
Industry Knowledge and Experience	✓			✓	✓	✓	
International Business Experience	✓		✓			✓	✓
Legal		✓					
Operations Management	✓						✓
Regional Business Experience	✓	✓		✓	✓		✓
Sales, Marketing and Product Development	✓					✓	

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

It is the Board's expectation that each director 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, either the Chair of the Board ("Chair"), the chair of the applicable committee 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 held in 2018:

Director ^{(1), (2)}	Board of Directors Meetings	Audit Meetings	EH&S Meetings	MRCC Meetings	NCGC Meetings
James Arthurs	7 of 7	4 of 4	4 of 4	2 of 2	4 of 4
Jane Bird	7 of 7	N/A	N/A	4 of 4	4 of 4
Suzanne Blanchet	3 of 3	N/A	2 of 2	2 of 2	N/A
Donald Demens	7 of 7	N/A	N/A	N/A	N/A
Lee Doney	7 of 7	N/A	4 of 4	N/A	N/A
Daniel Nocente	7 of 7	4 of 4	N/A	4 of 4	4 of 4
J. Barrie Shingleton	3 of 3	N/A	2 of 2	2 of 2	N/A
Michael T. Waites	7 of 7	4 of 4	4 of 4	N/A	4 of 4

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

(2) Ms. Cillis and Ms. Phyfer were appointed March 1, 2019 and thus not presented above.

During 2018, the Board held seven meetings and its standing committees held sixteen meetings. Committee meetings included four meetings of the Audit Committee, four meetings of the Environmental, Health and Safety Committee, four meetings of the Management Resources and Compensation Committee and four meetings of the Nominating and Corporate Governance Committee.

In addition, there were four meetings of the independent directors, as defined under the standards established by Canadian securities regulatory authorities in National Instrument 52-110 *Audit Committees*. 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 (“NCGC”) 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 within 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.

The comparator group is set and monitored by the NCGC, 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 NCGC 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 ⁽¹⁾	Conifex Timber Inc.	Resolute Forest Products Inc.
Ainsworth Lumber Co. Ltd. ⁽²⁾	Domtar Corporation	Stella-Jones Inc.
Canfor Corporation ⁽³⁾	Interfor Corporation	Tembec Inc. ⁽⁵⁾
Canfor Pulp Products ⁽³⁾	Norbord Ltd. ⁽²⁾	West Fraser Timber Co. Ltd.
Catalyst Paper Corporation ⁽⁴⁾	Mercer International Inc.	

(1) Acadian Timber has a number of executive officers that are also management of, and believed to receive supplemental compensation from, its primary shareholder or subsidiaries of its primary shareholder Brookfield Asset Management.

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

(3) Canfor Corporation holds a 54.8% interest in, and shares common executive officers with, Canfor Pulp Products Inc.

(4) Catalyst Paper Corporation ceased to be a public company and was delisted from the TSX on January 27, 2017, but was included at the time of this analysis.

(5) Rayonier Advanced Materials acquired Tembec Inc. on November 20, 2017, but was included at the time of this assessment.

The comparative information reviewed by the NCGC 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 30th and 48th percentile, respectively.

On consideration of this data, in 2015 the NCGC recommended a moderate increase in total director compensation which positioned the Corporation at the 33rd percentile of the comparator group. Following additional market analysis, the NCGC also recommended the implementation of director equity ownership guidelines. The foregoing recommendations were approved by the Board effective August 1, 2015 and February 17, 2016, respectively.

In 2016, the NCGC engaged Willis Towers Watson to update their 2015 peer company director compensation review, and provide recommendations with respect to further refining the structure of the

Corporation's director compensation program. Following this review, the NCGC recommended (i) moderate increases to total director compensation which keep the Corporation positioned at the 33rd percentile of the comparator group, (ii) the elimination of meeting fees and (iii) the requirement that any non-executive director who does not meet the Corporation's director equity ownership guidelines take a minimum of 50% of his or her annual base retainer in Deferred Share Units ("DSUs"). These recommendations were all approved by the Board effective January 1, 2017.

Beginning in 2017 and concluding in early 2018, the NCGC engaged Willis Towers Watson to update their peer company director compensation review. Following this review, the NCGC recommended (i) an increase to the Chair's compensation to position the Corporation at the 25th percentile of the comparator group and (ii) an increase in total director compensation to keep in line with the median of the comparator group. These recommendations were all approved by the Board effective January 1, 2018.

DIRECTORS' FEES AND RETAINERS

The following table presents the retainers for 2018 and 2019:

Role	2018	2019
Annual Base Retainer	\$110,000	\$110,000
Annual Chair Base Retainer	\$80,000	\$80,000
Annual Independent Lead Director Retainer	\$20,000	\$20,000
Annual Chair Retainer - Audit Committee	\$15,000	\$15,000
Annual Vice-Chair Retainer - Audit Committee	\$5,000	\$5,000
Annual Chair Retainer - Environmental, Health and Safety Comm.	\$5,000	\$5,000
Annual Chair Retainer - Nominating & Corp. Governance Comm.	\$5,000	\$5,000
Annual Chair Retainer - Mgmt. Resources & Compensation Comm.	\$5,000	\$5,000

Directors are reimbursed for travel and other expenses incurred in attending Board or committee meetings.

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 DSUs. For income tax purposes, this election must be made before the start of the year in which the fees are earned. Starting in 2017, any director not meeting the minimum equity ownership guidelines is required to take a minimum of 50% of his or her annual base retainer in the form of DSUs until such time as the minimum equity ownership guidelines are met. The number of DSUs allotted is determined by dividing the dollar value of the portion of the fees that the director has 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 their 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 on the relevant record date for dividends had been Common Shares, by the closing price of our Common Shares on the payment date of such dividend.

DSUs can only be redeemed for cash after the holder 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 directorship and if that is not a trading day on the TSX, the next trading day.

OTHER EQUITY-BASED DIRECTOR COMPENSATION

In 2006, the Corporation ceased the granting of Options to non-executive directors and as of December 31, 2018, no Options are held by non-executive directors.

DIRECTOR EQUITY OWNERSHIP GUIDELINES

To better align director objectives with those of shareholders, 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 (“WFP Securities”) with a value of at least three times the annual base director retainer (the “Minimum Shareholding Requirement”). In the case of the Chair, the Minimum Shareholding Requirement is three times the total of the annual base director retainer and the Chair’s 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’s 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 Option Plan unless such transactions are executed and disclosed in full compliance with the Corporation’s Code of Business Conduct and Ethics, Corporate Communications & Disclosure 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 securities law, the matter may be referred to the appropriate regulatory authorities, which could lead to penalties and fines.

The following table presents the actual and future securities ownership requirements for the non-executive directors as at December 31, 2018:

Director	Number of Shares Held	Number of DSUs Held	Total Securities Held	Value of Securities Held ⁽¹⁾	Value of Holdings Required	Date Required
James Arthurs	53,564	49,403	102,967	\$218,995	\$330,000	Feb. 17, 2021
Jane Bird	5,300	111,175	116,475	\$263,145	\$330,000	Feb. 17, 2021
Lee Doney ⁽²⁾	6,128	715,408	721,536	\$1,412,050	\$330,000	Feb. 17, 2021
Daniel Nocente	204,762	103,271	308,033	\$672,001	\$330,000	Feb. 17, 2021
Michael T. Waites ⁽²⁾	125,000	202,903	327,903	\$707,155	\$570,000	Feb. 17, 2021

(1) Value of Shares and DSUs held is calculated on the greater of the current market value and the grant or acquisition date value of eligible securities. Market value used above reflects the closing price of \$1.89 per Share on December 31, 2018.

(2) Holding requirements reflect the February 12, 2019 appointment of Mr. Waites as Chair of the Board.

For 2019, with the exception of Mr. Doney, Mr. Nocente and Mr. Waites, who met the director equity ownership requirements at December 31, 2018, and Ms. Cillis and Ms. Phyfer who were not eligible to elect, all non-executive directors elected to take a minimum of 50% of their annual base retainers in DSUs.

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, 2018:

Director	Fees Earned	Share-based Awards	All Other Compensation ⁽²⁾	Total Compensation
James Arthurs	\$62,500	\$62,500	\$2,692	\$127,692
Jane Bird	-	\$115,000	\$6,683	\$121,683
Suzanne Blanchet ⁽¹⁾	\$59,583	-	-	\$59,583
Lee Doney	\$190,000	-	\$61,037	\$251,037
Daniel Nocente	\$135,000	-	\$8,811	\$143,811
J. Barrie Shingleton ⁽¹⁾	\$19,167	\$19,167	\$423	\$38,757
Michael T. Waites	-	\$118,333	\$14,402	\$132,735

(1) Mrs. Blanchet was elected to the Board May 3, 2018 and tendered her resignation effective November 8, 2018 for personal reasons. Mr. Shingleton did not stand for re-election at the May 3, 2018 Annual and Special Meeting.

(2) All other compensation includes additional DSUs corresponding to dividends declared on the Common Shares credited under the DSU Plan (for 2018: Mr. Arthurs: \$2,692, 1,213 DSUs; Ms. Bird: \$6,683, 2,985 DSUs; Mr. Doney: \$61,037, 26,753 DSUs; Mr. Nocente: \$8,811, 3,836 DSUs; Mr. Shingleton \$423, 156 DSUs; and Mr. Waites: \$14,402, 6,349 DSUs).

ADDITIONAL INFORMATION

INDEBTEDNESS OF DIRECTORS, EXECUTIVES AND OFFICERS

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 or 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, director or employee 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 its and its subsidiaries' directors and officers in the aggregate amount of \$75 million, subject to a deductible of \$100,000. The premium, in the amount of \$183,925, was paid with respect to the period from November 1, 2018, to November 1, 2019. 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 bylaws. 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 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 INFORMED PERSONS 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 recently 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 independent Chair of the Board, care of our Corporate Secretary, at the address set out below.

Western Forest Products Inc.
800 – 1055 West Georgia St.
Royal Centre Building PO Box 11122
Vancouver, BC V6E 3P3
Attention: Alyce Harper, Senior Director, Legal & Corporate Secretary
Email: corporatesecretary@westernforest.com

RECENT CORPORATE GOVERNANCE INITIATIVES

Below is a summary of recent key actions the NCGC, Management Resources and Compensation Committee (“MRCC”) 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
Independence of the Board	In February 2019, Mr. Doney stepped down as Chair of the Board, and Mr. Waites, an independent director, was appointed as his replacement.
Independent Lead Director	<p>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.</p> <p>In February 2019, the Board determined that the role of Independent Lead Director was no longer required as the Chair of the Board was independent following the completion of a planned transition in Board appointments.</p>
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, Ms. Cillis and Ms. Phyfer in 2019, and with the executive and corporate officer additions of Ms. Shannon Janzen and Ms. Jennifer Foster in January and December 2015, respectively, and Ms. Alyce Harper in February 2017.
Director Compensation Benchmarking	<p>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.</p> <p>In 2016, Willis Towers Watson was engaged to provide an updated total director compensation review. The Corporation maintained director compensation at the 33rd percentile of the peer comparator group; eliminated meeting fees; and set the requirement that non-executive directors who do not meet the Director Equity Ownership Guidelines take a minimum of 50% of their base retainers in the form of DSUs.</p> <p>In 2018, Willis Towers Watson was engaged to provide an updated director compensation review. The Corporation implemented changes to increase the Chair’s compensation to the 25th percentile of its peer comparator group and maintained director compensation within the median of the Corporation’s comparator group.</p>
Board Evaluation Policy	<p>The Board expanded on and formalized its annual director assessment requirements through the adoption of a written Board evaluation policy, that includes the requirement for a third party, independent board assessment every three years, at a minimum.</p> <p>A third party, independent assessment of the Board was completed in 2017.</p>
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.

RECENT CORPORATE GOVERNANCE INITIATIVES, CONTINUED

INITIATIVE	STATUS
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.
Advisory Vote on Executive Compensation: "Say on Pay"	A voluntary resolution was passed by the Board in February 2017 to hold an advisory vote on the approach to executive compensation at every annual general meeting. The purpose of this 'Say on Pay' advisory vote is to provide shareholders with the opportunity to indicate their acceptance of the Board's overall approach to executive compensation.
Prohibiting Option Repricing	<p>The Corporation has never repriced its outstanding Options; however, the ability to do so existed in the Corporation's Option Plan until March 2016, when the Corporation received approval from the TSX to amend its Option Plan to eliminate the Board's ability to reprice options in any circumstance without shareholder approval.</p> <p>In February 2017, the Board approved an amendment to the Option Plan that explicitly prohibits the repricing of Options.</p>
Quorum Minimum Representation	<p>A resolution was passed by the Board in February 2017 to put to shareholder vote at the Meeting a revision to the Corporation's bylaws to redefine the quorum at meetings of shareholders to be two persons holding, or representing by proxy, at least 25% of the issued voting shares of the Corporation.</p> <p>In May 2017, the shareholders of the Corporation passed a resolution approving redefining the the quorum at meetings of shareholders to be two persons holding, or representing by proxy, at least 25% of the issued voting shares of the Corporation.</p>
Sustainability Reporting	In March 2019, Western released its first annual Sustainability Report to formalize the disclosure and transparency of the Corporation's sustainable practices, set goals, track progress and report on key performance metrics.

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 the Corporation's 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 its 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 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; and safeguarding shareholders' interests.

MEETINGS OF THE BOARD

The Board meets at least once each quarter, with additional meetings held when appropriate. During 2018, there were four regularly scheduled meetings, two meetings to review specific matters and a strategic planning session. Four regular meetings are scheduled for 2019. 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 Chair.

SIZE, COMPOSITION AND INDEPENDENCE OF THE BOARD

The Board currently consists of eight directors, all of whom will be standing for re-election at the Meeting. This is within the minimum and maximum range set out in our articles. As of March 20, 2019, the majority of the directors are independent within the meaning of NI 58-101 (as defined below under "Executive Compensation"), being Mr. Arthurs, Ms. Bird, Ms. Cillis, Mr. Nocente, Ms. Phyfer and Mr. Waites.

MEETINGS OF THE INDEPENDENT DIRECTORS

The independent directors hold an in camera session, without management and non-independent Board members in attendance, every quarter. The Independent Lead Director or Independent Chair of the Board presides at each of these sessions. The Independent Board members met separately four times during 2018. It is the policy of the Board that all Board meetings include an in camera session without the presence of management and non-independent directors. In the case of the Audit Committee, each meeting includes a session with only the Corporation's internal controls manager and the committee members, and a session with only the external auditors and the committee members.

The Board has 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 February 21, 2014, Mr. Doney began providing certain management services to the Corporation under a consultancy arrangement with an entity controlled by Mr. Doney. Although the NCGC resolved not to renew the consultancy arrangement, which expired on December 31, 2017, Mr. Doney is considered non-independent until December 31, 2020 in accordance with current securities legislation.

INDEPENDENT LEAD DIRECTOR

Mr. 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 developed a written position description for the Independent Lead Director to ensure separation of the then non-independent Chair's and the Independent Lead Director's respective roles and responsibilities.

Effective February 2019, with the appointment of Mr. Waites as an independent Chair of the Board, the Board determined that the role of Independent Lead Director was no longer required.

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 the date hereof:

Committee	Arthurs	Bird	Cillis⁽¹⁾	Doney	Nocente	Phyfer⁽¹⁾	Waites
Audit Committee	✓				Chair		✓
Environmental, Health and Safety Committee	✓			Chair			✓
Management, Resources and Compensation Committee		✓			Chair		✓
Nominating and Corporate Governance Committee	✓	Chair			✓		✓

(1) Ms. Cillis and Ms. Phyfer were appointed to the Board March 1, 2019. Committee appointments will be determined following the May 2, 2019 Meeting.

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 internal controls manager and the committee members, and 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 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*. All members of the Audit Committee have served as Audit Committee Chairs of other reporting issuers or have held multiple positions requiring a high degree of financial acumen. 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 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 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 MRCC charter can be found on our website at www.westernforest.com.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

The 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 Corporate Communications & Disclosure Policy, Insider Trading 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

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

Director	Reporting Issuer
Laura Cillis	Crescent Point Energy Corp Solium Capital Inc.
Daniel Nocente	Savary Gold Corp.

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 resources 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 the date hereof, 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 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 discussed under “Board Evaluation” an effective means to assess board renewal in place of term requirements. Other than the longest serving directors, Mr. Arthurs and Mr. Doney, who have been on the Board for 14 years, the other five non-executive directors have been on the Board for less than five years. As part of its commitment to strong governance practices the Corporation added two new directors to the Board in 2019; as a result, the proportion of directors on the Board with a tenure over six years is 29%. As part of the Board renewal process the Corporation is committed to ensuring that new Board members are exposed to the industry and Corporate specific knowledge of long tenured directors.

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 Board 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 or corporate officer candidates, as the identification and nomination of director nominees and executive and corporate officers is based on a broad variety of factors the Corporation considers appropriate. 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 and corporate officer appointments, the Corporation does consider whether its executive and corporate officers consists of persons with sufficiently diverse and independent backgrounds.

The Board currently has three female directors, representing approximately 43% of the non-executive directors, and the Corporation has three women in executive or corporate officer roles, representing approximately 30% of the executive and corporate officer roles. The Corporation does not currently intend to adopt targets for female nominee directors or executive or corporate officers as the composition of the Board and its officers 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. The Corporation considers gender diversity to be important and believes that its current framework for evaluating Board and executive and corporate officer candidates takes into account gender diversity.

The Corporation promotes inclusion and diversity at all levels of the Corporation, and through the adoption of corporate policies, such as the Corporation's Pregnancy and Parental Leave Top-up Policy, the Corporation seeks to retain women in its workforce in support of developing female leaders for executive and corporate officer roles.

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 on their appointment that includes corporate policies, past Board materials and strategic and operating plans. Shortly after becoming a director, new directors are encouraged to tour our operations and spend time at the head office for 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 Chair or a majority of the independent Board members. Directors may participate in outside professional development programs approved by the Chair 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.

Under the Corporation's Board Evaluation Policy, the Board has a process to annually assess its effectiveness, the effectiveness of its committees, the Chair, 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 Chair and is comprised of the following steps:

- The questionnaires is prepared by the Corporate Secretary and approved by the NCGC and the Chair, taking into account current issues, the findings of previous years and input from the Board of Directors.
- Each questionnaire is then sent to every director and a complete set of the responses is forwarded to the Chair, except for the responses to the evaluation questionnaire relating to the Chair, which are forwarded directly to each of the chairs of the NCGC and the MRCC.
- Following receipt of the completed questionnaires, the Chair 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 Chair evaluation questionnaire.
- Reports are then made by the Chair, and the NCGC and MRCC chairs to the Board of Directors, with suggestions to improve the effectiveness of the Board of Directors, Board committees, the Chair and committee chairs, and separately to individual directors in respect of their personal performance and peer feedback.
- The Chair 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.

The Corporation's Board Evaluation Policy prescribes that every three years the annual Board evaluation process is supplemented by a third party, independent board evaluation specialist assessment. A third party, independent assessment of the Board was completed in 2017.

BOARD AND MANAGEMENT RESPONSIBILITIES

The Board has developed written position descriptions for the Chair, the Independent Lead Director, and the Chair of each committee. In addition, the Board and the Chief Executive Officer have developed a written position description for the Chief Executive Officer. The duties and responsibilities of the Chair and the 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 Chair and Chief Executive Officer were separated. These positions are currently held by Michael T. Waites 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 as detailed in "*Statement of Corporate Governance Practices*" above).

The Chair 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 Chair 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 Corporation's 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.

CODE OF BUSINESS CONDUCT AND ETHICS

In 2018, the Board adopted a revised code of business conduct and ethics (the "Code") that prescribes the minimum moral and ethical standards of conduct required of all directors, officers and employees of the Corporation and its subsidiaries.

The Code address the following matters:

- (a) conflicts of 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 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 Code to all directors, officers and salaried employees who are required to sign an acknowledgment that they have received, read and understand the contents of the Code and agree to adherence to its principles. All violations of law or of the Code must be reported. As part of the Code, 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 Code, or any other ethical concerns through an independent third-party ethics reporting system, called "Global Compliance".

The NCGC oversees compliance with the Code and where appropriate, the Committee will also cause an investigation of any reported violation of the Code and oversee an appropriate response to any violation. Any exemptions to the Code require a written waiver approved in advance by the Human Resources department. Waivers for directors or officers must be approved in advance by the Company's Board of Directors and may be disclosed publicly if required by securities legislation.

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 any director conflicts of interest to be disclosed to 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 *Canada Business Corporations Act* to disclose the conflict and (except in limited circumstances permitted by the Act), 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.

CORPORATE COMMUNICATIONS AND DISCLOSURE POLICY

We have adopted a Corporate Communications and Disclosure 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 Corporate Communications and Disclosure 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. Shareholders who wish to contact the Chair or other Board members can do so directly or through the 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").

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 39 (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 (Chair), Ms. Bird and Mr. Waites. Each of these individuals have held senior executive roles that have included involvement in human resource and executive compensation practices and policies. None of the members of the MRCC are an officer, employee or former officer of the Corporation or are eligible to participate in our executive compensation programs. The MRCC members have diverse professional backgrounds as discussed in their respective biographies provided at pages 8 to 12.

The MRCC, in accordance with its terms of reference, meets 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 four times during 2018.

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 Board has implemented an annual advisory vote on executive compensation for the Meeting.

The purpose of the 'Say on Pay' advisory vote is to provide appropriate director accountability to the shareholders of the Corporation for the Board's compensation decisions by giving shareholders a formal opportunity to provide their views on the disclosed objectives of the executive compensation plans, and on the plans themselves, for the past, current and future fiscal years.

While shareholders will provide their collective advisory vote, the directors of the Corporation remain fully responsible for compensation decisions and are not relieved of these responsibilities by a positive advisory vote by shareholders.

The MRCC and Board have thoroughly assessed executive compensation as part of their commitments to shareholders, and the Board expects that shareholders will perform reasonable due diligence prior to exercising their votes. The nature and extent of the Corporation's change in compensation philosophy are disclosed in this Circular and the 2017 Management Information Circular. The Corporation's revised approach to executive compensation, and its improved corporate governance policies, reflect a commitment to best practices and have positively positioned the Corporation relative to its peers.

COMPENSATION DISCUSSION AND ANALYSIS

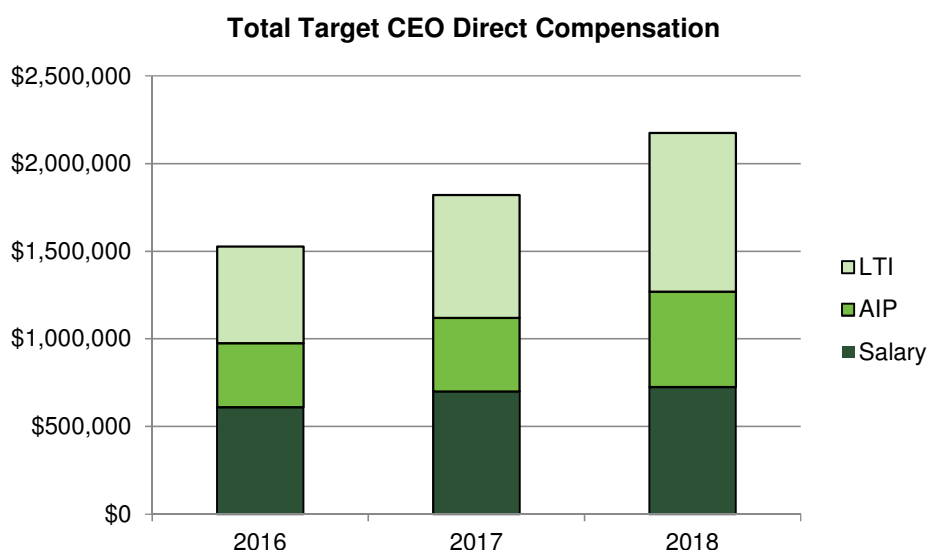
Under the direction of past Board leadership, the Corporation administered a compensation philosophy whereby senior executives received below market annual cash compensation, with long-term incentives (delivered 100% in Options) used to ensure total compensation was broadly competitive. This approach 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 in 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 and shareholder value creation;
- ◆ 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, other than increased target LTI in 2019, overall compensation levels were 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 2016, 2017, and 2018.



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.

An in-depth 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 ⁽¹⁾	Conifex Timber Inc.	Resolute Forest Products Inc.
Ainsworth Lumber Co. Ltd. ⁽²⁾	Domtar Corporation	Stella-Jones Inc.
Canfor Corporation ⁽³⁾	Interfor Corporation	Tembec Inc. ⁽⁵⁾
Canfor Pulp Products ⁽³⁾	Norbord Ltd. ⁽²⁾	West Fraser Timber Co. Ltd.
Catalyst Paper Corporation ⁽⁴⁾	Mercer International Inc.	

- (1) Acadian Timber has a number of executive officers that are also management of, and believed to receive supplemental compensation from, its primary shareholder or subsidiaries of its primary shareholder Brookfield Asset Management.
- (2) Ainsworth Lumber Co. Ltd. merged with Norbord Ltd. on April 1, 2015, but was included at the time of this analysis.
- (3) Canfor Corporation holds a 54.8% interest in, and shares common executive officers with, Canfor Pulp Products Inc.
- (4) Catalyst Paper Corporation ceased to be a public company and was delisted from the TSX on January 27, 2017, but was included at the time of this analysis.
- (5) Rayonier Advanced Materials acquired Tembec Inc. on November 20, 2017, but was included at the time of this assessment.

An update to this assessment was performed in 2016 and completed in January 2017. This assessment concluded that the components and total target value of the executive compensation program was largely in line with the median of the Corporation's comparator group, with the exception of CEO compensation which was significantly below the median.

A further update to this assessment concluded in early 2018. The assessment determined that CEO and CFO compensation remained below the median of the Corporations comparator group. In addition, role-specific assessments were completed as changes to the executive group occurred.

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 2017 and 2018, 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 2018 and 2017 are as follows:

	2018	2017
Compensation related fees	\$59,117	\$26,645

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 engage in 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

The Corporation uses two LTI instruments to reward for 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 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 following table summarizes equity holdings for each of the Corporation's NEOs at December 31, 2018:

Named Executive Officer	Equity Ownership Required ⁽¹⁾	Common Shares Held	DSUs Held	Total Securities Held	Value of Securities Held ⁽²⁾	Value of Holdings Required	Date Required
Donald Demens	3.00x	400,000 ⁽³⁾	238,293	638,293	\$1,542,995	\$2,175,000	Mar 13, 2020
Stephen Williams	1.25x	223,600	-	223,600	\$444,335	\$593,750	Mar 13, 2020
Rick Forgaard	1.00x	40,500	-	40,500	\$77,355	\$350,000	Mar 13, 2020
Rob Regner	1.00x	-	-	-	-	\$325,000	Oct 10, 2022
Jennifer Foster	1.00x	66,500	-	66,500	\$131,610	\$300,000	Dec 7, 2020

(1) Equity ownership requirement as a multiple of base salary.

(2) Value of Securities held is calculated on the greater of the current market value and the grant or acquisition date value of eligible securities. The market value as at December 31, 2018 was \$1.89 per Share or DSU held, which was the closing price of Common Shares on December 31, 2018.

(3) Mr. Demens acquired 330,000 Common Shares on March 13, 2019 through exercise of stock options, meeting his equity ownership requirements as at the date of acquisition.

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, Corporate Communications and Disclosure 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.

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 purposes.

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:

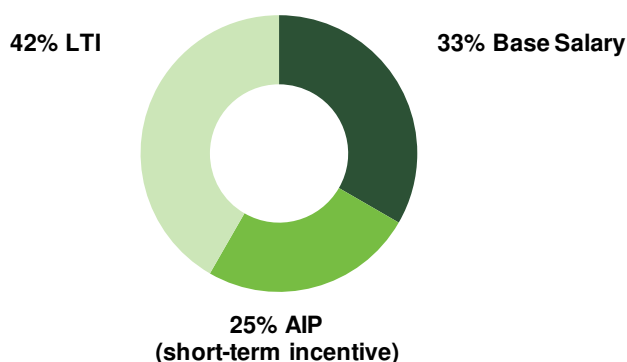
Element	Objective	Details
Base salary	Compensation for experience and expertise	<ul style="list-style-type: none"> ▪ Paid in cash ▪ Assessed annually
Short-term incentive plan awards	Designed to incentivize executives to meet short-term corporate and individual goals	<ul style="list-style-type: none"> ▪ Variable compensation paid in cash contingent on corporate and individual performance relative to established goals
Performance share units	Incentivizes executives to maximize medium-term corporate performance	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ Defined contribution program and Supplementary Executive Retirement Plan
Other benefits	Offer market competitive benefits	<ul style="list-style-type: none"> ▪ Medical, dental and insurance benefits ▪ Car allowance

TARGET PAY MIX

Target direct compensation for all executives includes salary, short-term incentives, and long-term incentives. Target short-term and long-term incentives are all at-risk, in line with the Corporation's pay for performance objectives.

The 2018 target pay mix of the Chief Executive Officer includes at risk components which comprise approximately 67% of total target direct compensation, as shown below. For each of the remaining NEOs, more than 50% of total target direct compensation is at-risk.

2018 CEO Target Direct Compensation



BASE SALARIES

Base salaries for executive officers are established with reference to market data, including salaries paid to similar positions at comparator companies as identified through the most recent market comparison assessment, 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.

Salary increases are aligned with the Corporation's goal of maintaining total NEO target compensation at levels near the median of our comparator group.

Named Executive Officer	2017 ⁽¹⁾	2018 ⁽¹⁾	2019 ⁽¹⁾
Donald Demens	\$700,000	\$725,000	\$725,000
Stephen Williams	\$450,000	\$475,000 ⁽²⁾	\$475,000
Rick Forgaard ⁽³⁾	\$350,000	\$350,000	\$350,000
Rob Regner	\$325,000	\$325,000	\$325,000
Jennifer Foster	\$285,000	\$300,000	\$300,000

(1) In 2017, executive salary increases were effective February 16, 2017. In 2018, executive salary increase were effective February 15, 2018.

(2) Mr. Williams was promoted to Executive Vice President and Chief Financial Officer, effective February 15, 2018.

(3) Mr. Forgaard will retire effective March 31, 2019. Accordingly, Western initiated an executive search culminating in the hiring of Bruce Alexander on December 15, 2018 as Senior Vice President, Sales, Marketing and Manufacturing.

SHORT-TERM INCENTIVE PLAN AWARDS

The issuance of and value of all short-term incentive plan awards are at the discretion of the Board. All salaried employees, including executive officers, participate in our Annual Incentive Plan ("AIP"), which 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.

Target awards, expressed as a percentage of base salary, have been established for all salaried employees, including executive officers. Target awards for executive officers ranged from 45% to 75% of base salary for 2018 and will range from 45% to 75% of base salary in 2019, reflecting competitive practices in the market for similar positions.

AIP awards are 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 46 for an expanded definition). Individual performance is evaluated based on achievement of individual goals for each NEO. For the Chief Executive Officer all individual goals are approved by the Board upon the recommendation of the MRCC; for all other NEOs, individual goals are approved by the Chief Executive Officer, in consultation with the MRCC, to ensure they are clearly aligned with overall corporate objectives.

In order to align pay with performance of the Corporation, a minimum ROCE must be attained for any payments to be made in respect of the AIP. In addition, for an employee to be eligible for an AIP award he or she must achieve at least a threshold level of individual performance. For 2018, ROCE must be greater than 4% to result in a payment, with a maximum payment of 200% of target achievable for ROCE of 30% and above. Amounts paid to NEOs for 2018 were based on the following formula:

$$\text{Base Salary} \times \text{Bonus \%} \times [(0.5 \times \text{Corporate Performance Factor}) + (0.5 \times \text{Individual Performance Factor})]^{(1)}$$

(1) The Corporate Performance 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 Performance 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 Performance 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 2018 AIP awards for NEOs are as follows:

Named Executive Officer	Range of AIP Opportunity	Target AIP Award %	Target 2018 AIP Award	Actual 2018 AIP Award
Donald Demens	0% to 150%	75%	\$543,750	\$595,000
Stephen Williams	0% to 140%	70%	\$332,500	\$400,000
Rick Forgaard	0% to 110%	55%	\$192,500	\$180,000
Rob Regner	0% to 110%	55%	\$178,750	\$170,000
Jennifer Foster	0% to 110%	55%	\$165,000	\$190,000

LONG-TERM INCENTIVE PLANS

We believe it is important that the interests of executives be aligned with the interests of shareholders. Our LTI plans consist of an 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 instruments, 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 2018 grant date values are as follows:

Named Executive Officer	LTI Target Award (as a % of salary)	2018 Grant Date Value
Donald Demens	125%	\$906,250
Stephen Williams	90%	\$427,500
Rick Forgaard	65%	\$227,500
Rob Regner	65%	\$211,250
Jennifer Foster	60%	\$180,000

Stock Option Plan

Our 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 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 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. See "*Securities Authorized for Issuance Under Equity Compensation Plans*" for an overview of the Option Plan.

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 the 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 the following formula:

$$\left(\begin{array}{c} \text{Number} \\ \text{of} \\ \text{PSUs} \\ \text{at grant} \end{array} + \begin{array}{c} \text{Additional PSUs equal} \\ \text{to the value of} \\ \text{accrued notional} \\ \text{dividends} \end{array} \right) \times \begin{array}{c} \text{Performance} \\ \text{multiplier} \\ \text{(0\% to} \\ \text{200\%)} \end{array} \times \begin{array}{c} \text{Closing Common} \\ \text{Share price at end} \\ \text{of performance} \\ \text{period} \end{array}$$

The performance multiplier for the 2016, 2017 and 2018 PSU awards 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%

The Corporation's average ROCE for the 3-, 5- and 10-year periods ending December 31, 2018 are 22.2%, 20.9% and 14.7%, respectively.

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.

2018 LONG-TERM INCENTIVE AWARDS

The Corporation's 2018 LTI awards were as follows:

Named Executive Officer	Options ⁽¹⁾		PSUs ⁽²⁾		Total Grant Value
	Number	Grant Value	Number	Grant Value	
Donald Demens	490,661	\$362,500	198,448	\$543,750	\$906,250
Stephen Williams	231,456	\$171,000	93,613	\$256,500	\$427,500
Rick Forgaard	123,173	\$91,000	49,817	\$136,500	\$227,500
Rob Regner	114,375	\$84,500	46,259	\$126,750	\$211,250
Jennifer Foster	97,455	\$72,000	39,416	\$108,000	\$180,000

(1) Option grant date value was \$0.74 per unit. Refer to note 4 under the Summary Compensation Table on page 39 for more details on stock option valuation.

(2) PSU grant date value was \$2.74 per unit, reflecting the closing price of Common Shares on February 14, 2018, the day prior to the 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 closing price of our Common Shares 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 2018, the one NEO who participated in the DSU Plan prior to January 1, 2016, received 8,851 DSUs to reflect cash dividends declared.

Refer to "*Deferred Share Unit Plan for Non-Executive Directors*" on page 15 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.

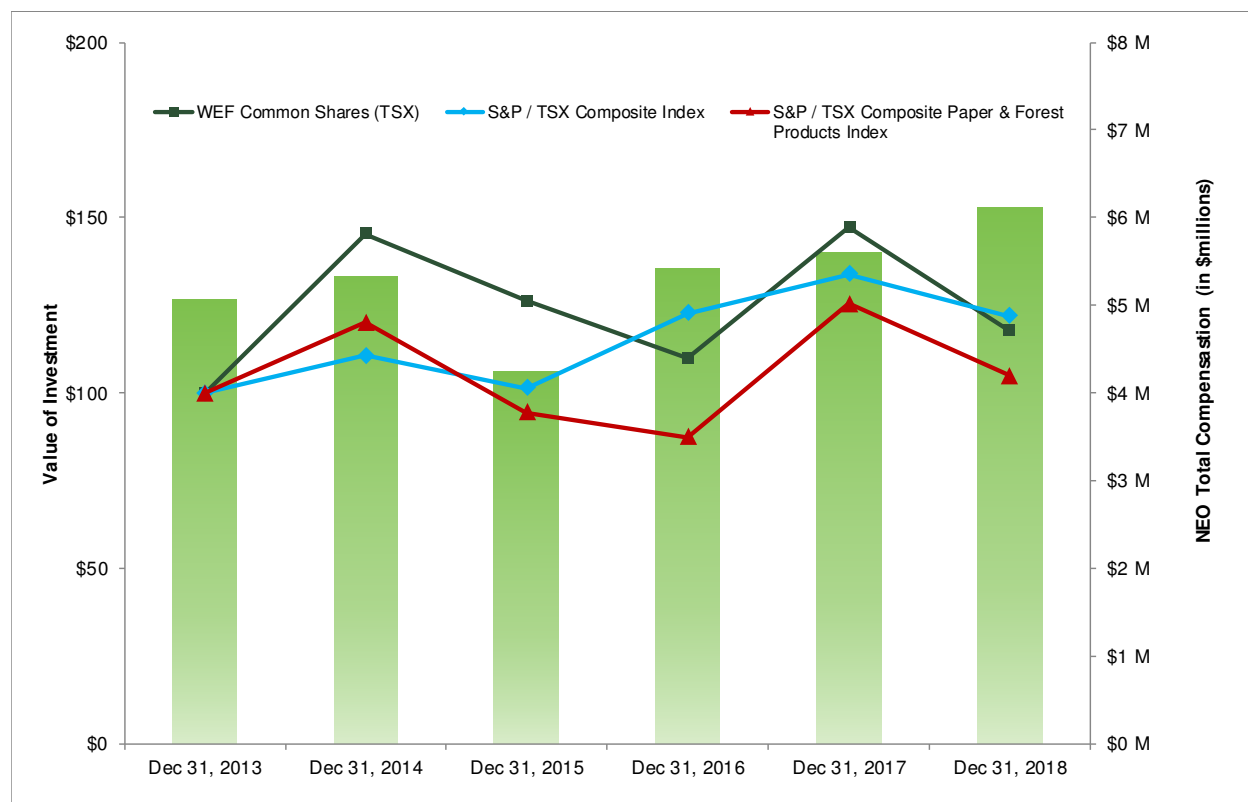
Other Benefits

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

PERFORMANCE GRAPH

The following data and graph present the Total Shareholder Return (“TSR”) 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, 2013, and that all dividends are reinvested. Also presented in the graph is the trend in TSR compared to the trend in Named Executive Officer compensation.

	2013	2014	2015	2016	2017	2018
WEF Common Shares	\$100	\$145	\$126	\$110	\$147	\$118
S&P / TSX Composite Index	\$100	\$111	\$101	\$123	\$134	\$122
S&P / TSX Composite Paper & Forest Products Index	\$100	\$120	\$94	\$87	\$125	\$105



For the five year period ended in 2018, the cumulative TSR for \$100 invested in our Common Shares has exceeded the comparable TSR for the S&P / TSX Composite Paper & Forest Products Index and is comparable to the S&P / TSX Composite Index. The change in NEO compensation over the same five year period was in line with TSR on our Common Shares.

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:

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 Compensation ⁽⁶⁾	Total Compensation
					Annual Incentive Plan ⁽³⁾	Long Term Incentive Plan			
Donald Demens President and Chief Executive Officer	2018	\$721,971	\$543,750	\$362,500	\$595,000	-	\$87,288	\$74,857	\$2,385,366
	2017	\$688,750	\$420,000	\$280,000	\$525,000	-	\$106,313	\$64,364	\$2,084,427
	2016	\$595,000	\$330,000	\$220,000	\$565,000	-	\$64,050	\$312,362	\$2,086,412
Stephen Williams Executive Vice President, & Chief Financial Officer ⁽⁷⁾	2018	\$471,971	\$256,500	\$171,000	\$400,000	-	\$58,238	\$27,681	\$1,385,390
	2017	\$446,250	\$189,000	\$126,000	\$360,000	-	\$54,688	\$24,918	\$1,200,856
	2016	\$417,423	\$176,400	\$117,600	\$335,000	-	\$46,720	\$17,691	\$1,110,834
Rick Forgaard Vice President, Manufacturing ⁽⁸⁾	2018	\$350,000	\$136,500	\$91,000	\$180,000	-	\$37,800	\$16,793	\$812,093
	2017	\$348,750	\$136,500	\$91,000	\$190,000	-	\$40,162	\$15,882	\$822,294
	2016	\$338,067	\$132,600	\$88,400	\$225,000	-	\$35,915	\$10,199	\$830,181
Rob Regner Vice President, Timberlands ⁽⁹⁾	2018	\$325,000	\$126,750	\$84,500	\$170,000	-	\$22,750	\$6,433	\$735,433
	2017	\$72,708	-	-	-	-	\$5,090	\$75,488	\$153,286
	2016	-	-	-	-	-	-	-	-
Jennifer Foster Vice President, Human Resources	2018	\$298,638	\$108,000	\$72,000	\$190,000	-	\$34,873	\$13,872	\$717,383
	2017	\$282,500	\$102,600	\$68,400	\$200,000	-	\$33,775	\$34,445	\$721,720
	2016	\$265,000	\$95,400	\$63,600	\$200,000	-	\$19,250	\$5,578	\$648,828

- (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 PSU awards made under the PSU Plan. The value of 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.
- (3) The AIP awards represent NEO bonuses earned in the fiscal year but paid subsequent to the end of the applicable year.
- (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 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 (for 2018: Mr. Demens: \$72,265, 8,851 DSUs, 22,087 PSUs; Mr. Williams: \$25,089, 10,670 PSUs, Mr. Forgaard: \$16,793, 7,142 PSUs; Mr. Regner \$4,091, 1,740 PSUs, and Ms. Foster: \$12,587, 5,353 PSUs). In addition, all other compensation for Mr. Regner includes \$75,000 of one-time "make-whole" bonus paid in 2017 in lieu of variable compensation forfeited upon his departure from his former employer. All other compensation for Ms. Foster includes a \$25,000 discretionary bonus awarded by the Board for 2017. All other compensation for Mr. Demens includes a \$265,000 discretionary bonus awarded by the Board for 2016.
- (7) Mr. Williams was promoted to Executive Vice President and Chief Financial Officer, effective February 15, 2018.
- (8) Mr. Forgaard will retire effective March 31, 2019. Accordingly, Western initiated an executive search culminating in the hiring of Bruce Alexander on December 15, 2018 as Senior Vice President, Sales, Marketing and Manufacturing.
- (9) Mr. Regner was appointed Vice President Timberlands on October 10, 2017.

Outstanding Option-based Awards and Share-based Awards

The following table sets forth Option and share-based (DSU and PSU) awards outstanding as at December 31, 2018 for each of the NEOs:

Named Executive Officer	Option-based Awards				Share-based Awards ⁽³⁾		
	Number of securities underlying unexercised options ⁽¹⁾	Option exercise price (\$/share)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾	Number of share units that have not vested	Market or payout value of share-based awards that have not vested ⁽⁴⁾	Market or payout value of vested share-based awards not paid out or distributed
Donald Demens	600,000	\$0.22	Mar 2, 2020	\$4,233,500	421,668	\$1,286,464	\$1,156,520
	500,000	\$0.77	Feb 23, 2021				
	550,000	\$0.95	Feb 22, 2022				
	1,650,000	\$0.96	Jul 30, 2022				
	1,000,000	\$1.27	Feb 20, 2023				
	600,000	\$2.60	Feb 19, 2024				
	523,810	\$2.20	Mar 13, 2025				
	430,781	\$1.97	Feb 17, 2026				
	576,606	\$2.09	Feb 16, 2027				
490,661	\$2.74	Feb 15, 2028					
Stephen Williams	300,000	\$2.34	Oct 31, 2024	-	194,221	\$590,292	\$377,452
	266,667	\$2.20	Mar 13, 2025				
	230,272	\$1.97	Feb 17, 2026				
	259,473	\$2.09	Feb 16, 2027				
	231,456	\$2.74	Feb 15, 2028				
Rick Forgaard	201,190	\$2.20	Mar 13, 2025	-	121,807	\$379,299	\$283,723
	173,096	\$1.97	Feb 17, 2026				
	187,397	\$2.09	Feb 16, 2027				
	123,173	\$2.74	Feb 15, 2028				
Rob Regner	114,375	\$2.74	Feb 15, 2028	-	47,999	\$122,241	-
Jennifer Foster	116,000	\$2.17	Dec 7, 2025	-	93,599	\$290,300	\$204,120
	124,535	\$1.97	Feb 17, 2026				
	140,857	\$2.09	Feb 16, 2027				
	97,455	\$2.74	Feb 15, 2028				

- (1) All stock options were granted under the Option Plan and entitle each NEO to purchase Common Shares, and are exercisable only when the share price exceeds \$0.70 for a period of 60 consecutive days on a volume weighted average price basis.
- (2) Of the in-the-money Options, Mr. Demens has a number of vested options with an aggregate value totalling \$4,223,500 as at December 31, 2018.
- (3) 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, 2018, being \$1.89. 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.
- (4) 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. Market value is calculated using the closing price of \$1.89 per Common Share on December 31, 2018, and performance multipliers which use actual performance results to December 31, 2018 and target performance results for future years covered by the PSU performance periods. 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, 2018:

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	\$522,086	\$726,476	\$595,000
Stephen Williams	\$96,132	\$377,452	\$400,000
Rick Forgaard	\$71,288	\$283,723	\$180,000
Rob Regner	-	-	\$170,000
Jennifer Foster	\$39,082	\$204,120	\$190,000

(1) Option value vested was calculated by multiplying the number of Options that vested in 2018 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 2018 and PSUs vested at December 31, 2018. 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 2018 by the closing price of the Common Shares on the vesting date.

(3) Relates to AIP awards and other short-term incentives as disclosed in the "Summary Compensation Table".

PENSION PLAN BENEFITS

The Corporation has two funded 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.

The defined benefit pension plans ("DB Plans I & II") were closed to new participants effective June 30, 2006. No further benefits accrue under these plans for years of service after December 31, 2010, and no further benefits accrue under these plans for compensation increases effective December 31, 2016. No NEO is a member of DB Plans I & II.

With the closure of DB Plans I & II, the former members became eligible to join our existing defined contribution pension plan ("DC Plan") and substantially all salaried employees, including all NEOs, are members of our DC Plan. For all members of the DC Plan, the Corporation contributes 7% of each participant's base salary and AIP to the DC Plan, up to the maximum contribution allowed under the *Income Tax Act* (Canada) (the "ITA Limit").

The Corporation has a Supplementary Executive Retirement Plan (the "SERP") that provides a pension supplement to executive officers who are also members of the DC Plan in order to provide total pension contributions to the level that members would receive if no ITA Limit was in place. SERP benefits are accumulated based on 7% of annual base salary and AIP, less the Corporation's contributions to the DC Plan. Contributions under the SERP are accumulated with interest, and are payable to the executives upon retirement, death or termination of employment, other than termination with cause. Benefits are paid out in a lump sum, or over five annual installments. The SERP is funded from general operations.

The following table provides total accumulated value of the DC Plan and the SERP at the start and end of the year, as well as compensatory amounts earned during the year, for each of the NEOs:

Named Executive Officer	Accumulated Value at January 1, 2018	Compensatory Change ⁽¹⁾	Accumulated Value at December 31, 2018
Donald Demens	\$338,624	\$87,288	\$424,926
Stephen Williams	\$157,762	\$58,238	\$208,974
Rick Forgaard	\$115,938	\$37,800	\$152,740
Rob Regner	\$5,104	\$22,750	\$26,912
Jennifer Foster	\$60,870	\$34,873	\$94,449

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

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. With respect to a change of control situation, these agreements have a double-trigger requirement, meaning that two events must occur before any cash benefits are payable: a change of control and termination of employment without cause within 24 months of the 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 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 "*Securities Authorized for Issuance Under Equity Compensation Plans*" for further information with respect to the treatment of 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 without cause within two years of a 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 awards 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 out the estimated payments which would have resulted from termination without cause or a change of control, assuming the event occurred on December 31, 2018:

Named Executive Officer	Type of Event	Estimated Payments in Respect of:					
		Base Salary	AIP	Unvested PSUs ⁽²⁾	Pension	Other ⁽³⁾	Total
Donald Demens	Term. without cause	\$1,450,000	\$1,123,333	\$682,673	\$180,133	-	\$3,436,139
	Change of control ⁽¹⁾	\$1,450,000	\$1,123,333	\$796,953	\$180,133	\$58,248	\$3,608,667
Stephen Williams	Term. without cause	\$712,500	\$547,500	\$310,992	\$88,200	-	\$1,659,192
	Change of control ⁽¹⁾	\$950,000	\$730,000	\$367,078	\$117,600	\$52,248	\$2,216,926
Rick Forgaard	Term. without cause	\$525,000	\$297,500	\$208,944	\$57,575	-	\$1,089,019
	Change of control ⁽¹⁾	\$700,000	\$396,667	\$230,215	\$76,767	\$65,645	\$1,469,294
Rob Regner	Term. without cause	\$487,500	\$208,221	\$40,710	\$48,700	-	\$785,131
	Change of control ⁽¹⁾	\$650,000	\$277,629	\$90,718	\$64,934	\$20,847	\$1,104,128
Jennifer Foster	Term. without cause	\$450,000	\$295,000	\$158,781	\$52,150	-	\$955,931
	Change of control ⁽¹⁾	\$600,000	\$393,333	\$176,902	\$69,533	\$45,290	\$1,285,058

- (1) Change of control assumes termination without cause on December 31, 2018, within 24 months of a previously occurring change of control of the Corporation.
- (2) Unvested PSUs are valued at \$1.89, the closing price of Shares on December 31, 2018.
- (3) Other includes the equivalent value of 18 to 24 months of payments for benefits such as life insurance, medical and dental benefits, and car allowance.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As at December 31, 2018	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))
<i>Plan Category</i>	<i>(a)</i>	<i>(b)</i>	<i>(c)</i>
Equity compensation plans approved by shareholders	11,965,357	\$1.72	12,136,417
Equity compensation plans not approved by shareholders	-	-	-
Total	11,965,357	\$1.72	12,136,417

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, February 17, 2016, February 16, 2017 and March 7, 2018. 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.

Our Option Plan currently permits the granting of Options in accordance with the terms of the Option Plan to eligible participants to purchase up to a maximum of 30,000,000 Common Shares (representing approximately 7.8% of the issued and outstanding Common Shares as of the date hereof). In addition to the 11,965,357 Options outstanding at December 31, 2018, a further 2,487,950 Options were granted on February 12, 2019 and 600,000 Options were exercised on March 13, 2019. Hence there are Options to purchase 13,853,307 Common Shares (representing approximately 3.6% of the issued and outstanding Common Shares as of the date hereof) that have been granted to eligible participants and are outstanding, 6,228,226 Common Shares that have been issued pursuant to the exercise of Options (representing

approximately 1.6% of the issued and outstanding Common Shares as of the date hereof), and a total of 9,648,467 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 annual burn rate of the Option Plan for the last three years has been: 2018 – 0.31%; 2017 – 0.42%; and 2016 – 0.34%.

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 the 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 on that date. “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 cease to be exercisable;
- (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 to securities regulators' and/or TSX and security holder approval requirements, 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) 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);
- (d) making any amendments of a typographical, grammatical or clerical nature; and
- (e) 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.

Shareholder approval is required for amendments that:

- (i) remove or exceed the insider participation limits;
- (ii) removes or increases non-employee director participation limits;
- (iii) increase the fixed maximum number of Common Shares issuable under the Option Plan will require shareholder approval;
- (iv) extends the term of any Option;
- (v) permits Options to be transferable or assignable, other than for normal estate settlement purposes; or
- (vi) changes the amendment provisions of the Option Plan, other than where the changes are typographical, grammatical, clerical, or necessary to comply with securities and corporate laws and the rules and policies of the TSX.

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 *Canada Business Corporations Act* 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 in compliance with section 137 of the *Canada Business Corporations Act* and submitted to us at our registered office, to the attention of the Corporate Secretary, on or before December 30, 2019, to be considered for inclusion in the management information circular for the Annual Meeting of our shareholders in 2020.

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, 2018.

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, 2018, 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

“*Michael T. Waites*”

Michael T. Waites
Chair, Board of Directors
Western Forest Products Inc.

APPENDIX

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.
- 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.
- When the Chair of the Board is not an independent director, the Board shall appoint an independent Lead Director to provide leadership to the independent directors and to ensure that the Board's agenda will enable it to successfully carry out its duties.
- Adopt, from time to time, criteria for selection of Board members.
- Adopt, as appropriate, and monitor compliance with, any policies relating to the number of outside boards on which any one director sits.
- 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, in consultation with any independent Lead Director:

- 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, together with the Management Resources and Compensation Committee, performance criteria for the CEO to facilitate the evaluation of the CEO's performance.
- Work with the Management Resources and Compensation 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; and
 - 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 May 2, 2018