

# MANDATE OF THE BOARD OF DIRECTORS

## 1. Purpose

The Board of Directors (the "**Board**") of Western Forest Products Inc. (the "**Corporation**") directly, and through its committees, is responsible for the overall stewardship of the Corporation and is elected by the shareholders to represent and serve the interests of all shareholders of the Corporation while considering the interests of the Corporation's various stakeholders.

## 2. Authority and Organization

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

- selecting the Chair of the Board (the "**Chair**");
- forming the following committees of the Board (and such other committees as it may appoint from time to time):
  - the Audit Committee,
  - the Management Resources and Compensation Committee (the "**MRCC**"),
  - the Nominating and Corporate Governance Committee (the "**NCGC**"), and
  - the Environmental, Health and Safety Committee,(each a "**Committee**" and collectively the "**Committees**"); and
- delegating powers to Committees.

The Board will appoint a competent executive management team to run the day-to-day operations of the Corporation and will oversee and supervise the management of the business of the Corporation by that team. The Board will also review the Corporation's systems of corporate governance and financial reporting and controls with the objective that the Corporation reports accurate and complete financial information to shareholders and engages in ethical and legal corporate conduct.

The Board is responsible for approving the Corporation's significant operating policies and procedures, including reviewing and approving material changes to existing policies. The Board is also responsible for monitoring the Corporation's compliance with these policies.

## 3. Members

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

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

## 4. Meetings

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

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

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

## 5. Quorum

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

## 6. Duties

The Board will:

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

- (i) *Appointments.* Appoint the Executive Officers and corporate officers of the Corporation. The term "**Executive Officer**" refers to the President and CEO ("**CEO**"), the Chief Financial Officer, the Chief Operating Officer, executive vice presidents, senior vice presidents and any other executive officer (as defined by applicable securities laws).
- (ii) *CEO Position Description.* Together with the CEO, develop a clear CEO position description (including delineating management responsibilities).
- (iii) *CEO Goals.* Review and approve the corporate goals and objectives that the CEO is responsible for meeting.
- (iv) *CEO and Executive Officer Compensation.* Review and approve CEO and other Executive Officer compensation in light of performance with respect to the corporate goals and objectives.
- (v) *Pension, Benefit and Incentive Pension Plans.* Review and approve pension, benefit, compensation, incentive and equity-based plans or policies and the designation of and grants to participants under such pension, benefit, compensation, incentive and equity-based plans or policies, as may be required by the respective plan or policy.
- (vi) *Executive Officer Share Ownership Guidelines.* Review and approve share ownership

guidelines applicable to Executive Officers.

- (vii) *Integrity.* To the extent feasible, satisfy itself as to the integrity of the CEO and the Corporation's management team, and encourage the CEO and the management team to create a culture of integrity throughout the organization.
- (viii) *Succession Planning.* Oversee, review and approve the succession planning program and process for the CEO. Annually review Executive Officers succession planning.

## **(b) Risk Management**

- (i) *Risk Identification.* Oversee identification of the principal risks of the Corporation's business, annually review the principal risks of the Corporation's business and ensure that appropriate procedures and systems are in place to manage, monitor and mitigate such risks.
- (ii) *Internal Controls.* Review and assess the adequacy and effectiveness of the Corporation's internal control systems and management information systems and security.
- (iii) *Delegation of Authority.* Develop and review delegation of authority guidelines to distinguish between areas of Board authority and those delegated to the CEO and management. The guidelines will set out matters to be presented to the Board for review.
- (iv) *Compliance.* Confirm that management processes are in place to address and comply with applicable regulatory, corporate, securities and other compliance matters.

## **(c) Strategic Planning**

- (i) *Strategic Planning Process.* Adopt a strategic planning process and annually review and approve a corporate strategic plan that takes into account, among other things, the opportunities and risks of the business on a long-term and short-term basis.
- (ii) *Annual Budget.* Review and approve the Corporation's annual budget.
- (iii) *Operational Plans.* Review management's annual operational plans.
- (iv) *Performance.* Monitor performance against both short-term and long-term strategic plans, budgets, operational plans and annual performance objectives.

## **(d) Shareholder Communication and Disclosure**

- (i) *Management Systems.* Confirm that management has established a system for effective corporate communications, including processes for consistent, transparent regular and timely public disclosure.
- (ii) *Disclosure Policy.* Review and approve the adoption of a disclosure policy relating to, among other matters, the confidentiality of the Corporation's business information.
- (iii) *Disclosure.* Review and approve the Corporation's financial statements, management's discussion and analysis, annual information form, information circular, sustainability report, carbon accounting report and other public disclosure documents.
- (iv) *Financial and Environmental, Social and Corporate Governance ("ESG") Reporting.*

Oversee the Corporation's compliance with applicable audit, accounting, financial, ESG and other reporting requirements and standards adopted by the Corporation.

- (v) *Shareholder Reporting.* Report annually to shareholders on the Board's stewardship for the previous year.
- (vi) *Shareholder Feedback.* Determine appropriate criteria against which to evaluate corporate performance against shareholder expectations and confirm that the Corporation has a system in place to receive feedback from shareholders.

**(e) Nomination, Composition and Operation of the Board and Governance Processes**

- (i) *Policies and Processes.* Review and approve the Corporation's corporate governance practices, policies and procedures including a majority voting policy, a policy relating to the number of outside boards on which any one director can sit, and a policy regarding share ownership requirements.
- (ii) *Nominations.* Review and approve the constitution of the Board and the appointment of Board member candidates with regard to the approved criteria for selection of Board members.
- (iii) *Position Descriptions.* Review and approve position descriptions for the Chair of the Board, the Lead Independent Director, if any, and the Chair of each Committee.
- (iv) *Board Committee Charters.* Annually review the adequacy of and approve changes to the Charters of each Committee.
- (v) *Independence.* Approve the independence of each Board member on an annual basis.
- (vi) *Director Compensation.* Review and approve director compensation (including benefits).
- (vii) *Assessment.* Review the annual assessment of the effectiveness of the Board, its committees and its members.
- (viii) *Code of Conduct and Conflicts of Interest.*
  - Review and approve a Code of Business Conduct and Ethics (the "**Code**").
  - Review and approve officer or director waivers to the Code.
  - Where a waiver has been granted, determine whether disclosure of the waiver is necessary in accordance with applicable legislative or regulatory requirements.
  - Review conflicts of interest of Executive Officers and plans and procedures to manage such conflicts.
- (ix) *ESG Matters.* Approve the Corporation's overall general strategy with respect to ESG and monitor, review and approve, as appropriate, the Corporation's policies and practices relating to ESG matters and risks.

**(f) Environmental, Health and Safety.** Monitor and review, as appropriate, the Corporation's policies, operational controls and systems and practices relating to environmental, health and safety issues and risks.



## 7. In Camera Sessions

The Board will meet in in camera sessions excluding management or other third parties, following each Board meeting or as otherwise determined by the Board.

## 8. Adequacy of Charter

The Board will review this Charter at least annually.

## 9. Experts and Advisors

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

## 10. Secretary and Minutes

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