

MANAGEMENT RESOURCES AND COMPENSATION COMMITTEE CHARTER

1. Purpose

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

- (a) Executive Officer appointments, compensation and succession planning;
- (b) the Corporation’s compensation, incentive and equity-based plans or policies;
- (c) the administration of the Corporation’s pension and benefit plans; and
- (d) any additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

The term “**Executive Officer**” refers to the President and 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).

2. Members

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

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

3. Meetings

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

4. Quorum

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

5. Duties

The Committee will:

(a) Executive Officer Appointment and Performance.

- (i) *Appointment.* Review and make appropriate recommendations to the Board regarding persons for appointment as Executive Officers or as corporate officers of the Corporation.
- (ii) *Succession Planning.* Together with the Chair of the Board establish, manage and report to the Board on a succession program for the CEO Position. Review and report to the Board on matters relating to non-CEO Executive Officer succession, including an annual review of the Corporation's succession planning for Executive Officers.
- (iii) *Compensation.* Review and make appropriate recommendations to the Board regarding Executive Officer compensation in light of their performance with respect to corporate goals and objectives.

(b) CEO Goals and Compensation.

- (i) *CEO Goals.* Together with the Chair of the Board:
 - Review and make appropriate recommendations to the Board regarding corporate goals and objectives that the CEO is responsible for meeting.
 - Monitor the CEO's performance relative to their goals and objectives.
- (ii) *Compensation.* Review and make appropriate recommendations to the Board regarding the CEO's compensation in light of their performance with respect to the corporate goals and objectives.

(c) Compensation Plans and Policies.

- (i) *Compensation and Incentive Plans and Policies.*
 - Review and make appropriate recommendations to the Board regarding compensation, incentive or equity-based plans or policies, and, as required by the respective plan, oversee the administration of such plan.
 - Review any risks associated with compensation, incentive or equity-based plans and policies.
- (ii) *Participant Designation.* As required by the respective plan, approve or make appropriate recommendations to the Board regarding the designation of and grants made to participants under any compensation, incentive or equity-based plan.

- (iii) *Share Ownership Requirements.* Review and make appropriate recommendations to the Board regarding share ownership guidelines applicable to Executive Officers. Review Executive Officer shareholdings relative to such guidelines.

(d) Pension and Benefit Plans.

- (i) *Pension Advisory Committee.* Appoint a pension advisory committee to review activities relating to the Corporation's defined benefit and defined contribution pension plans and review reports of the committee.
 - (ii) *Pension Plan Governance.* Oversee pension plan governance including governance structure, plan compliance with internal policies and applicable legislation and regulation, pension plan performance, and pension plan design.
 - (iii) *Pension Plan Investments.* Oversee, review and make appropriate recommendations to the Board regarding pension plan investment policies and procedures. Oversee risk studies for defined benefit plans, investment reports and investment manager performance, cost effectiveness of investment program and investment consultant performance.
 - (iv) *Pension Plan Funding.* Oversee pension plan funding policy and actuary performance.
 - (v) *Pension Plan Administration.* Oversee pension plan expense policy, cost effectiveness of administration, pension plan trustee and custodian performance, and recordkeeper for defined contribution plans.
 - (vi) *Pension Plan Audit Review.* Review and make appropriate recommendations to the Board on the audited annual financial statements for the Corporation's pension plans.
 - (vii) *Other Plan Review.* Review and make appropriate recommendations to the Board regarding the terms and conditions of the Corporation's other pension and benefit plans and any material changes thereto.
 - (viii) *Controls.* Review management controls and processes with respect to the administration of all pension and supplementary pension plans and compliance with applicable legislation.
 - (ix) *Participant Designation.* As required by the respective pension or benefit plan, approve or make recommendations to the Board regarding the designation of employees or classes of employees designated as participants under the pension or benefit plan.
- (e) Say-on-Pay.** Review and make appropriate recommendations to the Board regarding an advisory vote on the Corporation's approach to executive compensation ("say-on-pay"). Review the results of any say-on-pay resolutions and consider any implications.
- (f) Diversity, Equity and Inclusion.** Review and approve, or, in regard to Executive Officers, make appropriate recommendations to the Board, on matters relating to management diversity, including the representation of designated groups in management and the identification of candidates with sufficiently diverse and independent backgrounds, equity and inclusion. Establish, review and make appropriate recommendations to the Board on policies that support diversity, equity and inclusion.
- (g) Disclosure.** Review, discuss with management and make appropriate recommendations to the Board regarding the Corporation's executive compensation disclosure included in the

Corporation's management information circular and any other public disclosure with respect to executive compensation.

- (h) **Outside Director Appointment.** Review and approve proposed appointments of Executive Officers, other than Executive Officers that are also directors of the Corporation, to the boards of other companies and organizations.
- (i) **Labour Relations Environment.** Review and discuss with management the labour relations environment for the Corporation, and report to the Board with respect to any material risks related thereto.

6. In Camera Session

The Committee will meet in in camera sessions excluding management or other third parties that are not Board members, following each Committee meeting or as otherwise determined by the Committee

7. Board Relationship and Reporting

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

8. Delegation of Authority

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

9. Adequacy of Charter

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

10. Experts and Advisors

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

11. Secretary and Minutes

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