INTERFOR

Building Value™

Notice of the Annual General Meeting of Shareholders and Management Information Circular

March 9, 2016

Interfor Corporation ("**Interfor**" or the "**Company**") is a growth-oriented lumber company with operations in Canada and the United States. The Company has annual production capacity of approximately 3 billion board feet and offers one of the most diverse lines of lumber products to customers around the world. Our Shares are traded on the Toronto Stock Exchange under the symbol of IFP.

What's inside:

March 9, 2016

Dear Shareholders,

You are invited to Interfor's 2016 Annual General Meeting of shareholders. This year, the Annual General Meeting will be held on Thursday, April 28, 2016 at 2:00 p.m. at the Metropolitan Hotel, 645 Howe Street, Vancouver, British Columbia.

This meeting is your opportunity to:
- hear first-hand about our performance in 2015 and our plans for the future
- vote on our directors and other items of business brought before the meeting
- meet our directors, our senior management team and your fellow shareholders

The attached management information circular contains important information about voting, what the meeting will cover, the nominated directors, our board and its committees, our governance practices and how we compensate our directors and executives.

Interfor made progress on many fronts over the past year and you can read about it in our 2015 annual report. You can also find our disclosure documents, including our annual report and the attached management information circular, on our website (www.interfor.com) and on SEDAR (www.sedar.com).

Your vote and participation are important to us. If you cannot attend the meeting in person, we encourage you to vote by proxy.

We look forward to seeing you on April 28th.

Sincerely,

"Lawrence Sauder"	*"Duncan Davies"*
Lawrence Sauder Chair of the Board of Directors	Duncan Davies President & Chief Executive Officer

NOTICE OF ANNUAL GENERAL MEETING

An Annual General Meeting of the shareholders of Interfor Corporation (the "**Company**" or "**Interfor**") will be held at the following time and place:

DATE: Thursday, April 28, 2016

TIME: 2:00 p.m. (PST)

PLACE: Metropolitan Hotel
645 Howe Street
Vancouver, British Columbia

The Annual General Meeting is being held for the following purposes, each as more particularly described in the accompanying management information circular:

1. to receive the consolidated annual financial statements of the Company and auditor's report thereon for the fiscal year ended December 31, 2015;

2. to elect the directors of the Company for the coming year;

3. to appoint the auditor of the Company for the coming year and to authorize the directors to fix the remuneration to be paid to the auditor;

4. to consider a non-binding advisory resolution on Interfor's approach to executive compensation; and

5. to transact such other business that may properly come before the Annual General Meeting.

You have a right to vote if you were an Interfor shareholder at the close of business on March 9, 2016. Your vote is important and you are encouraged to participate either in person or by proxy.

By Order of the Board,

"*Xenia Kritsos*"

Xenia Kritsos
General Counsel & Corporate Secretary

Vancouver, British Columbia
March 9, 2016

MANAGEMENT INFORMATION CIRCULAR

You have received this Information Circular because you owned Shares on March 9, 2016, and Interfor's management and Board of Directors (the "**Board**") are asking for your vote (known as soliciting your proxy).

We are contacting Shareholders by mail and using a "notice and access" procedure and we pay for the costs of soliciting your proxy. Our Board has approved the contents of this Information Circular, and has authorized us to distribute it to Shareholders.

In this Information Circular:

- "**you**" and "**your**" mean Shareholders
- "**we**", "**us**", "**our**", "**Company**" and "**Interfor**" mean Interfor Corporation
- "**Shares**" means Interfor's common shares
- "**Shareholder**" means a holder of Shares
- "**Information Circular**" means this management information circular
- "**Annual Meeting**" means the 2016 annual general meeting of Shareholders
- "**Record Date**" means March 9, 2016

In this Information Circular, all dollar amounts are in Canadian dollars and information is as of March 9, 2016, unless stated otherwise.

NOTICE AND ACCESS RULES

We are delivering your Annual Meeting materials by providing you with a notice (a "**Short Form Notice**") and making the materials available for download from our website at www.interfor.com. The materials will be available on the website starting on March 9, 2016 and will remain available for at least one year. The materials can also be accessed under Interfor's profile on www.sedar.com. We will mail paper copies of the Annual Meeting materials to any Shareholder who previously requested paper copies. If you received only the Short Form Notice and would like a paper copy of the full Annual Meeting materials please call us at 1-844-210-2879.

The Short Form Notice and associated materials are being sent to both registered and non-registered Shareholders. If you are a non-registered Shareholder and Interfor or its agent has sent the Short Form Notice and associated materials directly to you, your name, address and information about your holdings of Shares, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Shares on your behalf.

By choosing to send the Short Form Notice and associated materials directly to you, the Company (and not the intermediary holding Shares on your behalf) has assumed responsibility for delivering the Short Form Notice and associated materials to you and executing your proper voting instructions. Please return your voting instructions as specified in the proxy form or voting instruction form included with your Short Form Notice.

VOTING INFORMATION

Am I entitled to vote?

Shareholders registered as holders of Shares at the close of business on the record date of March 9, 2016 are entitled to vote at the Annual Meeting.

How many Shareholders do we need to reach a quorum?

A quorum is two persons present in person or by proxy, who together hold or represent at least 25% of the votes entitled to be cast at the Annual Meeting.

Each Shareholder is entitled to one vote for each Share held and, as of March 9, 2016, there were 70,030,455 Shares outstanding. The authorized capital of the Company consists of 150,000,000 Shares and 5,000,000 preference shares, and there are no preference shares issued or outstanding.

How can I vote my Shares?

How you vote depends on whether you are a registered or non-registered Shareholder.

You are a ***registered Shareholder*** if you have a share certificate in your name. If you are a registered Shareholder, you can either vote by attending and voting your Shares at the Annual Meeting or, if you cannot attend the Annual Meeting in person, by having your Shares voted by proxy. If you are unable to attend the Annual Meeting in person, you or your attorney authorized in writing or, where the registered Shareholder is a corporation, a duly authorized officer or attorney of the corporation, must complete, date and sign the proxy form included with the Short Form Notice and deliver it to the Company's transfer agent in accordance with the instructions on the proxy form, online at www.investorvote.com, telephonically by calling 1-866-732-8683, or by mail to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. In order to be valid, proxy forms must be received by Computershare Investor Services Inc. by no later than 2 p.m. PST on April 26, 2016 or, if the Annual Meeting is adjourned or postponed, at least 48 hours excluding Saturdays, Sundays and holidays before any adjourned or postponed meeting. **Proxy forms may only be completed and delivered in the manner described above by registered Shareholders. Non-registered Shareholders must follow the instructions on the voting instruction form provided to them by their broker or other intermediary in order to ensure that their Shares are voted.**

Most Shareholders are ***non-registered Shareholders***. You are a non-registered Shareholder if your Shares are registered in the name of an intermediary (for example, a bank, a trustee, broker or an investment dealer) or the name of a clearing agency of which the intermediary is a participant. If you are a non-registered Shareholder, please return your voting instructions in accordance with the instructions on the voting instruction form included in with the Short Form Notice. To be taken into account, your voting instructions must be delivered in accordance with the instructions given to you and received no later than one business day prior to either the proxy deadline of 2 p.m. PST on April 26, 2016 or, if the Annual Meeting is adjourned or postponed, at least 48 hours excluding Saturdays, Sundays and holidays before any adjourned or postponed meeting. **If you are a non-registered Shareholder and do not complete and return your voting instruction form in accordance with the directions provided to you, you may lose the right to vote at the Annual Meeting, either in person or by proxy.**

All Shareholders are urged to carefully review the Information Circular before casting any votes on any matters to be considered at the Annual Meeting.

Who votes my Shares?

If you are a ***registered Shareholder***, you can either vote by attending and voting your Shares in person at the Annual Meeting, or you can have your Shares voted by proxy by completing and returning a proxy form appointing a proxyholder.

If you are a ***non-registered Shareholder***, you can either request that your broker or other intermediary authorize you to vote your Shares in person at the Annual Meeting by having them return a proxy appointing you as proxyholder, or you can provide your voting instructions in accordance with the voting instruction form included with the Short Form Notice.

Two directors of the Company, Lawrence Sauder and Douglas Whitehead ("**Management Proxyholders**") have been named in the proxy form or voting instruction form included with the Short Form Notice, to represent Shareholders at the Annual Meeting.

You can appoint a person or company to represent you at the Annual Meeting other than the Management Proxyholders; however, you must appoint that person in accordance with the instructions given on the proxy form or voting instruction form included with the Short Form Notice.

How will my Shares be voted if I return a proxy form or voting instruction form?

By completing and returning a proxy form or voting instruction form, you are authorizing the person named in the proxy form or voting instruction form to attend the Annual Meeting and vote your Shares on each item of business on which you are entitled to vote according to your instructions. Shares represented by proxy will be voted or withheld from voting in accordance with your instructions on any ballot that may be called for and, if you specify a choice with respect to any matter to be acted upon, the Shares will be voted **accordingly. If there are no instructions with respect to your proxy, your Shares will be voted in favour of:**

i) electing as a director each person nominated by the Board for the ensuing year;

ii) appointing KPMG LLP as auditors for the ensuing year and authorizing the directors to fix their remuneration; and

iii) approving, on an advisory basis, Interfor's approach to executive compensation.

Can I revoke a proxy?

Yes, a registered Shareholder may revoke a proxy by:

a) an instrument in writing signed by the Shareholder, or by the Shareholder's attorney authorized in writing, or where the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to either: (i) the registered office of the Company at 3500-1055 Dunsmuir Street, Vancouver, BC V7X 1H7 Attention: Corporate Secretary, at any time up to and including the last business day preceding the day of the Annual Meeting, or any adjournment or postponement thereof, at which the proxy is to be used; or (ii) the Chairman of the Annual Meeting or any adjourned meeting, at the Annual Meeting or adjourned meeting;

b) completing, dating and signing a proxy form bearing a later date and delivering it in accordance with the instructions on the proxy form; or

c) any other manner provided by law.

Such a revocation will be effective only in respect of those matters on which a vote has not already been cast under the authority conferred by the proxy.

Non-registered Shareholders may revoke or change their voting instructions by contacting their broker or other intermediary.

Who has discretionary authority to vote on amendments or variations to any of the business items and on any other matter that may properly come before the Annual Meeting?

The proxy form or voting instruction form included with the Short Form Notice confers discretionary authority on the proxyholder named by the Shareholder with respect to amendments or variations to the matters identified in the Notice of Annual Meeting and other matters which may properly come before the Annual Meeting. If any such amendments or variations are proposed to the matters described in the Notice, or if any other matters properly come before the Annual Meeting, your proxyholder may vote your Shares as they consider best. Neither management of the Company nor the Board is aware of any such amendments, variations, or other matters as of the date of this Information Circular.

Is my vote by proxy confidential?

Yes, your vote by proxy is confidential. Proxies are received, counted and tabulated by our transfer agent, Computershare Investor Services Inc., in a way that preserves the confidentiality of individual Shareholders' votes. Proxies are referred to the Company only in cases where a Shareholder clearly intends to communicate with management, when it is necessary to do so to meet the requirements of applicable law, or in the event of a proxy contest.

Are there any controlling Shareholders?

As of March 9, 2016, to the knowledge of the Company's directors and officers, there are no persons who beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company.

What if I have a question?

If you have any inquiries, you can contact Computershare Investor Services Inc.:

Email:	service@computershare.com
Toll-free:	North America 1-800-564-6253 International 514-982-7555
Fax:	1-866-249-7775
Mail:	Computershare Investor Services Inc. Attention: Proxy Department 8th Floor, 100 University Ave. Toronto, Ontario, M5J 2Y1

The Shareholder Meeting

The Annual Meeting will cover four items of business, and you will be asked to vote on three of them.

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1. RECEIVING THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT

Our 2015 Audited Consolidated Financial Statements and Auditor's Report will be presented at the Annual Meeting. You will find our Financial Statements and Management's Discussion and Analysis in our 2015 Annual Report. The 2015 Annual Report was mailed to registered Shareholders of the Company and to non-registered Shareholders who requested a paper copy of the 2015 Annual Report. If you did not request a paper copy, you may view the annual report online under the Company's profile on SEDAR (www.sedar.com) or on our website (www.interfor.com), or you may obtain a paper copy by sending a request to the Company's Corporate Secretary at P.O. Box 49114, 3500 - 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1H7. You will have an opportunity to ask questions about our 2015 Audited Consolidated Financial Statements and Auditor's Report at the Annual Meeting.

2. ELECTING THE DIRECTORS

Each of the directors are elected annually at the annual general meeting of the Company, to hold office until the close of the next annual general meeting or until he or she retires, resigns or otherwise ceases to hold office, whichever is sooner.

The Corporate Governance & Nominating Committee, in conjunction with the Chair of the Board, recommends to the Board nominees to stand for election as directors. One member of our current Board, Mr. Thomson, is not standing for re-election as a director of the Company at the Annual Meeting. The Board proposes the nine individuals listed below for nomination for election at the Annual Meeting.

The Board recommends that you vote FOR all the nominees standing for election to hold office until the next annual general meeting of Shareholders.

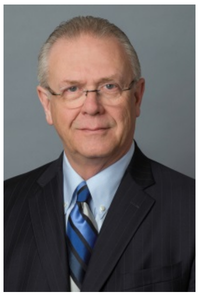
Our Policy on Majority Voting

If a director receives more *withhold* than *for* votes at the Annual Meeting, he or she will offer to resign after the Annual Meeting. The Corporate Governance & Nominating Committee will consider the offer of resignation and, except in special circumstances, will recommend that the Board accept the resignation. The director in question will not participate in any Board or committee deliberations on the matter. The Board will make its decision and announce it in a press release within 90 days of the Annual Meeting. If the Board accepts the resignation, it may appoint a new director to fill the seat in accordance with the Company's Articles.

This majority voting policy only applies to uncontested elections, where the number of nominated directors equals the number of directors to be elected.

Director Nominee Profiles

The tables below tell you about the nominated directors, including their background and experience, meeting attendance, share ownership and other public company boards on which they serve. Each director has provided information about the Shares they own or over which they exercise control or direction.



DUNCAN K. DAVIES

Not Independent

Age 65

Vancouver, British Columbia, Canada

Director since November 1998

Mr. Davies has been the President & Chief Executive Officer of the Company since 2000. From 1998 to 2000, he was the President and Chief Operating Officer of the Company. He is active in a number of industry associations. He is Chair of the BC Lumber Trade Council and First Vice-Chair of the Softwood Lumber Board. He is also a director of the Canadian Lumber Trade Alliance and the Binational Softwood Lumber Council. Mr. Davies holds a Bachelor of Arts (Economics) from the University of Victoria and a Master of Science (Forestry Economics) from the University of British Columbia.

Areas of Experience

Strategic Leadership	Industry Knowledge
Financial	Government Relations & Public Policy
Environment, Health & Safety	International
Governance	Human Resources & Compensation

Board/Committee Memberships	Attendance during 2015	Percentage Attended
Board	5 of 5	100%

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
2015	46,990,486	99.99%	4,039	0.01%

Shares and Share Equivalents Held

Shares held(1)	DSUs held(2)	Total Shares and DSUs	Total value of Shares and DSUs(3)	Meets Minimum Share ownership requirement(4)
241,100	161,355	402,455	$4,837,509	Yes

PAUL HERBERT

Independent

Age 66

Germantown, Tennessee, USA

Director since March 2014

Mr. Herbert is a corporate director with over 47 years of experience in the pulp and paper industry. From 2007 to 2013, Mr. Herbert was the Chief Executive Officer of Ilim Group, Russia's largest forest pulp & paper company. From 2003 to 2007, he was Senior Vice President of Global Strategic Initiatives for International Paper Company. Prior thereto, he held various senior executive positions with International Paper. He is currently a director of Ilim Timber Incorporated, Ilim Timber Europe and Ener1 Inc., all private companies ultimately owned by a shareholder of Ilim Group. He holds a degree in Engineering from East London Polytechnic University and an Executive Master of Business Administration from Texas A&M University.

Areas of Experience

Strategic Leadership	International
Industry Knowledge	Government Relations & Public Policy
Financial	Environment Health & Safety

Board / Committee Memberships	Attendance during 2015	Percentage Attended
Board	4 of 5	92%
Audit Committee	4 of 4	
Environmental & Safety Committee	4 of 4	

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
2015	36,013,266	76.63%	10,981,259	23.37%

Shares and Share Equivalents Held

Shares held(1)	DSUs held(2)	Total Shares and DSUs	Total value of Shares and DSUs(3)	Meets Minimum Share ownership requirement(4)
7,500	10,398	17,898	$262,805	No, requirement to be met by December 31, 2019

JEANE HULL

Independent

Age 61

Sheridan, Wyoming, USA

Director since May 2014

Ms. Hull is a corporate director. From 2011 to 2015, she was Executive Vice President and Chief Technical Officer at Peabody Energy Corporation, a private-sector coal company. Prior to joining Peabody in 2007, she held numerous management, engineering and operations positions with Rio Tinto and its affiliates, lastly as COO of the Kennecott Utah Copper business. Prior thereto, she spent 12 years with Mobil Mining and Minerals, and Mobil Chemical Company. She is a member of the University of Wyoming School of Energy Resources Council. She also serves on the Advisory Board for South Dakota School of Mines and Technology. She holds a Bachelor of Science (Civil Eng.) from South Dakota School of Mines & Technology and a Master of Business Administration from Nova Southeastern University. She is a member of Women Corporate Directors.

Areas of Experience

Strategic Leadership	Government Relations & Public Policy
International	Environment Health & Safety
Governance	

Board/Committee Memberships	Attendance during 2015	Percentage Attended
Board	5 of 5	100%
Corporate Governance & Nominating Committee	4 of 4	
Environment & Safety Committee	4 of 4	

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
2015	46,979,065	99.97%	15,460	0.03%

Shares and Share Equivalents Held

Shares held[1]	DSUs held[2]	Total Shares and DSUs	Total value of Shares and DSUs[3]	Meets Minimum Share ownership requirement[4]
-	10,398	10,398	$158,936	No, requirement to be met by December 31, 2019

PETER M. LYNCH

Independent

Age 65

Toronto, Ontario, Canada

Director since October 2006

Mr. Lynch is President and Chief Executive Officer of Dieffenbacher USA, Inc., a manufacturer and designer of press and forming systems. Prior thereto he provided consulting services to Dieffenbacher. From 1993 to 2010, he was an Executive Vice President and director of Grant Forest Products Inc. (and its predecessor), a producer of OSB and engineered wood products. Mr. Lynch holds a LLB from Osgoode Law School and is a member of the Law Society of Upper Canada.

Areas of Experience

Strategic Leadership	Industry Knowledge
Financial	International
Government Relations & Public Policy	Environment, Health & Safety

Board/Committee Memberships	Attendance during 2015	Percentage Attended
Board	5 of 5	100%
Audit Committee	4 of 4	
Corporate Governance & Nominating Committee	4 of 4	
Environment & Safety Committee	4 of 4	

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
2015	46,308,200	98.54%	686,325	1.46%

Shares and Share Equivalents Held

Shares held[1]	DSUs held[2]	Total Shares and DSUs	Total value of Shares and DSUs[2]	Meets Minimum Share ownership requirement[4]
-	70,108	70,108	$842,698	Yes

GORDON H. MacDOUGALL

Independent

Age 70

West Vancouver, British Columbia, Canada

Director since February 2007

Mr. MacDougall is a corporate director. From 2006 until his retirement in 2014, he was the Vice Chair of Connor, Clark & Lunn Investment Management Ltd., an asset management firm. From 1986 to 2014, he was a partner at Connor, Clark & Lunn Investment Management Partnership and Director, Head of Portfolio Strategy Team and Head of Client Solutions Team of Connor, Clark & Lunn Investment Management Ltd. Mr. MacDougall is a Director of Connor, Clark & Lunn Financial Group, the Chair of the British Columbia Immigrant Investment Fund and a past Chair of the Vancouver Foundation. He previously served as lead director for Intrawest Corporation. Mr. MacDougall holds a Bachelor of Commerce (Finance) from Sir George Williams University (now Concordia University), Chartered Financial Analyst designation from the University of Virginia and a Master of Business Administration from the University of Pittsburgh.

Areas of Experience

Strategic Leadership	Financial
Governance	Human Resources & Compensation
Environment, Health & Safety	Government Relations & Public Policy

Board/Committee Memberships	Attendance during 2015	Percentage Attended
Board	5 of 5	100%
Corporate Governance & Nominating Committee	4 of 4	
Management Resources & Compensation Committee	4 of 4	

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
2015	46,486,447	98.92	508,078	1.08%

Shares and Share Equivalents Held

Shares held[1]	DSUs held[2]	Total Shares and DSUs	Total value of Shares and DSUs[3]	Meets Minimum Share ownership requirement[4]
15,000	70,108	85,108	$1,022,998	Yes

J. EDDIE McMILLAN

Independent

Pensacola, Florida, USA

Age 70

Director since October 2006

Mr. McMillan is an independent business consultant. From 1998 until his retirement in 2002, he was Executive Vice President – Wood Products Group of Willamette Industries Inc., a forest products company. Prior to 1998, Mr. McMillan held various management positions with Willamette Industries Inc. Over the years, he has served as a director of Forest Express, Inc. and has been associated with numerous industry association boards, including the American Plywood Association, National Particleboard Association, Particleboard and MDF Institute, Southern Forest Products Association, Western Wood Products Association, National Association of Lumber Wholesalers and the American Forest and Paper Association. He holds a Bachelor of Science (Accounting/Business Administration) from Louisiana Tech University.

Areas of Experience

Strategic Leadership	Industry Knowledge
Financial	Governance
Human Resources & Compensation	Environment, Health & Safety

Board/Committee Memberships	Attendance during 2015	Percentage Attended
Board	5 of 5	100%
Corporate Governance & Nominating Committee	4 of 4	
Management Resources & Compensation Committee	4 of 4	

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
2015	39,286,786	83.60%	7,707,739	16.40%

Shares and Share Equivalents Held

Shares held[1]	DSUs held[2]	Total Shares and DSUs	Total value of Shares and DSUs[3]	Meets Minimum Share ownership requirement[4]
-	29,146	29,146	$350,335	No, requirement to be met by December 31, 2019

THOMAS V. MILROY

Independent

Toronto, Ontario, Canada

Age 60

Director since February, 2016

Mr. Milroy is the Managing Director of Generation Capital Limited, a private investment company, and a corporate director. From March 2008 to October 2014, he served as Chief Executive Officer of BMO Capital Markets, where he was responsible for all of BMO's business involving corporate, institutional and government clients globally. Mr. Milroy is a director of Restaurant Brands International Inc. (TSX/NYSE: QSR, TSX: QSP) and, prior to that, a director of Tim Hortons Inc. from August 2013 to December 2014. Mr. Milroy holds a Bachelor of Law and Master of Law from Cambridge University, an LLB from Dalhousie University, and a Bachelor of Arts from McGill University. He has also completed the Advanced Management Program at the Harvard Business School. Mr. Milroy is a member of the Law Society of Upper Canada.

Areas of Experience

Strategic Leadership	International
Industry Knowledge	Governance
Financial	Human Resources & Compensation

Board/Committee Memberships	Attendance during 2015	Percentage Attended
Board	n/a	n/a

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
n/a	n/a	n/a	n/a	n/a

Shares and Share Equivalents Held

Shares held(1)	DSUs held(2)	Total Shares and DSUs	Total value of Shares and DSUs(3)	Meets Minimum Share ownership requirement(4)
15,000	-	15,000	$180,300	No, requirement to be met by February 11, 2021

LAWRENCE SAUDER

Independent

Vancouver, British Columbia, Canada

Age 63

Director since April 1984

Chair since 2008

Mr. Sauder is the Chairman of Hardwoods Distribution Inc., a distributor of wood products, and Chairman of Metrie Canada Ltd. (formerly Sauder Industries Limited), a manufacturer and distributor of building products. He is a member of the World Presidents Organization, a member of the Board of Trustees of the Vancouver Police Foundation and a member of the Faculty Advisory Board at the Sauder School of Business at the University of British Columbia.

Areas of Experience

Strategic Leadership	Industry Knowledge
Financial	Governance
Human Resources & Compensation	Environment, Health & Safety

Board / Committee Memberships	Attendance during 2015	Percentage Attended
Board	5 of 5	100%
Environment & Safety Committee	4 of 4	
Management Resources & Compensation Committee	4 of 4	

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
2015	39,721,147	84.52%	7,273,378	15.48%

Shares and Share Equivalents Held

Shares held[1]	DSUs held[2]	Total Shares and DSUs	Total value of Shares and DSUs[3]	Meets Minimum Share ownership requirement[4]
345,274	46,077	391,351	$4,704,039	Yes

DOUGLAS W.G. WHITEHEAD

Independent

Age 69

North Vancouver, British Columbia, Canada

Director since April 2007

Mr. Whitehead is a corporate director. From 2000 to 2008, he was the President and Chief Executive Officer of Finning International Inc. (TSX: FTT). Prior to joining Finning, Mr. Whitehead held a number of senior executive positions with Fletcher Challenge Canada, including President and Chief Executive Officer, Senior Vice President and Chief Operating Officer and Vice President of the Crown Packaging Division. Mr. Whitehead is currently a director and the Chair of Finning and a director of both Belkorp Industries Inc. and Kal Tire. Previously, he served as director of Inmet Mining Corporation, Ballard Power Systems Inc., Terasen Inc., Fletcher Challenge Canada, Finlay Forest Industries and Timberwest Forest Limited. Mr. Whitehead holds a Bachelor of Applied Science (Engineering) from the University of British Columbia and a Master of Business Administration from the University of Western Ontario.

Areas of Experience

Strategic Leadership	Industry Knowledge
Financial	International
Governance	Environment, Health & Safety
Human Resources & Compensation	

Board/Committee Memberships	Attendance during 2015	Percentage Attended
Board	5 of 5	100%
Audit Committee	4 of 4	
Corporate Governance & Nominating Committee	4 of 4	

Annual Meeting Voting Results

Year	Votes in Favour		Votes Withheld	
2015	46,962,283	99.93%	32,242	0.07%

Shares and Share Equivalents Held

Shares held(1)	DSUs held(2)	Total Shares and DSUs	Total value of Shares and DSUs(3)	Meets Minimum Share ownership requirement(4)
17,000	24,988	41,988	$504,696	Yes

(1) The number of Shares held, including Shares directly or indirectly beneficially owned or under the control or direction of such nominee.

(2) For information on deferred share units, see “Deferred Share Unit Plan” on page 34 of this Information Circular.

(3) This value is calculated as the greater of: (i) actual cost of Shares plus the grant date market value of DSUs awarded; and (ii) the market value, using the weighted average trading price of the Shares on the Toronto Stock Exchange for the five trading days preceding the applicable valuation date for such Shares and DSUs. The market value used for the comparison is $]12.02 per Share or DSU held, being the weighted average trading price of the Shares on the Toronto Stock Exchange for the five trading days preceding March 9, 2016.

(4) All non-executive directors, including the Chair of the Board, are required to own a minimum value of Shares and DSUs equal to three times the current Annual Non-executive Director Retainer (i.e., $375,000), within 5 years of becoming a director, or by December 31, 2019, whichever is later. The President & CEO, Mr. Davies, is required to hold a minimum value of Shares and/or DSUs, equal in value to three times his annual base salary. In determining whether a director has met his minimum Share ownership requirement, the total number of Shares and DSUs held by a director is valued at the greater of: (i) actual cost of Shares plus the grant date market value of DSUs awarded; and (ii) the market value, being the weighted average trading price of the Shares on the Toronto Stock Exchange for the five trading days preceding the applicable valuation date for such Shares and DSUs.

Board and Committee Meetings

Regular Board and committee meeting dates are set approximately two years in advance, and special meetings are scheduled as required. Directors are expected to attend all Board and committee meetings. Directors are encouraged to attend meetings in person, but they may also participate by teleconference. The attendance record for each nominated director for all Board and committee meetings held during 2015, is set out in their director profile starting on page 10 of this Information Circular. The following table sets out a summary of the Board and committee meetings held during 2015. In addition to these meetings, the Board held a strategic planning session in 2015.

Board/Committee	Total number of regular meetings	Total number of special meetings
Board	4	1
Audit Committee	4	
Corporate Governance & Nominating Committee	4	
Management Resources & Compensation Committee	4	
Environment & Safety Committee	4	

Board Independence

The Board requires that at least a majority of its members be independent. The Board has determined that eight of the nine nominated directors are independent directors within the meaning of Canadian securities law, regulation and policy and the rules of the Toronto Stock Exchange. The table below describes the independence status of each nominated director.

Name	Independent	Not Independent	Reason for Non-Independent Status
Duncan K. Davies		√	President & CEO of Interfor
Paul Herbert	√		
Jeane Hull	√		
Peter M. Lynch	√		
Gordon H. MacDougall	√		
J. Eddie McMillan	√		
Thomas V. Milroy	√		
Lawrence Sauder	√		
Douglas W.G. Whitehead	√		

To facilitate the ability of the Board to function independently of management, the Board has put into place the structures and processes starting on page 23 of this Information Circular.

Director Interlocks

Mr. Whitehead and Mr. Thomson serve together on the board of Finning International Inc. Mr. Thomson is not standing for re-election as a director of the Company and, as a result, this interlock will cease to exist at the end of the Annual Meeting. No other directors nominated to stand for election as directors, serve together on boards of other publicly traded companies as of the date of this Information Circular.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as described herein, none of the proposed director nominees:

a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Company) that was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption order under securities legislation in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, CEO or CFO or issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while the person was acting in that capacity;

b) except as described in this Information Circular, is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

c) has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

From 1993 to 2010, Mr. Lynch was an executive officer and director of Grant Forest Products Inc. ("**Grant Forest**"). On June 25, 2009, Grant Forest and certain affiliated entities filed and obtained protection under the *Companies' Creditors Arrangement Act* in order to restructure their business affairs and on November 27, 2015 Grant Forest filed for bankruptcy.

3. APPOINTING THE AUDITOR

The Company's Audit Committee annually reviews and recommends to the Board the appointment of the external auditor of the Company. The Board recommends the re-appointment of KPMG LLP, Chartered Accountants, Vancouver, BC as the auditor of the Company to hold office until the close of the next annual general meeting of the Company. KPMG LLP has served as the auditor of the Company for more than five years. It is proposed that the remuneration to be paid to the auditor be determined by the Board. Representatives of KPMG LLP will be at the meeting and can respond to any questions. As a Shareholder, you have the opportunity to vote for or withhold from voting for the appointment of the auditor by voting on the following resolution:

> *"BE IT RESOLVED that KPMG LLP be appointed as auditor of the Company to hold office until the conclusion of the next annual meeting at a remuneration to be set by the Board of Directors of the Company."*

The above resolution must be approved by a majority of the votes cast in person or by proxy at the Annual Meeting.

The Board recommends that you vote FOR the resolution appointing KPMG LLP as the auditor of the Company and authorizing the Board to set the auditor's remuneration.

Auditor Independence

The independence of the auditor is essential to maintaining the integrity of our financial statements. We comply with Canadian securities laws relating to the independence of external auditors, services they can perform and fee disclosure.

The Audit Committee is responsible for overseeing the external auditor, and it meets with the auditor every year to review its qualifications and independence. This includes reviewing formal written statements that set out any relationships with Interfor that can have an impact on its independence and objectivity.

The Audit Committee approves the terms of engagement and the auditor's fees, and pre-approves any non-audit services. Management works with the external auditor every year to develop a list of proposed non-audit services that the Audit Committee reviews and pre-approves. More information about the Audit Committee and its terms of reference can be found in our Annual Information Form for the year ended December 31, 2015, which is available on our website (www.interfor.com) and under the Company's profile on SEDAR (www.sedar.com).

Audit Fees

The table below shows the fees billed to Interfor for professional services rendered by KPMG LLP during the years ended December 31, 2014 and December 31, 2015:

	2015	**2014**
Audit fees Fees billed for professional services rendered.	$581,256	$586,900
Audit-related fees Audit-related fees consist principally of fees for professional services rendered with respect to audits of a defined benefit pension plan and subsidiary companies (2015 and 2014) and bought deal financing involvement (2015).	183,738	61,500
Tax fees Tax fees consist of fees for tax compliance services, planning and related services, personal tax (foreign and domestic) compliance and planning advice, indirect tax recovery audit contingency fees which are based on percentage of recoveries (2015 and 2014), and advice on the setup of an insurance captive (2015).	88,731	37,771
All Other fees These fees consist of assistance with forestry certification and ERP system design and conversion review (2015 and 2014) and advice on leading practices for IT procurement (2015).	99,800	123,347
TOTAL	$953,525	$809,518

4. HAVING A "SAY ON PAY"

The Board has adopted a policy to hold an advisory vote on our approach to executive compensation at every annual general meeting of Shareholders. The purpose of a "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 at Interfor. To fully understand the objectives, philosophy and principles the Board has used in its approach to executive compensation, we encourage you to read the executive compensation section starting on page 39 of this Information Circular. That section describes Interfor's compensation philosophy, the objectives and elements of the program and the measurement and assessment process used by Interfor.

As a Shareholder, you have the opportunity to vote *for* or *against* our approach to executive compensation by voting on the following resolution:

> *"BE IT RESOLVED THAT, on an advisory basis only and not to diminish the role and responsibilities of the Board of Directors, the shareholders accept the approach to executive compensation disclosed in the management information circular of the Company dated March 9, 2016 delivered in connection with the 2016 annual general meeting of shareholders."*

Since this is an advisory vote, the results will not be binding on the Board or Interfor. The Board remains fully responsible for its compensation decisions and it is not relieved of its responsibilities by either a positive or 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 Interfor, together with the feedback received from Shareholders in the course of regular communications.

The Board recommends that you vote FOR the resolution.

5. OTHER BUSINESS

If there are changes to these items of business or other items that properly come before the Annual Meeting, you can vote on them as you see fit. As of the date of this Information Circular, we are not aware of any other business that may come before the Annual Meeting.

GOVERNANCE

We believe that strong governance improves corporate performance and benefits all stakeholders. Honesty and integrity are vital to ensuring good corporate governance.

This section discusses our governance policies and practices, and the role and functioning of our Board.

OUR GOVERNANCE PRACTICES

Interfor is a public company with its Shares listed on the Toronto Stock Exchange ("**TSX"**). We comply with corporate governance guidelines that apply to Canadian companies listed on the TSX.

Our corporate governance practices also meet or exceed the guidelines adopted by the Canadian Securities Administrators set out under:

- National Instrument 52-110 – *Audit Committees;*
- National Instrument 58-101 – *Disclosure of Corporate Governance Practices*; and
- National Policy 58-201 – *Corporate Governance Guidelines*.

(collectively, the "**Governance Disclosure Rules**").

We monitor regulatory developments and governance best practices as they evolve. We adopt regulatory changes which apply to us and incorporate best practices in governance which are appropriate to our circumstances.

BOARD CHARACTERISTICS

Operating Independently

Having an independent Board is critical to effective oversight and good governance. The Board requires that at least a majority of its directors be independent within the meaning of Canadian securities law, regulation and policy and the rules of the TSX.

Our Corporate Governance & Nominating Committee is responsible for reviewing the independence of every Board member and nominated director, based on the independence requirements set out in the Governance Disclosure Rules, their businesses and any other relationships they have with us (and our affiliates) and senior management (and their affiliates).

The Corporate Governance & Nominating Committee has determined that eight of the nine nominated directors are independent directors. Duncan Davies, President & CEO, is an executive officer of the Company and as such, is not an independent director pursuant to the Governance Disclosure Rules.

To facilitate the ability of the Board to function independently of management, the following structures and processes are in place:

- the role of Chair of the Board is separate from the role of CEO;
- there are no members of management on the Board, other than the CEO;

- the independent directors meet after every Board meeting and at any other time it is deemed necessary by the Chair of the Board, without any members of management present;
- the CEO's compensation is considered in his absence by the Management Resources & Compensation Committee and by the independent members of the Board at least once a year; and
- in addition to the standing committees of the Board, special committees composed entirely of independent directors are appointed from time to time, when appropriate.

Chair of the Board

The Chair of the Board is Mr. Sauder. The Board has determined that Mr. Sauder is both independent under the Governance Disclosure Rules and independent of management.

The Board has developed a written position description for the Chair of the Board. The Chair is responsible for the effective functioning of the Board and for providing leadership to the Board. The Chair's duties include ensuring the adoption and compliance with governance procedures, ensuring that the Board understands its obligations to the Company, Shareholders, management, other stakeholders and under the law and ensuring that directors understand the boundaries between the Board and management responsibilities.

Independent Director Sessions

At each meeting of the Board (including regularly scheduled meetings, ad hoc meetings and special meetings) and at each regularly scheduled committee meeting, the directors meet "in-camera" without management other than the CEO present, followed immediately by an independent director session without the CEO or any other member of management present. The table below sets out the number of independent director sessions held in 2015.

Board / Committee	Total number of regularly scheduled meetings	Independent Director In-camera Sessions Held
Board of Directors	4	4
Audit Committee	4	4
Corporate Governance & Nominating Committee	4	4
Management Resources & Compensation Committee	4	4
Environment & Safety Committee	4	4

Independent Advice

The Board and each of its four standing committees can retain independent advisors to assist them in carrying out their duties and responsibilities.

Serving on other Boards

We do not have a specific policy limiting the number of other public company boards on which our directors can serve. We discuss the time commitment and duties and responsibilities with every director candidate so they have a full understanding of the role and our expectations of directors. The Corporate Governance & Nominating Committee monitors director relationships to ensure their business associations do not hinder their role as a director of Interfor or Board performance overall. The director profiles starting on page 10 of this Information Circular tell you about the other public company boards on which the nominated directors serve and their attendance record at meetings of the Board and its committees.

Share Ownership Requirement

We have a Share ownership requirement for our directors to align their interests with those of our Shareholders. The ownership requirement is significant, and directors must meet the requirement within five years of becoming a director, or by December 31, 2019, whichever is later. See page 35 of this Information Circular for more information about the directors' Share ownership requirement.

Skills and Experience

Directors are nominated if they have an appropriate mix of skills and experience to provide effective oversight and support our future growth. The Corporate Governance & Nominating Committee uses a skills matrix to assess the composition of the Board and to recruit new director candidates based on our current and future needs, including strategic leadership, industry knowledge, financial, international, governance, government relations and public policy, human resources & compensation, and environment, health and safety experience.

ETHICAL BUSINESS CONDUCT

Code of Conduct & Ethics

We have a recently updated Code of Conduct & Ethics (the "**Code**") that applies to all of Interfor's directors, officers and employees. The Code is distributed to all directors, officers and employees and is available on our intranet site, under our profile on SEDAR at (www.sedar.com) and on our website (www.interfor.com). Compliance with the Code is a condition of employment for our employees and a condition of office in the case of our directors.

Under the Code, if a person has reason to believe that someone has violated or may violate a law, the Code, or any other Company policy, they should report that information immediately to any one of the following:

- their supervisor or human resources representative;
- our CEO, General Counsel, Chair of the Corporate Governance & Nominating Committee, or for accounting or auditing matters, Chair of the Audit Committee; or
- by calling our confidential whistleblower hotline (1-844-449-9988 toll free from North America, or +1-604-681-2175 worldwide) and leaving a voicemail, or sending an email to whistleblower@interfor.com, and our General Counsel may follow up on communications received.

The Code and the Company's Whistleblower Policy protect those who raise a concern or report misconduct in good faith.

All reports are promptly investigated and appropriate disciplinary actions are taken if warranted by the investigation. Any person who receives a report of a Code violation or suspected violation, is required under the Company's Whistleblower Policy to inform the CEO of the report on a timely basis. Any Code violations and their resolutions are reported to the Chair of the Audit Committee in the case of accounting and auditing complaints/concerns, and the Chair of the Corporate Governance & Nominating Committee in all other cases, on a quarterly basis or sooner if circumstances so warrant. No provisions of the Code will be waived, unless there are exceptional circumstances and the waiver has been approved in advance by the CEO. Any waiver for officers or directors of the Company must be approved in advance by the Board and will be disclosed promptly as required by law or stock exchange policy.

Each year, all directors, officers and salaried employees are asked to acknowledge that they have read and understand the Corporate Policy Manual, including the Code and the Whistleblower Policy, and undertake to abide by all of the requirements of such policies. In January 2016, 100% of the Company's directors, officers and salaried employees provided their acknowledgement and agreement to abide by these policies.

Disclosure Policy

We issue timely, fair and accurate disclosure of all material information relating to Interfor to keep Shareholders and the public informed about our affairs. Respecting our Disclosure Policy is critical to maintaining our integrity, and each director, executive officer and employee has an obligation to ensure that we conduct ourselves according to the policy and its objectives.

Insider Trading Policy

We maintain an insider trading policy that:

- regulates trading of our insiders;
- has established a regular black-out calendar;
- prohibits short-term, speculative or hedging transactions involving our Shares; and
- fulfills our obligations to stock exchanges, regulators and investors.

You can find our current insider trading policy on our website (www.interfor.com).

Conflicts of Interest

Under the *Business Corporations Act* (British Columbia), the Company's Articles and the Board Terms of Reference, any director or executive officer who holds any office or possesses any property, right or interest that could result in the creation of a duty or interest that materially conflicts with the individual's duty or interest as a director or executive officer of the Company, must promptly disclose the nature and extent of that conflict. A director who holds a disclosable interest in a transaction or contract into which the Company has entered or proposes to enter may not vote on any directors' resolution to approve that contract or transaction.

DIRECTOR ORIENTATION, EDUCATION AND DEVELOPMENT

We believe that director education helps directors maintain skills, gain insights and increase their understanding of our operations and of current and emerging issues that affect our business and governance practices. As part of on-going education, directors receive updates on industry developments, forest policy changes and legal, accounting and regulatory changes pertaining to public companies. Mill tours are provided from time to time with a focus on capital expenditures, safety and the environment. The Board also participates annually in extensive strategic planning sessions. To enable directors to deepen their familiarity with different areas of the Company, the Board rotates individual directors from time to time onto different committees of the Board.

Our orientation program helps familiarize new directors with our Company, the forestry industry and our expectations of directors. All new directors receive a handbook that contains the governance practices of the Company, including the Terms of Reference and Policies for Directors. New directors also receive an overview of the Company's business, management, financial reporting and accounting policies and procedures, strategic plan, risk management plan, financial position and other topics. The orientation program may also involve a tour of the Company's manufacturing and forestry operations.

Directors are encouraged and authorized to participate in continuing education relevant to their roles and responsibilities on the Board and committees.

ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is responsible for the stewardship of the Company on behalf of the Shareholders. The Board's stewardship responsibilities are set out in the Mandate of the Board attached as Appendix A to this Information Circular. The Board discharges its responsibilities, in some cases with the assistance of the standing committees of the Board.

The objective of the Board is to ensure that the business and affairs of the Company are conducted in the best interests of the Company and in conformity with law. Acting in the "best interests" of the Company involves a consideration of the long term best interests of the Company, while also giving consideration to the interests of the various stakeholders of the Company. Its general duty is to promote a strong, viable and competitive company operating with honesty and integrity and to supervise the Company's management in the conduct of the affairs and business of the Company.

The Board has delegated the day-to-day management responsibilities to the Company's management and expects them to fulfill this responsibility in a manner consistent with achieving the Board's objective.

Overseeing the CEO

The CEO is appointed by the Board and is responsible for managing the Company's affairs. The Board has developed a written position description for the CEO, which is available on our website (www.interfor.com). The CEO's key responsibilities involve working with the Board to determine the strategic direction of the Company and its annual goals and objectives, and providing leadership to management in achieving those goals and objectives.

The Management Resources & Compensation Committee ("**MRCC**") annually reviews and, if appropriate, recommends to the Board approval of the CEO's goals and objectives and his position description and ensures that they are aligned with the Mandate of the Board. Approval of the CEO's goals and objectives can only be done by the Board. The MRCC is also responsible for monitoring the performance of the CEO against his annual goals and objectives and reports its conclusions back to the Board.

Strategic Planning

We have a multi-year strategic plan that balances risk and reward. Management is responsible for developing our strategic plan, and holds an intensive strategic planning session with the directors of the Company every year. At the session, management provides an annual review and update of the prior year plan, revises our future multi-year strategic plan based on our progress and establishes annual corporate objectives and goals. After significant discussion and input from the directors, and possible revisions, management presents the multi-year strategic plan to the Board for its approval. Management also presents strategic issues to the Board at quarterly Board meetings and as needed throughout the year.

Risk oversight

We face a variety of risks as part of our business activities including operating risk, financial risk, governance risk, health and safety risk, environmental risk, compensation risk, strategic risk and reputational risk.

The Board has overall responsibility for risk oversight and retains oversight for risks not assigned to a specific Board committee. Each committee is responsible for monitoring risks in a specific area.

Committee	Risk Responsibilities
Audit	Monitors certain financial risks
Management Resources & Compensation	Oversees compensation and succession risks
Corporate Governance & Nominating	Reviews overall governance risks
Environment & Safety	Reviews environment, health and safety risks

Internal controls

The Board and Board committees are responsible for monitoring the integrity of our internal controls and management information systems.

The Audit Committee is responsible for overseeing the internal controls, including controls over accounting and financial reporting systems. Management gives quarterly reports to the Audit Committee and presents our financial results and forecasts to the Audit Committee and the Board quarterly.

Management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. This provides reasonable assurance that public reporting of our financial information is reliable and accurate, our transactions are appropriately accounted for and our assets are adequately safeguarded.

KPMG LLP provided an unqualified audit opinion on our consolidated financial statements for the years ended December 31, 2015 and December 31, 2014.

Compensation risk

The MRCC is responsible for overseeing and mitigating compensation risk. In 2015, the MRCC considered the implications of the risks associated with the Company's compensation policies and practices. See page 40 for more information about how the committee manages compensation risk.

Succession Planning

The MRCC reviews and approves on an annual basis the succession planning for management.

Assessing the Board and its Committees

The Board carries out a comprehensive assessment of the Board and its committees every second year. By way of a questionnaire, directors (other than the Chair and the CEO) are asked to rate the effectiveness of the Board and each committee ("**Board Effectiveness Assessment**"). In the following year, directors are asked to complete a mini questionnaire setting out certain targeted questions regarding Board effectiveness. As an alternative to the mini questionnaire, the Corporate Governance & Nominating Committee may ask management to prepare a report setting out how it has addressed certain areas of concern identified in the Board Effectiveness Assessment.

The Board Effectiveness Assessment is conducted confidentially. The Chair of the Corporate Governance & Nominating Committee reviews the individual assessments and discusses any low rankings given by a director with the applicable director. The Corporate Governance & Nominating Committee discusses the collated results of the Board Effectiveness Assessment and reports those results to the Board.

The Chair of the Board annually evaluates the effectiveness of individual directors through discussions with each director.

Board Renewal and Diversity

The term of each director expires at the end of each annual general meeting of Shareholders, or when their successor is elected or appointed to the Board. In conjunction with the Chair of the Board, the Corporate Governance & Nominating Committee is responsible for identifying, recruiting, nominating and appointing new directors. It is also responsible for recommending to the Board directors to be nominated for election at the next annual general meeting. The Chair of the Corporate Governance & Nominating Committee aims to identify impending vacancies on the Board as far in advance as possible to allow sufficient time for identification and recruitment of new directors.

The Corporate Governance & Nominating Committee uses a skills matrix to assess the composition of the Board and for recruiting new director candidates based on our current and future needs, including strategic leadership, industry knowledge, financial, international, governance, government relations and public policy, human resources & compensation, and environment, health and safety experience.

Mandatory Retirement Policy

To encourage and facilitate Board renewal, the Board has approved a mandatory retirement policy. Directors will not be eligible for re-election at an annual general meeting if, as of the date of that annual general meeting, the director (i) is 75 years old or older, or (ii) has served as a director on the Board for 10 or more years, whichever is later. The Board may waive the mandatory retirement if, after conducting a thorough search, a qualified replacement director cannot be found; or if the retiring director possesses such unique skills that the loss of these skills would be a material loss to the Company.

Diversity

The Board believes that diversity will enrich the Board. The Corporate Governance & Nominating Committee takes diversity, including gender diversity, into consideration as part of its overall recruitment and selection process in respect of its Board and senior management. However, the Board does not have a formal policy on the representation of women on the Board or in senior management as it does not believe that a formal policy will necessarily result in the identification or selection of the best candidates. However, the Board is mindful of the benefit of diversity on the Board and management of the Company and the need to maximize the effectiveness of the Board and management and their respective decision-making abilities. Accordingly, in searches for new directors, the Corporate Governance & Nominating Committee will consider the level of female representation and diversity on the Board and management as one of many factors used in its search process.

The Company has not yet set measurable objectives for achieving gender diversity and will consider establishing measureable objectives in the future. The Board does not currently support fixed percentages for any selection criteria, because the composition of the Board is based on the numerous factors established by the selection criteria and it is ultimately the skills, experience, character and behavioral qualities that are most important in determining the value which an individual could bring to the Board.

There is currently one female director on the Board and none of the executive officers of the Company or its subsidiaries are female.

Access to Management

The Board encourages the executive leadership team to include key managers in Board meetings so they can share their expertise on specific matters. This gives the Board an opportunity to meet individuals who have the potential to assume more senior positions in the future, and for these individuals to gain exposure with the Board.

Communicating with the Board

We're committed to Shareholder engagement and communicating with our Shareholders. Shareholders and other interested parties can communicate with members of the Board, including the Chair and other independent directors.

Shareholders can contact the Board, the Chair of the Board or any of the directors:

Mail: Interfor Corporation
P.O. Box 49114, 3500-1055 Dunsmuir Street
Vancouver, BC, Canada
V7X 1H7

Email: corporatesecretary@interfor.com

COMMITTEES OF THE BOARD

The Board has established four standing committees to help carry out its responsibilities more effectively:

- Corporate Governance & Nominating Committee;
- Audit Committee;
- Environment & Safety Committee; and
- Management Resources & Compensation Committee.

The Board may also create special ad hoc committees from time to time to deal with other important matters.

The Audit Committee and the Corporate Governance & Nominating Committee must consist entirely of independent directors. The MRCC and the Environment & Safety Committee (the "**E&S Committee**") must have a majority of independent directors. Each committee has the authority, at Interfor's expense, to engage any external advisors it deems necessary to carry out their respective duties and responsibilities.

Each committee operates in accordance with Board-approved terms of reference. A written position description is in place for each Committee Chair. At least once a year, each committee reviews its terms of reference, and recommends any changes to the Corporate Governance & Nominating Committee and the Board. You can find the position description for each Committee Chair and each committee's terms of reference on our website (www.interfor.com).

Committee members are appointed annually following the Company's annual general meeting. The Corporate Governance & Nominating Committee, in conjunction with the Chair of the Board, recommends appointments to each of the committees.

All committee meetings have scheduled in-camera sessions when members can discuss the committee operations and responsibilities without management present.

Information about each committee, as of the date of this Information Circular, is set forth below. The committees will be reconstituted after the Annual Meeting.

Corporate Governance & Nominating Committee

Members	J. Eddie McMillan (Chair) Jeane L. Hull Peter M. Lynch Gordon H. MacDougall Douglas W.G. Whitehead
Meetings in 2015	4 regularly scheduled meetings. All meetings included in-camera sessions without management present.
Independence	5 members, 100% independent.

The Corporate Governance & Nominating Committee is responsible for assisting the Board in fulfilling its oversight responsibilities to ensure that the Company has an effective corporate governance regime, monitoring the size, composition, independence and effectiveness of the Board, its members and committees. The Corporate Governance & Nominating Committee annually reviews and recommends for approval to the Board, director compensation. It ensures there is an orientation process for new directors and an ongoing education program to increase the directors' awareness of the Company's business and the issues it faces. The Corporate Governance & Nominating Committee reviews the nomination of new director candidates in consultation with the Chair of the Board.

Audit Committee

Members	Douglas W.G. Whitehead (Chair) Paul Herbert Peter M. Lynch L. Scott Thomson
Meetings in 2015	4 regularly scheduled meetings. All meetings included in-camera sessions without management present. The committee also met independently with the Company's auditors at every meeting.
Independence	4 members, 100% independent and financially literate under the requirements of National Instrument 52-110 - *Audit Committees*.

The Audit Committee supports the Board in fulfilling its oversight responsibilities regarding the integrity of the Company's accounting and financial reporting, disclosure, internal controls and external auditors. The Audit Committee also reviews the risks and risk management strategy of the Company. The Audit Committee recommends the appointment of the external auditor, its compensation and any non-audit services provided by it. Additional information relating to the Audit Committee is contained in the Company's Annual Information Form, which can be found under the Company's profile at (www.sedar.com).

Environment & Safety Committee

Members	Peter M. Lynch (Chair) Paul Herbert Jeane L. Hull Lawrence Sauder L. Scott Thomson
Meetings in 2015	4 regularly scheduled meetings. All meetings included in-camera sessions without management present.
Independence	5 members, 100% independent.

The E&S Committee is mandated to monitor the Company's ongoing commitment to its principles, values and policies regarding environment and safety matters. The E&S Committee ensures that management develops, implements and maintains an environmental management system and health and safety policy. The E&S Committee ensures that the Board is informed of any material non-compliance with these polices and any material impending or existing environment or health and safety events, charges or convictions. The E&S Committee also reviews the Company's disclosure of environmental issues and policies.

Management Resources & Compensation Committee

Members	Gordon H. MacDougall (Chair) J. Eddie McMillan Lawrence Sauder
Meetings in 2015	4 regularly scheduled meetings. All meetings included in-camera sessions without management present.
Independence	3 members, 100% independent.

The MRCC is responsible for ensuring that the Company develops and implements long range plans and programs for attracting, retaining, developing, motivating, evaluating and compensating management to provide the Company with a high level of strength, depth and continuity in its human resources. The MRCC's duties and responsibilities include reviewing and approving the Company's succession and development plan, reviewing and approving the compensation for all officers of the Company except the CEO and, in the case of the CEO's compensation, reviewing and recommending approval by the Board. The MRCC reviews and recommends approval to the Board of the CEO's goals and objectives to ensure they are aligned with the mandate of the Board, and monitors the CEO's performance relative to those goals and objectives. The MRCC also reviews the status and performance of the Company's pension plans and funds, training and development plans for management, the Company's disclosure of executive compensation information and the risks associated with the Company's compensation policies and practices.

The MRCC is comprised of independent directors with relevant experience and knowledge, to effectively govern human resource and compensation matters of the Company. Refer to pages 14, 15 and 17 of this Information Circular for biographical information on the members of our MRCC.

COMPENSATION

This section discusses compensation governance, our director and executive compensation programs, and the decisions affecting executive pay for 2015.

DIRECTOR COMPENSATION

Director compensation is intended to provide an appropriate level of remuneration considering the responsibilities, time requirements and accountability of directors' roles on the Board. The Corporate Governance & Nominating Committee annually reviews and recommends to the Board the compensation for all Board members. The Company does not target director compensation pay levels at a specific market percentile. Using informed and independent judgment, the Company seeks to provide broadly competitive compensation arrangements that attract and retain qualified and experienced directors. The Corporate Governance & Nominating Committee uses comparative information to ensure that the compensation is competitive.

Annual Retainers and Meeting Fees

The following table shows the basis of compensation paid to directors during 2015:

	$
Board Chair	
Annual Chair Retainer[(1)]	250,000
Board Members	
Annual Non-executive Director Retainer[(1)]	125,000
Annual Lead Director Retainer	20,000
Committee Members	
Annual Committee Chair Retainer (except Audit Committee Chair)	10,000
Annual Audit Committee Chair Retainer	15,000
Other	
Per Diem Rate - For Company business, tours or strategy sessions on days other than meeting days	1,000
Travel Time – if more than ½ day is required	1,000
Expenses	
Travel and Other Significant Expenses	Actual

(1) The Annual Chair Retainer and the Annual Non-executive Director Retainer are inclusive of all fees, other than Committee Chair Retainers, per diem rates, travel time and expenses.

Effective January 1, 2015, a minimum of 60% of the Annual Chair Retainer or the Annual Non-executive Director Retainer, as applicable, is paid in the form of deferred share units ("**DSUs**"). For more information on DSUs, see the next section.

Deferred Share Unit Plan

DSUs represent a notional number of Shares of the Company and are redeemable for a cash payment equal to the fair market value on the redemption date of the Shares represented by the DSUs. The fair market value of Shares on a specified date is defined as the volume weighted average trading price of the Shares on the TSX for the five consecutive trading days ending on the trading day immediately prior to the date in question ("**Fair Market Value**").

The Board awards DSUs to promote an alignment of interests between the recipient of the DSUs and Shareholders. DSUs held by directors also assist in the directors achieving their minimum Share ownership requirements.

DSUs can only be redeemed when a termination of position has occurred. In the event of a termination of position, vested DSUs will be redeemed at the Fair Market Value of the Shares they represent on the date of such termination. In the event of a termination of position due to death, disability or retirement, any unvested DSUs will continue to vest between the termination date and December 1st of the year following the year of termination, and any DSUs that became vested during that period will be redeemed at the Fair Market Value of the Shares they represent at the end of that period. In the event of a termination position for reasons other than death, disability or retirement, any unvested DSUs on the termination date will become null and void.

When cash dividends are paid on Shares, dividend equivalents will be converted into additional DSUs, based on the number of DSUs held and the Fair Market Value of Shares on the dividend payment date. No dividends have been paid by the Company since the DSU Plan was established in 2004.

For the period from January 1, 2015 until December 31, 2015, Interfor's non-executive directors received payment of at least 60% of their annual retainer in the form of DSUs, and elected whether to receive the remaining 40% in cash, DSUs or a combination of both.

The actual number of DSUs granted to a director is calculated by dividing the dollar amount of the portion of the annual retainer to be paid in DSUs by the Fair Market Value of Shares as at the end of each calendar quarter. DSUs granted to directors in payment of their annual retainer vest immediately.

Directors' Share Ownership Requirement

The Company has in place a Share ownership requirement for all non-executive directors to align the interests of directors with those of Shareholders. All non-executive directors, including the Chair of the Board, are required to own a minimum value of Shares and DSUs equal to three times the current Annual Non-executive Director Retainer within five years of becoming a director, or by December 31, 2019, whichever is later. The Share ownership requirement is currently $375,000. See page 47 of the Information Circular for the Share ownership requirement of the CEO.

The following table shows the actual and required Shares and DSU holdings as of December 31, 2015 for all of the independent directors standing for election at the Annual Meeting.

	Number of Shares Held	Number of DSUs Held	Total Shares and DSUs Held	Value of Shares and DSUs Held[1]	Value of Holdings Required	Date Required
Paul Herbert	7,500	10,398	17,898	$262,805	$375,000	Dec. 31, 2019
Jeane L. Hull	-	10,398	10,398	$158,936	$375,000	Dec. 31, 2019
Peter M. Lynch	-	70,108	70,108	$985,718	$375,000	Dec. 31, 2019
Gordon H. MacDougall	15,000	70,108	85,108	$1,196,618	$375,000	Dec. 31, 2019
J. Eddie McMillan	-	29,146	29,146	$409,793	$375,000	Dec. 31, 2019
Thomas V. Milroy	-	-	-	-	-	Feb. 11, 2021
Lawrence Sauder	345,274	46,077	391,351	$5,502,395	$375,000	Dec. 31, 2019
Douglas W.G. Whitehead	17,000	24,988	41,988	$590,351	$375,000	Dec. 31, 2019

(1) In determining whether a non-executive director has met his or her minimum Share ownership requirement, the total number of Shares and DSUs held by a non-executive director will be valued at the greater of: (i) actual cost of Shares plus the grant date Fair Market Value of DSUs awarded; and (ii) the Fair Market Value on the applicable valuation date for such Shares and DSUs. The Fair Market Value used for the comparison above is $14.06 per Share or DSU held, being the Fair Market Value of Shares as at December 31, 2015.

Director Total Compensation

The following table sets out the total director compensation for the year ended December 31, 2015.

Name[1]	Fees Paid in Cash[2]	Share-based Awards[3] DSUs Received in lieu of Annual Director Retainer	DSU Plan Awards	Option-based Awards	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation[4]	Total
	$	$	$				$	$
Paul Herbert	-	125,000	-	-	-	-	9,000	134,000
Jeane L. Hull	-	125,000	-	-	-	-	10,000	135,000
Peter M. Lynch	10,000	125,000	-	-	-	-	9,000	144,000
Gordon H. MacDougall	10,000	125,000	-	-	-	-	3,000	138,000
J. Eddie McMillan	10,000	125,000	-	-	-	-	10,000	145,000
Andrew K. Mittag	8,333	33,333	-	-	-	-	-	41,666
Lawrence Sauder	100,000	150,000	-	-	-	-	4,000	254,000
L. Scott Thomson	50,000	75,000	-	-	-	-	3,000	128,000
Douglas W.G. Whitehead	65,000	75,000	-	-	-	-	3,000	143,000

(1) The total compensation of the CEO, Mr. Davies, is set out in the Summary Compensation Table on page 48 of this Information Circular.

(2) Fees earned consist of the portion of the annual Chair retainer, annual non-executive director retainers and annual committee chair retainers paid in cash.

(3) The DSU Plan provides that DSUs awarded under the DSU Plan shall be awarded at the Fair Market Value of the Shares on the date of the grant. The amount reflected in the table represents the value which the Board has determined is the grant date Fair Market Value of such DSUs.

(4) All Other Compensation consists of per diem rates and travel time.

Director Outstanding Share-Based Awards and Option-Based Awards

The following table sets out for each of the directors, all option-based and Share-based awards outstanding as at December 31, 2015.

	Option-based Awards				Share-based Awards[2]		
Name[1]	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised, In-the-money Options	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-based Awards that have not Vested	Market or Payout Value of vested Share-based Awards not paid out or distributed
	#	$		$	#	$	$
Paul Herbert							
DSUs					-	-	146,196
Jeane L. Hull							
DSUs					-	-	146,196
Peter M. Lynch							
DSUs					-	-	985,718
Gordon H. MacDougall							
DSUs					-	-	985,718
J. Eddie McMillan							
DSUs					-	-	409,793
Lawrence Sauder							
DSUs					-	-	647,843
L. Scott Thomson							
DSUs					-	-	172,221
Douglas W.G. Whitehead							
DSUs					-	-	351,331

(1) The outstanding Share-based and option-based awards of the CEO, Mr. Davies, are set out in the table on page 49 of this Information Circular.

(2) All directors' Share-based awards are held in the form of DSUs. DSUs granted to directors vest immediately upon grant. The number of DSUs currently held by directors is shown on page 35 of this Information Circular.

Director Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out incentive plan awards for each of the directors for the fiscal year ended December 31, 2015. The only Share-based awards received by directors are DSUs, which vest immediately upon grant.

Name(1)	Option Awards – Value Vested during the year	Share-based Awards – Value Vested during the year(2)		Non-equity Incentive Plan Compensation – Value Earned during the year
		DSUs Received in lieu of Annual Director Retainer(3)	DSU Plan Awards(4)	
	$	$	$	$
Paul Herbert	-	125,000	-	-
Jeane L. Hull	-	125,000	-	-
Peter M. Lynch	-	125,000	-	-
Gordon H. MacDougall	-	125,000	-	-
J. Eddie McMillan	-	125,000	-	-
Andrew K. Mittag	-	33,333	-	-
Lawrence Sauder	-	150,000	-	-
L. Scott Thomson	-	75,000	-	-
Douglas W.G. Whitehead	-	75,000	-	-

(1) Information regarding the value of incentive plan awards vested or earned during the year by the CEO, Mr. Davies, is set out in the table on page 50 of this Information Circular.
(2) DSUs granted to directors vest immediately upon grant but can only be redeemed when a termination of position has occurred.
(3) This column reflects the value of DSUs received by directors in lieu of their annual director and chair retainers in 2015. These amounts are included in the Director Total Compensation Table on page 36 of this Information Circular. The number of DSUs received was equal to the dollar value of the portion of the retainer paid in DSUs divided by the Fair Market Value of the Shares at the end of each calendar quarter.
(4) This column reflects the value of DSUs awarded to directors in 2015 in addition to those received in lieu of the annual director and chair retainers. There were no direct grants of DSUs to the Directors in 2015.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Objectives and Strategy

The MRCC is responsible for reviewing and approving the compensation arrangements of the Company's executive officers, other than the CEO. The MRCC reviews and recommends to the Board for approval the compensation arrangement for the CEO. A key mandate of the MRCC is to maintain an executive compensation program that achieves two objectives: (i) to advance the business strategy of the Company; and (ii) to attract and retain key talent necessary to achieve the business objectives of the Company. The Company also believes in the importance of encouraging executives to own Shares to more fully align management with the interests of Shareholders.

The Company creates a direct linkage between compensation and the achievement of business objectives in the short and long-term by providing an appropriate mix of fixed versus at-risk compensation. An executive's personal performance, together with corporate performance, and competitive market compensation data, are used to determine his or her actual compensation. The Company does not target total compensation (base salary and all at-risk compensation) at a specific market percentile of a select comparator group. Rather, the Company takes into consideration compensation practices and pay levels of companies in its industry and from other industry sectors where it competes for executive talent with consideration for the relative complexity and autonomous characteristics of the Company.

The Company puts the greatest emphasis on financial performance by placing a significant proportion of total compensation at-risk based on the Company's financial results. In the years of strongest financial performance more than half of the total compensation earned by the CEO, CFO, and the three other highest paid executive officers (collectively the "**Named Executive Officers**" or "**NEO**") would be expected to come from performance-related incentive compensation. In 2015, the Company's Named Executive Officers were Duncan K. Davies, John A. Horning, Joseph A. Rodgers, J. Steven Hofer and J. Barton Bender.

Benchmarking

The MRCC periodically reviews the total compensation arrangements for executive officers. To ensure that the Company provides competitive compensation, the MRCC considers benchmark data showing each component of compensation and total compensation levels benchmarked against the compensation of executive officers in the selected comparator group. In April 2015, the Company reviewed and adjusted the list of comparator companies to ensure there was an adequate sample size to reduce volatility in benchmarking results and to ensure an adequate sampling of the competitive landscape for executive talent in the industry. The Company also removed two companies from its comparator group because they were not an appropriate fit with Interfor's business, size and financial stability.

Following those adjustments, the Company used the following Canadian and US based forest companies as its comparator group for 2015:

Comparator Companies	Criteria for Selection
Canfor Corporation Norbord Inc. Resolute Forest Products Inc. Stella-Jones Inc. Tembec Inc. West Fraser Timber Co. Ltd. Western Forest Products Inc.	• Canadian based forestry companies • geographical competitors for executive talent • traded on TSX; access to executive compensation information
Boise Cascade Company Louisiana-Pacific Corporation Plum Creek Timber Potlatch Corporation Rayonier Inc Universal Forest Products Inc	• US based forestry companies • geographical competitors for executive talent • traded on NYSE; access to executive compensation information

In addition to considering benchmarking data, the MRCC considers other factors, including the advice and recommendations provided by the CEO, individual performance and the compensation practices of regional and local companies from other industry sectors who may compete with the Company for executive talent.

From time to time, the MRCC uses an independent consultant to provide expert, objective advice on executive compensation matters. In April 2010, Towers Watson (formerly Towers Perrin) was engaged as the MRCC's independent compensation advisor to assist the Company in developing its variable compensation strategy and in particular to redesign the Company's Total Shareholder Return Plan ("**TSR Plan**"). The Company paid Towers Watson approximately $12,214 and $28,819 for its services in 2014 and 2015, respectively, and all such fees were executive compensation related. In 2015, Towers Watson was retained to assist in the review and update of the Company's comparator group. In 2014, Towers Watson was retained to perform a market review of the CEO's total compensation by reference to the Company's comparator group. Towers Watson did not perform any other work for the Company, its affiliates, directors or members of management.

Risk Management

The MRCC has considered the implications of the risks associated with the Company's compensation policies and practices. The MRCC considered the balance between long-term objectives and short-term financial goals incorporated into the Company's executive compensation program and whether or not Named Executive Officers are potentially encouraged to expose the Company to inappropriate or excessive risks. Risks, if any, may be identified and mitigated through regular meetings of the MRCC and the Board. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Hedging

The Company has a policy which prohibits executive officers or directors from purchasing financial instruments for the purpose of hedging or offsetting a decrease in market value of the Company's equity securities. Specifically, executive officers and directors are prohibited from engaging in the following transactions with respect to the Company's Shares: short sales, monetization of equity-based awards (stock options, performance share units, DSUs) before vesting, transactions in derivatives on Company Shares such as put and call options, and any other hedging or equity monetization transactions where the individual's economic interest and risk exposure in the Company's Shares are changed, such as collars or forward sale contracts.

To the knowledge of the Company, none of the Named Executive Officers or directors has ever purchased any such instruments for such purpose.

Executive Officer Group Diversity

The Company believes that gender diversity will enrich the executive officer group. However, the Company does not support fixed percentages for any selection criteria, as the composition of the executive officer group is based on numerous factors and it is ultimately the skills, experience, character and behavioral qualities that are most important in determining the value which an individual could bring to the Company.

ELEMENTS OF TOTAL COMPENSATION

The elements of the Company's total compensation program consist of annual base salary, annual cash incentive plans, and equity-based incentives. The Named Executive Officers also receive the indirect compensation benefits described on page 47 of this Information Circular. The Company's executive compensation plan is designed to provide broadly competitive pay. The following chart depicts the components of total compensation, as well as the desired mix assuming at-target performance by an executive officer.

Fixed Compensation	35-50%
At-risk compensation *Short-term incentives* • Short-term Incentive Plan • Discretionary President's Award • Other Discretionary Bonuses *Long-term incentives* • TSR Plan • SAR Plan	50-65%

Annual Base Salary

The MRCC reviews the base salaries of executive officers and from time to time makes adjustments that it considers appropriate to recognize compensation paid by companies in the selected comparator group, compensation practices of regional and local companies from other industry sectors who may compete for executive talent, varying levels of responsibilities of the executive officer, individual performance and the complexity and autonomous characteristics of the Company. The MRCC approves the annual base salary of the executive officers other than the CEO. The Board approves the CEO's base salary based on the MRCC's recommendation.

In 2015, no changes were made to the annual base salary of any NEOs.

Non-Equity Incentives

Short and long-term incentive compensation primarily comes in the form of awards under the Company's non-equity incentive compensation plans which included Short-term Incentive Plan Awards, discretionary "President's Awards" and other discretionary bonuses.

a) Short-term Incentive Plan Awards

The Company operates in a cyclical commodity industry, which poses budgeting challenges, and its ability to pay incentive awards is driven by its ability to generate positive earnings and cash flow. Interfor has a Short Term Incentive Plan ("**STIP**") for salaried employees, including the Named Executive Officers. Each Named Executive Officer was assigned a target bonus based on competitive benchmarking from the comparator group of companies. Before any payment is triggered under the STIP: (i) the Company must first achieve a level of financial performance that exceeds a threshold level; and (ii) the individual employee must perform at a satisfactory level.

Financial performance under the STIP is measured by the Adjusted EBITDA of the Company for the fiscal year. At the beginning of 2015, the MRCC established an Adjusted EBITDA target that was expected to generate a 7.5% pre-tax return on assets. At the end of 2015, actual Adjusted EBITDA results were compared to the Target Adjusted EBITDA and the STIP bonus based on Interfor's financial performance was calculated according to the following table:

	Below Threshold	**Threshold**	**Target**	**Maximum**
Actual Adjusted EBITDA compared to Target	< 70%	70%	100%	> 150%
Bonus as a percentage of Target Bonus	0%	50%	100%	200%

Note: Results are interpolated when the actual Adjusted EBITDA results fall between: Threshold, Target and Maximum.

If the STIP threshold based on Interfor's financial performance had been achieved, then between 0% and 120% of an individual's target bonus amount could have been awarded based on the individual's personal performance. The maximum bonus payable to any individual under the STIP is 240% of their target bonus (200% financial result x 120% personal result).

In 2015, the STIP threshold based on Interfor's financial performance was not achieved, resulting in a base calculation for STIP of 0% of target. As a result, no STIP awards were paid for 2015.

b) President's Awards and Other Discretionary Bonuses

The President's Award is a discretionary plan designed to reward employees who have made a noteworthy contribution to the Company during the prior year. Nominations for a President's Award for Named Executive Officers, other than the CEO, are made by the CEO and approved by the MRCC, in its discretion.

In respect of 2015, President's Awards in the amount of $30,000, and $20,000 were awarded to John Horning and J. Barton Bender, respectively. No President's Awards were awarded to any other Named Executive Officer.

The Board may from time to time grant other discretionary short-term incentive bonuses to the CEO and other executive officers or employees to reward them for significant contributions during the year. No discretionary bonuses were awarded in 2015.

Total Shareholder Return Plan

Awards under the TSR Plan represent long-term incentive compensation designed to reinforce the connection between remuneration and the interests of Shareholders, by motivating and rewarding participants for improving the long-term value of the Company.

Under the terms of the TSR Plan, at the beginning of each performance period, a participant will receive a target number of performance share units ("**PSUs**"). The number of PSUs received is determined by multiplying the participant's target award percentage as indicated in the table on page 44 of this Information Circular by the participant's annual base salary and then dividing same by the Fair Market Value of the Shares at the beginning of the performance period. For example, a $1,125,000 target award value for the CEO (150% of annual base salary) divided by a $15.00 Share price would result in 75,000 PSUs being granted to the CEO ($1,125,000/$15.00). At the end of the performance period, the Company's total shareholder return would be evaluated against minimum, target and maximum compound annual growth rates ("**CAGR**"). The number of PSUs earned would be based on actual results compared to such minimum, target and maximum growth rates using the following pay-performance scale.

Pay-Performance Level	Performance Goal (TSR Growth over 3 years)	Payout[1] (% of Target PSUs earned)
Maximum	≥15.0% CAGR	150%
Target	7.5% CAGR	100%
Minimum	≤5.0 %CAGR	50%

(1) Payouts for performance between minimum and target, or target and maximum, will be interpolated on a straight line basis.

The value a participant ultimately receives would be determined by the number of PSUs earned, multiplied by the Fair Market Value of the Shares at the end of the performance period. For example, if the Fair Market Value of Shares increased from $15.00 to $22.81 over the performance period, resulting in 15% compound annual growth, then the value the CEO would earn is $2,566,125 (75,000 PSUs x 150% (for maximum performance) x $22.81). If, however, the Fair Market Value declined to $10.00, resulting in compound annual growth below the 5% annual minimum, the value the CEO would earn is $375,000 (75,000 PSUs x 50% (the minimum percentage) x $10.00).

The number of PSUs awarded annually is based on the participant's target award. The MRCC annually, in its discretion, approves the target award for each eligible Named Executive Officer (except in the case of the CEO), based on its assessment of the market competitiveness of the eligible Named Executive Officer's total compensation arrangements. As part of that review, the MRCC may consider previous awards under the TSR Plan and the value of actual payouts received in relation to prior awards. The MRCC reviews and recommends to the Board for approval the target award for the CEO. The target award is expressed as a percentage of the annual base salary in effect at the beginning of a three year performance period.

Following the end of a performance period, the award would be paid in cash, or if a participant made an irrevocable election prior to November 24, 2015 and subject to the overriding discretion of the Board described in b) below, in DSUs. In the event of death, disability, retirement or involuntary termination, the award would be determined at the end of the performance period as if employment had continued and then pro-rated to reflect the period of actual employment.

The following table sets out the target awards approved by the MRCC or the Board and the number of PSUs that a Named Executive Officer may earn under the terms of the TSR Plan.

Name	Performance Period Until Payout	Target Award (Expressed as a Percentage of Annual Base Salary)	Estimated Future PSU Awards - TSR Plan		
			Minimum	Target	Maximum
Duncan K. Davies	3 Years ending Dec. 31, 2016	100%	27,819	55,638	83,457
	3 Years ending Dec. 31, 2017	125%	22,038	44,076	66,114
	3 Years ending Dec. 31, 2018	150%	40,007	80,014	120,021
John A. Horning	3 Years ending Dec. 31, 2016	90%	16,692	33,383	50,075
	3 Years ending Dec. 31, 2017	90%	10,579	21,157	31,736
	3 Years ending Dec. 31, 2018	90%	16,003	32,006	48,009
J. Steven Hofer	3 Years ending Dec. 31, 2016	60%	7,790	15,579	23,369
	3 Years ending Dec. 31, 2017	60%	4,937	9,873	14,810
	3 Years ending Dec. 31, 2018	60%	7,468	14,936	22,404
Joseph A. Rodgers(2)	3 Years ending Dec. 31, 2016	60%	7,790	15,579	23,369
	3 Years ending Dec. 31, 2017	60%	4,937	9,873	14,810
J. Barton Bender	2.75 Years ending Dec. 31, 2017(1)	60%	5,034	10,067	15,101
	3 Years ending Dec. 31, 2018	60%	7,468	14,936	22,404

(1) Mr. Bender became eligible effective his start date of April 1, 2015.

(2) Mr. Rodgers resigned as an employee effective June 3, 2016. As a result, he did not receive any new TSR awards in 2016.

TSR awards are paid in cash. Historically, participants in the TSR Plan were entitled to elect in advance to have payment of all or a portion of their TSR awards, paid in the form of DSUs under the DSU Plan. The Board, however, had the discretion to override such an election and require that all or any portion of a TSR award which a participant has elected to receive in DSUs be credited to an interest bearing cash account under the DSU Plan. Currently, all TSR awards are paid in cash, unless the participant made an irrevocable election to be paid in DSUs prior to November 2015. DSUs count toward the achievement of a Named Executive Officer's minimum Share ownership requirement. DSUs received in lieu of a cash payment vest immediately. The number of DSUs received was determined by dividing the amount of the award by the weighted average trading price of the Shares on the TSX for the five consecutive trading days immediately prior to the end of the three year performance period.

Other Equity Incentives

Other equity incentive plan compensation may take the form of DSUs, Share Appreciation Rights ("**SARs**") and stock options. Since 2013, none of the Named Executive Officers have received SARs. Since 2001, none of the Named Executive Officers have received stock options. Equity incentive awards are limited to individuals holding senior positions who, in the opinion of the Company, have the ability to substantively impact its profitability and successful achievement of its goals. In making equity compensation awards, the Company also considers factors such as: individual performance, total compensation, competitive compensation requirements, and whether the individual has received previous equity incentive awards.

a) Stock Option Plan

The Stock Option Plan was approved at the 2015 Annual General and Special Meeting. This plan superseded and replaced the previous stock option plan of the Company.

The Stock Option Plan is a long-term incentive plan intended to enhance the Company's ability to attract and retain high quality employees and to promote a greater alignment of interests between optionholders and Shareholders.

Under the Stock Option Plan, the Company is authorized to issue up to 3,000,000 Shares pursuant to Options granted under the Stock Option Plan, less any Shares issued or issuable pursuant to Options granted under Company's previous stock option plan.

A total of 1,631,740 Shares, representing approximately 2.33% of the Company's outstanding Shares, are reserved for possible issuance under the Stock Option Plan. As of the date of this Information Circular, there are 162,861 Options granted and outstanding, or 0.23% of the Company's outstanding Shares.

Under the Stock Option Plan, the Board may grant Options to directors, employees and service providers of the Company or its subsidiaries. The terms of any such Option, including any conditions to vesting, are determined by the Board within the limitations set out in the Stock Option Plan. The exercise price is determined by the Board, provided that it is not less than the closing price of the Shares on the TSX on the last trading day preceding the date on which the Option is granted. Vesting conditions are set at the discretion of the Board. Options are non-assignable and non-transferrable.

The Stock Option Plan provides that the maximum number of Shares available for issuance to Stock Option Plan participants within a one year period, shall not exceed 10% of the number of issued and outstanding Shares. The Stock Option Plan provides that the maximum number of Shares available for issuance to any one person under the Stock Option Plan and any other equity compensation arrangement, shall not exceed 5% of the number of issued and outstanding Shares.

The Stock Option Plan provides that the Board may amend any provision of the Stock Option Plan or any outstanding Option at any time, subject to any required regulatory approval, provided that no such amendment shall extend the term, reduce the exercise price, or materially impair the rights of any outstanding optionholder (except with consent or for purposes of complying with the requirements of any regulatory authority or stock exchange).

In February 2016, the MRCC approved a grant of 98,686 Options, none of which were granted to the Named Executive Officers.

All Options granted under the Stock Option Plan have been granted with an exercise price equal to the closing price of the Shares on the immediate preceding trading day and may be exercised for a term of up to 10 years from the date they were granted. All outstanding Options are subject to the following vesting requirements.

Time from Date of Grant	% Exercisable
2 years	40%
3 years	60%
4 years	80%
5 years	100%

b) Deferred Share Unit Plan

The DSU Plan, described on page 34 above, is intended to enhance the Company's ability to attract and retain high quality individuals to serve as directors and executive officers and to promote a greater alignment of interests between participants and Shareholders. Under the DSU Plan, the Board may directly grant DSUs to directors, officers or employees of the Company and its subsidiaries. The terms of such direct grants are determined by the MRCC (or the Board, in the event of grants to the CEO).

c) Share Appreciation Rights Plan ("SAR Plan")

The SAR Plan is a long-term incentive plan which is option-based. SARs are awarded to eligible Named Executive Officers to provide additional long-term incentives and reinforce the connection between remuneration and growth in Shareholder value. Currently, all Named Executive Officers participate in the TSR Plan (not the SAR Plan).

Under the SAR Plan, SARs can be exercised for a cash payment equal to the number of rights exercised multiplied by the increase in Fair Market Value of the Company's Shares between the time of the grant and the time of exercise. The SAR grant expires on the earlier of 10 years after the date of the grant, 30 days after termination other than retirement, or one year after death. SARs may be exercised, subject to the following vesting provisions.

Time from Date of SAR Grant	% Exercisable
2 years	40%
3 years	60%
4 years	80%
5 years	100%

At the beginning of each year, the MRCC approves the number of SARs to be granted to eligible participants in the SAR Plan. In determining the number of SARs to be granted, the MRCC considers the recommendation of the CEO, the employee's position and base salary, the Fair Market Value of the underlying Shares, the number of SARs issued in previous years, both specifically for that employee as well as in aggregate under the SAR Plan, and the expected short-term incentive bonuses for that year. The number of SARs to be awarded is based on the number of underlying Shares of the Company to which the SARs relate, rather than on a dollar value that the Company intends to award as compensation.

In 2015 no SARs were granted to any employees including the Named Executive Officers.

As of December 31, 2015, SARs granted that had not expired or been cancelled totaled 2,829,058, of which 1,899,250 had been exercised. At December 31, 2015, 40,000 of the outstanding SARs were held by the Named Executive Officers.

Clawback Policy

In July 2015, the Board adopted a clawback policy which allows the Company to require its officers (and any other employees designated by the MRCC) to reimburse the Company for incentive awards paid to them that were based on financial results that were subsequently restated resulting in a decrease in the earnings of the Company. The policy also allows for the Company to increase incentive awards paid to its officers and designated employees, that were based on financial results that were subsequently restated resulting in an increase in earnings of the Company. The policy applies to all incentive awards granted by the Company on or after July 30, 2015.

INDIRECT COMPENSATION BENEFITS

Indirect compensation includes participation in the retirement plans described more fully on page 51, as well as benefits available to all salaried employees of the Company such as extended health and dental care, life insurance and disability benefits.

EXECUTIVE SHAREHOLDING OWNERSHIP REQUIREMENTS

The Company's minimum Share ownership requirement was introduced for certain executive officers to provide a further link between the interests of executive officers and Shareholders, thereby demonstrating the ongoing alignment of their interests with the interests of Shareholders. The following table shows the actual and required Shares and DSU holdings as of December 31, 2015 for Named Executive Officers.

	Minimum Ownership Requirement (as a multiple of base salary)[1]	Number of Shares ("Shares") Held	Number of Deferred Share Units Held	Total Shares and Deferred Share Units Held	Value of Shares and Deferred Share Units Held[2]	Value of Holdings Required	Meets Minimum Share Ownership Requirement
Duncan K. Davies	3 times	241,100	161,355	402,455	$5,658,517	$2,250,000	Yes
John A. Horning	2 times	174,600	80,000	254,600	$3,579,676	$1,000,000	Yes
J. Steven Hofer	1 time	1,220	44,643	45,863	$959,012	USD$350,000	Yes
Joseph A. Rodgers[3]	1 time	-	33,095	33,095	$465,316	USD$350,000	Yes
J. Barton Bender	1 time	-	-	-	-	$325,000	No[4]

(1) Based upon the indicated multiple of annual base salary in effect as of January 1, 2016.
(2) Value determined as the higher of: (i) actual cost of Shares or the grant date Fair Market Value of DSUs awarded, and (ii) $14.06 per Share or DSU held, which is the weighted average trading price of the Shares on the TSX for the five trading days preceding December 31, 2015.
(3) Mr. Rodgers resigned as an employee effective June 3, 2016.
(4) The deadline for Mr. Bender to meet his minimum Share ownership requirement is April 1, 2020.

SUMMARY COMPENSATION TABLE

The following table shows the total realized and target compensation awarded to the Company's Named Executive Officers for the fiscal years ended December 31, 2013, December 31, 2014 and December 31, 2015.

It should be noted that the Share Based Awards for 2013, 2014 and 2015 relate to awards of PSUs under the TSR Plan for the performance periods with end dates of December 31, 2015, 2016 and 2017. The amounts shown represent the fair value of the awards at the grant dates and do not provide the actual value of the payout to be received after the maturity dates of the awards.

Name and Principal Position	Year	Salary(11)	Share Based Awards (1)	Option Based Awards	Non-Equity Incentive Plan Compensation		Pension Value(3) (11)	All Other Compensation(4) (11)	Total Compensation(5)
					Annual Incentive Plans(2)	Long-term Incentive Plans			
		$	$	$	$	$	$	$	$
Duncan K. Davies(10) President & CEO	2015 2014 2013	750,000 729,167 650,000	717,378 739,776 564,659	- - -	- 716,310 663,936	- - -	121,065 114,305 65,925	8,940 9,739 9,520	1,597,383 2,309,297 1,954,040
John A. Horning Executive Vice President & CFO	2015 2014 2013	500,000 489,583 450,000	344,350 443,868 351,828	- - -	30,000 284,250 274,500	- - -	76,690 73,555 41,925	6,576 6,530 6,384	957,616 1,297,786 1,124,637
J. Steven Hofer Senior Vice President, US Northwest Operations	2015 2014 2013	447,549 345,568 291,667	160,692 207,142 130,303	- - -	- 230,757 139,431	- - -	65,978 49,774 27,855	4,603 1,789 1,668	678,822 835,030 590,924
Joseph A. Rodgers Senior Vice President, US Southeast Operations	2015 2014 2013	447,549 369,317 138,147(6)	160,692 207,142 498,706(7)	- - -	- 175,814 89,162	- - -	65,806 41,604 11,052	4,603 1,789 334,122(7)	678,650 795,666 1,071,189
J. Barton Bender Senior Vice President, Sales & Marketing	2015 2014 2013	243,750(8) - -	144,025 - -	- - -	20,000 - -	- - -	29,250 - -	152,554(9) - -	589,579 - -

(1) Share Based Awards consist of PSU awards made under the TSR Plan and DSU awards made under the DSU Plan. The amount shown for PSU awards represents the fair value of the award at the grant date measured using a combination of call options which are valued using a Black-Scholes pricing model. The Black-Scholes pricing model was used as it is an established pricing methodology widely used by the financial industry and by public companies for securities valuations and is supported as an appropriate methodology under International Financial Reporting Standard 2, Share-based Payment (IFRS 2). This is also the accounting fair value. The pricing model includes assumptions on expected volatility, expected life, expected termination rate, expected dividend yield and risk-free interest rate. This value does not represent the actual value of the payout which will be received after the maturity date of the award. The amounts shown for Mr. Rodgers include direct grants of DSUs. See note (7) below.

(2) Annual Incentive Plans reflect STIP awards and President's Awards made to the Named Executive Officers.

(3) Pension Value amounts include Company contributions to the Deferred Profit Sharing Plan for Canadian-based Named Executive Officers, Company contributions to the 401(k) Plan for US resident Named Executive Officers, plus Company notional contributions to the Supplementary Pension Plan.

(4) All Other Compensation includes perquisites and other personal benefits provided to a Named Executive Officer that are not generally available to all employees. Amounts shown in All Other Compensation column represent premiums paid on life insurance. The amount for J. Barton Bender in 2015 also included a cash payment – see note (9) below. The amount shown for Joe Rodgers in 2013 also included a cash payment – see note (7) below.

(5) Total Compensation represents the sum of the amounts in the other columns. It includes the valuation of share-based and option-based awards which may or may not be realized over the life of the awards.

(6) Mr. Rodgers was hired July 7, 2013 with an annual salary of US$275,000. The amount reflects what he received in 2013.

(7) As part of Mr. Rodgers employment agreement, he received US$650,000 in consideration of compensation forfeited when he resigned from his prior employer. Mr. Rodgers received US$325,000 of this amount in cash on July 31, 2013 and US$325,000 was credited to his DSU account.

(8) Mr. Bender was hired April 1, 2015 with an annual salary of $325,000. The amount reflects what he received in 2015.

(9) As part of Mr. Bender's employment agreement, he received US$150,000 in cash on May 1, 2015 in consideration of compensation forfeited when he resigned from his prior employer. Mr. Bender also received a TSR grant with a fair value of $144,025 on his start date.

(10) None of the compensation paid to Mr. Davies is related to his role as a director of the Company. Mr. Davies does not receive any compensation for his role as a director.

(11) Mr. Hofer's and Mr. Rodgers' amounts have been converted from U.S. Dollars to Canadian Dollars using the Bank of Canada average rate for the respective year.

INCENTIVE PLAN AWARDS

Outstanding Share-Based and Option-Based Awards

The following table sets out for each Named Executive Officer all option-based and share-based awards outstanding as at December 31, 2015.

	Option-based Awards[1]				Share-based Awards		
Name	Number of Securities Underlying Unexercised Options	Option Exercise Price[2]	Option Expiration Date	Value of Unexercised In-the-money Options	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-based Awards that have not Vested[5]	Market or Payout Value of vested Share-based Awards not paid out or distributed
	#	$		$	#	$	$
Duncan K. Davies							
PSUs					99,714	700,989	1,694,499[3]
DSUs					-	-	2,268,651[4]
John A. Horning							
PSUs					54,540	383,416	1,055,808[3]
DSUs					-	-	1,124,800[4]
J. Steven Hofer							
PSUs					25,452	178,928	391,030[3]
DSUs					-	-	627,681[4]
SARs	20,000	1.38	24-Feb-2019	253,622	-	-	-
SARs	20,000	4.77	23-Feb-2020	185,728	-	-	-
Joseph A. Rodgers							
PSUs					25,452	178,928	222,860[3]
DSUs					-	-	465,316[4]
J. Barton Bender							
PSUs					10,067	64,960	-

(1) In 2002 and 2003 executive officers participated in the SAR Plan. Commencing in 2004, a Named Executive Officer either received a grant under the SAR Plan or the TSR Plan, but not both. Mr. Hofer became a participant in the TSR Plan effective January 1, 2011. Prior to becoming a participant in the TSR Plan, Mr. Hofer participated in the SAR Plan.
(2) Option Exercise Price for SARs represents the base price of the SARs.
(3) These values represent amounts vested in 2015 under the TSR Plan.
(4) These values reflect the value of DSUs held by the executive officers at December 31, 2015, calculated by multiplying the number of DSUs held by $14.06, being the weighted average trading price of the Shares on the TSX for the five trading days preceding December 31, 2015. DSUs either vest immediately upon grant or upon such terms as the MRCC determines. The number of DSUs held by the Named Executive Officers at December 31, 2015 is shown on page 47 of this Information Circular.
(5) These values do not represent the actual value of the payout which will be received after the maturity date of the award. They are calculated by multiplying the target number of Performance Share Units granted and not yet vested, by the minimum pay performance percentage (50%) and by $14.06, being the weighted average trading price of the shares on the TSX for the five trading days preceding December 31, 2015, adjusted for any shortened performance periods.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the incentive plan awards granted to each Named Executive Officer for the fiscal year ended December 31, 2015.

Name	Option Awards – Value Vested During the Year $	Share Based Awards – Value Vested During the Year $	Non-Equity Incentive Plan Compensation - Value Earned During the Year $
Duncan K. Davies	-	1,694,499(1)	-
John A. Horning	-	1,055,808(1)	30,000
J. Steven Hofer	73,107(2)	391,030(1)	
Joseph A. Rodgers	-	222,860(1)	
J. Barton Bender	-	-	20,000

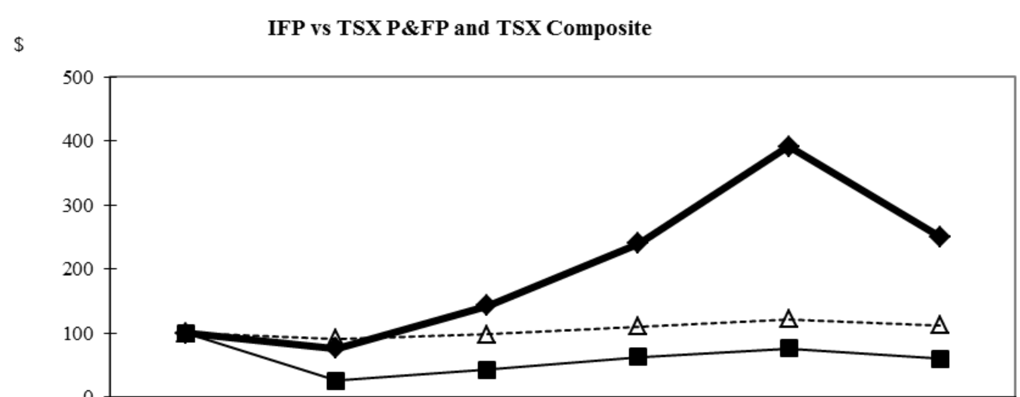
(1) TSR award for the 2013-2015 performance period.

(2) This number reflects the value of SARs vested during the year.

TOTAL SHAREHOLDER RETURN COMPARISON

The following graph compares the cumulative changes over the last five years in the value of $100 invested in Shares of the Company with $100 invested in the S&P/TSX Composite Total Return Index and $100 invested in the TSX Paper and Forest Products Total Return Index.

Performance Graph



	2010	2011	2012	2013	2014	2015
Interfor	100.0	76.8	142.7	240.0	392.0	250.7
TSX P&FP Total	100.0	26.0	42.8	63.4	76.2	59.9
TSX Comp Total	100.0	91.3	97.9	110.6	122.2	112.1

As the total shareholder return grew significantly from 2011 – 2014, the total compensation of the Named Executive Officers grew due to higher payouts in the TSR plans as well as achieving above target adjusted EBITDA which triggered above target STIP payouts. In 2015 we experienced a decline in EBITDA and our Share price which has directly impacted our NEO's total compensation. The threshold Adjusted EBITDA was not met in 2015, therefore there was no STIP payment at all.

EQUITY COMPENSATION PLAN INFORMATION

As at December 31, 2015, the Company has reserved the following Shares for possible issuance under its Existing Share Option Plan.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (1)	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity Compensation Plans Approved by Securityholders	-	-	1,567,565

(1) Securities reflected in the table are options to acquire Shares of the Company.

RETIREMENT PLANS

The Company sponsors a group Registered Retirement Savings Plan and a group Deferred Profit Sharing Plan for all of its Canadian salaried employees. The Plan provides such employees with an opportunity to make voluntary contributions to a group Registered Retirement Savings Plan ("**RRSP**"), which can include a spousal plan, of up to 6% of the employee's base salary and bonuses, up to a maximum of $12,685 in respect of 2015. The Company matches employee contributions up to 6% with contributions to the Deferred Profit Sharing Plan ("**DPSP**"). In Canada, the RRSP/DPSP combined limit in respect of 2015 was $25,420. All Named Executive Officers except Mr. Hofer and Mr. Rodgers are eligible to participate in the RRSP/DPSP. All Company contributions to the DPSP vest immediately. If the employee terminates employment he or she can transfer the accumulated contributions and investment income to another registered plan, take as taxable cash, or purchase an annuity or retirement income fund. If the employee dies while employed, the funds will be payable to his or her named beneficiary.

All eligible US employees, including Mr. Hofer and Mr. Rodgers, were entitled to make voluntary contributions to the Company's 401(k) Plan up to a total maximum of $18,000 in respect of 2015. Employees age 50 and over may contribute a "catch-up" amount of $6,000 per year for a maximum deferral of $24,000 in respect of 2015. The Company makes a matching contribution to participant accounts of up to 4% of an employee's compensation with a maximum match of $10,600 in respect of 2015. All Company contributions to the 401(k) Plan vest immediately. If the employee terminates employment with an accrued benefit, the participant is entitled to a distribution of the non-forfeitable accrued benefit. The participant may defer payment until the mandatory benefit starting date. No tax consequences result with a direct rollover into a qualified plan. An employee who requests a lump sum withdrawal will be taxed and may incur an early withdrawal penalty. If an employee dies while employed, the funds will be payable to his or her named beneficiary.

No Named Executive Officers are members of a defined benefit retirement plan.

Named Executive Officers participate in a supplemental retirement plan ("**SERP Plan**"). There is a SERP Plan in Canada for the Canadian-resident Named Executive Officers, and a SERP Plan in the US for US resident Named Executive Officers. The SERP Plans were designed in light of the legislated limits on contributions to the RRSP/DPSP and 401(k) Plans which result in a portion of the Named Executive Officer's salary being excluded each year from contributions to these Plans. The SERP Plans assist the Company in attracting and retaining key employees by providing such employees with supplemental retirement benefits.

The SERP Plans are administered as unfunded plans, and "notional contributions" vest immediately. The Board may amend or terminate the SERP Plans at any time, and designate the eligible employees to participate in a SERP Plan for that year. For the Canadian SERP, the contribution is in the form of a notional contribution equal to six percent of the Named Executive Officer's compensation to the extent that it exceeds *Income Tax Act* limits for years up to and including 2001 and twelve percent thereafter. The accumulated value of the Canadian SERP is secured by bank letters of credit. For the US SERP, the contribution is equal to twelve percent of the Named Executive Officer's compensation reduced by the Named Executive Officer's personal and employer contribution to the 401(k) Plan for the year.

Benefits from the SERP Plans are paid on the first day of the calendar month that starts after the latter of the participant's 60th birthday or termination of employment, in one or a combination of: (i) equal monthly or annual installments; or (ii) in a single lump sum. If the Named Executive Officer terminates employment with the Company before age 60, he or she will forfeit the entire value of their account if, before attaining age 60, they engage in competitive employment as determined in good faith.

For the Canadian SERP Plan, the rate of return is set by application of the 10-year median return achieved by Canadian Balanced Funds, as measured by the AON Hewitt Survey on Canadian Pension Plans' Investment Managers. For 2015, the resulting rate was 7.0%. The US SERP Plan participants may select from five reference investment funds on an annual basis. The reference investment fund choices mirror actual fund choices in the Company's 401(k) Plan. In 2015, the rate ranged from -3.8% to 0.3% depending on the fund(s) selected by the participant.

The following table sets out information regarding the SERP Plans.

Name	Accumulated Value at Start of Year	Compensatory	Accumulated Value at End of Year
	$	$	$
Duncan K. Davies	1,609,723	108,380	1,834,577
John A. Horning	787,799	64,005	909,190
J. Steven Hofer(1)	175,886	52,423	257,147
Joseph A. Rodgers(1)	46,431	52,252	108,535
J. Barton Bender	-	27,450	28,411

(1) Mr. Hofer's and Mr. Rodgers' opening, compensatory and closing amounts have been converted from U.S. Dollars to Canadian Dollars using the Bank of Canada opening rate on December 31, 2014, average rate for 2015 and closing rate on December 31, 2015 respectively.

CHANGE OF CONTROL AGREEMENTS

The Company has entered into agreements with each of the Named Executive Officers that provide them with certain rights in the event of an involuntary termination of employment after a change of control of the Company ("**Change of Control**"). A Change of Control includes the acquisition of more than 50% of the Shares, the acquisition of control over more than 50% of the Shares, the disposal of all or substantially all of the assets of the Company within a one year period, more than half of the slate of persons proposed for election as directors being nominated by a Shareholder or group of Shareholders acting in concert, or more than half of the directors of the Company being comprised of persons who either were not included in the slate proposed by the Board or were nominated by a Shareholder or group of Shareholders acting in concert.

If, on the date of or within two years after any Change of Control, a Named Executive Officer's employment with the Company is terminated without cause or terminated by the Named Executive Officer after his or her employment was reduced or changed to his or her detriment, the Named Executive Officer will be entitled to the following:

a) a lump sum cash amount equal to the aggregate of the following:

   i) a severance amount equal to two times the aggregate of the Named Executive Officer's annual base salary, average annual bonus, annual car allowance, and annual cash contributions payable by the Company to any retirement plans for the benefit of the Named Executive Officer;

   ii) any unpaid annual base salary up to and including the date of termination;

   iii) an amount in lieu of bonus for the calendar year in which the termination occurs, determined by pro-rating the Named Executive Officer's average annual bonus over the portion of the calendar year to the date of termination;

   iv) in full satisfaction of the Company's obligations to the Named Executive Officer under the Company's SERP, a gross amount equal to the amount which, if invested, would provide the same after-tax pension benefits that the Named Executive Officer would have been entitled to receive under the SERP if employment had continued for two years, divided by one minus the highest personal marginal rates for federal, provincial and state income taxes applicable to the Executive on the Date of Termination; and

   v) any other amounts to which the Named Executive Officer is entitled at law or under any other terms and conditions of the Named Executive Officer's employment with the Company;

   less required statutory deductions and remittances;

b) continuation of all benefits and perquisites for two years after termination;

c) all rights or options to purchase Shares or receive cash payments under the Company's incentive compensation plans at the date of termination will: (i) immediately vest or become exercisable (if not already vested or exercisable); and (ii) and continue to be held on the same terms and conditions as if the Named Executive Officer continued to be employed by the Company, except that the rights or options shall be exercisable immediately; and

d) career counseling and relocation support comparable to senior executives of similar status.

The Named Executive Officer would also be entitled to such payments and benefits if his employment was terminated without cause before a Change of Control if, prior to the termination, substantive discussions had commenced, or an agreement had been entered into that led to the Change of Control. In the event that a Named Executive Officer's employment is terminated for cause, voluntary resignation, disability, death or retirement, no payments or benefits will be made or provided under his change of control agreement.

The following table sets out the estimated payments that would have resulted if there had been a change of control as of December 31, 2015.

Named Executive Officer	Severance Period (Months)	Annual Base Salary ($)	Payment in Respect of Salary, Bonuses and Benefits ($)	Payment in Respect of Supplementary Pension ($)	Total Change of Control Payments ($) (1)
Duncan K. Davies	24	750,000	2,628,738	582,236	3,210,974
John A. Horning	24	500,000	1,532,856	281,177	1,814,034
J. Steven Hofer	24	USD 350,000	1,466,264	270,586	1,736,850
Joseph A. Rodgers (2)	-	-	-	-	-
J. Barton Bender	24	325,000	788,992	59,958	848,950

(1) Based on trigger event having occurred on December 31, 2015.
(2) Mr. Rodgers resigned as an employee effective June 3, 2016. As a result, he would not be entitled to any payments or benefits under his change of control agreement.

Each of the SAR Plan and TSR Plan has provisions that accelerate the vesting of SARs or PSUs, in circumstances where the Shares that form the basis for valuation of such SARs or PSUs, are materially affected in terms of value or become illiquid. Under these plans, if: (i) an offer is made by a third party to purchase Shares and more than 50% of the outstanding Shares are taken up and paid for under the offer; or (ii) a corporate reorganization in which the holders of SARs or PSUs do not otherwise participate as holders of SARs or PSUs and which, in the opinion of the Board results in an illiquid market for the Shares, is effected (each, a "**Takeover**"), each of the Named Executive Officers shall for a period of 30 days after the Takeover have the right to exercise or be paid that percentage of his or her SARs or PSUs that is equal to the percentage of outstanding Shares taken up and paid for under the offer under (i) above (or such greater percentage as may be determined by the Board) or, in the case of a reorganization referred to in (ii) above, all SARs and PSUs held by that executive, notwithstanding that under its terms a SAR or PSU may not become exercisable until a later date. All SARs held by Named Executive Officers were fully vested at December 31, 2015; therefore there would not be any incremental payouts under the SAR Plan related to accelerated vesting due to a Change of Control.

Under the TSR Plan, if employment of a Named Executive Officer with Interfor or an affiliate is terminated following a Change of Control, and not for cause, the TSR award (if any) relating to any performance period during which such cessation of employment occurs shall be accelerated and paid on or about 30 days following the date of termination of employment based on the total shareholder return performance and compound annual growth rate measured over each such performance period and determined as if the applicable performance periods ended on the date of the Change of Control. The incremental amount that would have been payable to any Named Executive Officer under the TSR Plan in relation to any TSR awards under the TSR Plan following or in connection with any termination of employment not for cause, resignation, retirement or Change of Control or change in a Named Executive Officer's responsibilities, assuming the triggering event took place on December 31, 2015, would have been as shown in the following table. The value has, in part, been reported under "Share Based Awards" in the Summary Compensation Table (based on the grant date for value of the PSUs awarded under the TSR Plan) on page 48 of this Information Circular and, as a result, only part would reflect any incremental payment. No value has been ascribed to the acceleration of the payment of the benefit as the net present value of the accelerated benefit could potentially be offset by future increases in the value of the Shares. For more information on the TSR Plan, please see pages 43 of this Information Circular.

Named Executive Officer	Payment in Respect of TSR Awards ($)[(1)]	Amounts Reported in the Summary Compensation Table ($)	Incremental TSR Award Payments ($)
Duncan K. Davies	700,989	1,457,154	-
John A. Horning	383,416	788,218	-
J. Steven Hofer	178,928	367,834	-
Joseph A. Rodgers	178,928	367,834	-
J. Barton Bender	53,321	144,025	-

(1) The number of PSUs which would have been earned is based on the weighted average trading price of the Shares on the TSX for the five trading days preceding December 31, 2015.

As disclosed in the table on page 47 of this Information Circular, four of the Named Executive Officers held DSUs as at December 31, 2015. Such DSUs were received either through elections by the Named Executive Officer to receive payments in DSUs under the TSR Plan or by direct grant of DSUs under the DSU Plan. DSUs vest either immediately or over such term as determined by the MRCC. The table on page 47 of this Information Circular sets out the Fair Market Value of such DSUs as at December 31, 2015. The Named Executive Officers holding such DSUs, are entitled to payment under the DSU Plan in respect of such DSUs following termination of employment, regardless of the reason for termination. No incremental payments will be made under the DSU Plan in the event of termination of employment, resignation, retirement, Change of Control or change in a Named Executive Officer's responsibilities. For more information regarding the DSU Plan, please see pages 34 and 46 of this Information Circular.

OTHER INFORMATION

AGGREGATE INDEBTEDNESS

As of March 9, 2016, no executive officer, director, employee or former executive officer, director or employee is indebted to the Company and any of its subsidiaries.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as disclosed above no director or officer of the Company, no proposed nominee for election as a director of the Company, and no associate of any such director, officer or proposed nominee, is or at any time during the most recently completed financial year has been, indebted to the Company or any of its subsidiaries or had indebtedness to another entity which is, or has been, the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the directors or executive officers of the Company, no proposed nominee for election as director of the Company, no person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company (a "**10% Holder**"), no person who is a director or executive officer of a 10% Holder or subsidiary of the Company and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed fiscal year or in any proposed transaction which has or would materially affect the Company or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than through the beneficial ownership of securities of the Company as described herein, none of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company at any time since the beginning of the Company's last financial year and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, in any matter to be acted upon at the Annual Meeting other than the election of directors or the appointment of auditors.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information is provided in the Company's consolidated annual financial statements and Management's Discussion and Analysis for its most recently completed financial year. The Company will provide to any person, upon request to the Corporate Secretary of the Company a copy of its Annual Information Form, its consolidated annual and interim financial statements and Management's Discussion and Analysis related thereto, and this Information Circular. Requests can be made as follows:

By mail: Corporate Secretary
Interfor Corporation
P.O. Box 49114, 3500-1055 Dunsmuir Street
Vancouver, BC, Canada, V7X 1H7

Or by email: corporatesecretary@interfor.com

The contents and the sending of this Information Circular have been approved by the Board of the Company.

Dated at Vancouver, British Columbia, this 9th day of March, 2016.

"Xenia Kritsos"

XENIA KRITSOS
General Counsel & Corporate Secretary

APPENDIX A: MANDATE OF THE BOARD

Objective of the Board of Directors

To ensure that the business and affairs of Interfor Corporation (the "**Company**") are conducted in the best interests of the Company and in conformity with the law (the "**Board Objective**").

General Role of the Board of Directors

The role of the Board of Directors (the "**Board**") is to promote a strong, viable and competitive company operating with honesty and integrity and to supervise the Company's management ("**Management**") in the conduct of the affairs and business of the Company.

The Board delegates the responsibility for the day-to-day conduct of business to the Management of the Company.

Stewardship Responsibilities of the Board of Directors

The principal duties and responsibilities of the Board include:

1) **Corporate Governance**. To establish an effective process of corporate governance, including principles and guidelines specific to the Company, and to monitor the Company's compliance with applicable law and the Company's corporate governance regulations and guidelines as required by the securities regulatory authorities and the stock exchanges on which the Company's securities trade.

2) **Strategic Plan**. To ensure the Company has a strategic planning process in place and to regularly review and approve the strategies that evolve from this process.

3) **Risk Management**. To identify the principal risks facing the Company and ensure that systems are in place to manage these risks.

4) **Officer Appointment and Evaluation.** To appoint, assess and compensate officers, in particular the Chief Executive Officer ("**CEO**") and to approve the annual corporate goals and objectives the CEO is responsible for meeting.

5) **Succession Planning.** To approve a plan for succession and development of senior Management.

6) **Stakeholder Communication**. To ensure the Company has an effective two-way communication policy with shareholders, other stakeholders and the public.

7) **Internal Controls**. To ensure effective internal controls and information systems exist to provide reliable historical and forward-looking information with respect to financial matters, environmental matters and other regulatory compliance.

8) **Financial Reporting Integrity**. To ensure the integrity of the Company's reporting of its financial performance.

9) **Company Integrity**. To satisfy itself as to the integrity of the CEO and Management and to ensure that a culture of integrity exists throughout the Company.

10) **Code of Conduct**. To approve and regularly review the Company's Code of Conduct and to ensure that the Company has appropriate programs and processes in place to monitor compliance thereof with the objective of promoting a culture of integrity throughout the Company.

11) **Health, Safety and Environmental Compliance**. To ensure that the Company complies with all health, safety and environmental legislation in all areas in which the Company operates.

Subject to the provisions of the *Business Corporations Act* (British Columbia) ("**BCBCA**") and the Company's Articles, the Board may establish committees of the Board (each a "**Committee**") and delegate certain of the Board's responsibilities to such Committees. The Board is responsible for appointing the Chair and members of each Committee in accordance with the Terms of Reference for each Committee.

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