INTERFOR

Building Value™

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

March 13, 2019

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 3.1 billion board feet and offers one of the most diverse lines of lumber products to customers around the world. Our common shares are traded on the Toronto Stock Exchange under the symbol of IFP.

What's inside:

March 13, 2019

Dear Shareholders,

You are invited to Interfor's 2019 Annual General Meeting of shareholders. This year, the meeting will be held on Thursday, May 2, 2019 at 2:00 p.m. (PDT) at the Rosewood Hotel Georgia, 801 West Georgia St., Vancouver, British Columbia.

This meeting is your opportunity to vote on specific items of business, meet members of the board and senior management, and ask them any questions you may have.

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

Interfor delivered strong results over the past year and you can read about it in our 2018 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 under the Company's profile 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 May 2nd.

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, May 2, 2019

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

PLACE: Rosewood Hotel Georgia
801 West Georgia Street
Vancouver, British Columbia

The business of the Annual General Meeting is to:

1. receive the consolidated financial statements of the Company for the year ended December 31, 2018 and the auditor's report;

2. set the number of directors at ten;

3. elect directors;

4. appoint the auditor and authorize the directors to set the auditor's fees;

5. consider a non-binding advisory resolution on our approach to executive compensation; and

6. transact any other business that may properly come before the meeting.

You have a right to vote if you were an Interfor shareholder at the close of business on March 13, 2019. Your vote is important and we encourage you to participate either in person or by proxy.

By order of the board of directors,

"Xenia Kritsos"

Xenia Kritsos
General Counsel & Corporate Secretary

Vancouver, British Columbia
March 13, 2019

MANAGEMENT INFORMATION CIRCULAR

You have received this Information Circular because you owned Shares on March 13, 2019, and Interfor's management is soliciting your proxy for the upcoming annual general meeting on May 2, 2019.

We are contacting Shareholders primarily by mail to your latest address shown on the register of shareholders, using a "notice and access" procedure under Canadian securities rules. The Company is paying for the cost 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 2019 annual general meeting of Shareholders
- "**Record Date**" means March 13, 2019

In this Information Circular, all dollar amounts are in Canadian dollars and information is as of March 13, 2019, unless stated otherwise.

ANNUAL MEETING MATERIALS

We are delivering your Annual Meeting materials, including this Information Circular, by mailing you a notice (a "**Short Form Notice**") and making the Annual Meeting materials available for download from our website at www.interfor.com, on March 13, 2019 and for at least one year after that date. The Annual Meeting materials can also be accessed under Interfor's profile on SEDAR at www.sedar.com. We will mail a paper copy of the Annual Meeting materials to any Shareholder who previously requested a paper copy. If you received only the Short Form Notice and would like a paper copy of the Annual Meeting materials please call us at 1-844-210-2879.

If you are a beneficial Shareholder who has not objected to the Company being given your name, address and the number of Shares you hold, then Interfor or its agent will send the Short Form Notice and associated materials to you in accordance with applicable securities regulatory requirements. If you are an objecting beneficial Shareholder, then Interfor will pay for clearing agencies and intermediaries to deliver to you the Short Form Notice and associated materials.

VOTING INFORMATION

Am I entitled to vote at the Annual Meeting?

Shareholders at the close of business on the record date of March 13, 2019 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. The authorized capital of the Company consists of 150,000,000 Shares and 5,000,000 preference shares and, as of March 13, 2019, there were 67,251,487 Shares issued and outstanding and no preference shares issued or outstanding.

Am I a registered or beneficial Shareholder?

You are a ***registered Shareholder*** if you have a share certificate or Direct Registration System (DRS) Advice issued in your name.

You are a ***beneficial Shareholder*** if your Shares are registered in the name of an intermediary (for example, a bank, trust company, trustee, broker or investment dealer, clearing agency or other institution), or you hold your Shares through the Interfor Employee Share Purchase Plan. Most Shareholders are beneficial Shareholders.

How can I vote my Shares?

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

If you are a ***registered Shareholder***, you can attend the Annual Meeting and cast your vote in person, or appoint someone else as your proxy to attend and vote your shares for you by completing the proxy form included with the Short Form Notice and delivering 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., Attn: Proxy Department, 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. (PDT) on April 30, 2019 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 ***beneficial Shareholder***, please return your voting instructions in accordance with the instructions on the voting instruction form included with the Short Form Notice. **To be taken into account, your voting instructions must be delivered sufficiently in advance of the proxy deadline of April 30, 2019, to enable your nominee to act on your instructions prior to the deadline. If you are a beneficial 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?

Two directors of the Company, Lawrence Sauder and Thomas V. Milroy ("**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 other than the Management Proxyholders to represent you at the Annual Meeting, by printing that person's or company's name in the space provided on the proxy form or voting instruction form included with the Short Form Notice. Your votes can only be counted if the person or company you appointed as your proxyholder attends the Annual Meeting and votes on your behalf.

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 or withhold your Shares, including on any ballot that may be called for, on each item of business on which you are entitled to vote, in accordance with your instructions. **If you return a proxy form or voting instruction form without providing voting instructions, your Shares will be voted in favour of:**

- **(i) setting the number of directors of the Company at ten;**
- **(ii) electing as a director each person nominated in this Information Circular;**
- **(iii) appointing KPMG LLP as auditor of the Company and authorizing the directors to set the auditor's fees; and**
- **(iv) approving, on a non-binding advisory basis, the Company's approach to executive compensation.**

If you complete and return a proxy form or voting instruction form and there are amendments to the matters identified in the Notice of Annual Meeting or other matters properly come before the Annual Meeting, your proxyholder will have the discretion to vote your Shares as they consider best with regard to those amendments or other matters. As of the date of this Information Circular, we are not aware of any such amendments or other matters.

Can I revoke a proxy?

A ***registered Shareholder*** may revoke a proxy before it is acted on by:

(a) delivering a written and signed statement that you want to revoke your proxy to either: (i) the Company's Corporate Secretary at P.O. Box 49114, 3500-1055 Dunsmuir Street, Vancouver, BC V7X 1H7, at any time up to and including the last business day preceding the day of the Annual Meeting, or any adjournment or postponement thereof; or (ii) the Chair 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 to the Company's transfer agent in accordance with the instructions on the proxy form; or

(c) any other manner provided by law.

Beneficial Shareholders may revoke or change their voting instructions before they are acted on, by contacting their broker or other intermediary and following their instructions.

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.

Do any Shareholders beneficially own 10% or more of the Shares?

As of March 13, 2019, to the knowledge of the directors and executive officers of the Company, no persons beneficially own, or control or direct, directly or indirectly, more than 10% of the Shares, except Letko, Brosseau & Associates Inc., an institutional investor that has publicly disclosed that, at the end of February, 2019, it had investment control or direction over 6,909,068 Shares, representing approximately 10.3% of the issued and outstanding Shares.

What if I have a question?

If you have any questions about voting your Shares, you can contact Computershare Investor Services Inc.:

Email:	service@computershare.com
Toll-free:	North America 1-800-564-6253
	International 514-982-7555

The Annual Meeting

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

---

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

Our consolidated financial statements for the year ended December 31, 2018 and the auditor's report thereon, will be presented at the Annual Meeting. You will find our consolidated financial statements for the year ended December 31, 2018 and management's discussion and analysis in our 2018 Annual Report. The 2018 Annual Report is being mailed to registered and beneficial Shareholders who have requested a paper copy. If you did not request a paper copy, you may view the 2018 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 consolidated financial Statements for the year ended December 31, 2018 and the auditor's report at the Annual Meeting.

2. SETTING THE NUMBER OF DIRECTORS

The Company's Articles provide that it must have between three and fifteen directors and, within such limits, the Shareholders shall set the number of directors on the Board. The number of directors was last set by the Shareholders at nine. Since ten individuals are being nominated for election as directors of the Company, the appropriate size of the Board is ten. As a Shareholder, you have the opportunity to vote for or against the proposed increase in the size of the Board from nine to ten directors, by voting on the following resolution:

> *BE IT RESOLVED THAT under Article 11.1 of the Articles of the Company, the number of directors of the Company be set at ten.*

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 increasing the size of the Board to ten directors.

3. ELECTING THE DIRECTORS

The Corporate Governance & Nominating Committee in conjunction with the Chair of the Board, has recommended to the Board that the ten nominees described below stand for election as directors of the Company, after assessing their individual qualifications, diversity, experience and expertise and being satisfied that they exhibit integrity, professionalism and independent judgment, to ensure that they fulfill the Board's composition requirements.

All of our current directors are standing for re-election, and one director is standing for election for the first time: Ms. Rhonda Hunter is the recently retired Senior Vice President, Timberlands of Weyerhaeuser Company, where she led Weyerhaeuser's timberlands business. She brings a wealth of industry experience and will make a valuable addition to the Board.

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

Our Policy on Majority Voting

The Company's majority voting policy requires that, 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 extraordinary circumstances, will recommend that the Board accept the resignation. The director in question will not participate in any Board or committee meetings during which such resignation is considered. The Board will make its decision within 90 days of the Annual Meeting and the Company will promptly announce that decision in a press release. If the Board accepts the resignation, it may choose to leave a vacancy on the Board or fill the vacancy by appointing a new director in accordance with the Company's Articles. The 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 following tables 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

Age 68

Vancouver, BC, Canada

Director since November 1998

Not Independent

Mr. Davies has been the President and Chief Executive Officer of Interfor since 2000. From 1998 to 2000, he was the President and Chief Operating Officer of the Company. In addition to his corporate responsibilities, Mr. Davies serves as Co-Chair of the BC Lumber Trade Council and of the Canadian Lumber Trade Alliance. He is also a Director of the Binational Softwood Lumber Council and the BC Council of Forest Industries. He was one of the founding members of the Softwood Lumber Board. Prior to joining Interfor, Mr. Davies worked as an investment banker specializing in forest products activities and with a number of other forest products companies. He 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	International
Governance	Government Relations & Public Policy
Human Resources & Compensation	Environment, Health & Safety

Other Public Company Board or CEO roles	Positions
n/a	n/a

2018 Annual Meeting Voting Results			
Votes in Favour		Votes Withheld	
52,369,118	99.61%	202,939	0.39%

Interfor Board & Committee Memberships in 2018	2018 Attendance	Percentage Attended
Board (1)	4 of 4	100%

Shares and Share Equivalents Held as of March 13, 2019				
Shares held(3)	DSUs held(4)	Total Shares and DSUs	Total value of Shares and DSUs(5)	Share ownership requirement(6)
241,100	161,355	402,455	$6,386,961	Meets requirement

JEANE L. HULL[7]

Age 64

Sheridan, Wyoming, USA

Director since May 2014

Independent

Ms. Hull is currently a director of Cloud Peak Energy Inc. (NYSE: CLD) and Epiroc AB (STO: EPI-A). 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. Ms. Hull serves on the University of Wyoming School of Energy Resources Council, and 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.

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

Other Public Company Board or CEO roles	Positions
Cloud Peak Energy Inc. (NYSE: CLD)	Director
Epiroc AB (STO: EPI-A)	Director

2018 Annual Meeting Voting Results			
Votes in Favour		Votes Withheld	
52,564,237	99.99%	7,820	0.01%

Interfor Board & Committee Memberships in 2018	2018 Attendance	Percentage Attended
Board[1]	4 of 4	100%
Audit Committee	2 of 2	
Corporate Governance & Nominating Committee[1]	2 of 2	
Environment & Safety Committee [2]	4 of 4	

Shares and Share Equivalents Held as of March 13, 2019				
Shares held[3]	DSUs held[4]	Total Shares and DSUs	Total value of Shares and DSUs[5]	Share ownership requirement[6]
-	29,018	29,018	$460,516	Meets requirement

RHONDA D. HUNTER

Age 56

Newhope, Arkansas, USA

First nomination for election as a director

Independent

Ms. Hunter is currently a director of Schnitzer Steel Industries, Inc. (NASDAQ: SCHN). From 2013 to 2018, she was the Senior Vice President, Timberlands of Weyerhaeuser Company, after having held multiple operations, sales, logistics and finance roles at Weyerhaeuser since 1987. Ms. Hunter has been active in a number of industry organizations, including the American Forest Foundation (2014-2018), National Council for Air and Stream Improvement (2014-2018), Arkansas Forestry Association (2002-2013), and Nature Conservancy of Arkansas (2007-2014). She has a Bachelor of Science degree in Accounting from Henderson State University and completed executive education at Harvard Business School and Duke University.

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

Other Public Company Board or CEO roles	Positions
Schnitzer Steel Industries, Inc. (NASDAQ: SCHN)	Director

2018 Annual Meeting Voting Results			
Votes in Favour		Votes Withheld	
n/a	n/a	n/a	n/a

Interfor Board & Committee Memberships in 2018	2018 Attendance	Percentage Attended
n/a	n/a	n/a

Shares and Share Equivalents Held as of March 13, 2019				
Shares held[3]	DSUs held[4]	Total Shares and DSUs	Total value of Shares and DSUs[5]	Share ownership requirement[6]
-	-	-	$-	n/a

GORDON H. MacDOUGALL

Age 73

West Vancouver, BC, Canada

Director since February 2007

Independent

Mr. MacDougall is currently a director of Connor, Clark & Lunn Financial Group, an asset management company. From 2006 until his retirement in 2014, he was the Vice Chair of Connor, Clark & Lunn Investment Management Ltd. 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 previously served as lead director for Intrawest Corporation. He is a past Chair of the British Columbia Immigrant Investment Fund and a past Chair of the Vancouver Foundation. 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 International Human Resources & Compensation	Financial Governance

Other Public Company Board or CEO roles	Positions
n/a	n/a

2018 Annual Meeting Voting Results			
Votes in Favour		Votes Withheld	
52,043,267	98.99%	528,790	1.01%

Interfor Board & Committee Memberships in 2018	2018 Attendance	Percentage Attended
Board[1] Corporate Governance & Nominating Committee[2] Environment & Safety Committee[1] Management Resources & Compensation Committee	4 of 4 4 of 4 2 of 2 2 of 2	100%

Shares and Share Equivalents Held as of March 13, 2019				
Shares held[3]	DSUs held[4]	Total Shares and DSUs	Total value of Shares and DSUs[5]	Share ownership requirement[6]
15,000	83,633	98,633	$1,565,306	Meets requirement

J. EDDIE McMILLAN

Pensacola, Florida, USA

Age 73

Director since October 2006

Independent

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

Other Public Company Board or CEO roles	Positions
n/a	n/a

2018 Annual Meeting Voting Results			
Votes in Favour		Votes Withheld	
51,287,983	97.56%	1,284,074	2.44%

Interfor Board & Committee Memberships in 2018	2018 Attendance	Percentage Attended
Board[1] Audit Committee[1] Corporate Governance & Nominating Committee Management Resources & Compensation Committee[1]	4 of 4 4 of 4 2 of 2 2 of 2	100%

Shares and Share Equivalents Held as of March 13, 2019				
Shares held[3]	DSUs held[4]	Total Shares and DSUs	Total value of Shares and DSUs[5]	Share ownership requirement[6]
-	46,445	46,445	$737,082	Meets requirement

THOMAS V. MILROY

Toronto, ON, Canada

Age 63

Director since February 2016

Independent

Mr. Milroy is a director of J2 Acquisition Limited (LSE: JTWO) and has served on that board since 2017. He is also a director of Generation Capital Limited, a private investment company. Prior to that, Mr. Milroy served on the board of Restaurant Brands International Inc. (TSX/NYSE: QSR, TSX: QSP) and one of its predecessor companies, from 2013 to 2018. He worked for BMO Financial Group from 1993 to 2015, and served as Chief Executive Officer of BMO Capital Markets from 2008 to 2014, where he was responsible for all of BMO's business involving corporate, institutional and government clients globally. 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 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 Government Relations & Public Policy	Financial Governance Human Resources & Compensation

Other Public Company Board or CEO roles	Positions
J2 Acquisition Limited (LSE: JTWO)	Director

2018 Annual Meeting Voting Results			
Votes in Favour		Votes Withheld	
52,569,507	100%	2,550	0%

Interfor Board & Committee Memberships in 2018	2018 Attendance	Percentage Attended
Board[1] Audit Committee[2] Corporate Governance & Nominating Committee[1] Environment & Safety Committee	4 of 4 4 of 4 2 of 2 2 of 2	100%

Shares and Share Equivalents Held as of March 13, 2019				
Shares held[3]	DSUs held[4]	Total Shares and DSUs	Total value of Shares and DSUs[5]	Share ownership requirement[6]
15,000	18,134	33,134	$525,837	Meets requirement

GILLIAN L. PLATT

Kelowna, BC, Canada

Age 65

Director since October 2016

Independent

Ms. Platt is a non-executive director and Senior Independent Director of CRH plc (LSE: CRH, ISE: CRG, NYSE: CRH), an Irish based building materials group and has served on that board since January 2017. From 2014 to 2016, she was the Executive Vice President and Chief Human Resources Officer at Finning International Inc. (TSX: FTT) with global responsibility for human resources, talent development and corporate communications. Prior to joining Finning, Ms. Platt was Executive Vice President, Human Resources & Corporate Affairs and Executive Vice President, Strategy & Corporate Development at Aviva, a multinational insurance company. She served as Vice President, Human Resources Planning and Development for Hudson's Bay Company and Senior Vice President, Corporate Affairs and Human Resources for Ontario Municipal Employees Retirement System. Ms. Platt holds a Bachelor of Arts from the University of Western Ontario and a Masters of Education from the University of Toronto.

Areas of Experience	
Strategic Leadership Governance Human Resources & Compensation	International Government Relations & Public Policy Environment, Health & Safety

Other Public Company Board or CEO roles	Positions
CRH plc (LSE: CRH, ISE: CRG, NYSE: CRH)	Director

2018 Annual Meeting Voting Results			
Votes in Favour		Votes Withheld	
52,565,228	99.99%	6,829	0.01%

Interfor Board & Committee Memberships in 2018	2018 Attendance	Percentage Attended
Board[1] Environment & Safety Committee Corporate Governance & Nominating Committee[1] Management Resources & Compensation Committee[2]	4 of 4 2 of 2 2 of 2 4 of 4	100%

Shares and Share Equivalents Held as of March 13, 2019				
Shares held[3]	DSUs held[4]	Total Shares and DSUs	Total value of Shares and DSUs[5]	Share ownership requirement[6]
-	9,101	9,101	$168,771	By October 1, 2021

LAWRENCE SAUDER

Vancouver, BC, Canada

Age 66

Director since April 1984; Chair since 2008

Independent

Mr. Sauder is the Chair and a director of Hardwoods Distribution Inc. (TSX: HWD), a distributor of wood products, and a director of Metrie Canada Ltd. (formerly Sauder Industries Limited), a manufacturer and distributor of building products. From 2010 to 2018 Mr. Sauder was Chair of Metrie Canada Ltd. From 2010 to 2014, Mr. Sauder was Chief Executive Officer of Metrie Canada Ltd. and from 1988 to 2014, he was President of the Sauder Group of Companies. He also is a member of the Board of Trustees of the Vancouver Police Foundation.

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

Other Public Company Board or CEO roles	Positions
Hardwoods Distribution Inc. (TSX: HWD)	Chair, Director

2018 Annual Meeting Voting Results			
Votes in Favour		Votes Withheld	
46,065,917	87.62%	6,506,140	12.38%

Interfor Board & Committee Memberships in 2018	2018 Attendance	Percentage Attended
Board[2] Environment & Safety Committee [1] Management Resources & Compensation Committee[1]	4 of 4 4 of 4 4 of 4	100%

Shares and Share Equivalents Held as of March 13, 2019				
Shares held[3]	DSUs held[4]	Total Shares and DSUs	Total value of Shares and DSUs[5]	Share ownership requirement[6]
345,274	73,124	418,398	$6,639,976	Meets requirement

CURTIS M. STEVENS

Nashville, Tennessee, USA

Age 66

Director since May 2018

Independent

Mr. Stevens is a director of Quanex Building Products Corporation (NYSE: NX) and has served on that board since 2010. He served as the CEO and a director of Louisiana-Pacific Corporation (NYSE: LPX), a building materials manufacturer, from 2012 until his retirement in June 2017. Mr. Stevens served as Louisiana-Pacific's Chief Operating Officer and Executive Vice President (2011 to 2012), Chief Financial Officer (1997 to 2011) and Executive Vice President, Administration (2002 to 2011). Mr. Stevens served as Chair of the Forest Products Association of Canada (2015 to 2017) and as a board member of the Nashville Area Chamber of Commerce (2014 to 2017). Mr. Stevens holds a Bachelor of Arts in Economics and a Master of Business Administration with a concentration in Finance from the University of California at Los Angeles.

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

Other Public Company Board or CEO roles	Positions
Quanex Building Products Corporation (NYSE: NX)	Director

2018 Annual Meeting Voting Results			
Votes in Favour		Votes Withheld	
52,565,228	99.99%	6,829	0.01%

Interfor Board & Committee Memberships in 2018	2018 Attendance	Percentage Attended
Board[1] Audit Committee[1] Environment & Safety Committee[1]	2 of 2 2 of 2 2 of 2	100%

Shares and Share Equivalents Held as of March 13, 2019				
Shares held[3]	DSUs held[4]	Total Shares and DSUs	Total value of Shares and DSUs[5]	Share ownership requirement[6]
-	4,708	4,708	$83,117	By May 3, 2023

DOUGLAS W.G. WHITEHEAD

Age 72

West Vancouver, BC, Canada

Director since April 2007

Independent

Mr. Whitehead is currently lead director of Kal Tire Ltd. and a director of Belkorp Industries Inc. From 2008 to 2019 Mr. Whitehead was a director of Finning International Inc. (TSX: FTT) ("**Finning**"). From 2008 to 2016 and from 2017 to 2019, Mr. Whitehead was Board Chair of Finning, and from 2000 to 2008 he was the President and Chief Executive Officer of Finning. 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. Previously, he served as director of Inmet Mining Corporation, Ballard Power Systems Inc., Terasen Inc., Fletcher Challenge Canada, Finlay Forest Industries, Timberwest Forest Limited and Kinder Morgan, Inc. Mr. Whitehead holds a Bachelor of Applied Sciences degree (Civil 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	Government Relations & Public Policy
Human Resources & Compensation	Environment, Health & Safety

Other Public Company Board or CEO roles	Positions
n/a	n/a

2018 Annual Meeting Voting Results			
Votes in Favour		Votes Withheld	
52,235,412	99.36%	336,645	0.64%

Interfor Board & Committee Memberships in 2018	2018 Attendance	Percentage Attended
Board(1)	3 of 4	75%(8)
Audit Committee(1)	3 of 4	
Management Resources & Compensation Committee(1)	3 of 4	

Shares and Share Equivalents Held as of March 13, 2019				
Shares held(3)	DSUs held(4)	Total Shares and DSUs	Total value of Shares and DSUs(5)	Share ownership requirement(6)
17,000	38,513	55,513	$880,991	Meets requirement

(1) Current member of Board/committee.
(2) Current chair of Board/committee.
(3) The number of Shares held, including Shares directly or indirectly beneficially owned or under the control or direction of such nominee.
(4) For information on deferred share units, see "Deferred Share Unit Plan" on page 30 of this Information Circular.
(5) 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 fair market value, using the volume 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 fair market value used for the comparison is $15.87 per Share or DSU held, being the volume weighted average trading price of the Shares on the Toronto Stock Exchange for the five trading days preceding March 13, 2019.
(6) All non-executive directors, including the Chair of the Board, are required to own a minimum value of Shares and/or 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 to three times his annual base salary – see page 45 of the Information Circular for details of his Share ownership requirement. In determining whether a director has met his or her minimum Share ownership requirement, the value of the total number of Shares and DSUs held by a director is calculated in the manner described in note (5) above.
(7) From April 2011 to July 31, 2015, Ms. Hull was the Executive Vice President and Chief Technical Officer of Peabody Energy Corporation, which filed for Chapter 11 bankruptcy protection on April 13, 2016 and emerged from Chapter 11 protection on April 3, 2017.
(8) Mr. Whitehead was unable to attend the Q3'18 Board and committee meetings due to a scheduling conflict with another board of directors on which he serves.

Board and Committee Meetings

Regular Board and committee meeting dates are set one to 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 2018 is set out in their director profile starting on page 9 of this Information Circular. The following table sets out a summary of the Board and committee meetings held during 2018. In addition to these meetings, the Board held a strategic planning session in 2018.

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

Director Independence

The Board requires that at least a majority of its members be independent. Nine of the ten nominated directors, including the Chair of the Board, 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
Jeane L. Hull	√		
Rhonda D. Hunter	√		
Gordon H. MacDougall	√		
J. Eddie McMillan	√		
Thomas V. Milroy	√		
Gillian L. Platt	√		
Lawrence Sauder	√		
Curtis M. Stevens	√		
Douglas W.G. Whitehead	√		

The Board has put into place the governance structures and processes starting on page 18 of this Information Circular, to facilitate its functioning independently of management.

Director Interlocks

An interlock occurs when two or more Board members sit together on other boards as well. As of the date of this Information Circular, there were no interlocks between Board members.

4. APPOINTING THE AUDITOR

The Board recommends the re-appointment of KPMG LLP, Chartered Professional 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. The Board will also be authorized to set the fees paid to the auditor. 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 close of the next annual general meeting and the Board of Directors of the Company be authorized to set the fees of the auditor."*

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 fees.

Audit Fees

The table below shows fees paid or accrued to KPMG LLP for audit and other services for the years ended December 31, 2017 and 2018:

	2018	**2017**
Audit fees Fees billed for professional services rendered.	$594,600	$555,900
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.	48,300	47,700
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.	42,649	98,059
All Other fees Forestry certification.	65,450	68,850
TOTAL	$750,999	$770,509

5. HAVING A "SAY ON PAY"

As part of Interfor's commitment to strong corporate governance practices and our process of Shareholder engagement, 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. At the 2018 and 2017 annual general meetings, Interfor's approach to executive compensation was approved with 95.31% and 98.55%, respectively, of the Shares voted in support of the advisory Say on Pay resolution.

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 35 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 Information Circular of the Company dated March 13, 2019 delivered in connection with the 2019 Annual 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 "Say on Pay" resolution.

6. OTHER BUSINESS

If there are changes to these items of business or other items that properly come before the Annual Meeting, you (or your proxyholder, if you are voting by proxy) can vote as you see fit. As of the date of this Information Circular, we are not aware of any such changes or other items of business.

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 that apply to us and incorporate best practices in governance that 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, regulations and policies 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, taking into account their businesses and any other relationships they have with the Company (and its affiliates) and senior management (and their affiliates). The Corporate Governance & Nominating Committee has determined that nine of the ten nominated directors are independent directors. Duncan Davies, President & CEO, is an executive officer of the Company and as such, is not an independent director under the Governance Disclosure Rules.

To enable 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;
- a majority of the directors are independent, including the Chair of the Board;
- 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 ("**MRCC**") and by the independent members of the Board; 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 of 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.

Chairs of Board Committees

The Board has developed a written position description for the Chairs of the committees of the Board. The Chair of each committee is responsible for overseeing matters and responsibilities of the committee under its Terms of Reference and, where appropriate, disclosing such matters to, and discussing them with, the Board.

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 2018.

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, 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 9 of this Information Circular describe 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

Our Share ownership requirement for our directors, aligns 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 31 of this Information Circular for more information about the directors' Share ownership requirement. See the director profiles starting on page 9 of this Information Circular for information regarding each nominated director's Share ownership status as of the date of this Information Circular.

Directors' 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 and experience 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 and compensation; and environment, health and safety experience.

ETHICAL BUSINESS CONDUCT

Code of Conduct & Ethics

We have a 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 (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), or sending an email to whistleblower@interfor.com, and our General Counsel will 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 or concerns, and the Chair of the Corporate Governance & Nominating Committee in all other cases, on a quarterly basis or sooner if circumstances so warrant.

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 comply with all of the requirements of such policies. In January 2019, 100% of the Company's directors, officers and salaried employees provided their acknowledgment 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. Complying with our Disclosure Policy is critical to maintaining our integrity and each director, officer and employee has an obligation to ensure that we conduct ourselves according to the policy and its objectives. You can find our Disclosure Policy on our website (www.interfor.com).

Insider Trading Policy

We maintain an Insider Trading Policy that:
- regulates trading in Shares by our insiders;
- has established a regular black-out calendar;
- prohibits short-term, speculative or hedging transactions involving our Shares; and
- fulfills our obligations to the TSX, regulators and investors.

The Insider Trading Policy is available on our website (www.interfor.com).

Conflicts of Interest

Under the *Business Corporations Act* (British Columbia), the Company's Articles and the Directors' 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 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 has a conflict of interest on any matter is prohibited from voting on any Board resolution touching on such matter.

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 ongoing education, directors receive updates on industry developments, forest policy changes and legal, accounting, governance and regulatory changes relevant 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 an in-depth strategic planning session. To deepen directors' familiarity with different aspects of the Company's business, the Board rotates individual directors from time to time onto different committees of the Board.

Our director orientation program helps familiarize new directors with our Company, the forestry and manufacturing industry, and our expectations of directors. All new directors receive orientation material 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 new director orientation material is available to all directors and is updated regularly. The new director orientation program also involves tours of certain 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 its 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 both directly and through the 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. The Board's general role 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 responsibility for the day-to-day conduct of business 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 the overall performance of the Company. 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 include 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 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 strategic planning session, management provides an annual review and update of the prior year's 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 financial, cyber security, compensation, retention, succession, governance, environmental, health and safety, operational, strategic and reputational risks.

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 Committee	Financial, information systems security risks
Management Resources & Compensation Committee	Management compensation, retention and succession risks
Corporate Governance & Nominating Committee	Governance, board succession risks
Environment & Safety Committee	Environmental, 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 Company's internal controls, including controls over accounting and financial reporting systems. Management presents the Company's financial statements and management's discussion and analysis 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, transactions are appropriately accounted for and assets are adequately safeguarded. Management reports its assessment of material changes in internal controls over financial reporting, quarterly to the Audit Committee.

KPMG LLP provided an unqualified audit opinion on our consolidated financial statements for the years ended December 31, 2018 and December 31, 2017.

Succession Planning

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

Assessing the Board and its Committees

The Board carries out an assessment of the Board and its committees every year. Directors (other than the CEO) are asked to rate the effectiveness of the Board and each committee of the Board by way of a comprehensive questionnaire and, in alternate years, a mini questionnaire with certain targeted questions (the "**Board Effectiveness Assessment**"). The Board Effectiveness Assessment is conducted confidentially. 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

All directors are elected annually at the annual general meeting of Shareholders, to hold office until the close of the next annual general meeting, or until their successors are elected or appointed.

In conjunction with the Chair of the Board, the Corporate Governance & Nominating Committee is responsible for identifying, recruiting, and recommending to the Board new directors for nomination or appointment. The Corporate Governance & Nominating Committee is also responsible for recommending to the Board the directors to be nominated for election at the next annual general meeting.

The Corporate Governance & Nominating Committee uses a skills and experience 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 and compensation; and environment, health and safety experience. The Committee also assesses the individual qualifications, diversity, integrity, professionalism and independent judgment of directors and new director candidates, to ensure that they fulfill the Board's composition requirements.

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, and (ii) has served as a director on the Board for 10 or more years. The Board may waive the mandatory retirement requirement 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.

The Board has not adopted term limits at this time, because it would risk losing directors with a deep understanding of our Company and business. The Board believes that it has achieved healthy renewal through ordinary turnover and its mandatory retirement policy.

In the past five years, four new independent directors have been elected to the Board and, if Ms. Hunter is elected at the Annual Meeting, she will be the fifth.

Board Diversity

The Board recognizes the benefits of diversity and has adopted a formal Diversity Policy. The Company bases director nominations and executive appointments on merit and selects the best person available to fulfill these roles. Within this framework, to support the Company's diversity objectives, the Board and the Company's executives (as applicable), when identifying and considering candidates for director and executive positions:

- consider all aspects of diversity in the candidate selection criteria, including race, ethnicity, nationality, Indigenous origin or heritage, gender, gender identity, sexual orientation, religion, age, disability, geographical representation and regional and industry experience of the candidate;

- consider the level of representation of women on the Board and in executive positions, as applicable; and
- in addition to its own searches, as and when appropriate from time to time, engage independent external advisors to conduct a search for candidates who meet the Board's and the Company's expertise, skills and diversity criteria.

The Board has not set measurable objectives for achieving gender diversity and will consider establishing measureable objectives in the future. The Board does not currently support fixed numbers or percentages for any director selection criteria, because the composition of the Board is based ultimately on the skills, experience, character and behavioural qualities that are most important in determining the value that an individual would bring to the Board.

There are currently two women directors on the Board, making up 22% of the Board. The election of Ms. Hunter to the Board will bring the number of women directors to three, or 30% of the Board.

Access to Management

The Board encourages the executive team to include key managers in Board meetings so they can share their expertise on specific matters. This also 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 to the Board.

Communicating with the Board

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

Shareholders can arrange to contact the Board, the Chair of the Board or any of the directors as follows:

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:

- Audit Committee;
- Corporate Governance & Nominating 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.

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 member and chair appointments for each of the committees. The Audit Committee and the Corporate Governance & Nominating Committee must consist entirely of independent directors. The MRCC and the Environment & Safety Committee must have a majority of independent directors.

Each committee operates in accordance with Board-approved Terms of Reference. A written position description is in place for the committee chairs. At least once a year, each committee reviews its Terms of Reference and recommends any changes to the Corporate Governance & Nominating Committee, which submits such changes to the Board for approval. The position description for the committee chairs and each committee's Terms of Reference, is available on our website (www.interfor.com).

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. All committee meetings include 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	Gord MacDougall (Chair) Jeane Hull Tom Milroy Gillian Platt
Meetings in 2018	4 regularly scheduled meetings. All meetings included in-camera sessions without management present.
Independence	4 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 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 Committee reviews the nomination of new director candidates in consultation with the Chair of the Board.

Audit Committee

Members	Tom Milroy (Chair) Eddie McMillan Curt Stevens Doug Whitehead
Meetings in 2018	4 regularly scheduled meetings. All meetings included in-camera sessions without management present. The committee also met independently with the Company's external auditor 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, external auditor and information technology. The Audit Committee also reviews the risks and risk management strategy of the Company. The Audit Committee is responsible for overseeing the external auditor, regularly reviews its qualifications and experience, reviews its fees and any non-audit services provided by it, and recommends its appointment to the Board. 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, 2018, which is available on our website (www.interfor.com) and under the Company's profile on SEDAR (www.sedar.com).

Environment & Safety Committee

Members	Jeane Hull (Chair) Gord MacDougall Curt Stevens Lawrence Sauder
Meetings in 2018	4 regularly scheduled meetings. All meetings included in-camera sessions without management present.
Independence	4 members, 100% independent.

The Environment & Safety Committee is mandated to monitor the Company's ongoing commitment to its principles, values and policies regarding environment and safety matters. The Committee ensures that management develops, implements and maintains an effective environmental management system and health and safety policy. The 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 Committee also reviews the Company's disclosure of environmental issues and policies.

Management Resources & Compensation Committee

Members	Gillian Platt (Chair) Eddie McMillan Lawrence Sauder Doug Whitehead
Meetings in 2018	4 regularly scheduled meetings. All meetings included in-camera sessions without management present.
Independence	4 members, 100% independent.

The MRCC is comprised of independent directors with the experience and knowledge to effectively govern human resources and compensation matters of the Company. 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 making recommendations for 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 of the Company’s pension plans, the performance of its pension funds, the training and development plans for candidates for key management positions, the Company’s disclosure of executive compensation information and the competitiveness of the Company’s compensation levels.

COMPENSATION

This section discusses compensation governance, our director and executive compensation programs, and the decisions affecting executive pay for 2018.

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 2018:

		$
Chair of the Board		
	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 be redeemed only when a termination of position has occurred. In the event of a termination of position, vested DSUs either will be redeemed at the Fair Market Value of the Shares they represent 30 days after the date of such termination (for U.S. DSU holders), or will be redeemable until December 1st of the year following the year in which the termination of position occurred. 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 of 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, 2018 until December 31, 2018, 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. DSUs granted to directors in payment of their annual retainer vest immediately.

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.

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 for non-executive directors is currently $375,000. See page 45 of the Information Circular for details of the Share ownership requirement of the CEO.

The following table shows the actual Shares and DSU holdings, and required value of the Share and DSU ownership, as of December 31, 2018 for all of the independent directors standing for election at the Annual Meeting.

	Number of Shares Held(1)	Number of DSUs Held	Total Shares and DSUs Held	Value of Shares and DSUs Held(2)	Value of Holdings Required	Date Required
Jeane L. Hull	-	29,018	29,018	$458,950	$375,000	Dec. 31, 2019
Rhonda Hunter(3)	-	-	-	-	n/a	n/a
Gordon H. MacDougall	15,000	83,633	98,633	$1,373,958	$375,000	Dec. 31, 2019
J. Eddie McMillan	-	46,445	46,445	$646,979	$375,000	Dec. 31, 2019
Thomas V. Milroy	15,000	18,134	33,134	$462,872	$375,000	Feb. 11, 2021
Gillian L. Platt	-	9,101	9,101	$168,771	$375,000	Oct. 1, 2021
Lawrence Sauder	345,274	73,124	418,398	$5,828,284	$375,000	Dec. 31, 2019
Curtis M. Stevens	-	4,708	4,708	$83,117	$375,000	May 3, 2023
Douglas W.G. Whitehead	17,000	38,513	55,513	$773,296	$375,000	Dec. 31, 2019

(1) The number of Shares held, including Shares directly or indirectly beneficially owned or under the control or direction of such nominee.
(2) 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 $13.93 per Share or DSU held, being the Fair Market Value of Shares as at December 31, 2018.
(3) Ms. Hunter is standing for election as a director of the Company for the first time.

Director Total Compensation

The following table sets out the total director compensation for the year ended December 31, 2018.

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
	$	$	$	$	$	$	$	$
Jeane L. Hull	60,000	75,000	-	-	-	-	9,000	144,000
Peter M. Lynch[(5)]	17,033	25,549	-	-	-	-	4,000	46,582
Gordon H. MacDougall	60,000	75,000	-	-	-	-	2,000	137,000
J. Eddie McMillan	53,407	75,000	-	-	-	-	13,000	141,407
Thomas V. Milroy	9,890	125,000	-	-	-	-	7,000	141,890
Gillian L. Platt	56,593	75,000	-	-	-	-	2,000	133,593
Lawrence Sauder	100,000	150,000	-	-	-	-	2,000	252,000
Curtis M. Stevens[(6)]	-	83,104	-	-	-	-	14,000	97,104
Douglas W.G. Whitehead	55,110	75,000	-	-	-	-	-	130,110

(1) The total compensation of the CEO, Mr. Davies, is set out in the Summary Compensation Table on page 46 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.
(5) Mr. Lynch ceased to be a director of the Company on May 3, 2018.
(6) Mr. Stevens was appointed as a director of the Company on May 3, 2018.

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, 2018.

	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
	#	$		$	#	$	$
Jeane L. Hull							
DSUs					-	-	$404,221
Peter M. Lynch[3]							
DSUs					-	-	$749,768
Gordon H. MacDougall							
DSUs					-	-	$1,165,008
J. Eddie McMillan							
DSUs					-	-	$646,979
Thomas V. Milroy							
DSUs					-	-	$252,607
Gillian L. Platt							
DSUs					-	-	$126,777
Lawrence Sauder							
DSUs					-	-	$1,018,617
Curtis M. Stevens[4]							
DSUs					-	-	$65,582
Douglas W.G. Whitehead							
DSUs					-	-	$536,486

(1) The outstanding Share-based and option-based awards of the CEO, Mr. Davies, are set out in the table on page 47 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 but can only be redeemed when a termination of position has occurred. The number of DSUs currently held by directors standing for election at the Annual Meeting, is shown in the director profiles starting on page 9 of this Information Circular.
(3) Mr. Lynch ceased to be a director of the Company on May 3, 2018.
(4) Mr. Stevens was appointed as a director of the Company on May 3, 2018.

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, 2018. 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]	
	$	$	$	$
Jeane L. Hull	-	75,000	-	-
Peter M. Lynch[5]	-	25,549	-	-
Gordon H. MacDougall	-	75,000	-	-
J. Eddie McMillan	-	75,000	-	-
Thomas V. Milroy	-	125,000	-	-
Gillian L. Platt	-	75,000	-	-
Lawrence Sauder	-	150,000	-	-
Curtis M. Stevens[6]	-	83,104	-	-
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 48 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 2018. These amounts are included in the Director Total Compensation Table on page 32 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 2018, in addition to those received in lieu of the annual director and chair retainers. In 2018, there were no direct grants of DSUs to the Directors under the DSU Plan.
(5) Mr. Lynch ceased to be a director of the Company on May 3, 2018.
(6) Mr. Stevens was appointed as a director of the Company on May 3, 2018.

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 requiring executives to own Shares to more fully align management with the interests of Shareholders.

Compensation Philosophy

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 their 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, former CFO, and the three other highest paid executive officers (collectively the "**Named Executive Officers**" or "**NEO**") is expected to come from performance-related incentive compensation. In 2018, the Company's Named Executive Officers were Duncan K. Davies, Martin L. Juravsky, Ian M. Fillinger, J. Barton Bender, Mark W. Stock, and John A. Horning.

Goals of Compensation Program

The goals of the Company's compensation program are as follows:

- pay for performance – place a significant proportion of total compensation at-risk based on Interfor's financial results;
- align interests of management with Shareholders; and
- attract, retain and motivate key talent.

Overview of 2018 Compensation Results

(a) Base Salary

In May 2018, the Board approved an increase to Mr. Davies' salary from $750,000 to $825,000 based on competitive benchmarking against the Comparator Group (defined on page 37 of this Information Circular) and to recognize Mr. Davies' strong performance.

Mr. Juravsky was appointed Senior Vice President & Chief Financial Officer in February 2018. His annual base salary was increased from $420,000 to $450,000. Mr. Fillinger was appointed Senior Vice President & Chief Operating Officer in February 2018. His annual base salary was increased from $420,000 to $450,000.

Mr. Bender's and Mr. Stock's annual base salaries were increased in 2018 to $420,000 and $360,000, respectively, in recognition of their strong performance and competitive benchmarking against the Comparator Group.

(b) Short Term Incentives

In 2018, Interfor generated Adjusted EBITDA before Short Term Incentive Plan ("**STIP**") expense of $304,129,000, which translated into a company performance multiplier of 182.6% of target. The target Adjusted EBITDA for 2018 was $215,219,000. Details of the STIP design can be found on page 39 of this Information Circular.

(c) Presidents Awards

In respect of 2018, no Presidents Awards were awarded to any Named Executive Officers.

(d) Long Term Incentives

The target award under the Total Shareholder Return Plan ("TSR Plan") for the CEO was increased from 125% to 150% in 2016 and to 175% of base salary in 2017, as a result of competitive benchmarking of CEO compensation undertaken by Towers Watson.

In 2018, the MRCC approved an increase in Mr. Fillinger's target under the TSR Plan from 60% to 90% of base salary following his appointment as Chief Operating Officer, as a result of the same benchmarking exercise provided by Towers Watson, adjusted for inflation. Mr. Bender's target award was also increased to from 60% to 75%, in recognition of his strong performance and competitive benchmarking against the Comparator Group.

For all Named Executive Officers, the 2016 TSR grant was issued with a performance period start price of $14.06 on January 1, 2016. The performance period end price was $13.93 on December 31, 2018, representing a -0.3% compound annual growth rate. This falls below the 5% threshold, triggering a 50% of target payout.

Payouts to Named Executive Officers for the 2016 TSR grant ranged in value from $89,166 to $557,298.

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 Shares: short sales, monetization of equity-based awards (stock options, performance share units ("**PSUs**"), DSUs) before vesting, transactions in derivatives on 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 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.

Clawback Policy

The Company has a clawback policy that 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, should restated financial results represent an increase in earnings of the Company. The policy applies to all incentive awards granted by the Company on or after July 30, 2015.

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. In 2018, the Company added three companies to its comparator group, in place of two companies that were removed in 2016 and 2017 after they were acquired.

Following this adjustment, the Company used the **following** Canadian and US based forest companies as its comparator group for 2018 (the "**Comparator Group**"):

Comparator Companies	Criteria for Selection
Canfor Corporation Cascades Inc. Norbord Inc. Resolute Forest Products Inc. Stella-Jones 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 Building Materials Holdings Corp. Louisiana-Pacific Corporation Potlatch Deltic Corporation Rayonier Inc. Rayonier Advanced Materials Universal Forest Products Inc.	• US based forestry companies • geographical competitors for executive talent • traded on NYSE or NASDAQ; access to executive compensation information

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

Executive Compensation-Related Fees

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 TSR Plan. The Company retained Towers Watson to provide executive compensation-related advice in 2016. In 2017 and 2018, Towers Watson was not retained to perform any executive compensation-related work. Towers Watson has not performed any other work for the Company, its affiliates, directors or members of management.

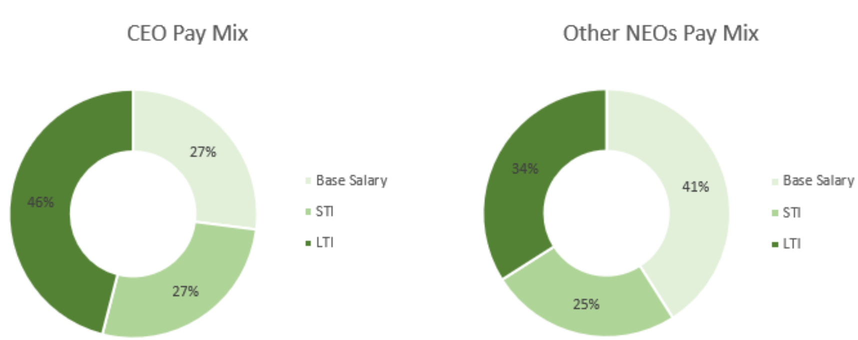
Executive Officer Diversity

The Company has adopted a formal Diversity Policy, which is described on page 24 of this Information Circular under the heading "Board Diversity".

The Company has not yet set measurable objectives for achieving gender diversity and will consider establishing measurable objectives in the future. The Company does not currently support fixed numbers or percentages for any selection criteria, because the composition of the executive team is based ultimately on the skills, experience, character and behavioural qualities that are most important in determining the value that an individual would bring to the executive team. Currently, none of the executive officers of the Company or its subsidiaries are female.

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 44 of this Information Circular. The Company's executive compensation plan is designed to provide industry and market competitive pay. The following chart depicts the 2018 components of total compensation, as well as the desired mix assuming at-target performance by a Named Executive Officer.



Fixed Compensation *Base salary*	27-41%
At-risk compensation *Short-term incentives* • Short-term Incentive Plan • Discretionary President's Award • Other Discretionary Bonuses *Long-term incentives* • TSR Plan	59-73%

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, internal equity, 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.

Non-Equity Incentives

Short-term incentive compensation primarily comes in the form of awards under the Company's non-equity incentive compensation plans, which include awards granted under the STIP, discretionary President's Awards and other discretionary bonuses.

(a) Short-term Incentive Plan

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 STIP for salaried employees, including the Named Executive Officers. Each Named Executive Officer is assigned a target bonus with reference to competitive benchmarking against the Comparator Group. 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. For fiscal 2018, the MRCC established an Adjusted EBITDA target, excluding STIP expense, that was expected to generate a 21% return on invested capital. At the end of the year, actual Adjusted EBITDA, excluding STIP expense, was compared to the Target Adjusted EBITDA and the STIP bonus was based on Interfor's financial performance as calculated according to the following table:

	Below Threshold	Threshold	Target	Maximum
Actual Adjusted EBITDA compared to Target	< 60%	60%	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 is achieved, then between 0% and 120% of an individual's target bonus amount can be 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 2018, the target bonus percentages were 100% of base salary for Mr. Davies, 65% of base salary for the other Named Executive Officers and 50% of base salary for Mr. Horning.

(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.

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 2018.

Equity-based Incentives

Equity-based incentive plan compensation may take the form of PSUs under the TSR Plan, Share Appreciation Rights ("**SARs**"), DSUs and Stock Options. Commencing in 2004, a Named Executive Officer either received a grant under the Share Appreciation Rights Plan ("**SAR Plan**") or the TSR Plan, but not both. Since 2013, none of the Named Executive Officers have received SARs. Since 2001, none of the Named Executive Officers have received Stock Options. Equity-based 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-based 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) 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.

The Company amended the TSR Plan in 2011 in the following ways:

- the maximum payout level was lowered to 150% from 200%, and a minimum payout of 50% was introduced; and
- PSUs were utilized instead of target cash awards, based on a percentage of salary.

The drivers to review and amend the TSR Plan were:

- concern around key executive retention given the cyclicality of the industry;
- attraction and retention of the next generation of executives; and
- industry-specific risk.

Under the terms of the TSR Plan, at the beginning of each performance period, a participant is granted a target number of PSUs. The number of PSUs granted to a participant is determined by multiplying the participant's target award percentage as indicated in the table on page 42 of this Information Circular by the participant's annual base salary and then dividing it by the Fair Market Value of the Shares at the beginning of the performance period. For example, a $1,443,750 target award value for the CEO (175% of annual base salary) divided by a $13.93 Share price would result in a target number of 103,643 PSUs being granted to the CEO ($1,443,750/$13.93). At the end of the performance period, the Company's total shareholder return is evaluated against minimum, target and maximum compound annual growth rates ("**CAGR**"). The number of PSUs paid out at the end of the performance period, is based on actual results compared to such minimum, target and maximum growth rates using the following pay-performance scale:

Pay-Performance Level	**Performance Goal (Absolute 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 at the end of the performance period, is determined by the number of PSUs paid out, 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 $13.93 to $24.00 over the performance period, resulting in a greater than 15% compounded annual growth, then the value the CEO would earn is $3,731,148 (103,643 PSUs x 150% (for maximum performance) x $24.00). If, however, the Fair Market Value only increased to $15.00, resulting in compound annual growth below the 5% minimum, the value the CEO would earn is $777,323 (103,643 PSUs x 50% (the minimum percentage) x $15.00).

The MRCC annually approves the target award granted to each eligible Named Executive Officer (except in the case of the CEO) at the beginning of the performance period, 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 granted to 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 is paid in cash. 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 range of PSUs that a Named Executive Officer may be paid out under the terms of the TSR Plan:

Name	Performance Period Until Payout (3 Years Ending)	Grant Date and Fair Market Value of Shares[(1)]	Target Award Number of PSUs Granted	Target Award Value[(2)]	Target Award (Expressed as a Percentage of Annual Base Salary)	Range of Potential Future PSU Payouts		
						Minimum	Target	Maximum
Duncan K. Davies[(3)]	Dec 31, 2019	Feb 9, 2017 $15.25	86,634	1,312,500	175%	43,317	86,634	129,951
	Dec 31, 2020[(4)]	Feb 8, 2018 $23.26	67,807	1,443,750	175%	33,904	67,807	101,711
	Dec 31, 2021	Feb 7, 2019 $17.93	103,643	1,443,750	175%	51,822	103,643	155,465
Martin L. Juravsky	Dec 31, 2019	Feb 8, 2017 $14.99	24,950	378,000	90%	12,475	24,950	37,425
	Dec 31, 2020	Feb 7, 2018 $23.25	19,249	405,000	90%	9,625	19,249	28,874
	Dec 31, 2021	Feb 6, 2019 $17.81	29,074	405,000	90%	14,537	29,074	43,611
Ian M. Fillinger	Dec 31, 2019	Feb 8, 2017 $14.99	16,634	252,000	60%	8,317	16,634	24,951
	Dec 31, 2020	Feb 7, 2018 $23.25	19,249	405,000	90%	9,625	19,249	28,874
	Dec 31, 2021	Feb 6, 2019 $17.81	29,074	405,000	90%	14,537	29,074	43,611
J. Barton Bender	Dec 31, 2019	Feb 8, 2017 $14.99	13,861	210,000	60%	6,931	13,861	20,792
	Dec 31, 2020	Feb 7, 2018 $23.25	14,971	315,000	75%	7,486	14,971	22,457
	Dec 31, 2021	Feb 6, 2019 $17.81	22,613	315,000	75%	11,307	22,613	33,920
Mark W. Stock	Dec 31, 2019	Feb 8, 2017 $14.99	11,881	180,000	60%	5,941	11,881	17,822
	Dec 31, 2020	Feb 7, 2018 $23.25	10,266	216,000	60%	5,133	10,266	15,399
	Dec 31, 2021	Feb 6, 2019 $17.81	15,506	216,000	60%	7,753	15,506	23,259
John A. Horning[(5)]	Dec 31, 2019	Feb 8, 2017 $14.99	29,703	450,000	90%	14,852	29,703	44,555
	Dec 31, 2020	Feb 7, 2018 $23.25	21,388	450,000	90%	10,694	21,388	32,082
	Dec 31, 2021	-	-	-	-	-	-	-

(1) The Fair Market Value of the Shares on the Grant Date is used solely for the accounting valuation of PSUs granted. In contrast, the number of PSUs granted to a participant for a performance period, and the CAGR over the performance period of such grant, is based on the Fair Market Value of the Shares at the beginning of that performance period.
(2) The Target Award Value is calculated by multiplying the target number of PSUs granted by the Fair Market Value of the Shares at the beginning of that performance period.
(3) The grant date for Mr. Davies' PSUs are usually one day later than the grant date for the other NEOs' PSUs, as a result of Board and MRCC meetings having been held on different dates.
(4) Includes an additional 5,426 PSUs granted to Mr. Davies on May 1, 2018 with a Fair Market Value of $24.19 in association with his increase in base salary.
(5) Mr. Horning retired as an employee effective January 1, 2019. As a result, he did not receive a TSR award in 2019.

(b) 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 Stock Options granted under the Stock Option Plan, less any Shares issued or issuable pursuant to Stock Options granted under Company's previous stock option plan.

A total of 1,631,740 Shares, representing approximately 2.4% of the Company's issued and outstanding Shares, are reserved for possible issuance under the Stock Option Plan. As of the date of this Information Circular, there are 500,421 Stock Options granted and outstanding, or 0.7% of the Company's outstanding Shares.

Under the Stock Option Plan, the Board may grant Stock Options to directors, employees and service providers of the Company or its subsidiaries. The terms of any such Stock 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 Stock Option is granted. Vesting conditions are set at the discretion of the Board. Stock 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 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 maximum number of Shares issuable, at any time, to Stock Option Plan participants that are Reporting Insiders (as such term is defined under applicable Canadian securities laws); or issued to participants that are Reporting Insiders within a one-year period; pursuant to Stock Options or any other Share compensation arrangement of the Company shall not, in aggregate, exceed 10% 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 Stock 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 2018, the MRCC approved grants of 103,721 Stock Options. In February 2019, the MRCC approved grants of 125,568 Stock Options. None of the 2018 or 2019 Stock Options were granted to the Named Executive Officers. The annual burn rates for 2016, 2017 and 2018, calculated in accordance with section 613 of the TSX Company Manual, were 0.19%, 0.22% and 0.15%, respectively.

All Stock Options granted under the Stock Option Plan have been granted with an exercise price equal to the closing price of the Shares on the immediately preceding trading day and may be exercised for a term of up to 10 years from the date they were granted. The Stock Option grant expires on the earlier of 10 years after the date of the grant, 30 days after termination of employment other than retirement, or one year after death. All outstanding Stock 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%

(c) Deferred Share Unit Plan

The DSU Plan, described on page 30 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). Prior to January 1, 2016, Named Executive Officers could defer TSR awards to the DSU plan but the option to do so is no longer available due to a change in Canadian Revenue Agency policy. In 2018, no DSUs were granted to any employees, including any Named Executive Officers.

(d) Share Appreciation Rights 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 receive an annual long term incentive grant only from 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 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 of employment 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.

In 2018, no SARs were granted to any employees including the Named Executive Officers.

As of December 31, 2018, SARs granted that had not expired or been cancelled totaled 2,804,891 of which 2,433,767 had been exercised. At December 31, 2018, 20,000 of the outstanding SARs were held by the Named Executive Officers.

Indirect Compensation Benefits

Indirect compensation includes participation in the retirement plans described more fully on page 49, as well as benefits available to all salaried employees of the Company such as extended health and dental care, life insurance and disability benefits. For details of executive insurance benefits received, please see page 46.

EXECUTIVE SHARE OWNERSHIP REQUIREMENTS

The Company's minimum Share ownership requirement was introduced for certain executive officers to strengthen the link between the interests of executive officers and Shareholders, thereby demonstrating the ongoing alignment of their interests with the interests of Shareholders. Each such executive officer is required to meet the minimum Share ownership requirement within five years of their date of hiring or promotion into a relevant role, and to maintain the minimum Share ownership requirement throughout their employment by Interfor. In the event that a Share price change or an increase in an executive officer's annual base salary results in that executive officer ceasing to meet the minimum Share ownership requirement, that officer will be required to meet the increased minimum Share ownership requirement within two years of the change. The following table shows the actual Shares and DSU holdings for Named Executive Officers, as of December 31, 2018 and the value of their required holdings.

	Minimum Ownership Requirement (as a multiple of base salary)	Number of Shares Held(1)	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(3)	Meets Minimum Share Ownership Requirement
Duncan K. Davies	3 times	241,100	161,355	402,455	$5,606,198	$2,475,000	Yes
Martin L. Juravsky	2 times	39,200	25,685	64,885	$903,848	$900,000	Yes
Ian M. Fillinger	2 times	9,500	18,412	27,912	$399,968	$900,000	No(4)
J. Barton Bender	1 time	26,491	-	26,491	$397,965	$420,000	No(5)
Mark W. Stock	1 time	4,700	15,370	20,070	$300,521	$360,000	No(6)
John A. Horning	2 times	-	80,000	80,000	$1,114,400	$1,000,000	Yes

(1) The number of Shares held includes Shares directly or indirectly beneficially owned or under the control or direction of each Named Executive Officer.
(2) The value is determined as the higher of: (i) actual purchase price of Shares or the grant date Fair Market Value of DSUs awarded, and (ii) $13.93 per Share or DSU held, which is the Fair Market Value of the Shares as at December 31, 2018.
(3) The value of the Share ownership requirement is based upon the indicated multiple of annual base salary in effect as of December 31, 2018.
(4) Mr. Fillinger's requirement was increased to $900,000 February 2018 in connection with his promotion to Chief Operating Officer. The deadline for Mr. Fillinger to meet his minimum Share ownership requirement is February 7, 2023.
(5) Mr. Bender's requirement was increased to $420,000 on February 7, 2018. The deadline for Mr. Bender to meet his minimum Share ownership requirement is April 1, 2020.
(6) Mr. Stock's requirement was increased to $360,000 on February 7, 2018. The deadline for Mr. Stock to meet his minimum Share ownership requirement is February 7, 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, 2016, December 31, 2017 and December 31, 2018.

It should be noted that the Share Based Awards for 2016, 2017 and 2018 relate to awards of PSUs under the TSR Plan for the performance periods with end dates of December 31, 2018, 2019 and 2020, respectively. The amounts shown represent the fair value of the awards at the grant dates and do not represent the actual value of the payout to be received upon maturity of the awards.

Name and Principal Position	Year	Salary	Share Based Awards (1)	Option Based Awards	Non-Equity Incentive Plan Compensation		Pension Value(3)	All Other Compensation (4)	Total Compensation (5)
					Annual Incentive Plans(2)	Long-term Incentive Plans			
	$	$	$	$	$	$	$	$	$
Duncan K. Davies(6) President & CEO	2018	825,000	1,646,737	-	1,506,450	-	268,189	101,729	4,348,105
	2017	750,000	940,867	-	1,519,200	-	129,443	120,955	3,460,465
	2016	750,000	508,426	-	438,900	-	77,315	88,186	1,862,827
Martin L. Juravsky Senior Vice President & Chief Financial Officer	2018	443,750	465,172	-	534,105	-	86,926	5,114	1,535,067
	2017	405,416	270,963	-	389,928	-	66,737	2,283	1,135,327
	2016	350,000	94,907	-	260,930	-	32,915	3,541	742,293
Ian M. Fillinger Senior Vice President & Chief Operating Officer	2018	443,750	465,172	-	534,105	-	89,053	67,589(8)	1,599,669
	2017	415,833	180,649	-	407,652	-	72,752	130,623(8)	1,207,509
	2016	400,000	108,466	-	300,640	-	38,915	2,698	850,719
J. Barton Bender Senior Vice President, Sales & Marketing	2018	405,417	361,790	-	498,498	-	76,300	5,000	1,347,005
	2017	350,000	150,534	-	339,710	-	54,087	1,903	896,234
	2016	344,887	94,907	-	210,930	-	31,090	3,541	685,355
Mark W. Stock Senior Vice President, HR & IT	2018	347,500	248,089	-	427,284	-	63,527	3,274	1,089,674
	2017	300,000	129,031	-	291,180	-	37,823	1,767	759,801
	2016	300,000	81,347	-	125,400	-	23,315	3,288	533,350
John A. Horning Executive Vice President	2018	500,000	516,863	-	250,000	-	847,525(7)	12,883	2,127,271
	2017	500,000	322,582	-	422,000	-	71,855	7,348	1,323,785
	2016	500,000	203,373	-	209,000	-	50,915	9,198	972,486

(1) Share Based Awards consist of PSU awards made under the TSR 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.

(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, 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 primarily represent premiums paid on life insurance. Amounts of $43,336, $60,419, and $40,843 are included for Mr. Davies in 2016, 2017, and 2018, respectively, related to long term disability coverage premiums. Refer to note 8 for additional detail.

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

(7) The Company contributed $750,000 to Mr. Horning's Supplementary Pension Plan account on December 31, 2018, as part of a structured plan to ensure the orderly transfer of his duties after the announcement of his retirement.

(8) Mr. Fillinger was paid hardship allowances of $96,000 and $32,000 in 2017 and 2018, respectively, for extensive travel and time away from home.

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, 2018.

	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(3)	Market or Payout Value of Share-based Awards that have not Vested(4)	Market or Payout Value of vested Share-based Awards not paid out or distributed
	#	$		$	#	$	$
Duncan K. Davies							
PSUs					154,441	1,075,682	557,298(5)
DSUs					-	-	2,247,675(6)
Martin L. Juravsky							
PSUs					44,199	307,846	104,029(5)
DSUs					-	-	357,792(6)
SARs	20,000	9.18	26-Feb-2023	95,000	-	-	-
Ian M. Fillinger							
PSUs					35,883	249,925	118,893(5)
DSUs					-	-	256,479(6)
J. Barton Bender							
PSUs					28,832	200,815	104,029(5)
Mark W. Stock							
PSUs					22,147	154,254	89,166(5)
DSUs					-	-	214,104(6)
John A. Horning							
PSUs					51,091	355,849	222,922(5)
DSUs					-	-	1,114,400(6)

(1) Commencing in 2004, a Named Executive Officer either received a grant under the SAR Plan or the TSR Plan, but not both.
(2) Option Exercise Price for SARs represents the base price of the SARs.
(3) These values represent the target number of PSUs.
(4) 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 PSUs granted and not yet vested, by the pay performance percentage calculated as of December 31, 2018 and by $13.93, being the Fair Market Value of the Shares as at December 31, 2018.
(5) These values represent amounts vested in 2018 under the TSR Plan.
(6) These values reflect the value of DSUs held by the executive officers at December 31, 2018, calculated by multiplying the number of DSUs held by $13.93, being the Fair Market Value of the Shares as at December 31, 2018. 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, 2018 is shown on page 45 of this Information Circular.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the incentive plan awards vested for each Named Executive Officer for the fiscal year ended December 31, 2018.

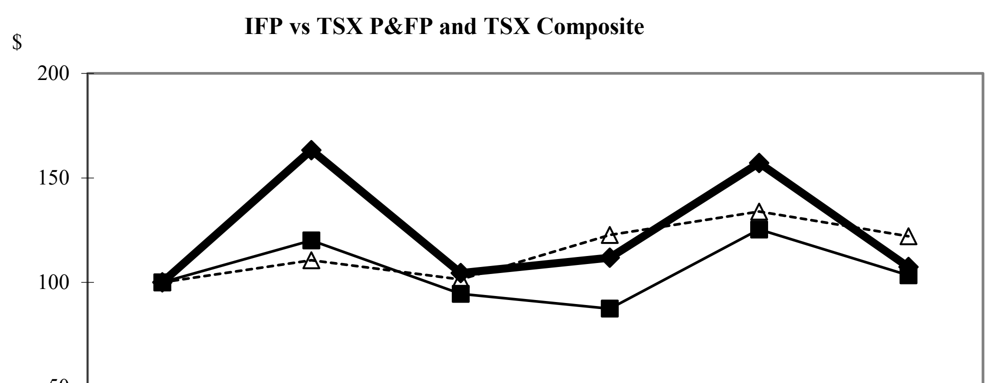
Name	Option Awards – Value Vested During the Year $	Share Based Awards – Value Vested During the Year $	Non-Equity Incentive Plan Compensation - Value Earned During the Year $
Duncan K. Davies	-	557,298(1)	1,506,450
Martin L. Juravsky	64,268(2)	104,029(1)	534,105
Ian M. Fillinger	-	118,893(1)	534,105
J. Barton Bender	-	104,029(1)	498,498
Mark W. Stock	-	89,166(1)	427,284
John A. Horning	-	222,922(1)	250,000

(1) TSR award for the 2016-2018 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 on December 31, 2013, in the S&P/TSX Composite Total Return Index and $100 invested in the TSX Paper and Forest Products Total Return Index.

Performance Graph



	2013	2014	2015	2016	2017	2018
Interfor	100.0	163.3	104.5	111.8	157.1	107.3
TSX P&FP Total	100.0	120.1	94.5	87.4	125.3	103.4
TSX Comp Total	100.0	110.6	101.4	122.7	133.9	122.0

As the total shareholder return grew significantly from 2013 to 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 that triggered above-target STIP payouts. In 2015 Interfor experienced a decline in EBITDA and Share price, which directly impacted NEOs' total compensation. 2016 and 2017 were positive years for the Share price and NEO compensation reflects the gains made. The share price declined in the second half of 2018 as a result of a drop in lumber prices, however strong EBITDA performance in the first half of 2018 resulted in significant payouts under the STIP and an increase in the NEOs' total compensation. Interfor outperformed the TSX Paper and Forest Products total return index and underperformed the TSX Composite total return index over the period presented.

EQUITY COMPENSATION PLAN INFORMATION

As at December 31, 2018, the Company has reserved the following Shares for possible issuance under its Stock 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(2)
Equity Compensation Plans Approved by Shareholders	413,276	$16.75	1,210,757

(1) Securities reflected in the table are options to acquire Shares of the Company.
(2) Excludes Shares reflected in the first column of this table.

RETIREMENT PLANS

The Company sponsors a group Registered Retirement Savings Plan ("**RRSP**") and a group Deferred Profit Sharing Plan ("**DPSP**") for all of its Canadian salaried employees. The plan provides such employees with an opportunity to make voluntary contributions to a the RRSP, which can include a spousal plan, of up to 6% of the employee's base salary and bonuses, up to a maximum of $13,115 in respect of 2018. The Company matches employee contributions up to 6% with contributions to the DPSP. In Canada, the RRSP/DPSP combined limit in respect of 2018 was $26,230. All Named Executive Officers 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 were entitled to make voluntary contributions to the Company's 401(k) Plan up to a total maximum of $18,500 in respect of 2018. Employees age 50 and over may contribute a "catch-up" amount of $6,000 per year for a maximum deferral of $24,500 in respect of 2018. The Company makes a matching contribution to participant accounts of up to 4% of an employee's compensation with a maximum match of $11,000 in respect of 2018. 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 participate in the 401(k) plan.

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 residents (the "**Canadian SERP Plan**"), and a SERP Plan in the US for US residents (the "**US SERP Plan**"). 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 Plan, 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* (Canada) limits for years up to and including 2001 and twelve percent thereafter. The accumulated value of the Canadian SERP Plan is secured by bank letters of credit. For the US SERP Plan, the contribution is equal to twelve percent of a participant's compensation reduced by their 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 later 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 a 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 2018, the resulting rate was 6.7%. The US SERP Plan participants may select from three reference investment funds on an annual basis. The reference investment fund choices mirror actual fund choices in the Company's 401(k) Plan.

The following table sets out information regarding the SERP Plans.

Name	Accumulated Value at Start of 2018 $	Compensatory $	Accumulated Value at End of 2018 $
Duncan K. Davies	2,255,783	255,074	2,670,539
Martin L. Juravsky	161,024	73,811	248,097
Ian M. Fillinger	242,167	75,938	336,874
J. Barton Bender	94,423	63,185	166,051
Mark W. Stock	107,228	50,412	166,512
John A. Horning(1)	1,125,889	834,410	2,038,561

(1) The Company contributed $750,000 to Mr. Horning's SERP on December 31, 2018, as part of a structured plan to ensure the orderly transfer of his duties after he announced his retirement as CFO.

TERMINATION AND CHANGE OF CONTROL BENEFITS

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. A change of control of the Company 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 Company's assets within a one year period, more than half of the slate of persons proposed for election as directors being nominated by a Shareholder or 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 Shareholders acting in concert.

Interfor has a double-trigger requirement in place with respect to cash benefits payable following a change of control. This means that two events must occur before any change of control benefits are payable: a change of control of the Company and the termination without cause of the Named Executive Officer's employment.

The table below summarizes the compensation that would be paid to the Named Executive Officers upon termination of employment without cause, either within two years after a change of control of the Company, or before a change of control if, before the termination of the Named Executive Officer, substantive discussions had commenced or an agreement had been entered into that led to the change of control.

Change of Control & Termination	Base Salary	Short Term Incentives	Long Term Incentives	Benefits	Pension / Other
Change of control and involuntary termination not for cause, or NEO terminates after constructive dismissal of their employment or compensation is changed or reduced to their detriment	Lump sum cash payment equal to two times annual base salary, car allowance, and Company retirement plan contributions	Lump sum cash payment equal to two times the average annual bonus plus a prorated average annual bonus amount in respect of the year in which termination occurs	All rights or options to purchase Shares or receive cash payments under the Company's incentive compensation plans at the date of termination will immediately vest or become exercisable, and will continue to be held on the same terms & conditions as if the NEO continued to be employed by the Company, except that the rights or options shall be exercisable immediately	Continuation of all benefits and perquisites for two years after termination	Lump sum cash payment which, after deducting income tax at the highest applicable rates, would be equal to the invested amount that provides the same after-tax pension benefits that the NEO would have been entitled to receive under the SERP, if his employment had continued for two more years Career counselling, relocation support comparable to senior executives of similar status

The following table sets out the estimated payments that would have resulted if there had been a change of control and termination without cause as of December 31, 2018.

Named Executive Officer	Severance Period (Months)	Annual Base Salary ($)	Payment in Respect of Salary, Bonuses and Benefits ($)	Payment in Respect of PSUs ($)(1)	Payment in Respect of Supplementary Pension ($)	Total Change of Control Payments ($)(2)
Duncan K. Davies	24	825,000	4,318,114	1,075,682	896,471	6,290,267
Martin L. Juravsky	24	450,000	1,872,902	307,846	257,219	2,437,967
Ian M. Fillinger	24	450,000	1,879,530	249,925	354,356	2,483,811
J. Barton Bender	24	420,000	1,723,666	200,815	247,507	2,171,988
Mark W. Stock	24	360,000	1,436,484	154,254	254,234	1,844,972
John A. Horning (3)	24	500,000	1,726,484	355,849	468,416	2,550,749

(1) The amount payable in respect of PSUs awarded under the TSR Plan is based on the assumption that the performance period ended on December 31, 2018 and on the Fair Market Value of the Shares on the TSX as at December 31, 2018.
(2) Based on the trigger event having occurred on December 31, 2018.
(3) Mr. Horning retired as an employee effective January 1, 2019 and is no longer eligible for any change of control payments.

Each of the following Named Executive Officers has contractual rights to severance in the event of an involuntary termination without cause, in the absence of a change of control:

Named Executive Officer	Total Severance Payment ($)(1)(2)
Martin L. Juravsky	637,500
Ian M. Fillinger	900,000
J. Barton Bender	525,000
Mark W. Stock	540,000

(1) 12 months' base salary, plus an additional one month per year of completed service, up to a maximum of 24 months.
(2) Based on the trigger event having occurred on December 31, 2018.

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 their change of control or severance agreements.

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.

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 PSUs awarded (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 be payable to any Named Executive Officer in relation to any PSU 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, 2018, is shown in the table above. For more information on the TSR Plan, please see page 40 of this Information Circular.

As disclosed in the table on page 45 of this Information Circular, five of the Named Executive Officers held DSUs as at December 31, 2018. Such DSUs were received either through elections made by the Named Executive Officer to receive payments in DSUs under the TSR Plan or by direct grants 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, 2018. 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 30 and 44 of this Information Circular.

OTHER INFORMATION

AGGREGATE INDEBTEDNESS

As of March 13, 2019, no executive officer, director, employee or former executive officer, director or employee is indebted to the Company or any of its subsidiaries.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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 that 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, other than, in each case, "routine indebtedness" (as defined under applicable securities laws) or which was entirely repaid before the date of this Information Circular.

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 described in this Information Circular, 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.

NORMAL COURSE ISSUER BID

On March 4, 2019, the Company announced the renewal of its normal course issuer bid ("**NCIB**"), which will allow for the purchase during the twelve-month period commencing on March 7, 2019 and ending on March 6, 2020 of up to 6,652,006 Shares, which represents 10% of the Company's public float as at March 4, 2019. Under the previous NCIB, which expired on March 6, 2019, the Company was authorized to purchase 6,934,356 Shares, and purchased 2,792,640 Shares at a weighted average price of $16.02 per Share in open market transactions through the facilities of the TSX or other Canadian alternative trading systems.

Under TSX rules, the Company will be allowed to purchase daily a maximum of 118,468 Shares, representing 25% of the average daily trading volume of 473,874 common shares over the six-month period ending February 28, 2019, subject to certain exemptions for block purchases. All purchases will be made through open market transactions through the facilities of the TSX or other Canadian alternative trading systems and will conform to their rules and regulations. The price to be paid by Interfor for any Shares will be the market price at the time of acquisition. All Shares purchased pursuant to the NCIB will be cancelled.

The Company has also entered into an automatic securities purchase plan agreement with a securities broker under which the broker will act as the Company's agent to acquire Shares under the NCIB during the Company's scheduled blackout periods in the course of the NCIB. Purchases by the broker under the NCIB during these periods will be made at the broker's discretion, subject to certain parameters established by Interfor prior to each period with respect to price and number of Shares.

Shareholders may obtain, without charge, a copy of the notice of the NCIB filed by the Company with the TSX, by contacting the Corporate Secretary at the contact details under the heading "Additional Information" below.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.interfor.com. Financial information is provided in the Company's consolidated financial statements and management's discussion and analysis for its most recently completed financial year. These documents can be downloaded from the Company's website and the Company will provide to any Shareholder, 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 13th day of March, 2019.

"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) 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.

INTERFOR®