

ANNUAL INFORMATION FORM

Prepared as of February 9, 2023

In this Annual Information Form, the term "Company", "Interfor", "we" or "our" means Interfor Corporation together with its subsidiaries. The financial results reported herein have been prepared in accordance with International Financial Reporting Standards. All information in this Annual Information Form is presented as at December 31, 2022, and all amounts are in Canadian Dollars, unless otherwise specified herein.

FORWARD LOOKING INFORMATION

This Annual Information Form contains forward-looking information about the Company's business outlook, objectives, plans, strategic priorities and other information that is not historical fact. A statement contains forward-looking information when the Company uses what it knows and expects today, to make a statement about the future. Forward-looking information is included under the headings "Recent Developments", "Manufacturing and Timber Supply", "Sales and Marketing", "Environment", "Research and Development" and "Risk Factors". Statements containing forward-looking information may include words such as: will, could, should, believe, expect, anticipate, intend, forecast, projection, target, outlook, opportunity, risk or strategy.

Readers are cautioned that actual results may vary from the forward-looking information in this report, and undue reliance should not be placed on such forward-looking information. Risk factors that could cause actual results to differ materially from the forward-looking information in this report are described in Interfor's annual Management's Discussion & Analysis under the heading "Risks and Uncertainties", which is available on www.interfor.com and under Interfor's profile on www.sedar.com. Material factors and assumptions used to develop the forward-looking information in this report include the existence of a public health crisis; volatility in the selling prices for lumber, logs and wood chips; the Company's ability to compete on a global basis; the availability and cost of log supply; natural or man-made disasters; currency exchange rates; changes in government regulations; Indigenous reconciliation; the softwood lumber trade dispute between Canada and the U.S.; environmental impacts of the Company's operations; labour disruptions; and information systems security.

Unless otherwise indicated, the forward-looking information in this report is based on the Company's expectations at the date of this report. Interfor undertakes no obligation to update such forward-looking information or statements, except as required by law.

DESCRIPTION OF THE BUSINESS

Interfor is a growth-oriented forest products company with operations in Canada and the United States. The Company has annual lumber production capacity of approximately 5.2 billion board feet and offers a diverse line of lumber products to customers around the world.

The Company has sawmilling operations in B.C., Ontario, Quebec and New Brunswick in Canada and in Washington, Oregon, Georgia, South Carolina, Arkansas, Mississippi, Alabama and Louisiana in the United States.

COMPANY HISTORY AND DESCRIPTION

Our business originated in the 1930's with a sawmill in Whonnock, about 48 kilometres east of Vancouver, B.C. Since that time, we have made significant investments to expand, upgrade and diversify our production facilities and timber base through capital programs and the acquisition of manufacturing plants and timber resources.

The Company was incorporated under the *Company Act* (British Columbia) on May 6, 1963 and, on December 1, 1979, was amalgamated with subsidiary Whonnock Forest Products Limited. On January 1, 1988, a change in name from Whonnock Industries Limited to International Forest Products Limited occurred. On February 10, 2006, we transitioned under the *Business Corporations Act* (British Columbia). Effective on May 6, 2014, the Company's name was changed to Interfor Corporation. Our head office, principal address and records office are located at Suite 1600, 4720 Kingsway, Burnaby, B.C., V5H 4N2.

The Company's significant indirectly wholly-owned subsidiary, Interfor U.S. Inc., is incorporated in the State of Washington and owns and operates our U.S. sawmills. Interfor U.S. Timber Inc. and Interfor Cedarprime Inc. (both incorporated in the State of Washington) are also indirectly wholly owned subsidiaries of Interfor.

The Company's direct wholly-owned subsidiary, Interfor East Ltd., is incorporated in B.C. and wholly owns EACOM Timber Corporation, also a B.C. company. EACOM Timber Corporation owns and operates our Ontario and Quebec manufacturing facilities and woodlands divisions. Interfor East Ltd. is also the sole limited partner of Chaleur Forest Products Limited Partnership, a Manitoba limited partnership, and the sole shareholder of Chaleur Forest Products GP Inc. and Chaleur Forest Products Inc., both New Brunswick companies. The Chaleur entities own and operate our sawmills and woodlands division in New Brunswick.

Other directly wholly-owned subsidiaries of the Company include Interfor U.S. Holdings Inc. (incorporated in Washington), Interfor Sales & Marketing Ltd. (incorporated in B.C.) and Interfor Japan Ltd. (incorporated in B.C.).

RECENT DEVELOPMENTS

2020

On February 18, 2020, Interfor announced that it had priced US\$50 million in long-term debt financing with Prudential Private Capital. The senior secured notes carry an annual interest rate of 3.34% and have a final maturity in 2030. On March 20, 2020, Interfor announced that it had priced an additional US\$50 million in long-term debt financing with Prudential Private Capital, in the form of senior secured notes with an annual interest rate of 3.25% and a final maturity in 2030. The total US\$100 million financing closed on March 26, 2020.

On March 9, 2020, after receiving consent from the Government of B.C., Interfor completed the purchase from Canadian Forest Products Ltd. ("Canfor") of two replaceable timber licenses with annual cutting rights of approximately 349,000 cubic metres, an interest in a non-replaceable forest license and other related forestry assets in the Adams Lake area of the B.C. Interior, for total cash consideration of \$56.6 million.

On September 14, 2020, Interfor announced that it had entered into an agreement to sell its specialty sawmill located in Gilchrist, Oregon. The transaction closed on October 29, 2020.

On November 11, 2020, the Company commenced a Normal Course Issuer Bid ("NCIB") for the twelve-month period ending on November 10, 2021, to purchase for cancellation up to 6,672,658 common shares, which represented 10% of the Company's public float as at November 5, 2020.

The Company purchased the full allowance of 6,672,658 common shares under the NCIB at an average price of \$26.56 per share. All purchased common shares were cancelled.

2021

On March 12, 2021, the Company concluded the acquisition of sawmill operations in Summerville, South Carolina from WestRock Company for total consideration of US\$58.6 million.

On May 6, 2021, the Company announced strategic capital investments at its sawmills in Castlegar, B.C. and Perry, Georgia of approximately \$35 million and US\$30 million, respectively, with completion of the projects expected in the second quarter of 2023 and the fourth quarter of 2023, respectively.

On May 12, 2021, Interfor's Board of Directors declared a one-time special cash dividend of \$2.00 per share, which was paid on June 28, 2021 to shareholders of record on May 28, 2021. The special dividend resulted in an aggregate distribution of \$130.6 million.

On July 9, 2021, the Company concluded the acquisition of four sawmill operations located in Bay Springs, MS, Fayette, AL, DeQuincy, LA and Philomath, OR from Georgia-Pacific Wood Products LLC and GP Wood Products LLC. The Company paid total consideration of US\$372.0 million. This acquisition added high quality assets with 720 million board feet of annual lumber production capacity, increasing Interfor's total capacity by approximately 23% to 3.9 billion board feet. Interfor subsequently restarted operations at the sawmill in DeQuincy, LA on January 9, 2022 and the sawmill reached its full production run-rate in Q3 2022. The sawmill was idled in May 2020 by its previous owner at the outset of the COVID-19 pandemic.

On August 5, 2021, the Company announced US\$230 million of strategic investments at its Thomaston, Summerville and Georgetown sawmills as well as several other targeted upgrades with completions expected through 2025. These investments are expected to grow annual lumber production by about 250 million board feet and further optimize conversion costs, improve lumber recovery, and enhance grade and product mix.

On November 11, 2021, the Company commenced a NCIB for the twelve-month period ending on November 10, 2022, to purchase for cancellation up to 6,041,701 common shares, which represents 10% of the Company's public float as at November 4, 2021. The Company purchased the full allowance of 6,041,701 common shares under the NCIB at an average price of \$37.60 per share. All purchased common shares were cancelled.

On December 17, 2021, the Company completed an early renewal and expansion of its Revolving Term Line. The commitment under the facility was increased by \$150 million to a total of \$500 million, and the term was extended from March 2024 to December 2026.

2022

On February 22, 2022, the Company acquired 100% of the equity interests of EACOM Timber Corporation from an affiliate of Kelso & Company. The acquisition includes seven sawmills with a combined annual lumber production capacity of 985 million board feet, an I-Joist plant with annual production of 70 million linear feet, and a value-added remanufacturing plant with annual production capacity of 60 million board feet. The Company paid total consideration of \$729.3 million and the Company assumed EACOM's countervailing ("CV") and anti-dumping ("AD") duty deposits at closing.

On April 22, 2022, Interfor released its fifth annual Sustainability Report, which provides detailed information on the Company's commitments and actions, including a number of new targets and enhanced metrics. Sustainability is at the core of Interfor's culture and integrated within its strategy, and the targets set represent an ongoing commitment to take strong action to enhance performance. Interfor's Sustainability Report can be found at www.interfor.com/sustainability.

On May 2, 2022, a wholly-owned subsidiary of the Company acquired a total of 28,684,433 common shares in the capital of GreenFirst Forest Products Inc. (TSX: GFP) from Rayonier A.M. Canada G.P., which represents approximately 16.2% of GreenFirst's issued and outstanding common shares. The Company paid total cash consideration of \$55.6 million.

On May 13, 2022, the Company completed the sale of its Acorn specialty sawmill located near Vancouver, B.C. and related working capital to an affiliate of San Industries Ltd. for cash consideration of \$25.2 million. With this sawmill sale completed, Interfor no longer has any lumber manufacturing assets within the Coastal B.C. region. The Company also announced a strategic review of its remaining Coastal B.C. operations, which consist solely of timber harvesting and sales related to its 1.67 million cubic metres of annual harvesting rights. Any alternatives, including disposition of harvesting rights, will be subject to consultation with First Nations and consent from the Government of B.C.

On July 26, 2022, Interfor announced a substantial issuer bid ("SIB") pursuant to which the Company offered to purchase up to \$100.0 million in value of its outstanding common shares for cancellation from holders of common shares for cash. The SIB proceeded by way of a "modified Dutch auction" procedure with a tender price range from \$29.00 to \$34.00 per common share. On September 12, 2022, the Company purchased for cancellation 3,355,704 common shares for total consideration of \$100.0 million at a price of \$29.80 per share.

On November 11, 2022, the Company commenced a NCIB for the twelve-month period ending on November 10, 2023, to purchase for cancellation up to 5,105,002 common shares, which represents 10% of the Company's public float as at October 28, 2022. There were no common shares purchased under this NCIB during 2022.

On November 30, 2022, the Company acquired 100% of the equity interests in the entities comprising Chaleur Forest Products from an affiliate of the Kilmer Group. The acquisition includes two sawmill operations located in Belledune and Bathurst, New Brunswick with a combined annual lumber production capacity of 350 million board feet, and a woodlands management division based in Miramichi, New Brunswick that manages approximately 30% of the total Crown forest in New Brunswick. The Company paid total consideration of \$383.7 million and the Company assumed Chaleur's CV and AD duty deposits at closing.

On December 1, 2022, the Company issued US\$200 million in additional long-term debt financing with Prudential Private Capital. The senior secured notes carry an annual interest rate of 7.06% and have a final maturity in 2033. All other terms remain consistent with Interfor's existing senior secured notes.

On December 16, 2022, the Company completed an expansion of its Revolving Term Line. The commitment under the facility has been increased by \$100 million to a total of \$600 million.

See "Legal Proceedings" for a description of developments related to the softwood lumber dispute.

MANUFACTURING AND TIMBER SUPPLY

We operate twelve sawmills in Canada located in B.C., Ontario, Quebec and New Brunswick, one I-Joist plant in Ontario, one value-added remanufacturing plant in Quebec and a woodlands management division in New Brunswick. We operate seventeen sawmills in the U.S. located in Washington, Oregon, Georgia, South Carolina, Arkansas, Mississippi, Alabama and Louisiana and one value-added remanufacturing plant in Sumas, Washington. These operations produce a wide range of products for sale in North American and offshore markets. The products range from commodity structural lumber through to engineered wood products and specialty products.

The mills can cut logs of various species and grades. Many of our manufacturing facilities have recently been upgraded and modified to improve the matching of timber resources with our customers' lumber requirements.

Rated capacity and production of lumber for each region is set out in the following table:

Sawmills	Present Rated Capacity (1)	Production for years ended December 31,		
		2022	2021	2020
		(millions of board feet)		
B.C. Coast ⁽²⁾⁽⁷⁾	-	19	56	59
B.C. Interior	750	632	690	625
Eastern Canada ⁽⁶⁾⁽⁸⁾	1,335	717	-	-
U.S. Northwest ⁽³⁾⁽⁵⁾	770	631	600	459
U.S. South ⁽⁴⁾⁽⁵⁾	2,335	1,793	1,545	1,234
Total	5,190	3,792	2,891	2,377

- (1) Based on two shifts per day and adjusted for regional operating parameters as of December 31, 2022.
- (2) Volumes include lumber custom-cut at third party facilities under the direction of Interfor management amounting to 4 million board feet in 2020.
- (3) On October 29, 2020, Interfor sold its specialty sawmill, located in Gilchrist, Oregon. The mill ceased lumber production in July 2020.
- (4) On March 12, 2021, Interfor concluded the acquisition of sawmill operations in Summerville, SC.
- (5) On July 9, 2021, Interfor concluded the acquisition of four sawmill operations located in Bay Springs, MS, Fayette, AL, DeQuincy, LA and Philomath, OR.
- (6) On February 22, 2022, Interfor concluded the acquisition of seven sawmills, an I-Joist plant and a value-added remanufacturing plant located in Ontario and Quebec.
- (7) On May 13, 2022, Interfor sold its Acorn specialty sawmill, located near Vancouver, B.C. With this sawmill sale completed, Interfor no longer has any lumber manufacturing assets within the Coastal B.C. region.
- (8) On November 30, 2022, Interfor concluded the acquisition of two sawmill operations and a woodlands management division located in New Brunswick.

CANADIAN OPERATIONS

B.C. Interior

We own and operate three sawmill operations within the B.C. Interior region with timber tenures having a total AAC of 1.84 million cubic metres. Our Adams Lake operation is located near Kamloops, B.C., while our Castlegar and Grand Forks operations are located in the southern interior of B.C. These mills manufacture kiln-dried lumber for the U.S. and Canadian construction markets as well as for offshore markets, and have the capability to cut Douglas-fir, spruce-pine-fir, fir-larch, western red cedar and hemlock dimension lumber. The Adams Lake and Castlegar operations include systems for transporting logs on Adams Lake and Arrow Lakes, respectively.

Eastern Canada

We own and operate nine sawmill operations, with timber tenures having a total AAC of 4.7 million cubic metres, one I-Joist plant, one value-added remanufacturing plant and a woodlands management division within the Eastern Canada region. Our Elk Lake, Nairn Centre and Timmins operations are located in Ontario and these mills produce spruce-pine-fir dimension lumber.

Our Ear Falls and Gogama mills in Ontario, Val-d'Or and Matagami mills in Quebec and our Belledune and Bathurst mills in New Brunswick produce spruce-pine-fir stud lumber. These mills manufacture lumber for the U.S. and Canadian markets. The Sault Ste. Marie facility located in Ontario manufactures engineered wood I-Joists. The Sullivan remanufacturing mill located in Quebec produces bed frames and value-added products. The woodlands management division located in Miramichi manages approximately 30% of the total Crown forest in New Brunswick and provides a secure source of fibre supply for the sawmill operations in New Brunswick.

Canada Timber Supply

In Canada, Provinces provide for access to Crown forests for the purpose of harvesting timber through the granting of various forms of tenures. These tenure agreements provide timber harvesting rights in exchange for annual rent and stumpage fees payable to the Crown.

Interfor manages forest resources under our tenures in accordance with the requirements of the applicable laws and regulations. Forest management is guided by a team of forest professionals that are engaged in a wide array of activities such as resource planning, forest development, road building and harvesting, reforestation, forest protection and environmental certification.

Our timber supply needs are met by a combination of logs harvested from our own timber tenures, long-term trade and supply agreements and log purchases on the open market. Logging operations are seasonal due to several factors including weather, ground conditions and fire season restrictions.

B.C. Timber Supply

In the Province of B.C., the government or "Crown" owns 94% of the land from which the majority of the timber the Company consumes is harvested. Forest management and timber harvesting operations on Crown land in B.C. are regulated under the *Forest and Range Practices Act (British Columbia)* and the *Forest Act (British Columbia)*. The Government of B.C. is responsible for setting sustainable harvest levels, approving strategic level forest stewardship plans and cutting permits, determining the stumpage system and managing compliance and enforcement within the legislative framework.

The Company holds various Forest Licence, Tree Farm Licence and Timber Licence tenures that currently provide for an AAC of approximately 3.42 million cubic metres. The majority of Interfor's tenures are long-term (15 and 25 year) renewable agreements that are replaced every five to ten years.

In March 2020, the Company received regulatory approval for the transfer of tenures in the Kamloops Region from Canfor with a combined AAC of 349,000 cubic metres.

In November 2021, the Company received regulatory approval for the transfer of tenures with a combined AAC of 40,000 cubic metres in the Kamloops Region to the Simpcw First Nation.

In December 2021, the Company received regulatory approval for the transfer of a tenure with an AAC of 67,000 cubic metres in the Great Bear Rainforest North Timber Supply Area to the Wuikinuxv Nation.

In August 2022, the Company received regulatory approval for the transfer of a tenure with an AAC of 100,000 cubic metres in the Sunshine Coast region to the shíshálh Nation.

These transactions strengthen the forest sector as a whole by diversifying tenure holders and supporting full participation in the forest sector by Indigenous communities.

On the B.C. Coast, we harvest a variety of species consisting primarily of western hemlock, amabilis fir, western red cedar and Douglas-fir. In the B.C. Interior, the species mix consists primarily of spruce, pine, balsam fir, Douglas-fir, larch, hemlock, and western red cedar.

The following table shows the AAC under our tenures as well as the volume of timber harvested in the periods specified. It also presents the volume of log purchases and sales during the periods.

B.C. Timber Supply	Years ended December 31		
	2022	2021	2020
	(^000 m3)		
Allowable Annual Cut ⁽¹⁾			
– Forest Licences	2,477	2,626	2,734
– Tree Farm Licences	939	1,005	1,005
Total AAC	3,416	3,631	3,739
Log Production			
– Coast	389	295	651
– Interior	1,653	1,470	1,465
Total Log Production	2,042	1,765	2,116
Log Purchases	1,070	1,399	1,141
Log Sales	719	728	1,107

(1) AAC status at the end of each year (includes a provision for non-recoverable fibre).

Forest Health

The Mountain Pine Beetle (“MPB”) infestation has resulted in the mortality of a significant portion of the mature pine trees in the B.C. Interior. The greatest impact has been in the central interior region where there is a high percentage (over 60%) of pine in the forest. Interior operations are in the southern interior which have a much lower percentage of pine (less than 30%) and are less affected by the MPB. The longer-term timber supply effects of the MPB are not expected to have a significant impact on the Company’s operating areas.

Eastern Canada Timber Supply

Forestry on Crown lands in Ontario is governed by the provisions of the Crown Forest Sustainability Act (CFSA, 1994). The purpose of the CFSA is to provide for the sustainability of Ontario’s Crown forests and, in accordance with that objective, to manage the Crown forests to meet the social, economic and environmental needs of present and future generations. Sustainability with respect to this act means “long-term Crown forest health”. In Ontario, the Ministry of Natural Resources and Forestry is responsible for the long-term health of Crown forests. This responsibility is shared with forest product companies or groups of companies and communities.

As part of planning for sustainability in our forests, a 10-year forest management plan is prepared for each forest management unit in Ontario. The plan must be approved prior to any forestry activities taking place. The Government of Ontario is responsible for setting sustainable harvest levels, approving Sustainable Forestry Licences (“SFLs”), determining the stumpage system and managing compliance and enforcement within the legislative framework.

The Company holds two single-entity SFLs, is a shareholder in four cooperative SFLs and holds a number of Forest Resource Licences that provide for an AAC of approximately 3.08 million cubic metres. The majority of Interfor's tenures are long-term (20 year) renewable agreements. The primary species harvested are spruce, pine and balsam fir.

In the Province of Quebec, the government owns 92% of the land from which much of the timber the Company consumes is harvested. The forest regime was modified in April 2013 to transfer responsibility for the management planning and renewal of public forests to the Ministry of Natural Resources and Forestry. The Government of Quebec is responsible for setting sustainable harvest levels, approving cutting permits, determining the stumpage system and managing compliance and enforcement within the legislative framework.

The Company holds two supply guarantees with a combined AAC of 0.8 million cubic metres. The primary species harvested are spruce, pine and balsam fir.

Approximately 50% of the land base in New Brunswick is Crown lands which are managed under six Timber Licences. The amount of Crown timber available for use at wood processing facilities across the province is determined by the Crown Forest Management Plan under the authority of the Crown Lands and Forests Act. The Government of New Brunswick is responsible for setting sustainable harvest levels, approving cutting permits, determining the stumpage system and managing compliance and enforcement within the legislative framework.

The Company has entered into a renewable 25-year Forest Management Agreement with the Minister of Natural Resources and Energy Development for Timber Licence #3, which covers nearly 1 million hectares or 30% of the total Crown lands in New Brunswick. The Company is also a sub-licencee on two additional Timber Licences. The combined AAC of the licences is 0.8 million cubic metres and the primary species harvested are spruce, pine and balsam fir.

The following table shows the AAC under our tenures as well as the volume of timber harvested in 2022 since acquisition of operations in the region. It also presents the volume of log purchases and sales during the same period.

Eastern Canada Timber Supply	Year ended December 31
	2022
	('000 m3)
Allowable Annual Cut⁽¹⁾	
— Sustainable Forest Licences	1,185
— Forest Resource Licences	1,895
— Supply Guarantee	805
— Crown Timber Licences	615
— Crown Timber Sub-licences	191
Total AAC	<u>4,691</u>
Log Production	<u>2,590</u>
Log Purchases	<u>525</u>
Log Sales	<u>48</u>

(1) AAC status at the end of each year (includes a provision for non-recoverable fibre).

Forest Health

The Ontario government has completed two years of proactive spruce budworm management. To date the management has been effective and has not impacted timber supply or harvest opportunities.

In Quebec, a spruce budworm outbreak has impacted an area in the Abitibi-Témiscamingue Region where our Val-d'Or sawmill sources fibre. The government has reduced the AAC starting in 2023 to reflect the outbreak. The reductions are shared across all tenure holders in the Region. Active management is ongoing and impacts to timber supply are dependent on the success of the management strategies, however we do not currently anticipate any significant impact on lumber production volumes as a result of the outbreak.

The New Brunswick Department of Natural Resources and Energy Development ("DNRED") continuously evaluates the risk that insects and diseases pose to sustainable forest management values. When these risks exceed acceptable thresholds, management interventions are designed and implemented within an integrated pest management context. A variety of forest health surveys are conducted every year on both native and invasive insects and diseases, with analyses to support risk evaluations and planning activities. At the end of each year, DNRED compiles these results and publishes the Summary of Forest Pest Conditions in New Brunswick.

Indigenous Reconciliation

Indigenous peoples have claimed title and rights over substantial portions of Canada. Both the provincial and federal governments have been seeking to negotiate settlements with Indigenous peoples to address these claims, which includes a duty to consult with, and where appropriate, accommodate the interests of Indigenous peoples.

Interfor tenures overlap with the traditional territories of close to 100 different First Nations, and the Company has numerous agreements and initiatives in place to develop economic opportunities of mutual benefit. The Company is committed to working with Indigenous peoples and our forestry operations are conducted in accordance with our Indigenous Relations Policy. In addition, our operations in Ontario and Quebec have achieved Bronze level certification in the Progressive Aboriginal Relations Program of the Canadian Council for Aboriginal Business.

In November 2019, the government of B.C. passed legislation to start the process to reconcile provincial laws with the United Nations Declaration on the Rights of Indigenous Peoples ("UNDRIP"). This new legislation is a framework and commitment document that, over time through implementation, will provide mechanisms for consent-based decision making. While the Province retains authority for making decisions in the public interest, UNDRIP will result in an increased role of First Nations in resource-based activities.

On November 2, 2021, the B.C. government announced its intention to work in partnership with First Nations to temporarily defer harvest of up to 2.6 million hectares of old growth forests. In April 2022, the Province announced the deferral of 1.7 million hectares of old growth identified through partnership with First Nations. Interfor continues to work with First Nations and the Province and does not currently anticipate any significant impact on its lumber production volumes in B.C. as a result of the proposed old growth deferrals, though other impacts may arise depending on the nature and alignment of decisions by First Nations. Interfor's operations within the B.C. interior account for 14% of its total lumber production capacity.

In May 2018, the government of Ontario announced that it had signed historic resource revenue sharing agreements for forestry with First Nations. The communities included in the agreements include Grand Council Treaty #3, Wabun Tribal Council and Mushkegowuk Council, and commit Ontario to sharing 45% of government revenues from forestry stumpage.

In Quebec, the Nord-du-Quebec region is governed by a Paix des Braves agreement between the government and the Cree nation. The Algonquin comprise nine First Nations who live in communities located in the Outaouais and Abitibi-Témiscamingue regions of Quebec without a treaty.

In New Brunswick, there are fifteen First Nation communities that have commercial harvesting agreements with the Minister of Natural Resources and Energy Development. Approximately 5% of the total Crown Forest annual allowable harvest has been allocated under these agreements. Each First Nation community generates economic benefits from their Crown wood allocation through the harvesting and selling of the wood to local mills, including those owned by Interfor. First Nation communities may harvest the wood through their community members or contracting forestry companies. Through these agreements, the province shares royalties generated from the sale of the harvested Crown timber to each community which is used to support important community programs.

Furthermore, in June 2021, the federal government passed legislation respecting UNDRIP. The UNDRIP Act affirms UNDRIP as a universal international human rights instrument with application in Canadian law and provides a framework for the government of Canada to implement the UNDRIP. This framework will guide the changes required for implementation of federal laws to be consistent with the UNDRIP and the establishment of an action plan to achieve UNDRIP's objectives.

Engineered Wood Products

We own and operate an I-Joist plant in Sault Ste. Marie, Ontario that manufactures engineered wood I-Joists. The I-Joist plant buys hi-grade Black Spruce MSR lumber from both internal and external sources and oriented strand board from a variety of regional producers. External raw material supply is established based on long-term contracts.

U.S. OPERATIONS

U.S. Northwest

We own and operate four sawmill operations in the U.S. Northwest ("U.S. NW"). The sawmills located in Port Angeles, Washington and Molalla, Oregon produce Hemlock and Douglas-fir kiln-dried stud lumber. The Longview, Washington sawmill produces green Douglas-fir stud lumber. The Philomath, Oregon sawmill produces a mix of kiln-dried and green Hemlock and Douglas-fir dimensional lumber and timbers.

We also own and operate a value-added cedar remanufacturing facility in Sumas, Washington.

U.S. South

We own and operate thirteen sawmill operations in the U.S. South. Seven of these sawmills are located in Georgia (Baxley, Eatonton, Swainsboro, Thomaston, Preston, Perry and Meldrim), two are located in South Carolina (Georgetown and Summerville) along with one each in Alabama (Fayette), Mississippi (Bay Springs), Arkansas (Monticello) and Louisiana (DeQuincy). These sawmills produce southern yellow pine lumber in a range of dimensions from 2x4 through 2x12 products, with 4x4 products also produced at certain mills.

U.S. Timber Supply

U.S. Northwest

Timber supply in the U.S. NW is sourced from a broad distribution of forest land ownership (forest industrial lands, small private landowners and State and Federal lands). These sources represent a

long-term supply base from which mills purchase their timber supply. In 2022, approximately 80% of the log supply in the U.S. NW came from land that is owned by industrial and small private landowners, while the remainder was sourced from state, federal and tribal lands.

Our timber supply requirements at the Port Angeles sawmill are weighted almost evenly to western hemlock and Douglas-fir. At our Molalla and Philomath locations, Douglas-fir is the prominent species, with smaller volumes of western hemlock and white fir. At our Longview location, we only process Douglas-fir.

U.S. South

Timber in the U.S. South is sourced primarily from privately held timberlands with only minor volumes coming from publicly owned timberlands. Private timberland ownership includes non-industrial private owners, timber real estate investment trusts ("timber REITs") and various institutional investors such as pension funds, who are typically represented by a timberland investment management organization ("TIMOs"). Both timber REITs and TIMOs are considered industrial timberland owners. Interfor's sawmills in the U.S. South purchase timber comprised exclusively of southern yellow pine, originating from each of these sources.

The total 2022 log supply requirement for the mills in the U.S. was supplied from the following sources:

Sources of Timber 2022	U.S. Northwest	U.S. South
State, Federal and tribal lands	20%	1%
Industrial lands	60%	26%
Private lands	<u>20%</u>	<u>73%</u>
	<u>100%</u>	<u>100%</u>

SALES AND MARKETING

The following table shows our lumber sales by geographic area and total sales by product line for the past three years:

	Years ended December 31,		
	2022	2021	2020
	(thousands of dollars)		
Lumber and other wood products			
— U.S.A.	\$3,489,201	\$2,585,356	\$1,583,517
— Japan	34,054	56,611	68,652
— Canada	488,687	166,157	108,785
— China/HK/Taiwan	16,602	40,754	36,067
— Other export	51,175	64,786	29,401
Offshore transportation and handling	8,964	12,672	12,315
	<u>4,088,683</u>	<u>2,926,336</u>	<u>1,838,737</u>
Logs	186,360	141,858	170,916
Wood chips and other by-products	281,427	174,635	154,571
Other	27,575	46,317	19,385
Total sales	<u>\$4,584,045</u>	<u>\$3,289,146</u>	<u>\$2,183,609</u>

Lumber Sales

In North America, the demand for lumber is influenced by four distinct end use sectors. New home construction, repair and remodel, industrial and non-residential sectors all together substantially make up the total consumption of lumber. The level of demand from each of these end use sectors is influenced by macro-economic factors such as interest rates, foreign currency exchange rates, tariffs and weather. Micro-economic factors are also relevant to demand, such as housing starts, household formation rates, household balance sheets and affordability.

To mitigate many of these uncontrollable influences on the demand for lumber, diversification is an important element of our market strategy. Diversification is controllable and influenced by the regions that we manufacture lumber, the markets that we sell and distribution strategy we employ. Presently, we operate in four distinct regions within North America: B.C. Interior, Eastern Canada, U.S. NW and the U.S. South. Each region produces a slightly different product mix differentiated primarily by log species, size and grade. Strategically, we diversify where we ship our products to mitigate variability in demand. Finally, we access several levels of distribution within each market including retail stores, pro dealer lumber yards, distribution centers, lumber treaters, truss manufacturers and buying cooperatives.

To service our customers, we have Sales and Logistics support operating out of several offices. Our head office in Burnaby, B.C, provides sales and logistics services for our lumber products manufactured in B.C., Washington and Oregon. Our regional office in Montreal, QC provides sales and logistics services for our lumber products manufactured in Ontario, Quebec and New Brunswick. Our regional office in Peachtree City, GA provides sales and logistics services for our lumber products manufactured in the U.S. South and our office in Tokyo supports our customers in Japan. All together, these offices service our customers within North America and overseas.

Engineered Wood Product Sales

Wood I-Joists are sold primarily to lumber and building material distributors across the U.S. and Canada and are designed specifically for use in new construction of residential and light commercial structures. To service our customers, we have sales and logistic support out of our regional office in Montreal, Quebec.

Engineered wood I-Joists are marketed under the brand name P3 Joist, supported by all the necessary technical documents and guides. To enhance market penetration, we "private label" for major distribution customers.

Log Sales

We buy or trade logs through agreements and open market transactions and sell logs that are either unsuitable for cutting due to inappropriate size, grade, or species of log to suit market conditions and each mill's cutting profile or which are in excess of our manufacturing requirements.

Wood Chips and Other Residuals Sales

Our sawmills produce wood chips and other residuals as by-products of lumber production. Essentially all of our wood chips produced in Canada are sold under short and long-term contracts to pulp and paper plants. In general, wood chips produced in Canada are sold at current market prices for chips. Wood chips produced in New Brunswick are also used by third parties to create dissolving pulp supplying the apparel and textile industries.

Chips from our U.S. NW and U.S. South operations are sold to pulp and paper producers or fibre board manufacturers under short and long-term arrangements.

Other markets for our sawmill bark, sawdust and shavings residuals include mulch and garden products, medium density fibreboard plants, panelboard plants, pellet plants, biomass fibre fuel for heat and power and feedstock requirements for the export wood pellet industry.

DISTRIBUTION

We use various modes of surface transportation to deliver our lumber products. Shipments of lumber within North America are done by truck, rail and intermodal vans while shipments to export markets are done by container vessels. Chips and logs are normally delivered by truck or by tug and barge. In Grand Forks, B.C. Interfor owns a short line railroad that connects to Class 1 railroads for shipping lumber.

HUMAN RESOURCES

In B.C., we directly employ approximately 977 people in our logging and manufacturing operations and corporate offices. The Canadian United Steel Workers ("USW") is the certified bargaining agent for approximately 252 of these people. The agreement with the USW for the Southern Interior is in place and has an expiry date of June 30, 2023. The Canadian Merchant Service Guild represents 17 employees and their collective agreement expires March 31, 2027.

In Ontario and Quebec, we employ approximately 891 and 433 employees, respectively, in our sawmill and remanufacturing operations, and regional offices. Unifor National ("Unifor") is the certified bargaining agent for approximately 544 of these people employed in the Nairn Centre, Saulte Ste. Marie, Ear Falls, Matagami sawmills and Val d'Or planer mill. The collective agreement expires for Nairn Centre on February 28, 2027, Sault Ste. Marie on May 14, 2027, Ear Falls on April 30, 2026 and Matagami and Val d'Or on April 30, 2023. Confédération des syndicats nationaux ("CSN") is the certified bargaining agent for approximately 124 of these people employed in the Val d'Or sawmill and the CSN collective agreement expires on June 17, 2024. The United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union is the certified bargaining agent for approximately 169 of these people employed in the Gogama and Timmins sawmills. The collective agreement expires for the Timmins sawmill on August 31, 2025 and the Gogama sawmill on March 31, 2026.

Approximately 73 and 130 of the people employed in the Sullivan and Elk Lake sawmills, respectively, are under an employee association, managed directly by staff, and their agreement expires on November 30, 2023 and May 31, 2027, respectively.

The Company is also responsible for the collective bargaining of approximately 30 employees of the Matagami Forestry group, who are members of Unifor. These employees are employed by Resources Baie-Janes Inc., a contractor of the company in Quebec and the collective agreement expires on August 31, 2024.

In New Brunswick, we employ approximately 407 employees in our forestry management and manufacturing operations. Unifor is the certified bargaining agent for approximately 320 of these people employed in the Belledune and Bathurst sawmills. The collective agreement expires for the Belledune sawmill on December 31, 2025 and the Bathurst sawmill on December 31, 2024.

In the U.S., we employ approximately 2,700 employees in our sawmill and remanufacturing operations in Washington, Oregon, Georgia, Arkansas, South Carolina, Mississippi, Alabama, Louisiana and in our office located Peachtree City, Georgia. The International Association of Machinists ("IAM") is the certified bargaining agent for approximately 94 of these people employed in the Longview, WA sawmill. The IAM collective agreement expires on November 15, 2024.

Interfor is an industry leader in health and safety, and we believe nothing is more important than the safety of our employees.

ENVIRONMENT

Interfor's Environment Policy sets out our commitment to responsible stewardship of the environment. We maintain an Environmental Management System ("EMS") for all of our woodlands and manufacturing facilities. The EMS provides a structure for identifying, addressing and correcting environmental issues. Internal and external audits are performed regularly in both the woodlands and manufacturing operations to verify its effectiveness and identify opportunities to improve our systems.

Regulatory Compliance

Extensive provincial, state, federal or other laws and regulations apply to most aspects of our business activities. Interfor has incurred and will continue to incur, capital expenditures and operating costs to ensure compliance with environmental laws and regulations, including U.S. Maximum Achievable Control Technology and continuous monitoring requirements applicable to certain of our boilers.

Forest Management Certification

Interfor has achieved the internationally recognized Sustainable Forestry Initiative ("SFI") forest management certification for all of our woodlands operations. In addition, certain areas in Ontario and Quebec are certified by the Forest Stewardship Council ("FSC"). Independent third-party certification audits are conducted annually by KPMG Performance Registrar Inc in B.C. and SAI Global in Eastern Canada.

Chain of Custody and Responsible Purchasing

Interfor maintains SFI Chain-of-Custody certifications at certain mills that track logs coming from sustainably managed forests through the manufacturing process. In the US South, B.C., Ontario, and Quebec the mills are enrolled in the SFI Fibre Sourcing certification that promotes responsible forest practices from our log suppliers.

Continual Improvement

Each year a formal management review of the Company's sustainable forest management, fibre sourcing, and chain of custody programs and performance are completed as part of the process of continual improvement.

Ecosystem Based Management in the Great Bear Rainforest

Interfor is committed to and supports the Coastal First Nations, Nanwakolas Council and the Province of B.C in the shared objective of achieving implementation of Ecosystem Based Management ("EBM") in the Great Bear Rainforest. Interfor is continuing our long-term participation in the EBM Implementation Working Group.

Reforestation and Other Forestry-related Liabilities.

Crown legislation in certain jurisdictions requires the Company to complete reforestation activities on its forest and timber tenures. Accordingly, in those jurisdictions, Interfor records the estimated liability for reforestation as timber is cut and includes these expenses in the cost of current production. The estimate of future reforestation costs is based on detailed prescriptions of reforestation as prepared by Registered Professional Foresters employed or contracted by the Company. Considerations include the specifics of the areas logged and the treatments prescribed for those areas, as well as the timing and success rates of the planned activities. Estimates of

reforestation liabilities are reviewed annually or more frequently if required, and can be materially impacted by forest fires, wildlife grazing, unfavourable weather conditions, changing legislative requirements and standards, or inaccurate projections, which could result in a charge against operating earnings.

The Company also has a legal obligation to deactivate certain roads constructed for access to timber, once that access is no longer required. Accordingly, Interfor accrues the cost of road deactivation as related timber is cut, including those expenses in the cost of current production. The estimate of future road deactivation cost is based on comprehensive plans prepared by professional foresters and engineers employed by Interfor and includes such considerations as road structure and terrain. Estimates of road deactivation liabilities are reviewed annually or more frequently if required, and can be materially impacted by unfavourable terrain, changing legislative requirements and standards, or inaccurate projections, which could result in a charge against operating earnings.

HUMAN RIGHTS

Interfor's Human Rights Policy sets out our commitment to respecting the dignity, well-being and human rights of our employees, workers in our supply chain, and local communities. This policy is implemented through our respect of workers' rights, including freedom of peaceful assembly and association, collective bargaining, fair working hours and conditions, and fair compensation. Interfor is an equal opportunity employer committed to providing workplaces that are free from harassment and discrimination, and we promote a professional and inclusive work environment through our training programs, workshops and employee engagement. Our commitment is backed by a whistleblower hotline where employees can confidentially raise concerns.

We respect our employees' and local communities' right to a healthy environment through implementing our Environment Policy. Our forestry operations are guided by our *First Nations Partnerships: Objectives and Guiding Principles* guidelines, which recognize the UNDRIP, and to date, we've signed more than 80 individual agreements with at least 40 different First Nations partners and we're committed to further expanding First Nations representation in and benefit from the industry.

We encourage our partners, vendors, suppliers, haulers and other service providers, to uphold the principles in our Human Rights Policy. The Corporate Governance, Responsibility and Nominating Committee of our Board has oversight over corporate responsibility generally, including the implementation of our Human Rights Policy.

ENVIRONMENT, SOCIAL AND GOVERNANCE PRACTICES

Interfor is committed to building value through sound environmental, social, and governance practices. We are proud to be a company that provides sustainable and environmentally friendly forest products to our customers around the world.

In 2022, Interfor developed a company-wide Sustainability Strategy, defining a path that includes both aspirational goals and near-term targets to support our commitment to sustainable growth. In developing the strategy, we engaged with our executive, employees, and stakeholders and incorporated their feedback to identify the priorities that are the focus of our sustainability efforts: Safety, People and Climate.

The Company has established a structure to implement the strategy including Board of Directors oversight, an Executive Steering Committee and Sustainability Teams.

In 2022, the Company made significant progress on our greenhouse gas (“GHG”) reporting including development of a Scope 3 emissions inventory by GHG protocol Category and establishment of a base year reference. This work has enabled us to set a GHG reduction target that will be published in our next report.

In addition, our Sustainability Report provides detailed information on our commitments and actions including how we support and contribute to the UN Sustainable Development Goals. The report also includes details on Interfor’s practices and disclosures as recommended by the Task Force on Climate-related Financial Disclosures.

Additional information about our environmental work and third party certification is available on our website at www.interfor.com and in our sustainability report at www.interfor-sustainability.com.

RESEARCH AND DEVELOPMENT

We contribute to and participate in industry research organizations that have made numerous technical developments beneficial to us in areas such as sawing technology, drying techniques and anti-sap stain applications. We are committed to applied research and development in the areas of environment, health and safety, forest management, and product and market development. We also conduct product and market research on our own in Canada and the U.S.

RISK FACTORS

Discussion of risk factors relating to the Company and its operations is included under the heading Risks and Uncertainties within Interfor’s 2022 annual Management’s Discussion and Analysis prepared as of February 9, 2023 which is incorporated by reference herein and available on SEDAR at www.sedar.com.

CAPITAL STRUCTURE

The authorized share structure of the Company consists of:

- 150,000,000 common shares without Par Value with Special Rights and Restrictions; and
- 5,000,000 preference shares without Par Value with Special Rights and Restrictions.

As at February 9, 2023, there were 51,434,895 common shares outstanding. There were no preference shares outstanding.

Common Shares

Each holder of a common share is entitled to receive notice of and to attend and vote in person or by proxy at all meetings of the shareholders of the Company and is entitled to one vote for each such share held.

Each holder of a common share is entitled to receive such dividends as the directors may in their sole discretion declare from time to time. No holder of a common share will be entitled to any dividend other than or in excess of the dividends declared by the directors. Subject to any special rights or restrictions as to dividends attached to any preference shares issued and outstanding from time to time, the directors have the discretion to declare dividends on the common shares.

In the event of the liquidation, dissolution or winding-up of the Company or other distribution of its assets for the purpose of winding up its affairs, holders of the common shares will not receive any amount, property or asset, until the holders of the preference shares and any other class or series of shares entitled to receive assets of the Company in priority to the holders of the common shares, have first received the amount to which they are entitled. Thereafter, the holders of the

common shares will be entitled to all remaining property and assets of the Company on a share for share basis.

Preference Shares

The preference shares may be issued in one or more series. The directors may by resolution fix the number of preference shares in each series, determine the designation of the Preference shares of each series, and attach special rights and restrictions to the preference shares of each series.

The preference shares rank in priority over the common shares and any other shares ranking junior to the preference shares with respect to the payment of dividends and the distribution of assets of the Company in the event of the liquidation, dissolution or winding-up of the Company.

The registered holders of the preference shares shall not be entitled as a class to receive notice of or to attend or to vote at any meeting of shareholders of the Company, except in the event of matters affecting the priority rights or any other rights or restrictions attaching to the preference shares.

MARKET FOR SECURITIES OF THE COMPANY

The common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol IFP. The following table sets out the market price range and trading volumes of the common shares on the TSX for the periods indicated:

Toronto Stock Exchange (TSX)			
2022 Trading Volumes			
Ticker: IFP			
Month	\$ Low	\$ High	Volume
January	34.86	44.56	8,272,956
February	34.25	40.62	9,951,287
March	34.40	42.69	13,599,879
April	30.12	38.52	7,411,450
May	29.31	39.07	8,002,792
June	24.07	33.88	7,298,166
July	25.30	32.30	5,855,741
August	30.99	34.14	4,631,020
September	22.84	32.52	6,912,555
October	22.37	25.97	4,336,845
November	22.89	27.49	4,498,823
December	19.75	26.93	7,638,214

TRANSFER AGENT

The transfer agent for our common shares is Computershare Investor Services Inc. at its principal offices in Vancouver, B.C.

MATERIAL CONTRACTS

The following material contracts were entered into by the Company during or after 2022, or before 2022 but are still in effect:

1. Interfor 2022 Amended and Restated Credit Agreement, dated for reference December 16, 2022, between the Company and a syndicate of major banks co-led by RBC Capital Markets, TD Securities and Wells Fargo. This agreement increased the available line of credit and maximum borrowing available under the Company's revolving term line, up to a maximum principal amount of \$600 million.
2. Fifth Amended and Restated Note Purchase Agreement dated as of June 10, 2022 between the Company and the purchasers named therein, as amended on November 9, 2022, pursuant to which the Company issued an additional US\$200 million of Senior Secured Notes. Following completion of the financing, Interfor's Senior Secured Notes have a principal amount of US\$489.2 million with a weighted average interest rate of 5.30% and laddered maturities spanning 2023-2033.

Each of these contracts is available on www.sedar.com.

DIRECTORS AND OFFICERS**Directors of the Company**

As of February 9, 2023, the directors of Interfor are as follows:

Name and Municipality of Residence	Director Since	Positions Held and Principal Occupations during the Past 5 Years	From	To ⁽¹⁾
IAN FILLINGER Kamloops, BC, Canada	January 2020	President and Chief Executive Officer Interfor Corporation	2020	Present
		Senior Vice President & Chief Operating Officer Interfor Corporation	2018	2019
		Senior Vice President, Head of Operations Interfor Corporation	2015	2018
CHRISTOPHER GRIFFIN ⁽³⁾⁽⁴⁾ Chicago, IL, USA	August 2019	Director National Association of Manufacturers	2021	Present
		President and Chief Executive Officer USG Corporation, private building products manufacturer and distributor	2019	Present
		Chief Executive Officer Knauf Insulation	2016	2019
JEANE HULL ⁽²⁾⁽⁵⁾⁽⁶⁾ Rapid City, SD, USA	May 2014	Director Copper Mountain Mining Corporation (TSX: CMMC) (ASX: C6C)	2022	Present
		Director Coeur Mining, Inc. (NYSE: CDE)	2022	Present
		Director Trevali Mining Corporation (TSX: TV)	2021	2022
		Director Pretium Resources Inc. (TSX: PVG)	2019	2022

Name and Municipality of Residence	Director Since	Positions Held and Principal Occupations during the Past 5 Years	From	To ⁽¹⁾
		Director Epiroc AB (STO: EPI-A)	2017	Present
		Director Cloud Peak Energy Inc. (NYSE: CLD)	2016	2019
RHONDA HUNTER ⁽⁴⁾⁽⁶⁾ Newhope, AR, USA	May 2019	Director Schnitzer Steel Industries, Inc. (NASDAQ: SCHN)	2017	Present
		SVP, Timberlands Weyerhaeuser Company (NYSE:WY), a diversified forest products company	2013	2018
J. EDDIE McMILLAN ⁽³⁾⁽⁴⁾ Pensacola, FL, USA	October 2006	Independent Business Consultant	2002	Present
THOMAS V. MILROY ⁽⁵⁾⁽⁶⁾ Toronto, ON, Canada	February 2016	Director API Group Corporation (NYSE: APG)	2017	Present
		Director Generation Capital Limited, a private investment company	2015	Present
		Director Restaurant Brands International Inc. (TSX/NYSE: QSR, TSX: QSP)	2014	2018
GILLIAN PLATT ⁽³⁾⁽⁵⁾ Kelowna, BC, Canada	October 2016	Director CRH plc (LSE: CRH, ISE: CRG, NYSE: CRH), an Irish based building materials group	2017	Present
		Executive Vice President and Chief Human Resources Officer Finning International Inc. (TSX: FTT), a distributor of Caterpillar products and support services	2014	2016
E. LAWRENCE SAUDER ⁽⁷⁾ Vancouver, BC, Canada	April 1984	Director Metrie Canada Ltd. (formerly Sauder Industries Limited), a manufacturer and distributor of interior finishings	2010	Present
		Chair Metrie Canada Ltd. (formerly Sauder Industries Limited), a manufacturer and distributor of interior finishings	2010	2018
		Director and Chair ADENTRA Inc. (formerly Hardwoods Distribution Inc.) (TSX: ADEN), a distributor of wood products	2008	2021
CURTIS M. STEVENS ⁽⁵⁾⁽⁶⁾ Portland, OR, USA	May 2018	Director Quanex Building Products Corporation (NYSE: NX)	2010	Present
		CEO and Director Louisiana-Pacific Corporation (NYSE: LPX), a building material manufacturer	2012	2017

Name and Municipality of Residence	Director Since	Positions Held and Principal Occupations during the Past 5 Years	From	To ⁽¹⁾
THOMAS TEMPLE ⁽³⁾⁽⁴⁾ Kingston, WA, USA	August 2022	VP, Wood Products and Southern Resources PotlatchDeltic Corporation, a diversified forest products company	2008	2021
DOUGLAS W.G. WHITEHEAD ⁽³⁾⁽⁶⁾ West Vancouver, BC, Canada	April 2007	Director Belcorp Industries Inc.	2000	Present
		Director Kal Tire	2012	Present
		Director Finning International Inc. (TSX: FTT), a distributor of Caterpillar products and support services	2000	2019
		Chair Finning International Inc. (TSX: FTT), a distributor of Caterpillar products and support services	2008	2019

- (1) The directors of the Company are elected each year at the annual general meeting of the Company and hold office until the close of the next annual general meeting, or until their successors are elected or appointed.
- (2) Ms. Hull was the Executive Vice President and Chief Technical Officer of Peabody Energy Corporation ("Peabody") from April 2011 to July 31, 2015. Peabody filed for Chapter 11 bankruptcy protection on April 13, 2016 and emerged from Chapter 11 protection on April 3, 2017. From July 6, 2016 to October 24, 2019, Ms. Hull was a director of Cloud Peak Energy Inc., which filed for Chapter 11 bankruptcy protection on May 10, 2019 and received court approval for its plan to exit bankruptcy on December 5, 2019. From January 2021 to September 2022 Ms. Hull was a director of Trevali Mining Corporation, which obtained protection from the British Columbia Supreme Court under the Companies' Creditors Arrangement Act ("CCAA") in August 2022.
- (3) Member, Environment & Safety Committee
- (4) Member, Corporate Governance, Responsibility & Nominating Committee
- (5) Member, Audit Committee
- (6) Member, Management Resources & Compensation Committee
- (7) Chair of Board

Officers of the Company

As of February 9, 2023, the officers of Interfor are as follows:

Name and Municipality of Residence	Positions Held and Principal Occupations During the Past 5 Years	From	To
IAN FILLINGER Kamloops, BC, Canada	President & Chief Executive Officer Interfor Corporation	2020	Present
	Senior Vice President & Chief Operating Officer Interfor Corporation	2018	2019
	Senior Vice President, Head of Operations Interfor Corporation	2015	2018
RICHARD POZZEBON North Vancouver, BC, Canada	Executive Vice President & Chief Financial Officer Interfor Corporation	2022	Present

	Senior Vice President & Chief Financial Officer Interfor Corporation	2020	2022
	Vice President & Corporate Controller Interfor Corporation	2015	2020
BART BENDER West Vancouver, BC, Canada	Senior Vice President, Sales & Marketing Interfor Corporation	2015	Present
ANDREW HORAHAN Delta, BC, Canada	Executive Vice President, Canadian Operations Interfor Corporation	2022	Present
	Senior Vice President, Western Operations Interfor Corporation	2021	2022
	Vice President, Western Operations Interfor Corporation	2017	2021
BRUCE LUXMOORE Sharpsburg, GA, USA	Executive Vice President, U.S. Operations Interfor Corporation	2022	Present
	Senior Vice President, Southern Operations Interfor Corporation	2021	2022
	Vice President, Southern Operations Interfor Corporation	2017	2021
ÉRIC LAROUCHE Blainville, Quebec, Canada	Senior Vice President, Eastern Operations Interfor Corporation	2022	Present
	Vice President, Human Resources EACOM Timber Corporation	2019	2022
	Vice-President, Operations St-Gobain (formerly Kaycan Ltee)	2015	2018
TIMOTHY HARTNETT Fayetteville, GA, USA	Senior Vice President, Human Resources Interfor Corporation	2022	Present
	Senior Vice President, Off-Site Construction Louisiana-Pacific Corporation	2019	2021
	Vice President, Human Resources Louisiana-Pacific Corporation	2013	2019
XENIA KRITSOS Vancouver, BC, Canada	General Counsel & Corporate Secretary Interfor Corporation	2015	Present

As at February 9, 2023, the directors and officers of the Company as a group owned, directly or indirectly, or exercised control of or direction over 392,658 common shares representing approximately 0.76% of the outstanding common shares^[1].

[1] Based on Insider Reports filed on SEDI and holdings through the Interfor Employee Share Purchase Plan.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Since the commencement of our current financial year, and for the three most recently completed financial years, no director or executive officer of the Company, no person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of the Company's voting securities or any associate or affiliate of such persons, has had any material interest in any transaction involving the Company.

LEGAL PROCEEDINGS

Except as described below, we are not a party to, and our property is not the subject of, any material legal or regulatory proceedings during 2022, which are currently underway, or which we know to be contemplated.

Softwood Lumber Dispute

The 2006 Softwood Lumber Agreement ("SLA") between Canada and the U.S, expired on October 12, 2015. Following expiry of the one year moratorium on trade sanctions, in November 2016 a petition was filed by the U.S. Lumber Coalition and other petitioners seeking CV and AD duties on Canadian softwood lumber imports to the U.S. On January 6, 2017, a preliminary determination was announced by the U.S. International Trade Commission ("ITC") that there was reasonable indication that the U.S. industry is materially injured by imports of softwood lumber products from Canada and the U.S Department of Commerce ("DoC") imposed duties on Canadian shipments of softwood lumber into the U.S.

CV duties were imposed from April 28, 2017 until August 26, 2017 and from December 28, 2017 onwards. AD duties were imposed from June 30, 2017 through December 26, 2017 and from December 28, 2017 onwards. Since that time, the Company has been subject to AD and CV duties on its softwood lumber exports from Canada to the U.S., at the cash deposit rates applicable in each period. See Note 21(c) of our audited consolidated financial statements for the year ended December 31, 2022 for details of the applicable cash deposit and final duty rates.

The final amount and effective date of CV and AD duties that may be assessed on Canadian softwood lumber exports to the U.S. cannot be determined at this time and will depend on decisions yet to be made by any reviewing courts, USMCA or WTO panels to which the DoC and ITC determinations may be appealed. Until such time, The Company's duty deposits remain suspended from liquidation.

Interfor is of the view that the DoC's positions are without merit and politically driven. As such, Interfor is defending its position through various appeals processes, in conjunction with the Canadian provincial and federal governments.

INTEREST OF EXPERTS

KPMG LLP is the external auditor of the Company and has confirmed that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of Institute of Chartered Professional Accountants of British Columbia and the applicable rules and regulations thereunder.

AUDIT COMMITTEE INFORMATION

The Company's Audit Committee (the "Committee") is mandated to oversee the accounting and financial reporting processes of the Company and audits of its financial statements in accordance with the Board's objectives. The Committee's functions include:

- reviewing and, if appropriate, recommending approval by the Board of the Company's annual and quarterly financial statements, management's discussion and analysis and earnings press releases;
- reviewing and approving disclosures required to be included in the Company's Annual Information Form and Management Information Circular relating to the Audit Committee and audit and non-audit services and fees;
- reviewing the process for certification, and the certification, of the interim and annual financial statements by the Chief Executive Officer and Chief Financial Officer;
- reviewing all public disclosure containing financial results or financial information;
- reviewing matters related to internal controls over financial reporting of the Company and ensuring the Company has adequate internal controls procedures in place;
- reviewing the principal risks of the Company, other than the risks associated with the Company's compensation policies and practices, and ensuring that an effective risk management strategy is in place;
- reviewing the Company's derivatives policies and activities, including details of exposures to banks and other counterparties;
- overseeing the activities of and directly communicating with the Company's external auditor;
- satisfying itself that adequate procedures are in place for the review of the public disclosure of financial information extracted or derived from the Company's financial statements and periodically assessing the adequacy of those procedures;
- establishing and periodically reviewing the policies and procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submissions by the employees of the Company regarding questionable accounting or auditing matters;
- reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the former and present external auditor; and
- reviewing the Company's insurance programs, including the Company's directors' and officers' insurance coverage, and making recommendations for their renewal or replacement.

The Committee's Terms of Reference, attached as Appendix "A" to this Annual Information Form, sets out its duties and responsibilities.

The Committee met four times in 2022, in conjunction with regularly scheduled Board meetings.

Members' Financial Literacy, Expertise and Simultaneous Service

The Board of Directors has determined that the members of the Audit Committee during 2022 were, and all current members of the Audit Committee are, financially literate and independent as defined in *National Instrument 52-110 – Audit Committees*, including an Audit Committee member who has prior experience as the Chief Financial Officer of a public company. The table below indicates the relevant education and experience of each member of the Audit Committee:

Relevant Education and Experience

Director	Past Occupation
<p>Thomas V. Milroy Chair of the Audit Committee since May 2018</p>	<p>Mr. Milroy is a director of API Group Corporation (NYSE: APG) and serves as a member of the Nominating & Corporate Governance Committee and as Chair of the Compensation Committee. He is also a director of Generation Capital Limited, a private investment company. He also serves on the boards of a number of not-for-profit organizations, including the Centre for Addiction and Mental Health (CAMH), Evergreen, and Century Initiative. 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.</p>
<p>Jeane Hull Member since May 2021</p>	<p>Ms. Hull is currently a director of Copper Mountain Mining Corporation (TSX: CMMC) (ASX: C6C), Coeur Mining, Inc. (NYSE: CDE) and Epiroc AB (STO: EPI-A). Ms. Hull was formerly a director of Cloud Peak Energy Inc., Pretium Resources Inc. and Trevali Mining Corporation. 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, is Co-Chairperson for the Advisory Board for South Dakota School of Mines and Technology and previously served on the University of Wyoming School of Energy Resources Council. 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.</p>
<p>Gillian Platt Member since May 2021</p>	<p>Ms. Platt is a non-executive director and former 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.</p>
<p>Curtis M. Stevens Member since May 2018</p>	<p>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 B.A. in Economics and an M.B.A. with a concentration in Finance from the University of California at Los Angeles.</p>

AUDIT FEES

The Committee annually recommends the appointment of the Company's external auditors and approves the annual audit plan and compensation of the external auditors for all audit, audit related and non-audit services. In the case of non-audit services, the services and compensation are approved by the Committee before the services commence.

KPMG LLP, Chartered Professional Accountants, Vancouver, are the independent auditors of the Company. Fees paid or accrued to KPMG LLP for audit and other services for the years ended December 31, 2022 and 2021, were as follows:

	2022	2021
Audit fees Fees billed for professional services rendered.	\$1,282,435	\$879,867
Audit-related fees Audit-related fees consist principally of fees for professional services rendered with respect to an internal control engagement and audit of a defined benefit pension plan.	19,795	69,015
Tax fees Tax fees consist of fees for tax compliance services, planning, due diligence 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.	19,488	151,011
All Other fees Forestry certification.	72,305	82,452
TOTAL	<u>\$1,394,023</u>	<u>\$1,182,345</u>

CODE OF ETHICS

Interfor's code of ethics applies to all our directors, officers and employees. A copy of the code, entitled "Code of Conduct & Ethics", can be found on our website at www.interfor.com.

ADDITIONAL INFORMATION

Additional information relating to the Company, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the Company's Information Circular which will be issued for its upcoming annual meeting of shareholders that involved the election of directors.

Additional financial information about the Company is provided in the Company's audited consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2022.

Copies of the documents referred to above and additional information relating to the Company are available on SEDAR at www.sedar.com, on the Company's website www.interfor.com and may also be obtained upon request from:

Interfor Corporation
 General Counsel & Corporate Secretary
 1600 - 4720 Kingsway
 Burnaby, British Columbia
 Canada, V5H 4N2
 Telephone: 604 422 3400
 E-mail: corporatesecretary@interfor.com

Appendix "A"

**AUDIT COMMITTEE
Terms of Reference****PURPOSE**

The Audit Committee has been established by the Board and under powers delegated to it by the Board is mandated to oversee the accounting and financial reporting processes of the Company and audits of its financial statements in accordance with the Board Objective.

COMPOSITION AND TERM OF OFFICE

1. The Audit Committee shall consist of four or more Directors.
2. All members of the Audit Committee shall be independent within the meaning of *National Instrument 52-110* ("**NI 52-110**").
3. All members must be financially literate within the meaning of NI 52-110 or become financially literate within a reasonable period following appointment and at least one member should have accounting or related expertise.
4. The Chair of the Audit Committee along with other Audit Committee members will be appointed annually by the Board following the AGM to hold office until the next AGM, unless any member becomes unable to serve or is removed by the Board. A casual vacancy may be filled and additional members may be appointed at any time by the Board to hold office until the next AGM.
5. A quorum shall consist of a simple majority.

DUTIES AND RESPONSIBILITIES

The Audit Committee shall perform the following functions, as well as any other functions specifically authorized by the Board:

Financial Disclosure, Risk Management and Internal Controls

1. Review the following documents before the public disclosure of same by the Company, and, if appropriate, recommend approval by the Board of the Company's:
 - a. annual and quarterly financial statements;
 - b. Management's Discussion and Analysis; and
 - c. annual and interim earnings press releases.

The review will involve direct discussions with Management and the Company's external auditor (the "**Auditor**"), including an opportunity for an in-camera meeting with the Auditor independent of Management.

2. Review and approve the disclosures required by applicable securities laws to be included in the Company's Annual Information Form and Management Information Circular relating to the

Audit Committee and audit and non-audit services and fees.

3. Review the process for certification of the interim and annual financial statements by the CEO and Chief Financial Officer (“**CFO**”) and the certification made by the CEO and CFO.
4. Review all news releases announcing financial results, containing financial information based on unreleased financial results or non-GAAP financial measures or providing earnings guidance, forward-looking financial information and future-oriented financial information or financial outlooks before the public disclosure of same by the Company.
5. Review financial information contained in any prospectus, take-over bid circular, issuer bid circular, rights offering circular and any other document that the Audit Committee is to review before the public disclosure of same by the Company, and, if appropriate, recommend approval by the Board.
6. Review matters related to internal controls over financial reporting of the Company and ensure the Company has adequate procedures in place in respect thereof. Ensure that the necessary measures are taken to follow up suggestions from the Auditor’s reports.
7. Oversee the Company’s Internal Audit department, including approval of the Internal Audit Terms of Reference. Designate a member of the Committee to approve the appointment/termination of the Internal Audit Group Lead, set their remuneration, and provide performance management oversight.
8. Review the principal risks of the Company, other than the risks associated with the Company’s compensation policies and practices, and ensure that an effective risk management strategy is in place.
9. Review the Company’s derivatives policies and activities, including details of exposures to banks and other counterparties.
10. Review the Company’s information systems security risk exposure and the policies, procedures, and mitigation plans in place to protect the security and integrity of the Company’s information systems and data, including crisis management and business continuity plans.

External Auditor

11. Review and recommend to the Board the appointment of the Auditor to be nominated for the purposes of preparing or issuing an Auditor’s report and performing other audit, review or attest services for the Company.
12. Establish the mandate of the Auditor, including the annual engagement, audit plan, audit scope and compensation for the audit services, subject to shareholder approval.
13. Oversee the activities of the Auditor. The Auditor shall report directly to the Audit Committee.
14. Directly communicate and meet with the Auditor, with and without Management present, to discuss the results of their examinations.
15. Review the independence of the Auditor, any rotation of the partners assigned to the audit in accordance with applicable laws and professional standards, the internal quality control findings

of the Auditor's firm and peer reviews.

16. Review the performance of the Auditor, including the relationship between the Auditor and Management and the evaluation of the lead partner of the Auditor.
17. Resolve disagreements between Management and the Auditor regarding financial reporting.
18. Review material written communications between the Auditor and Management.

Non-Audit Services

19. Pre-approve non-audit services. The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services. The pre-approval of non-audit services by any member to whom authority has been delegated shall be presented to the Committee at its first scheduled meeting following such pre-approval.

Company Policies

20. Satisfy itself that adequate procedures are in place for the review of the public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures.
21. Establish and periodically review the policies and procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submissions by the employees of the Company regarding questionable accounting or auditing matters.
22. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the former and present Auditor.

Insurance

23. Review the Company's insurance programs, including the Company's directors' and officers' insurance coverage, and make recommendations for their renewal or replacement.

MEETINGS AND PROCEDURES

1. The Audit Committee shall meet a minimum of four (4) times per year and, subject to these Terms of Reference and applicable law, otherwise establish its procedures and govern itself as the members of the Audit Committee may see fit in order to carry out and fulfill its duties and responsibilities hereunder. Extraordinary meetings of the Audit Committee may be called at the request of a member on the Audit Committee or the Chair of the Board to be held at such times and places as the person calling such meeting may determine.
 2. A majority of members of the Audit Committee will constitute a quorum (provided that a quorum shall not be less than two (2) members). Decisions of the Audit Committee will be by an affirmative vote of the majority of those members of the Audit Committee voting at a meeting. In the event of an equality of votes, the Chair will not have a casting or deciding vote. The Audit Committee may also act by resolution in writing signed by all the members of the Audit Committee.
-

-
3. The Audit Committee shall appoint a Secretary who shall keep minutes or other records of its meetings and proceedings.
 4. The Chair of the Audit Committee shall report to the Board at its next regular meeting the Audit Committee's deliberations and recommendations, if any, requiring the Board's approval.

OTHER MATTERS

1. The Audit Committee is authorized to engage any outside advisor it deems necessary to carry out its duties and responsibilities and to arrange payment of the advisor's compensation by the Company.
2. The Audit Committee may, at the request of the Board or at its own initiative, investigate such other matters as it considers appropriate in furtherance of the Audit Committee's purpose.