



Canfor Corporation.

Annual Information Form

Information in this Annual Information Form
as at March 5, 2026 unless otherwise indicated.

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Forward looking information.

This Annual Information Form contains forward looking statements, which are statements that address circumstances, events, or developments that the Company (as defined below) expects or anticipates may occur in the future. These forward-looking statements reflect management's current expectation and belief regarding such developments, circumstances or events and are based on assumptions, including assumptions regarding economic and general business conditions in Canada, the United States, and Europe and other factors management believes are appropriate in the circumstances. Such forward looking statements are subject to risks and uncertainties and no assurance can be given that any of the events anticipated by such statements will occur or, if they do occur, what their impact will be on the Company. Actual outcomes and results will depend on a number of factors which could cause actual results, performance or developments to differ materially from those expressed or implied by such forward looking statements in this Annual Information Form, including the "Risks and uncertainties" described in the Company's Management's Discussion and Analysis for the year ended December 31, 2025 and those described under the heading "Forward-Looking Statements" and "Risk Factors" in the body of CPPPI's (as defined below) management information circular dated January 28, 2026 and under the heading "Risk Factors" in each of Appendix "G" and "H" thereto, all of which are incorporated by reference herein and can be found on SEDAR+ at www.sedarplus.ca. Accordingly, readers should exercise caution in relying upon forward looking statements which reflect management's estimates, projections, and views only as of the date hereof. The Company undertakes no obligation to publicly revise these statements to reflect subsequent events or changes in circumstances, except as required by applicable securities laws.

Currency.

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to "\$" are to Canadian dollars.

Incorporation.

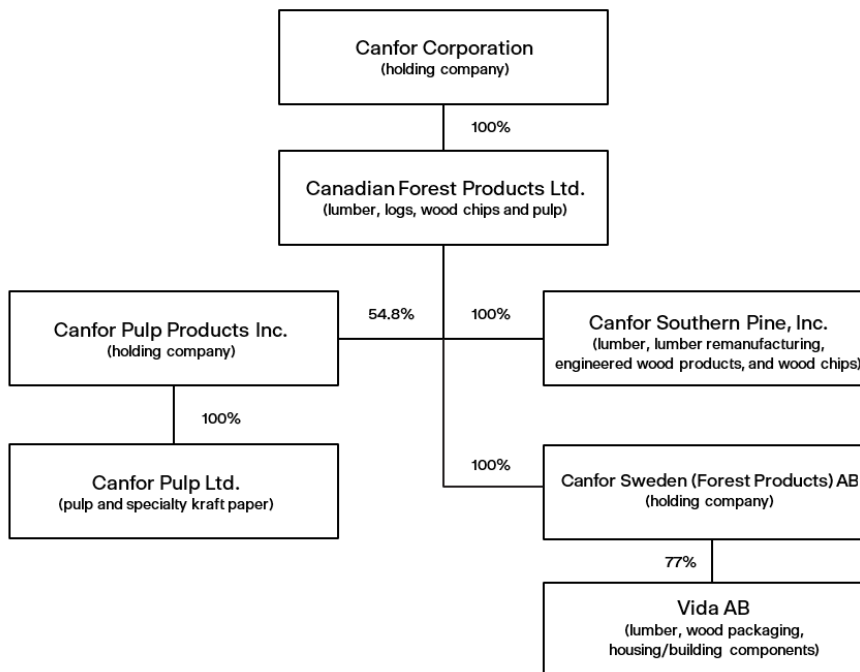
Canfor Corporation (the "Company") was incorporated on May 17, 1966 under the *Company Act* (British Columbia) as part of a reorganization of predecessors of the Canfor group of companies, the first of which commenced operations in 1938. The Company is now governed by the *Business Corporations Act* (British Columbia) ("BCBCA"). In July 1983, Canfor became a public company, and the Common Shares of the Company are listed and traded on the Toronto Stock Exchange ("TSX").

The registered and head office of the Company is located at 101-161 East 4th Avenue, Vancouver, British Columbia, V5T 1G4. In this Annual Information Form, Canfor Corporation is referred to as the "Company" and, unless otherwise indicated by the context, "Canfor" refers to the Company and its subsidiaries as described under "Corporate structure" below.



Corporate structure.

The following chart shows, as at December 31, 2025, the Company's material subsidiaries and its interest in Canfor Pulp Products Inc. ("CPPI"), and their primary products or activities and the percentage of voting securities or ownership held. All of the companies listed below were incorporated or amalgamated under the laws of British Columbia ("BC") and are now governed by the BCBCA, except Canfor Pulp Ltd., which is constituted under the Canada Business Corporations Act, Canfor Southern Pine, Inc. (formerly New South Companies Inc.) ("CSP"), which is constituted under the laws of the State of South Carolina and Canfor Sweden (Forest Products) AB, and Vida AB ("Vida"), each of which is constituted under Swedish laws.



On December 3, 2025, the Company and CPPI entered into an arrangement agreement (the "Arrangement Agreement") pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of CPPI ("CPPI Shares") that it and its affiliates do not already own by way of a statutory plan of arrangement (the "Plan of Arrangement") pursuant to Division 5 of Part 9 of the BCBCA (the "Arrangement"). See "Significant Events" below for more information.

Business of Canfor.

Canfor is a leading Canadian integrated forest products company based in Vancouver, British Columbia, involved primarily in the lumber business, with production facilities as of December 31, 2025 in Canada (British Columbia and Alberta), the United States ("US") (Alabama, Arkansas, Georgia, Mississippi, Louisiana, North Carolina and South Carolina), as well as Sweden (Småland, Skåne, Västra Götaland, Västmanland, Dalarna, Södermanland and Uppland). The Company also has a 54.8% interest in the pulp and paper business owned by CPPI. The capacity figures set out in this Annual Information Form are presented as at December 31, 2025, unless otherwise stated.

As at December 31, 2025, Canfor employed approximately 6,406 people in its wholly owned and majority-owned subsidiaries, of which approximately 763 were employees of CPPI. For more information regarding Canfor's employees and related collective agreements, refer to the sections referenced "Lumber" and "Pulp and paper", herein.

Canfor's softwood lumber production facilities located in Western Canada, the southern US, and Sweden have a total annual production capacity at December 31, 2025 of approximately 5.9 billion board feet of lumber. This capacity figure includes 100% of Vida's capacity, as well as the incremental capacity following the acquisition of three sawmills in central Sweden as part of the acquisition of AB Karl Hedin Sågverk ("Hedin") in September 2025 (incremental annual production capacity of approximately 230 million board feet), but excludes capacity from the Company's Estill and Darlington sawmills following their permanent closures in August 2025.

Canfor's products also include remanufactured and finger-jointed lumber, engineered wood products, wood chips, wood pellets, logs, and custom specialty products, including strength-rated trusses, beams, and tongue-and-groove timber.

As at December 31, 2025, the Company held a 54.8% interest in the pulp and paper business of CPPI, which owns and operates the Northwood Northern Bleached Softwood Kraft ("NBSK") pulp mill ("Northwood") and the Intercontinental NBSK pulp mill ("Intercon"),



with a combined annual capacity to produce for sale to the market approximately 480,000 tonnes of northern softwood market kraft pulp, the majority of which is bleached to become NBSK pulp. CPPI also owns and operates the Prince George paper machine, with an annual production capacity of 140,000 tonnes of bleached and unbleached kraft paper. In addition, CPPI owns the Prince George pulp mill, which was permanently closed in April 2023, as well as a second pulp production line at Northwood, that was indefinitely closed in August 2024.

As at December 31, 2025, Canfor held approximately 8.1 million cubic metres of annual harvesting rights under its forest tenures and pulpwood agreements in Canada.

Canfor maintains wood products sales offices in Canada, the US, Japan, South Korea, Sweden, the United Kingdom, Denmark, the Netherlands and Australia. CPPI has sales offices in Vancouver, Canada, Japan, and South Korea, and is represented by sales representatives serving various other markets around the world.

General development.

Canfor's overall business strategy and purpose is to be a global leader in supplying high-value, low-carbon forest products, including dimension and specialty lumber, engineered wood products, pulp and paper, wood pellets, and green energy to high-value customers, to be accomplished by:

- Attaining world-class safety performance;
- Achieving top-quartile margin performance while producing high-value products and maximizing the value from all available fibre sources;
- Implementing a sustainability strategy aimed at helping to protect our planet, supporting our people and communities, and producing forest and pulp and paper products that are an important part of a low-carbon economy;
- Growing an enterprise-wide culture of innovation, inclusion, diversity, respect, and engagement by attracting, retaining, and developing our employees;
- Expanding geographical markets, increasing market share of value-added products, and building strong long-term partnerships with valued customers;
- Attaining world-class supply chain performance and providing excellence in customer service; and
- Focusing on an efficient allocation of capital and deployment of resources to sustain top-quartile operational performance, capitalizing on attractive growth opportunities.

In support of these strategies for Canfor, during the past three financial years, Canfor has made capital investments of approximately \$1,239.5 million at its lumber operations (excluding acquisitions) and \$141.6 million at its pulp and paper operations, for a total of \$1,381.1 million.

Significant events.

Significant events for Canfor over the past three fiscal years have been the following:

Arrangement with CPPI.

On December 3, 2025, the Company and CPPI announced that they entered into the Arrangement Agreement pursuant to which the Company agreed to acquire all of the issued and outstanding CPPI Shares that Canfor does not already own by way of a Plan of Arrangement. Under the terms of the Arrangement Agreement, each shareholders of CPPI ("CPPI Shareholder"), other than Canfor, will have the option to receive, for all CPPI Shares held by such CPPI Shareholder: 0.0425 of a common share of the Company per CPPI Share held, or \$0.50 in cash per CPPI Share held. The Arrangement Agreement also provided CPPI with a go-shop period expiring January 19, 2026 (the "Go-Shop Period") during which CPPI was permitted to actively solicit, evaluate and enter into negotiations with third parties that expressed an interest in acquiring CPPI.

On January 20, 2026, CPPI announced that during the Go-Shop Period, Stifel Nicolaus Canada Inc., its financial advisor, contacted 15 potential buyers and that CPPI did not receive any Acquisition Proposals (as defined in the Arrangement Agreement).

On February 3, 2026, CPPI announced the filing of its management information circular dated January 28, 2026 (the "Arrangement Circular") and related materials in respect of the special meeting of CPPI Shareholders to be held on March 6, 2026 (the "Meeting") to approve the Arrangement and the receipt of the interim order granted by the Supreme Court of British Columbia on January 28, 2026 in respect of the Arrangement authorizing the calling and holding of the Meeting and certain other matters related to the Meeting.

The closing of the Arrangement is subject to the satisfaction or waiver of customary closing conditions, including the receipt of all applicable shareholder, court and regulatory approvals. The Arrangement is expected to be completed in the first quarter of 2026. For



further information regarding the Arrangement and the Meeting, see the Arrangement Circular (which includes a copy of the interim order) and the Arrangement Agreement, all of which can be found on CPPI's SEDAR+ profile at www.sedarplus.ca.

Acquisition of AB Karl Hedin Sågverk.

On July 22, 2025, the Company announced that its 77%-owned subsidiary, Vida, had entered into an agreement to purchase Hedin from Mattsbo Såg AB and certain minority shareholders. Hedin operates three sawmills located in Central Sweden and is anticipated to increase Vida's annual production capacity by approximately 230 million board feet. On September 17, 2025, Vida completed this transaction for total consideration of \$170.8 million (SEK 1.15 billion), including \$21.7 million of cash acquired, increasing Vida's total annual production capacity to approximately 2.0 billion board feet.

Acquisition of El Dorado.

On May 1, 2024, the Company announced that it had entered into an agreement with Resolute Forest Products Inc., an affiliate of Domtar Corporation ("Resolute"), to purchase its El Dorado lumber manufacturing facility located in Union County, Arkansas. The facility, named internally as Iron Mountain after a nearby roadway, produces dimensional lumber and specialty wood products and is anticipated to increase Canfor's annual Southern Yellow Pine ("SYP") lumber capacity by 175 million board feet after \$67.5 million (US\$50 million) of planned upgrades. The Company completed the acquisition on August 1, 2024, for total consideration of \$100.6 million (US\$72.6 million), including a net working capital adjustment of \$4.2 million (US\$3.1 million).

Partial acquisition of minority interest in Vida.

On December 10, 2024, the Company announced the acquisition of an additional 7% of the outstanding shares of Vida AB for total consideration of \$118.3 million (SEK 916.6 million). The shares were acquired from certain minority shareholders who utilized their option privileges outlined in the February 2019 agreement, through which Canfor had initially purchased 70% of Vida AB. As a result of this transaction, Canfor's ownership in Vida AB increased from 70% to 77%.

Significant capital investments.

On September 14, 2023, the Company announced its plan to invest approximately \$200 million in a new, state-of-the-art manufacturing facility in Houston, British Columbia. On May 9, 2024, after a thorough analysis of the persistent shortage of economically available timber and challenging operating conditions in BC, the Company announced the suspension of this investment.

On December 7, 2023, Vida announced that it will invest approximately \$85 million (SEK 700 million) at its Bruza sawmill in Hjaltevad, Sweden, increasing the facility's annual production capacity by approximately 65 million board feet. Construction commenced in the spring of 2024 and is expected to be completed in 2026.

On April 10, 2024, the Company announced that it will optimize its footprint in southern Alabama by permanently closing its Jackson facility (effective June 2024) and expanding production at its Fulton facility with a second shift. These steps, together with the construction of the greenfield sawmill in Axis, Alabama, will grow the Company's regional manufacturing platform by 100 million board feet of production capacity and consolidate operations at modern facilities that are positioned for the long-term.

Asset dispositions.

On August 9, 2024, the Company completed the sale of its Chetwynd sawmill lands and equipment to a third party for proceeds of \$5.0 million.

On December 30, 2025, the Company completed the sale of its Estill sawmill land and equipment to a third party for proceeds of \$9.7 million (US\$7.0 million).

Production curtailments and permanent closures – lumber segment.

Throughout 2023, the Company announced various BC curtailments as well as the restructuring of its BC operations to better align manufacturing capacity in the region with available long-term fibre supply. This resulted in the permanent closure of its Polar sawmill, its Chetwynd sawmill and pellet plant as well as and the temporary closure of its Houston sawmill for an extended period (refer to the section titled "Significant capital investments" for further details). Combined, these closures removed approximately 1.1 billion board feet of annual Western Spruce/Pine/Fir ("Western SPF") production capacity.

On September 4, 2024, the Company announced the indefinite curtailment of one shift at its Darlington facility in South Carolina, and reduced operating hours at its Estill, South Carolina and Moultrie, Georgia locations due to persistent weak lumber markets. These changes reduced lumber production by approximately 215 million board feet on an annualized basis.

Also, on September 4, 2024, the Company announced the permanent closure of its Plateau sawmill, as well as its Fort St. John sawmill and pellet plant facility located in northern BC, as a result of the persistent challenge in accessing economic fibre in the region, ongoing financial losses, weak lumber markets and increased US tariffs. These closures reduced Western SPF annual production by approximately 670 million board feet.



On June 26, 2025, the Company announced the permanent closure of its Darlington and Estill sawmills in South Carolina, effective August 2025, as a result of persistent weak market conditions in the US South. These closures removed approximately 350 million board feet of annual SYP production capacity.

Production curtailments and permanent closures – pulp and paper segment.

In January 2023, CPPI announced the decision to restructure its operating footprint to align its manufacturing capacity with the long-term supply of economic residual fibre and, as a result, in April 2023, CPPI wound down and permanently closed the pulp line at its Prince George NBSK pulp and paper mill. In connection with this closure, CPPI's Intercon pulp mill was successfully converted to provide slush pulp to its specialty paper facility. The combined impact of these operating structure changes was a reduction of approximately 280,000 tonnes of market kraft pulp production annually.

In July 2023, NBSK pulp production was impacted by a labour dispute at the Ports of Vancouver and Prince Rupert, which put pressure on an already constrained logistics network in BC. As a direct result, with pulp mill inventories at capacity, CPPI curtailed its Northwood pulp mill for approximately one week, resulting in 10,000 tonnes of reduced NBSK pulp production. Furthermore, while CPPI's Northwood pulp mill successfully completed its scheduled maintenance in September 2023, the restart of Northwood was delayed into the fourth quarter of 2023 by numerous operational challenges unrelated to the scheduled maintenance downtime, resulting in approximately 40,000 tonnes of reduced NBSK pulp production late in 2023.

As a result of a reduction in the long-term supply of fibre in the Peace region, CPPI also announced in 2023 that it did not see a path forward to restarting the Taylor mill. On February 7, 2024, CPPI announced that it entered into an asset purchase agreement to sell its Taylor Bleached Chemi-Thermo Mechanical Pulp ("BCTMP") mill site for \$7.0 million, which sale was completed on March 15, 2024. Following such sale, Canfor ceased to hold the right, if necessary and subject to the terms of the Pulpwood Agreement ("PA"), under PA No. 12, to harvest 170,000 cubic metres of deciduous timber per year in the Fort St. John timber supply area ("TSA") in connection with its supply commitment to the Taylor pulp mill in Fort St. John.

In May 2024, CPPI announced the indefinite curtailment of one production line at its Northwood pulp mill due to the decline in the availability of economic fibre in the northern BC region. The curtailment, which became effective in August 2024, resulted in an annual reduction of approximately 300,000 tonnes of market kraft pulp.

Furthermore, in May 2024, CPPI successfully completed its scheduled maintenance for its Intercon pulp mill, however, the originally planned downtime was extended until early June to address unplanned repairs that were determined necessary following an inspection of Intercon's recovery boiler. The delayed restart resulted in pulp from Northwood being redirected to supply the Company's specialty paper facility. The unplanned extension of downtime resulted in approximately 50,000 tonnes of reduced NBSK pulp production in the second quarter of 2024.

In September 2025, CPPI successfully completed a minor scheduled maintenance for its Intercon pulp mill, resulting in approximately 4,000 tonnes of reduced NBSK pulp production and 3,000 tonnes of reduced paper production. In addition, CPPI successfully completed a scheduled maintenance for its Northwood pulp mill in October 2025. The originally planned downtime was extended into early November to address some incremental disruptions, unrelated to the scheduled maintenance outage. Combined, these factors resulted in approximately 15,000 tonnes of reduced NBSK pulp production in the fourth quarter of 2025.

Restructuring costs.

In connection with the aforementioned permanent closures of Estill and Darlington sawmills in the US South, the Company recognized restructuring costs of \$6.7 million in 2025 (\$76.7 million in 2024 due to permanent closures in BC and the US South and \$12.2 million in 2023 related to the permanent closure of Chetwynd sawmill and pellet plants and temporary closure Houston sawmill).

Duty deposits loan agreement.

On September 27, 2024, the Company announced that it entered into an approximately \$424.9 million (US\$315.0 million) loan agreement with an affiliate of Farallon Capital Management, L.L.C. ("Farallon") and received all advances thereunder, totaling approximately \$313.8 million (US\$232.4 million). The loan is secured by certain accounts receivable related to countervailing and anti-dumping duties paid to the US government. The borrowings under the loan have terms of four and eight years, and each can be extended at the Company's option for two additional ten-year terms. The Company anticipates the repayment of the loan, including all principal payments (including drawdowns and to pay interest), will be met by refunds and interest receivable out of duty refunds from the US government. See "Material contracts" herein for more information.

Loan facility expansion and extension.

On May 2, 2023, Canfor Pulp Ltd., a wholly-owned subsidiary of CPPI, converted its \$50.0 million non-revolving term debt into its then existing \$110.0 million committed operating loan facility, thereby increasing the principal amount of the operating facility to \$160.0 million.



In December 2024, Canfor Pulp Ltd. amended certain of the covenants under its operating loan facility. These amendments provide increases to the debt to total capitalization threshold and in certain cases reduce the interest coverage ratio. These amendments also included the cancellation of the \$80.0 million non-revolving term debt that was restricted for use on the re-investment in Northwood's recovery boiler number one.

In September 2025, Vida AB entered into a loan agreement with Nordea for \$85.5 million (SEK 575 million). This debt is secured by the shares of Hedin and currently matures on September 30, 2026.

In December 2025, Canfor Pulp Ltd. further amended certain terms under its operating loan facility. Under the terms of this amendment, Canfor Pulp Ltd., CPPI and Canfor Pulp and Paper Sales Ltd. granted security to the lenders and obtained a waiver of its financial covenants for the fiscal quarter ended December 31, 2025 (the "Covenant Relief Period"). During the Covenant Relief Period, CPPI was subject to a minimum liquidity test of \$10.0 million, effectively reducing its operating loan facility from \$160.0 million to \$150.0 million. Following the Covenant Relief Period, Canfor Pulp Ltd. and the designated subsidiaries under its operating loan facility will continue to be subject to certain financial covenants, including a maximum net debt to total capitalization ratio of 55% and a minimum earnings before interest, taxes, depreciation and amortization ("EBITDA") interest coverage ratio of 1.5 times.

On February 17, 2026, the Company and CPPI announced that they will record a non-cash asset write-down and impairment charge in their fourth quarter of 2025 results, which amounted to approximately \$106 million. After taking this asset write-down and impairment charge into consideration, the Company estimated a net debt to total capitalization ratio of 116% at December 31, 2025, and an EBITDA interest coverage ratio of (0.1) times. CPPI's forecasts indicate that due to global pulp market conditions remaining weak and ongoing macroeconomic headwinds, CPPI may experience continued declines in financial performance during the first quarter of 2026, making it highly probable that Canfor Pulp Ltd. and its designated subsidiaries will not comply with their financial covenants at March 31, 2026. Although CPPI is undertaking mitigation initiatives and continuing to proceed with the Arrangement, the ultimate success of these actions cannot be assured at this time. CPPI's discussions with its lenders regarding future financial covenant relief are currently on hold, pending the outcome of the Arrangement. Should the Arrangement not close, CPPI would re-engage with its lenders for further temporary relief while it works to undertake a restructuring process. See the Company's "2025 Management's discussion and analysis" and "Consolidated Financial Statements" for the year ended December 31, 2025 for more information, copies of which are available on SEDAR+ at www.sedarplus.ca.

Subsequent to year-end, in the first quarter of 2026, Vida AB entered into a new revolving credit agreement with Nordea. This revolving credit facility replaces the existing overdraft facilities with Handelsbanken, with similar terms and covenants. This facility includes a SEK 435 million (CAD \$64.7 million) committed revolving overdraft facility and an additional uncommitted SEK 400 million (CAD \$59.5 million) loan facility. The Nordea facility is subject to an annual renewal and has a one-year term.

Normal course issuer bids.

On March 17, 2023, the Company renewed its normal course issuer bid whereby it could purchase for cancellation up to 6,052,978 common shares, or approximately 5% of its issued and outstanding common shares as of March 14, 2023. The renewed normal course issuer bid expired on March 20, 2024. During 2023, the Company purchased 2,127,800 common shares under this normal course issuer bid for \$41.8 million (an average of \$19.64 per common share), with an additional \$2.5 million paid in relation to shares purchased in the prior year.

On March 19, 2024, the Company renewed its normal course issuer bid whereby it could purchase for cancellation up to 5,942,508 common shares, or approximately 5% of its issued and outstanding common shares as of March 15, 2024. The renewed normal course issuer bid expired on March 20, 2025. During 2024, the Company purchased 526,700 common shares for \$8.4 million (an average price of \$15.95 per common share), all of which was paid during the year.

On March 19, 2025, the Company renewed its normal course issuer bid whereby it could purchase for cancellation up to 5,916,775 common shares, or approximately 5% of its issued and outstanding common shares as of March 14, 2025. The renewed normal course issuer bid is set to expire on March 20, 2026. During the year ended December 31, 2025, the Company purchased 1,976,233 common shares for \$27.3 million (an average of \$13.82 per common share).

Softwood lumber agreement.

See "Legal proceedings and regulatory actions" for a description of developments relating to the Softwood Lumber Agreement in 2023-2025.

Union agreements.

A collective agreement with the United Steelworkers ("USW"), that covers the majority of Canfor's sawmills in British Columbia was ratified in September 2024 and will expire on June 30, 2027.

Canfor has a contract with Unifor for its Grande Prairie lumber operation in Alberta, which was ratified on January 8, 2023 and will expire on October 1, 2028.



For the Company's European lumber operations, Vida has a current agreement with GS – The Union for the Forestry, Wood and Graphic Industry ("GS"), which was ratified on April 1, 2025 and will expire on March 31, 2027.

CPPI has collective agreements with Unifor and the Public and Private Workers of Canada ("PPWC"), that were ratified in February 2022 and expired on April 30, 2025. In the third quarter of 2025, the Company CPPI initiated negotiations with Unifor and PPWC (collectively referred to as "the Parties"). However, the negotiation process was temporarily halted late in 2025, and all parties have agreed to resume discussions in the second quarter of 2026. Until a new agreement is officially approved, the Parties will continue to abide by the terms of the existing agreements.

Leadership transition.

Effective January 1, 2025, Susan Yurkovich succeeded Don Kayne as President and Chief Executive Officer of the Company and joined the Board of Directors of the Company and CPPI.

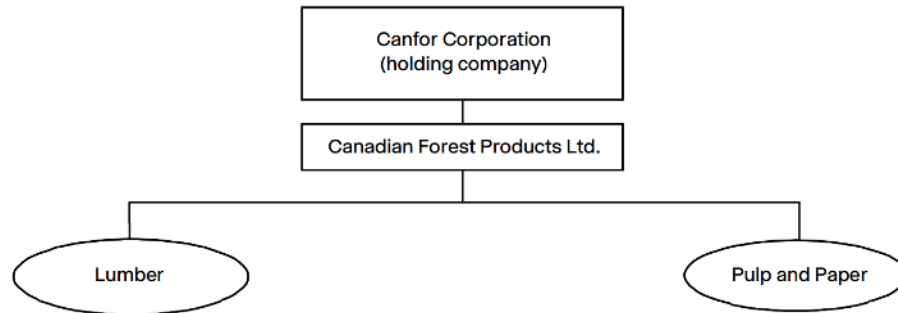
Trends, events, risks, and uncertainties.

For additional information regarding changes to Canfor's business expected in 2026 and known trends, commitments, events or uncertainties, see Canfor's "2025 Management's discussion and analysis", in particular, the "Outlook" and "Risks and uncertainties" sections thereof, which are incorporated by reference herein and can be found on SEDAR+ at www.sedarplus.ca.



Business segments.

Canfor's business is in two reportable segments: "Lumber" and "Pulp and Paper". The Lumber segment includes Canfor's sawmilling and remanufacturing operations, and the Pulp and Paper segment includes the kraft pulp and paper businesses of CPPI, in which Canfor, as at December 31, 2025, had a 54.8% interest. The following chart and notes outline Canfor's business segments and their respective principal operations as at December 31, 2025. Unless otherwise indicated in the diagram or descriptions below, Canfor has a 100% interest in the operations referred to in each segment as at the date hereof.



- Four sawmills in British Columbia and three in Alberta, with annual production capacity of 1.8 billion board feet.
- Two sawmills in South Carolina, two in Alabama, two in Arkansas, two in Georgia, one in North Carolina, one in Mississippi, and one in Louisiana, US, with annual production capacity of 2.1 billion board feet (excluding 350 million board feet of annual production capacity related to the permanent closures of Estill and Darlington sawmills).
- 77.0% interest in Vida, including seventeen sawmills in Sweden (including one idled sawmill and the three sawmills in central Sweden as part of the acquisition of Hedin) with annual production capacity of 2.0 billion board feet and ten value-add facilities which include the manufacture and sale of wood packaging and logistics, housing and building components, as well as a treatment plant.
- Other operations include one finger-jointing facility in South Carolina, two laminating plants in Arkansas and Georgia, respectively, one trucking division in South Carolina, one whole log chipping plant in British Columbia, and one specialty facility in Alberta.
- Woodlands operations in British Columbia and Alberta with an allowable annual cut of 8.1 million cubic metres that directly support lumber operations.
- 54.8% interest in two operating kraft pulp mills and one kraft paper mill with annual production capacity of approximately 480,000 tonnes of northern softwood market kraft pulp, the majority of which is bleached to become NBSK pulp, and 140,000 tonnes of bleached and unbleached kraft paper.
- Pulp and paper marketing.



The following table sets out, by business segment, Canfor's total sales revenues for the last two years (including 100% of the revenues of its majority-owned subsidiaries). Further details can be found in the Company's annual financial statements:

(millions of Canadian dollars)	Years ended December 31,	
	2025	2024
Lumber	\$ 4,660.2	\$ 4,454.3
Pulp and paper	678.8	798.5
Total sales	\$ 5,339.0	\$ 5,252.8

The following table indicates the percentage composition of Canfor's consolidated sales revenues by market for the last two years (including 100% of the revenues of its majority-owned subsidiaries). Further details can be found in the Company's annual financial statements:

	Years ended December 31,	
	2025	2024
United States	45 %	50 %
Asia	12 %	14 %
Canada	11 %	10 %
Europe	28 %	24 %
Other	4 %	2 %
Total	100 %	100 %

Wood supply.

Timber resources.

Canfor harvests timber under forest tenures held by it in British Columbia and Alberta and has a total allowable annual cut ("AAC") of approximately 8.1 million cubic metres at December 31, 2025. The forest tenures consist of both area-based and volume-based replaceable tenures and volume-based non-replaceable tenures. In addition, through various third-party business arrangements with other tenure holders including First Nations, Canfor also manages approximately 466,000 cubic metres of volume throughout its operating areas in British Columbia, the majority of which is directed to its various manufacturing facilities. Canfor's Canadian wood fibre requirements are also met by open market purchases and exchanges of logs on either a spot or contract basis. The wood fibre requirements in the US are met through open market purchases from private timberland owners, the US Forest Service, and Timber Investment Management Organizations. The wood fibre requirements at European operations are met principally through open market purchases from private timberland owners.



The following table sets out Canfor's timber resources as at December 31, 2025:

	Productive Area (Hectares)	Allowable Annual Cut (Cubic metres)
British Columbia		
Tenures having regulated sustained yields ¹		
Area-based - Tree Farm Licenses ²	697,773	1,161,606
Volume-based - Forest Licenses (replaceable)	N/A	5,215,947
- Forest Licenses (non-replaceable) ³	N/A	40,495
Alberta		
Tenures having regulated sustained yields ¹		
Forest Management Agreement ⁴	1,062,449	990,407
Timber Quotas ⁵	N/A	628,817
Commercial Timber Permits ⁶	N/A	100,000
Total	1,760,222	8,137,272

Notes:

¹. For an explanation of "regulated sustained yields", see the section entitled "Forest management" below.

². Comprised of Tree Farm License ("TFL") 14, TFL 30, and TFL 48. The TFL areas are reported for 2025 as Crown Forested Land Base (CFLB) as opposed to gross area in the prior years, which reduced the area of TFL 14, TFL 30, and TFL 48 by 69,152 hectares, 27,426 hectares, and 76,845 hectares, respectively. Also, in 2025, the removal of the Peace Moberly Tract reduced the area of TFL 48 by a further 33,982 hectares; however, Canfor's proportion of the AAC remained intact.

³. Represents 40,495 m³ held jointly with Saik'uz First Nation.

⁴. Comprised of Forest Management Agreement ("FMA") 9900037 and FMA 9700034. The AACs were reduced in 2025 by 137,262 m³ to adjust for wildfire impacts.

⁵. Includes nine Timber Quotas. The AACs were reduced in 2025 by 66,855 m³ to adjust for wildfire impacts.

⁶. Two Commercial Timber Permits, managed by Canfor in partnership with two First Nations.

Canfor does not hold timber resources in the form of forest tenure rights for its US or European based operations but instead relies on open market purchases and supply contracts for these facilities, all of which are located in areas of high-quality sustainable fibre supply.

British Columbia.

The Province of British Columbia owns approximately 95% of all timberlands in the province. Pursuant to the provisions of the *Forest Act* (British Columbia) ("Forest Act"), the Minister of Forests is empowered to grant various forms of tenure and to regulate forestry operations.

A Tree Farm License ("TFL") requires a licensee undertake the management of an area of Crown forestland, often in combination with other forestland held by the licensee, to yield an annual cut on a regulated sustained yield basis. TFLs are granted for 25-year terms and, subject to satisfactory levels of performance, may be replaced every five to ten years with new TFLs with 25-year terms.

A Forest License is a volume-based tenure, which authorizes a right to harvest a specified volume of timber each year within a particular TSA and generally provides for up to 20-year terms. These licenses must be replaced every five to ten years for further 15-year terms, subject to satisfactory levels of performance. Canfor holds fifteen replaceable Forest Licenses, under which it is continuing to harvest. All of these Forest License were replaced between 2017 and 2025 prior to expiry. Canfor also holds one non-replaceable Forest License pursuant to an agreement with Saik'uz First Nation, which expires in 2029.

For each Forest License and TFL, an AAC is determined. The actual cut in any one year may vary from year to year provided that the actual cut over a five-year period does not exceed 110% of the aggregate AAC for that period. As required by the Forest Act, the provincial Chief Forester determines the AAC for each TFL and the total AAC in each TSA (which affects the AAC of Forest Licenses in that TSA). The Chief Forester is required to repeat such determination at least once every ten years but has the option of postponing a redetermination for a period of up to fifteen years after the last determination if they conclude that the AAC will not change significantly from the previous determination. The AAC reflects harvesting practices since the last AAC determination, timber conditions, regional and local economic and social interests, and environmental considerations for these licenses and areas.

For additional information regarding the Company's timber resources in British Columbia, see the Company's "2025 Management discussion and analysis", in particular, the section titled "Risks and uncertainties – Fibre cost and availability", which is incorporated by reference herein and available on SEDAR+ at www.sedarplus.ca.

Alberta.

In Alberta, Canfor holds two Forest Management Agreements ("FMA") under which it undertakes to manage designated areas of Crown forestland.



The Province of Alberta also grants Timber Quotas having terms of 20 years and containing provisions for renewal.

Canfor's regulated sustained yield tenures in Alberta specify an AAC and an aggregate allowable cut over a five-year period. If a tenure holder fails to harvest the authorized five-year period volume, they become subject to suspension, cancellation, or reduction of the tenure. Canfor would be subject to significant levies if its harvest exceeded 110% of the aggregate allowable cut for that period.

Canfor is in substantial compliance with the harvesting terms of all its tenure agreements in both British Columbia and Alberta.

Forest health & wildfire resilience.

Following the mountain pine beetle epidemic that occurred from 1999 – 2015, a significant buildup of highly flammable dead timber has accumulated. This highly flammable timber, coupled with warmer weather and drought conditions over the past decade or more, has increased the occurrence of large-scale, uncontrolled wildfires. As the short and mid-term operational and financial impacts of these wildfires combined with increasing regulatory burden in BC, may be significant to Canfor, the Company has taken various steps to mitigate its risk to timber supply shortages, by modifying its manufacturing footprint and harvesting operations to better align with existing timber supply. This has resulted in the permanent closure of several sawmills and associated pellet mills in recent years, along with the closure of CPPI's Prince George pulp and paper mill, a pulp line at its Northwood pulp mill, and, prior to its sale on March 15, 2024, its Taylor BCTMP mill.

For additional information see the Company's "2025 Management discussion and analysis", in particular, the "Risks and uncertainties – Forest health" section thereof, which is incorporated by reference herein.

Indigenous relations.

Canfor aspires to build solid and long-lasting relationships based on trust and deeply respecting Indigenous traditions, cultures, values, and beliefs. Canfor's Indigenous engagement strategy is built on a foundation of deep respect for Indigenous peoples and an interest in growing their involvement in the resource sector. Canfor prioritizes meaningful dialogue and collaboration with Indigenous groups, including opportunities for community engagement; mutually beneficial economic partnerships that seeks to advance Canfor's commitment to Indigenous participation in the forest economy and economic reconciliation; collaborative stewardship of the environmental, social, and cultural values of forests; and sustainable forest management practices.

The issues relating to Indigenous rights and title and consultation continue to be heard, developed, and resolved by Canadian courts at all levels. Canfor continues to seek to cooperate, communicate, and exchange information and views with Indigenous groups with a view to foster good relationships and help minimize risks to its tenures, operations, and operational plans. It will continue to seek to participate with provincial and federal governments in their consultations with Indigenous peoples. Due to their sheer complexity, it is not anticipated that the issues regarding Indigenous rights and title or consultation will be resolved in the short term and their impact, if any, on the timber supply from Canadian public lands and Canfor's tenures and operations continue to evolve and may be significant.

For additional information regarding the impact of Indigenous developments on Canfor and its operations, see the Company's "2025 Management's discussion and analysis", in particular, the "Risks and uncertainties – Indigenous relations" section thereof, which is incorporated by reference herein.

Forest management.

Canfor is responsible for virtually all aspects of forest management on the lands within its area-based tenures in both British Columbia (Tree Farm Licenses) and Alberta (Forest Management Areas). Within these areas, Canfor is granted exclusive rights to harvest timber and has responsibilities to manage and conserve forests and recreation and cultural heritage resources. In British Columbia, however, the majority of forest management undertaken by Canfor occurs with volume-based tenures known as forest licenses. Forest licenses grant non-exclusive harvesting rights within large geographic units called timber supply areas. Forest licensees have significant forest management responsibilities, including forest protection, operational planning, road building, and reforestation.

Canfor carries out its forest management responsibilities through a full complement of registered professional foresters, biologists, engineers, and technologists, as well as additional professional staff hired on a part-time and contract basis. This forestry staff supervises all aspects of forest development, including planning, road development, harvesting, reforestation, forest protection, and research and development programs to increase the yield of its forestlands and improve the quality of its timber resources. Canfor currently operates JD Little Forest Centre, a seedling nursery, and is engaged in the operation of seed orchards, directly or under contract, in BC (Vernon and Quesnel), and Alberta (Grande Prairie). The objective of the orchards is to improve the seed used in reforestation by selecting seed from known parents that exhibit the best growth, resistance to insects and disease and are adapted to a changing climate.

Consumers of forest products increasingly require assurances that the products purchased from forest companies are derived from well-managed forests. Canfor has responded by implementing a comprehensive sustainable forest management ("SFM") system and strategy to guide its forest management practices, including third party verification of its effectiveness. This encompasses tracking of



the wood fibre through the entire supply chain, from the forest to various manufacturing facilities, and ultimately to the delivery of forest products to the consumer. This is referred to as “Chain of Custody” and includes all sourced material including purchased wood. In Canada, all of the wood Canfor sources, and all manufacturing facilities are certified to ensure the wood comes from well managed forests and is sourced from legal, non-controversial sources. To meet the needs of our customers, Canfor maintains multiple internationally recognized certifications. Canfor utilizes KPMG Performance Registrar Inc (“PRI”) as its certification body, an independent third-party external auditor for all of our forestry, wood supply and chain of custody certifications. Each certificate is required to have annual internal audits, annual external maintenance surveillance audits and a full re-certification audit every 5 years.

In the East Kootenay region of BC, Canfor maintains Forest Stewardship Council (“FSC”) Forest Management and Chain of Custody certification on TFL 14 and Forest Licenses in the Invermere, Cranbrook, and Kootenay Lake timber supply areas. Previously certified to the FSC Standards for BC (since 2005), the East Kootenay region was certified to the FSC National Forest Stewardship Standard of Canada (2018) as of October 28, 2019. Each subsequent year, a maintenance or surveillance audit is completed and every five years a complete recertification audit is required. In 2024 a complete re-certification audit was successfully completed, and an FSC re-certification certificate was issued on October 27, 2024. The Elko and Radium sawmills and Skookumchuck Mobile Chipper maintain an FSC Chain of Custody and Controlled Wood certifications. These were re-certified on April 25, 2023.

With the exception of the FSC certified tenures in the East Kootenay region, Canfor manages its forest tenures and fibre sourcing to the Sustainable Forestry Initiative (“SFI”) Forest Management Standard and Fibre Sourcing Standard. Previously certified to CSA standards, SFI certification was achieved in June 2019, Canfor successfully completed an SFI multi-site re-certification audit on June 6, 2024. These certifications ensure that both the wood from the tenures managed by the Company and the fibre it purchases meet the international certification standards.

Furthermore, Canfor has secured Chain of Custody certification to verify the tracking of certified logs from forest to customer. Programme for the Endorsement of Forest Certification (“PEFC”) is a global, independent non-government organization for the assessment and mutual recognition of forest certification schemes. The PEFC Chain of Custody system that Canfor has put in place is able to track all of the Company’s raw wood material and its certification status both from the Company’s own managed forest tenures as well as those from outside suppliers.

On June 16, 2022, Canfor received a Chain of Custody Certificate (PEFC-certified) based on re-certification audits by PRI, which covers the production of raw wood material including: logs, residual chips, and whole log chips to the point of sale and the production of lumber to the point of sale. In 2024, Canfor added the Elko and Radium sawmills to their multi-site certificate for PEFC Chain of Custody Certification to have all Canadian sites PEFC-certified. Canfor has since maintained this certification standard across its Canadian sawmills operations.

Wood fibre supply.

The wood fibre supply for Canfor’s lumber and pulp operations in Canada is primarily obtained from logging Canfor’s forest tenures and purchasing logs and chips. Logs are also purchased from other tenure holders, farmers, Indigenous groups, and other private landholders. Chips and waste materials are purchased from sawmills and other wood products producers.

As part of the spin-out of its kraft pulp and paper business in 2006 to a predecessor of CPPI, including its pulp mills in the Prince George area, Canfor entered into perpetual residual wood chip, whole log chipping, and hog fuel agreements with CPPI.

Canfor does not hold timber resources in the form of forest tenure rights for its US and Sweden based operations but instead relies on open market purchase and supply contracts for these facilities, all of which are located in areas of high-quality, sustainable fibre supply.

The following table sets out the volume of wood fibre produced and purchased in Canfor’s operations (including 100% of majority-owned subsidiaries) for the last two financial years:

(000 cubic metres)	Years ended December 31,	
	2025	2024
Wood Fibre Supply		
Log Production – Canfor Tenures	5,290	6,633
Log Purchases – Lumber Operations	14,940	14,100

The reduction in log production from Canfor’s tenures in 2025 compared to 2024 largely reflected the wind-down and permanent closure of certain of the Company’s BC sawmills in 2024. See “Significant events” above for further information.

During 2025, CPPI purchased approximately 44% of its chip demand from Canfor pursuant to the fibre supply agreements between both entities, which are not included in the above table. See “Pulp and paper” below for further information.



Canfor has one whole log chipping facility in the Prince George area of BC, with an available annual capacity of 500,000 oven-dried tonnes of chips, that supplements its supply of sawmill residual chips.

Lumber.

Lumber production facilities.

As at December 31, 2025, Canfor fully or partially owned four sawmills in the interior region of British Columbia, three in Alberta, eleven in the US South, including two in South Carolina, two in Alabama, two in Arkansas, two in Georgia, one in North Carolina, one in Mississippi, and one in Louisiana, as well as seventeen in Sweden (including one idled sawmill and the three sawmills in central Sweden as part of the acquisition of Hedin). Canfor's sawmills have an annual production capacity of approximately 5.9 billion board feet, including 100% of capacity from the Vida sawmills (including the incremental capacity following the acquisition of Hedin, but excludes capacity from the Company's Estill and Darlington sawmills following their permanent closures in August 2025).

The majority of lumber produced by Canfor from its existing facilities is construction and specialty grade dimension lumber that ranges in size from one by three inches to two by twelve inches and in lengths from six to twenty-six feet. A significant and increasing proportion of Canfor's lumber production is comprised of specialty products that command premium prices, and high-value products including Square Edge lumber for the North American market, J-grade lumber for the Japanese market, and machine stress rated ("MSR") lumber used in engineered applications such as roof trusses and floor joists. As a result of its acquisitions, Canfor has expanded its product offering to include high-value engineered wood products, higher-grade MSR lumber, premium one-inch boards, as well as an array of custom specialty products stemming from the Company's European operations, including strength-rated trusses, beams, and tongue-and-groove timber.

As a by-product of Canfor's lumber production facilities, wood chips are produced from the portion of each log not converted into lumber. These wood chips are sold to pulp mills for use as their raw material, including CPPI pursuant to fibre supply agreements (the "Fibre Supply Agreements") entered into between Canfor and CPPI. Prices paid by CPPI for residual wood chips are based on a pricing formula that results in CPPI paying market prices for wood chips, subject to adjustments to the formula to reflect market conditions and other factors such as wood chip quality. The Fibre Supply Agreements exist in perpetuity and the pricing mechanism is renewed and amended every three years to reflect new circumstances. In 2023, the pricing mechanism for CPPI's pulp mills was renewed for another three-year period. In addition, Canfor has historically extracted pulpwood from its northern forestry operations and converts this wood to chips for CPPI's pulp and paper operations (see "Pulp and paper" section for more information).

Canfor's other operations include one whole log chipping plant in British Columbia, one specialty facility in Alberta, two glulam plants in Arkansas and Georgia, respectively, one finger-joint plant in South Carolina, one trucking division in South Carolina, and 10 value-add facilities, as well as a treatment plant in Sweden. The lumber segment also includes Canfor's wood products sales and marketing division, located in Vancouver, Canfor's 60% interest in Houston Pellet Inc., a joint venture with Pinnacle Pellet Inc. and the Moricetown Indian Band.

The following table sets out Canfor's lumber production and sales for the last two years (including 100% of the lumber production from its majority-owned subsidiaries):

(MMfbm) ¹	Years ended December 31,	
	2025	2024
British Columbia ²	835.6	1,235.3
Alberta	641.8	638.4
Europe ³	1,449.5	1,391.3
United States ⁴	1,886.8	1,683.4
Total Production	4,813.7	4,948.4
Sales⁵	5,202.5	5,255.2

Notes:

¹. MMfbm denotes million foot board measure. Volumes exclude trim blocks.

². The reduction in lumber production and sales in British Columbia resulted primarily from a full year impact of the wind down of its Plateau and Fort St. John sawmills announced in the latter part of 2024.

³. Planer production from European operations (sawmill production was 1,660 MMfbm in 2025 (2024 – 1,610 MMfbm). The uplift in lumber production and sales in Europe was mainly driven by the aforementioned acquisition of Hedin facilities.

⁴. The increase in lumber production and sales in the United States was largely correlated with a full year of operational benefits from the completion of its greenfield sawmill in Axis, Alabama, and the Company's investments in the Iron Mountain and Urbana sawmills, offset to a degree by the permanent closures of the Estill and Darlington sawmills in 2025.

⁵. Includes Canfor produced lumber, as well as lumber purchased for resale, remanufactured and engineered wood, excluding trim blocks and wholesale shipments. Also excludes lumber sold under contract for third parties (80 MMfbm in 2025 and 123 MMfbm in 2024).



Lumber markets and distribution.

Canfor's lumber products are primarily shipped throughout North America, Europe, Asia, Australia, and the Middle East. During 2025, approximately 51% of Canfor's lumber sales volumes were sold to or within United States markets (2024 – 54%), 23% to European markets (2024 – 21%), and 12% to Canadian markets (2024 – 9%). The remaining 14% (2024 – 16%) was sold to offshore markets, predominantly to China and Japan. Other offshore markets consist of Korea, Taiwan, South and Southeast Asia, the Middle East, South America and Australia. Substantially all lumber shipped domestically (in the US, Canada, and Sweden) was shipped by truck or rail. Products transported offshore were sent by container ship and breakbulk.

For a detailed discussion of the markets for Canfor's lumber products see the Company's "2025 Management's discussion and analysis," in particular, the "Lumber – Markets" and "Outlook – Lumber" sections, which are incorporated by reference herein.

Human resources and diversity.

As at December 31, 2025, Canfor employed 1,134 persons in its lumber operations in British Columbia (including head office), 640 persons in Alberta, 2,116 persons in the United States, 1,749 persons in Europe (predominantly in Sweden), and 4 persons in Japan. Of these employees, approximately 25% are unionized (covered by collective agreements with the USW and Unifor in British Columbia and GS in Sweden). None of Canfor's operations in the United States are unionized.

A collective agreement with the USW (which represents the majority of the workers in the Company's British Columbia operations, except as noted below) was ratified in September 2024 and will expire on June 30, 2027.

Canfor has a contract with Unifor for its Grande Prairie lumber operation in Alberta, which was ratified on January 8, 2023 and will expire on October 1, 2028.

For the Company's European lumber operations, 40% of workers are represented by GS. A new agreement was ratified on April 1, 2025 and will expire on March 31, 2027.

Canfor believes that diverse perspectives enhance its organizational strength, problem solving ability and opportunity for innovation. Furthermore, Canfor recognizes that diversity of skill and experience, including diversity, generally, is and continues to be a critical and valuable consideration in the assessment of the Board, its composition and prospective nominee candidates as well as the composition of its senior management team and its other employees. As such, in furtherance of its diversity, equity and inclusion objectives, Canfor supports the ongoing professional development of its employees at all levels, including with respect to mentoring and other talent development programs.

For additional information regarding Canfor's diversity, equity and inclusion initiatives and governance disclosures see the latest Sustainability Report available for download at <https://sustainability.canfor.com>.

Pulp and paper.

As of December 31, 2025, Canfor owned 54.8% of the shares of CPPI.

CPPI production facilities.

CPPI is a leading global supplier of pulp and paper products with operations based in the northern interior of British Columbia. CPPI is one of Canada's largest producers of NBSK pulp for sale on the open market, based on the production capacity of its existing facilities. The Prince George paper machine is the world's largest producer of bleached high performance kraft paper

CPPI owns and operates Northwood and Intercon, with a combined annual capacity to produce for sale to the market of approximately 480,000 tonnes of northern softwood market kraft pulp, the majority of which is bleached to become NBSK pulp. CPPI also owns and operates the Prince George paper machine, with an annual production capacity of 140,000 tonnes of bleached and unbleached kraft paper. In addition, CPPI owns the Prince George pulp mill, which was permanently closed in April 2023, as well as a second pulp production line at Northwood, that was indefinitely closed in August 2024.

CPPI generates power at both of its operating NBSK pulp mills and has long-term agreements with a BC energy company for electrical load displacement and the sale of power.

Canfor has Fibre Supply Agreements with CPPI, under which Canfor has agreed to supply CPPI with annual quantities of residual wood chips and hog fuel produced from its sawmill in Prince George. Prices paid by CPPI for residual wood chips are based on a pricing formula that results in CPPI paying market prices for wood chips, subject to adjustments to the formula to reflect market conditions and other factors such as wood chip quality. The Fibre Supply Agreements exist in perpetuity and the pricing mechanism is renewed and amended every three years to reflect new circumstances. In 2023, the pricing mechanism for CPPI's pulp mills was renewed for another three-year period.



Canfor also supplies CPPI with pulp logs or other pulpwood harvested from its woodlands operations at market prices.

In addition, Canfor supplies CPPI with agreed annual quantities of hog fuel produced from specified Canfor sawmills. The price paid by CPPI to Canfor for hog fuel supplied under the Fibre Supply Agreements is based on market prices. The hog fuel pricing under the Fibre Supply Agreements is renewed from time to time and amended to reflect market conditions.

Under arrangements entered into with the Company in connection with its spin-out in 2006, CPPI also purchases, at cost, a number of administrative, accounting, legal, and management services from Canfor under a services agreement, which can be terminated, in whole or in part, on twelve months' notice by either party (see "Material contracts" section herein for more information).

The following table sets out pulp production and sales volumes for CPPI's pulp mills for the last two years:

(000 tonnes)	Years ended December 31,	
	2025	2024
Pulp production ¹	416	511
Pulp sales	409	526

Note:

¹. The reduction in pulp production in 2025 reflected the indefinite curtailment of one production line at Northwood pulp mill, effective August 2024.

The following table sets out the kraft paper production and sales volumes for CPPI for the last two years:

(000 tonnes)	Years ended December 31,	
	2025	2024
Kraft paper production	126	128
Kraft paper sales	127	130

CPPI markets and distribution.

CPPI has a sales and marketing department staffed by full-time professionals who are responsible for global sales of the pulp produced by CPPI's two operating pulp mills (the "Mills"). Customers in the Americas are serviced through the Vancouver office. Japan and Korea have direct to market representation through Canfor offices in these respective countries. European and Asian customers outside of Japan and Korea, are serviced mostly through long-term sales agents. Sales agents generally realize a commission based either on a percentage of the net selling price of the pulp, or on a rate per tonne of pulp sold, with the fee varying depending on the selling price, services provided and the tonnage sold.

For the paper business, CPPI conducts its own direct marketing for its bleached and unbleached kraft paper customers, serviced primarily through its Vancouver office.

In 2025, the approximate geographic distribution of CPPI's pulp sales by volume was 83% to Asia, 16% to the Americas and 1% to the European market (2024 – 75%, 21%, and 4%, respectively).

The approximate geographic distribution of kraft paper sales by volume in 2025 was 84% to the Americas, 9% to Asia and 7% to Europe/Middle East (2024 – 83%, 9% and 8%, respectively).

CPPI uses various modes of surface transportation to distribute its pulp and kraft paper products. In the case of pulp, product is shipped from the Mills by rail or truck, with each of the Mills serviced by at least one dedicated rail spur. In the case of kraft paper, due to the smaller average order size, a much higher percentage is shipped by truck, with the balance shipped by rail. Products destined for overseas customers are generally transported by breakbulk cargo vessel for European customers and by either breakbulk or container cargo vessels for Asian customers.

For a detailed discussion of the markets for CPPI's pulp and paper products, see the Company's "2025 Management's discussion and analysis", in particular, the "Pulp and paper – Markets" and "Outlook – Pulp and paper" sections thereof, which are incorporated by reference herein. Further information can be obtained from CPPI's 2025 annual information form, which can be obtained on SEDAR+ at www.sedarplus.ca.

CPPI human resources.

As at December 31, 2025, CPPI employed 763 people throughout the organization. Approximately 70% of these employees are hourly employees covered by collective agreements with Unifor and PPWC. As outlined in the "Significant events - Union agreements" section of this document, CPPI initiated negotiations with the Parties during the third quarter of 2025. However, the negotiation process was temporarily halted late in 2025, and all Parties have agreed to resume discussions in early 2026. Until a new agreement is officially approved, the Company, Unifor and PWCC will continue to abide by the terms of the existing agreements.



Sustainability.

Canfor has established a “Sustainability Strategy” which outlines how material environmental, social, and governance (“ESG”) topics are managed. Canfor’s annually published sustainability report (the “Sustainability Report”) describes in further detail Canfor’s approach to managing ESG activities and tracks performance against established targets.

In developing and implementing this sustainability strategy, Canfor recognizes the short- and long-term impacts of the health and sustainability of the forest ecosystems and resources on which its business relies for the production of lumber, pulp and paper and other wood products. This includes requiring that its fibre suppliers meet or exceed minimum standards for forestry and production practices. As part of its strategy, Canfor also assesses the physical and transition risks associated with climate change as discussed in the “Risks and uncertainties - Climate change” section of the Company’s “2025 Management’s discussion and analysis”.

Oversight of the Company’s sustainability strategy is the responsibility of the Board, including the Company’s management of climate change and other environmental risks; employee health and safety matters; diversity and inclusion initiatives; and ESG reporting. The Board meets quarterly and is updated on sustainability- and climate-related topics. The Board’s responsibilities have been directly supported by its governance structure through the Joint Sustainability, Health and Safety Committee, which provides overall strategic guidance regarding the Company’s sustainability, environmental and health and safety programs and the Audit Committee, which is responsible for risk management processes and existing and evolving regulatory ESG disclosure requirements.

The Board is informed and engaged on relevant ESG issues, including climate-related topics, through regular communication with senior management within the business. The President and CEO holds ultimate accountability for successful sustainability performance. The CFO and Corporate Secretary is responsible for providing overall direction for the sustainability strategy and its integration into the corporate strategy. He also oversees the development and execution of the sustainability strategy and disclosure across the business. He reports to the CEO and, in respect of ESG matters, to the Joint Sustainability, Health and Safety Committee and to the Board.

In the implementation of its climate change and sustainability objectives, the Company relies on certain reporting metrics and has established targets for achievement over the short and longer term. Canfor’s disclosures are based on a number of third party frameworks recognized by stakeholders, investors and regulators, such as the Global Reporting Initiative Standards (“GRI”); the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”); and the Sustainability Accounting Standards Board Standards (“SASB”). In addition to regulatory Greenhouse Gas (“GHG”) reporting for applicable facilities, on a voluntary basis, the Company calculates its overall Scope 1 and Scope 2 GHG emissions annually for all of its facilities under operational control in Canada, the US and Sweden in accordance with Greenhouse Gas Protocol developed by the World Business Council for Sustainable Development and World Resource Institute. The Company has also calculated Scope 3 GHG emissions for both its 2022 baseline year and the year 2024. In 2024, Canfor completed the Science Based Targets Initiative (SBTi) validation process, and the SBTi approved its near-term and long-term science-based emissions reduction targets, in line with the Paris Agreement and limiting global warming to 1.5° Celsius above preindustrial levels.

Canfor publishes a Sustainability Report each year which references these metrics and targets and highlights the Company’s sustainability activities and tracks performance against established targets, most recently in the second quarter of 2025 for the year ended December 31, 2024 (the “2024 Sustainability Report”), with an updated report for 2025 planned for the second quarter of 2026. All reports are prepared jointly with CPPI. A copy of the 2024 Sustainability Report is available at the Company’s website at www.canfor.com and the updated report for 2025 will also be posted to this site once available.

See also the Company’s “2025 Management’s discussion and analysis”. In particular, the sections entitled “Risk and uncertainties – Environmental issues”, “Risks and uncertainties – Climate change” and “Environmental, social, and governance (“ESG”) strategy, reporting and related matters”, which is incorporated by reference herein and available on SEDAR+ at www.sedarplus.ca.

Environment.

General.

Canfor’s operations are subject to environmental regulations by federal, provincial, state, and local authorities, including specific environmental regulations relating to air emissions, wastewater (effluent) discharges, solid waste, landfill operations, forestry practices, site remediation and the protection of biodiversity, endangered species and critical habitats.

As part of its broader commitment to sustainability (see the “Sustainability” section above), Canfor is committed to the responsible stewardship of the environment throughout its operations. Canfor meets its commitment to sustainable forest management by aligning its programs to forest management certifications; designing and operating its facilities to comply with legal requirements; setting targets to improve environmental performance as part of the Company’s overall sustainability strategy; and identifying significant environmental risks and promoting environmental awareness throughout Canfor’s operations.



Programs and standards.

Canfor has a long-standing environment program with regular audits of its Environmental Management System (“EMS”), compliance with regulatory requirements, principles of due diligence and good industry practices at all manufacturing facilities. These programs are regularly reviewed to help ensure Canfor fulfills its environmental commitments, responsibilities, and supports its overall sustainability strategy.

All Canfor’s forest tenures in Canada are certified to the SFI or FSC standards. All sourced wood in the United States is certified to the SFI Fiber Sourcing Standard.

CPPI’s pulp and paper mills’ EMS is certified under International Organization for Standardization (“ISO”) 14001:2015.

During 2025, CPPI obtained 75% of its fibre supply from forests that were certified to the SFI certification for sustainable forest management. All of the pulp CPPI produced in 2025 was eligible for sale under the PEFC Chain of Custody or FSC Controlled Wood Chain of Custody certification standards.

Canfor’s European operations, through its majority ownership of Vida, are subject to laws and regulations of the Swedish Parliament, including the Swedish Environmental Code and, more broadly, the European Union, and with its forest operations governed by the Swedish Forestry Act and the Swedish Environmental Code. Under these legal regimes, Vida’s operations are subject to various requirements regarding environmental issues, such as air quality and water quality. Vida seeks to manage these risks relating to the Company’s European operations through its environmental policies and preventative practices in its systematic environmental work.

Canfor’s US operations are subject to laws and regulations of the Federal Clean Air Act (“CAA”), a comprehensive federal law regulating air emissions from stationary and mobile sources. Among other things, this law authorizes the Environmental Protection Agency (“EPA”) to establish National Ambient Air Quality Standards (“NAAQS”) for hazardous air pollutants which can be harmful to public health and the environment. The NAAQS establish two types of national ambient air quality standards: primary standards which protect public health, and secondary standards which protect public welfare including protection against decreased visibility and damage to animals, vegetation, crops, and buildings. Additionally, the Federal Clean Water Act (“CWA”) establishes the basic structure for regulating discharges of pollutants into United States waters and regulating quality standards for surface waters. Under the CWA, the EPA has implemented pollution control programs such as setting wastewater standards for industry and developed national water quality criteria recommendations for pollutants in surface waters, which are applicable to Canfor’s US operations.

Regulations and policies related to carbon and greenhouse gas emissions.

Canfor’s Canadian facilities are subject to regulation at the Canadian federal and provincial levels regarding the control, reporting, and pricing of carbon dioxide (“CO₂”) and GHG emissions.

Air emissions control – Canada.

Canfor’s Canadian facilities are subject to provincial requirements for the control of air emissions. Canfor’s British Columbia operations are subject to regulatory control of air emissions under the *British Columbia Environmental Management Act*. Canfor’s Alberta operations are subject to regulatory control of air emissions under the *Alberta Environmental Protection and Enhancement Act*.

GHG emissions reporting – Canada.

Federally, the Canadian *Environmental Protection Act* establishes *Canada’s Greenhouse Gas Reporting Program* (the “GGRP”), which collects information from individual facilities about annual GHG emissions. Environment and Climate Change Canada (“ECCC”) has a federal reporting threshold of 10,000 tonnes of carbon dioxide equivalents per year (“CO₂e”). CO₂ emissions from biomass materials are not included in this threshold calculation.

Provincially, in British Columbia, under the *Greenhouse Gas Industrial Reporting and Control Act* (the “GGIRCA”), facilities that emit 10,000 tonnes or more of CO₂e in a particular year and produce a regulated product are in the BC Output Based Pricing System (“BC OBPS”) and subject to third-party verification (referred to as a “Reporting Operator”). Operators of industrial operations that do not meet the 10,000 tonne CO₂e threshold may apply to opt-in to the BC OBPS to become a Reporting Operator. In 2025, the majority of Canfor’s BC sawmills voluntarily opted in to the BC OBPS program and are therefore Reporting Operators. For 2025, all of CPPI’s pulp mills are above the specified threshold and are therefore Reporting Operators.

In Alberta, under the *Emissions Management and Climate Resilience Act* (“EMCRA”), facilities that emit 100,000 tonnes or more of CO₂e in a particular year are subject to Technology, Innovation and Emissions Reduction (“TIER”) reporting. Operators of industrial operations that do not meet the 100,000 tonne CO₂e threshold may apply to opt-in. In 2025, all of the Company’s Alberta sawmills reported to TIER up until April 1st, 2025, with the exception of Grande Prairie sawmill, which remained in TIER for the full year.



GHG pricing – Canada.

The Government of Canada adopted the *Greenhouse Gas Pollution Pricing Act* (“GGPPA”) in 2018, implementing a federal carbon pollution pricing system. It is generally comprised of two parts: Part 1 is a “fuel charge” on liquid fuels, and Part 2 is the Output-Based Pricing System. Under the GGPPA, so long as provincial carbon pricing standards meet or exceed federal carbon pricing standards outlined in the Canadian Greenhouse Gas Offset Credit System Regulations, the federal carbon pricing standards outlined in Part 1 and the federal Output-Based Pricing System (“OBPS”) in Part 2 of the GGPPA do not apply.

British Columbia has developed its own OBPS which meet the federal standards, and therefore neither the federal carbon pricing system nor the federal Output-Based Pricing System applies. Alberta meets the benchmark for industrial emitters through its TIER program, so the federal OBPS does not apply; however, because Alberta did not have a provincial consumer fuel charge, the federal fuel charge under Part 1 continued to apply in the province until April 1, 2025. On that date, the federal government set all fuel charge rates under Part 1 to zero; which BC also mirrored at the provincial level. For industrial emitters, both BC and Alberta continues to apply a provincial carbon price of \$95 per tonne in 2025 reflected in BC OBPS and the Alberta TIER Program.

Under the BC OBPS, each facility’s emissions are assessed against a product-specific performance standard for that facility, and if the facility produces emissions above the emission limit, then it must use one of the permitted compliance mechanisms for those excess emissions. Under TIER, each facility’s emissions are assessed against their own facility specific intensity benchmark to determine if they will owe or generate carbon credits. Both provinces meet their compliance through payment of compliance units (generated through earned credits where emissions are verified below limits or through verified offset projects) or direct payment to meet the obligation.

For additional information see the Company’s “2025 Management’s discussion and analysis”. In particular, the sections entitled “Risk and uncertainties – Environmental issues”, “Risks and uncertainties – Climate change” and “Environmental, social, and governance (“ESG”) strategy, reporting and related risks”, which is incorporated by reference herein and available on SEDAR+ at www.sedarplus.ca.

Competitive position.

Each market in which the Company sells lumber, pulp, and paper products is highly competitive with many major companies in each market. The Company’s competitive position is influenced by the price, availability, quality and cost of its raw materials, as well as production and transportation costs. Additionally, the capabilities and productivity of its operating facilities and customer service relative to competitors play a crucial role. Like the broader Canadian forest products industry, Canfor (including CPPI) competes in an international market, making it susceptible to currency fluctuations and global business conditions and trade agreements, including duty and potential tariff expenditures. Furthermore, many of the Company’s lumber products face competitions from various substitutes for wooden building materials.

For additional information regarding the Company’s competitive position, see the Company’s “2025 Management’s discussion and analysis”, in particular, the section entitled “Risks and uncertainties – Competitive markets”, which is incorporated by reference herein and can be found on SEDAR+ at www.sedarplus.ca.

Research and development.

The Company conducts and is committed to research and development in the areas of fibre analysis, manufacturing processes, quality control, and product and building systems development. The Company is an active member and participant in key industry research and development organizations. The Company maintains its connection to industry research and technical information developments through its relationships with various associations, universities, research institutes, suppliers, and customers.



Directors and officers.

Directors.

The name and municipality, province, state, and country of residence of the directors of the Company (“Directors”) as at the date of this Annual Information Form, their principal occupations and the periods during which they have been Directors of the Company are as follows:

Name and municipality, province, and country of residence. ¹	Principal occupation and background.	Director since.
John Baird Toronto, ON Canada	<p>Chair of the Board of Directors of the Company (the “Board”) and former Canadian Minister of Foreign Affairs. Currently Senior Advisor to various enterprises and a former Senior Cabinet Minister in the Government of Canada.</p> <p>Background: Mr. Baird is also a director and Chair of the board of CPPI. Mr. Baird spent three terms as a Member of Parliament in the House of Commons, most recently as Minister of Foreign Affairs (2011-2015). Previously, Mr. Baird held a variety of government posts including President of the Treasury Board (2006-2007), Minister of the Environment (2007-2008 and 2010-2011), Minister of Transport and Infrastructure (2008-2010), and Leader of the Government in the House of Commons (2010-2011). Prior to entering federal politics, Mr. Baird spent ten years in the Ontario Legislature, where he served as Minister of Community and Social Services, Minister of Energy, and Government House Leader (1995-2005).</p> <p>Mr. Baird serves as a Senior Business Advisor at both Bennett Jones LLP, a premier Canadian law firm, and Eurasia Group, a global political risk consultancy. Mr. Baird also sits on the advisory board of Barrick Gold Corp. and is on the Board of Friends of Israel Initiative.</p> <p>Mr. Baird also volunteers his time with Community Living Ontario, an organization that supports individuals with developmental disabilities.</p>	2016
Ryan Barrington-Foote, FCPA, FCA ^{2,3} Vancouver, BC Canada	<p>President at The Jim Pattison Group, a diversified holding company.</p> <p>Background: Mr. Barrington-Foote is currently the President at The Jim Pattison Group where his duties include oversight of the group’s operating divisions. He was previously the Managing Director, Accounting and has worked with The Jim Pattison Group since 2001 with oversight responsibility for accounting and tax related functions. Mr. Barrington-Foote was associated with KPMG LLP from 1996-2001 where he earned his CPA (CA) designation in 2001. Mr. Barrington-Foote obtained an Honours degree in Business Administration from Simon Fraser University. Mr. Barrington-Foote is a director of Breakthrough T1D, and was a member of the Board of Directors of Just Energy Group Inc. from 2015-2017, and was a Director and Treasurer of the Rick Hansen Institute from 2010-2016. He received his fellowship designation from the Chartered Professional Accountants of British Columbia in 2022.</p>	2017



Name and municipality, province, and country of residence. ¹	Principal occupation and background.	Director since.
Santhe Dahl ^{5,6} Vaxjo, Sweden	<p>Chair of and consultant to Vida, the largest sawmill production company in Sweden and a 77% subsidiary of the Company.</p> <p>Background: Mr. Dahl started his forest products career in 1977 as site manager and Chief Financial Officer at the Alvesta Mill, a sawmill located in Alvesta, Sweden, to become the second sawmill owned by Vida at that time. In 1983, Vida acquired two state-owned sawmills from Domänverket, currently Sveaskong and Mr. Dahl became a co-owner of Vida along with six other employees. During 1989 the ownership of Vida changed to three individuals, of which Mr. Dahl was one, at which time two additional sawmills were acquired. Since 1999, Mr. Dahl has led the acquisitions of approximately ten more sawmills, six wooden packaging factories, a pellet factory and two house factories.</p> <p>Mr. Dahl has been an owner of Vida since 1983 and was appointed Managing Director in 1986 and CEO in 1999. He became the majority owner of Vida in 2010 until 2019, when Canfor acquired 70% of Vida. At that time, he became Chair of the Board of Vida.</p> <p>For the past 20 years, Mr. Dahl served as the president of Sweden's Forest Industries and continues to contribute as a board member.</p>	2023
Dieter Jentsch ^{2,5,6} King City, ON Canada	<p>Senior executive and career banker with experience in Canadian, US and International markets.</p> <p>Background: Mr. Jentsch is also a director of CPPI. Mr. Jentsch had a 35-year career at the Bank of Nova Scotia, holding numerous senior roles. In addition to being part of the Bank of Nova Scotia's Operating Committee, he was Group Head of Global Banking and Markets (2016-2018) and Group Head of International Banking (2012-2016). Other prior roles included Executive Vice President Latin America and Executive Vice President Canadian Commercial Banking. Mr. Jentsch is also a director on the Board of Directors of The Jim Pattison Group.</p> <p>Mr. Jentsch holds a Bachelor of Science degree in Agriculture and a Master of Business Administration degree. He holds a diploma from the Advanced Management Programme from the European Institute of Business (INSEAD) as well as a diploma from the University of Toronto Rotman-ICD Directors Education Program.</p>	2020
Dallas Ross ^{3,6} Vancouver, BC Canada	<p>Founder and general partner of Kinetic Capital Partners, a private investment group with large ownership percentages in a few high growth US private companies.</p> <p>Background: Mr. Ross is also Chair of the board and Chair of the Strategic Initiatives Committee of Rogers Sugar Inc., and a director and Chair of the Board of Westshore Terminals Investment Corporation.</p> <p>Previously, Mr. Ross was on the board of Just Energy Group Inc. and was Chair of the Special Committee that oversaw its consensual CBCA restructuring in 2020 and remained on the board until it exited its subsequent CCAA restructuring in 2022. Mr. Ross was also on the board and was Chair of the Strategic Alternatives Committee of Catalyst Paper Corporation to assist with its debt restructuring from 2010 to 2012. Mr. Ross was on the board of FutureShop.com from 1999 to 2004 and was on the board and Chair of the Campus Task Force, on the Executive Committee and on the Finance Committee of Crofton House School in Vancouver from 2006 to 2013 as a key member of the leadership team that rebuilt the campus facilities, significantly improved the school's economic scale, and raised significant donations from its community.</p> <p>Prior to founding Kinetic Capital Partners, Mr. Ross was Managing Director, Investment Banking at Scotia Capital and, prior to that, Managing Director, Mergers and Acquisitions with ScotiaMcLeod.</p>	2018



Name and municipality, province, and country of residence. ¹	Principal occupation and background.	Director since.
Frederick Stimpson III ^{2,4} Mobile, AL United States	<p>Former President of CSP and is currently a consultant for the Company.</p> <p>Background: Mr. Stimpson is the third generation of a family with a long history in the forest products business. After graduating from the University of Alabama in Business and from University of Georgia in Forestry, Mr. Stimpson worked with Gulf Lumber Company in various roles and was President from 1988 to 2009 and CEO of Scotch & Gulf Lumber until 2013.</p> <p>After the acquisition of Scotch & Gulf Lumber by Canfor, Mr. Stimpson was appointed President of CSP in 2015 and held the role until his retirement in 2020. Leading the Company's US South business, Mr. Stimpson helped the Company expand from four mills to 15 operations including a transportation company that specializes in hauling lumber and wood residuals across the southeast to customers. Mr. Stimpson is also a manager of PFSR Timber Holdings LLC, a closely held holding entity that hold land and sells timber.</p>	2021
Sandra Stuart ⁶ Vancouver, BC Canada	<p>Former CEO of HSBC Canada, a Canadian chartered bank and a director of the Supervisory Board for HSBC Germany, director of Telus International Inc. and Belkorp Private Investment Management Co. and is a Trustee and the Audit Chair for DRI Healthcare Trust.</p> <p>Background: Ms. Stuart was appointed to the Board and the board of CPPI in June, 2021. She also currently serves as a director and member of the Risk and Technology Committee for the Bank of Nova Scotia, and on the Advisory Board for Belkorp Investment Management.</p> <p>Ms. Stuart is an accomplished International Banking Executive with extensive C-Suite Retail, Technology, Operations and corporate governance experience. Ms. Stuart retired as President and CEO of HSBC Canada in 2020. She enjoyed a 40-year career with HSBC, holding progressively senior roles including in the United States and Brazil. Ms. Stuart is active in the community volunteering on the Advisory Board for the Caldwell Top 40 under 40, and for the Loran Scholarship Program. She has been recognized by the Association of Women in Finance for Excellence in the Private Sector, received the Women's Executive Network Deloitte Inclusion Vanguard Award (2016), was named one of WFN's Top 100 Most Powerful Women in Canada (2014), and British Columbia's Most Influential Women by BC Business Magazine (2015/19). Most recently, Ms. Stuart was selected as a Catalyst Canada Honors Champion.</p> <p>Ms. Stuart has a Bachelor of Arts with a double minor in Economics and Business from Simon Fraser University.</p>	2021



Name and municipality, province, and country of residence. ¹	Principal occupation and background.	Director since.
Dianne Watts ^{4,5} Surrey, BC Canada	<p>Member of the Board of Directors of Westshore Terminals Investment Corporation, a coal export terminal company. She is also a member of the Board of Directors of the EllisDon Corporation, a global construction services and technology company and is a member of its Audit Committee.</p> <p>Background: Prior to entering politics, Ms. Watts built a successful career as an architectural consultant. First elected in 1996, she served nine years as a Surrey City Councilor before making history in 2005 as Surrey's first female mayor. She held the mayoralty for nine years, and in 2015 entered federal politics, serving as the Member of Parliament for South Surrey until 2017.</p> <p>During her time as a Member of Parliament, Ms. Watts was the Shadow Minister for National Infrastructure and Communities and served as a member of the National Security and Public Safety Committee, National Infrastructure and Transportation Committee and the Economic Development Caucus. She also holds 2 Honorary Doctor of Laws.</p> <p>During her time as Mayor of Surrey, BC, Ms. Watts served as Chair of the National Policing and Public Safety Committee, Metro Vancouver Transportation Committee, RCMP Local Government Contract Management Committee.</p> <p>Ms. Watts also served as a founding member and Board of Director for BC Mayors Caucus, Sophie's Place Child Advocacy Center and Servants Anonymous Safe Houses.</p> <p>Ms. Watts served as the first CEO of the Health Tech Innovation Foundation that was established to foster technology advancements. In addition, Ms. Watts is the Co-Chair UNITI Harmony Housing Project, Executive member of BC United, Member of Women Options, Affordable Housing Campaign and a political contributor to Global and CBC media services.</p>	2018
Cheryl Yaremko ² Burnaby, BC Canada	<p>CFO at GCT Global Container Terminals ("GCT"); Board of Governors of the Business Council of British Columbia.</p> <p>Background: Ms. Yaremko has deep financial expertise in capital-intensive industries including utilities, transportation, and manufacturing. Ms. Yaremko is responsible for the leadership and direction for GCT's financial activities, strategic planning, public affairs, and environmental, social and governance matters.</p> <p>Prior to her role as Chief Financial Officer of GCT, Ms. Yaremko was the Chief Financial Officer and Executive Vice-President, Finance, Technology and Supply Chain at British Columbia Hydro and Power Authority and Chief Financial Officer for BC Railway Company. She has served on the boards of British Columbia Investment Management Corporation (BCI) (Audit Committee Chair), UBC Investment Management Trust (Audit Committee Chair), InTransit BC and Ballet BC.</p> <p>Ms. Yaremko is a Chartered Professional Accountant, holds an ICD.D designation from the Institute of Corporate Directors and has a Bachelor of Commerce (Honours), with a major in Finance, from the University of British Columbia.</p>	2025



Name and municipality, province, and country of residence. ¹	Principal occupation and background.	Director since.
Susan Yurkovich	President and CEO, Canfor	2025
Vancouver, BC Canada	<p>Background: Prior to 2025, Ms. Yurkovich previously served as Senior Vice President of Global Business Development of the Company and in various roles from 1994-2004, including five years as Vice President, Corporate Affairs.</p> <p>Prior to re-joining the Company in 2022, Ms. Yurkovich was President and CEO of the BC Council of Forest Industries and President of the BC Lumber Trade Council where she led advocacy efforts and represented the sector in trade matters, including the Canada-US softwood lumber dispute. From 2006-2015, she served as Executive at British Columbia Hydro and Power Authority and led the development of the Site C Hydro Project on the Peace River in Northeast BC.</p> <p>Ms. Yurkovich serves as a Director of FortisBC, the Softwood Lumber Board, and the Sustainable Forest Initiative (SFI), and is a member of the Faculty Advisory Board at University of British Columbia's Sauder School of Business. She holds a Bachelor of Arts and a Master of Business Administration from the University of British Columbia, a Diploma in International Business from Erasmus University, Netherlands, and the ICD.D designation from the Institute of Corporate Directors.</p>	

Notes:

¹. All committees of the Company, other than the Audit Committee, have as members one or more directors of CPPI and are joint committees with CPPI (collectively, the "Joint Committees"). For more information on the power, responsibilities, and composition of the joint committees, see the Company's Information Circular dated March 20, 2025, CPPI's Information Circular dated March 20, 2025 and CPPI's Annual Information Form dated March 5, 2026, each of which can be found on SEDAR+ at www.sedarplus.ca. Following completion of the Arrangement, it is expected that each of the Joint Committees will cease to be joint and will cease to have as members any individuals who, immediately prior to the completion of the Arrangement were directors of CPPI and who are not also Directors of the Company. Subject to and effective as of the completion of the Arrangement, Ms. Yaremko will be appointed to the Governance and Nominating Committee and the Management Resources and Compensation Committee.

². Member of the Audit Committee.

³. Member of the Joint Management Resources and Compensation Committee.

⁴. Member of the Joint Governance and Nominating Committee.

⁵. Member of the Joint Sustainability, Health and Safety Committee.

⁶. Member of the Joint Capital Expenditure Committee.

The term of office of each Director expires on the date of the next Annual General Meeting of the Company to be held on May 6, 2026.



Officers.

The names and municipality, province, and country of residence of the executive officers of the Company and the offices held by them as at March 5, 2026, are as follows:

Name ¹	Municipality of residence	Office
John Baird	Toronto, ON, Canada	Chair
Susan Yurkovich	Vancouver, BC, Canada	President and Chief Executive Officer
Patrick Elliott	Vancouver, BC, Canada	Chief Financial Officer and Corporate Secretary
Stephen Mackie	Kelowna, BC, Canada	Chief Operating Officer of the Company and President & CEO of CPPI
Kevin Pankratz	North Vancouver, BC, Canada	Senior Vice President, Sales and Marketing
Kathryn Player	North Vancouver, BC, Canada	Senior Vice President, People
Måns Johansson	Växjö, Kronobergs län, Sweden	President, Canfor Europe
Karl-Johan Löwenadler	Växjö, Kronobergs län, Sweden	Chief Executive Officer, Vida Group
Lee Goodloe	Mobile, Alabama, USA	President, CSP
Andreas Kammenos	Abbotsford, BC, Canada	Vice President, Business Optimization
Katrina Wilson	Surrey, BC, Canada	Vice President, Controller
Mathew Parras	Prince George, BC, Canada	Vice President, Canadian Operations
Mina Laudan	Vancouver, BC, Canada	Vice President, Corporate Affairs
Lilac Bosma	Richmond, BC, Canada	Vice President, Legal and General Counsel
Nicholas Ott	Mobile, Alabama, USA	Vice President, Technology and Digital

Notes:

¹.The principal occupation of all of the officers listed above is with the Company or CPPI.

All of the above Directors and officers have had the same or similar principal occupations with the organizations indicated for the last five years, except as otherwise disclosed above, and except that: prior to October 2025, Mr. Löwenadler was CEO of Vida Wood; prior to January 2025, Mr. Elliott was Chief Financial Officer and Senior Vice President, Sustainability, and prior to October 2021, Mr. Elliott was Senior Vice President, Corporate Finance and Sustainability; prior to January 2025, Mr. Mackie was Executive Vice President, North American Operations; prior to January 2025, Mr. Kammenos was Vice President, Residual Fibre and Business Analytics; prior to January 2025, Mr. Ott was Senior Director, IT and Digital Manufacturing, prior to May 2023, Mr. Ott was Director IT, CSP, and prior to September 2021, Mr. Ott was Senior Manager, IT Infrastructure Delivery; prior to March 2024, Ms. Laudan was Principal at MKL Communications; prior to May 2024, Ms. Bosma was Vice President Legal at RBC and prior to April 2024, Ms. Bosma was Senior Vice President and General Counsel at HSBC Bank Canada; prior to October 2023, Mr. Parras was Senior Director, Strategy & Finance and prior to December 2021, Mr. Parras was General Manager, Finance, Wood Products Canada; prior to August 2023, Mr. Goodloe was General Manager, West Division, CSP and prior to January 2022, Mr. Goodloe was Area Operations Manager, Alabama; prior to July 2023 Mr. Johansson was CEO of Vida; prior to October 2021, Ms. Wilson was Corporate Controller; and prior to April 2021 Mr. Baird was a Director of the Company from April 2016 to April 2021.

Interest of management and others in material transactions.

To the knowledge of the Company, no Director or executive officer of the Company, or any person or company that beneficially owns or controls or directs, directly or indirectly, more than 10% of the Common Shares, or any of their associates or affiliates, has or had any material interest, directly or indirectly, in any transaction of the Company within the three most recently completed financial years of the Company or during the current financial year that has materially affected or is reasonably expected to materially affect the Company, other than as described in the Arrangement Circular in connection with the Arrangement (a copy of which is available on CPPI's SEDAR+ profile at www.sedarplus.ca), under "Material Contracts" below and as set forth herein.

Mr. Dahl is also a party to an agreement (with the other holders of the 23% interest of Vida not owned by the Company) to put his shares of Vida ("Vida Shares") to the Company commencing in February 2025 and ending in February 2032, at which time the



Company will also have a right to acquire any of the Vida Shares which remain outstanding in the hands of Mr. Dahl. Pursuant to that agreement, the price of the Vida Shares is fixed based on the original acquisition terms of Vida agreed to with Mr. Dahl and the other remaining Vida shareholders in 2019. On December 10, 2024, the Company increased its ownership interest in Vida from 70% to 77% by acquiring 36,446 Vida Shares from a company controlled by Mr. Dahl and 27,211 Vida Shares from a company controlled by Mr. Johansson, President of Canfor Europe.

Conflicts of interest.

Except as noted previously, to the knowledge of the Company, no Director or executive officer of the Company or a subsidiary of the Company has an existing or potential conflict of interest with the Company or a subsidiary of the Company, other than as set forth herein.

Mr. Stimpson is a manager at PFSR Timber Holdings LLC, a closely-held private entity controlled by Mr. Stimpson and his family members. In this role, he is responsible for managing land holdings owned by that entity and arranging for sales of timber to CSP. Mr. Goodloe, the current President of CSP, is also the son-in-law of Mr. Stimpson's first cousin.

Description of capital structure.

The authorized share capital of the Company consists of 1,000,000,000 common shares without par value and 10,000,000 preferred shares, with a par value of \$25 each. At December 31, 2025 and March 5, 2026, there were 116,428,846 common shares issued and outstanding and no preferred shares issued and outstanding.

The holders of common shares are entitled to vote at all meetings of shareholders of the Company, except meetings at which only holders of preferred shares would be entitled to vote. The common shareholders are entitled to receive dividends as and when declared on the common shares.

The holders of preferred shares are not generally entitled to receive notice of or to attend or vote at general meetings of shareholders of the Company. Preferred shareholders are entitled to preference over the common shares with respect to the payment of dividends and upon any distribution of assets in the event of liquidation, dissolution, and winding-up of the Company.

Dividends.

The declaration and payment of dividends are at the discretion of the Company's Board of Directors.

Provisions contained in the Company's long-term borrowing agreements limit the amount of dividends it may pay on the Company's common shares. The amount of dividends the Company is permitted to pay under its term loan agreements is determined by reference to consolidated net earnings less certain restricted payments. The agreements do not restrict the dividends paid in common shares of the Company.

Shareholdings of directors and executive officers.

At March 5, 2026, the Directors and Executive Officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over: (i) 116,824 common shares representing approximately 0.1% of the outstanding common shares; and (ii) 110,591 common shares of CPPI representing approximately 0.2% of the outstanding common shares of CPPI; and 179,892 Vida Shares representing approximately 18.01% of the outstanding Vida Shares.

Markets for securities.

The Company's common shares are listed and traded on the TSX under the symbol CFP.



Trading price and volume.

The following table presents the high and low prices for the Company's Common Shares and the average daily trading volume of those shares, on a monthly basis, on the TSX for 2025.

<u>Month (2025)</u>	<u>High</u>	<u>Low</u>	<u>Average Daily Trading Volume</u>
	\$	\$	(Shares)
January	16.06	14.55	147,900
February	15.58	14.11	186,995
March	16.22	14.09	206,757
April	15.49	12.60	212,195
May	14.15	12.75	145,124
June	14.86	12.93	106,567
July	15.03	13.45	91,064
August	13.86	12.60	157,280
September	14.01	12.09	234,219
October	13.12	11.99	165,927
November	12.40	11.11	141,925
December	12.30	10.86	177,371

Security.

The Company's operating lines of credit and term indebtedness are unsecured, except for the indebtedness under the Farallon Loan Agreement as defined in and described further under "Material Contracts" below, which indebtedness is secured by certain accounts receivable related to countervailing and anti-dumping duties paid to the US government.

Material contracts.

The following is a list of the Company's material contracts:

1. The Company was party to a Note Purchase and Private Shelf Agreement dated October 2, 2015, as amended by amendments thereto dated as of December 14, 2018, September 30, 2019 and September 27, 2024 each made among the Company, Prudential Investment Management, Inc. and the note purchasers party thereto (the "Note Purchase Agreement"), for the private placement of 4.40% Series A senior unsecured notes (the "Notes") of the Company. The initial series of Notes are for an aggregate principal amount of US\$100,000,000 with a 10-year term, repayable in three equal tranches on October 2, 2023, 2024 and 2025, and are guaranteed by certain of the subsidiaries of the Company. The Note Purchase Agreement provides for a US\$50,000,000 uncommitted shelf facility to allow for future issuances of Notes. The third and final repayment of US\$33,333,333 was made on October 2, 2025.

The Company and CSP are borrowers under an amended and restated credit agreement dated for reference April 16, 2024 made with, among others, Royal Bank of Canada, as Canadian administrative agent, CoBank, ACB, as U.S. administrative agent, Bank of Montreal, as co-syndication agent, Canadian Imperial Bank of Commerce, as co-syndication agent, and the financial institutions from time to time party thereto as lenders, which amended and restated credit agreement, has been amended by a first amendment thereto dated for reference September 27, 2024 and a second amendment thereto dated for reference June 26, 2025 (as so amended, the "Credit Agreement").

The Credit Agreement provides for a \$925,000,000 unsecured revolving term credit facility (the "Operating Loan") in favour of the Company and CSP, a US\$150,000,000 committed revolving credit facility (the "Revolving Credit Facility") in favour of CSP and a US\$50,000,000 committed non-revolving credit facility (the "Non-Revolving Credit Facility") in favour of CSP. Each of the Operating Loan, the Revolving Credit Facility, and the Non-Revolving Credit Facility provide for floating rates of interest. The Operating Loan also provides for the issuance of letters of credit. The Operating Loan matures on June 26, 2029, the Revolving Credit Facility matures on June 28, 2030, and the Non-Revolving Credit Facility on June 28, 2031. On June 28, 2026, any amounts drawn on the Revolving Credit Facility, will be converted to a US-dollar denominated unsecured non-revolving term loan in the principal amount equal to the lesser of US\$150,000,000 and the principal amount outstanding under such Revolving Credit Facility on such date, with a maturity date of June 28, 2030.

2. On September 27, 2024, the Company entered into a secured loan agreement (the "Farallon Loan Agreement") for approximately \$424.9 million (US \$315.0 million) with an affiliate of Farallon and received all advances thereunder, totaling approximately \$313.8 million (US \$232.4 million). The loan is secured by certain accounts receivable related to countervailing and anti-dumping duties paid to the US government. The borrowings under the loan have terms of four and eight years, with an effective interest rate of 7.5% and 3.9%, respectively. Principal (including drawdowns and to pay interest) on the loan is payable at the end of the



respective terms with the repayment of the loan, including all interest and principal payments, anticipated to be met by refunds and interest receivable out of duty refunds from the US government. To the extent duty refunds have not been received at the end of each respective term, the terms can be extended, at Canfor's option, for two additional ten-year terms.

Interest received by Canfor on the secured accounts receivable balances from September 27, 2024, to the date of duty refunds from the US government, will also be payable to Farallon at the end of the respective terms of the borrowings under the loan.

See "Legal proceedings and regulatory actions" below for more information on Canfor's countervailing and anti-dumping duties.

3. The Company and a predecessor to CPPI each entered into a number of material contracts in connection with the spin-out of the NBSK pulp and paper business by the Company on July 1, 2006, which is now carried on by CPPI. For a description of these contracts see "Pulp and paper" and the section entitled "The Spin-out – Transfer of the Pulp Business and Related Agreements" of the Company's Information Circular dated April 28, 2006, which is incorporated by reference herein and also the Canfor Pulp Income Fund Information Circular dated March 16, 2010, both of which are available on SEDAR+ at www.sedarplus.ca.
4. In September 2025, Vida AB entered into a loan agreement dated September 17, 2025 with Nordea for \$85.5 million (SEK 575 million). This debt is secured by the shares of Hedin and currently matures on September 30, 2026.

Cease trade orders, bankruptcies, penalties, sanctions.

Except as noted below, to the knowledge of the Company, no Director or executive officer of the Company is at the date hereof or was within the last 10 years of the date of this Annual Information Form, a director, CEO or chief financial officer of a company that, (i) while acting in that capacity, was subject to a cease trade or similar order or an order that denied the company access to any exemption under securities legislation (an "Order") that was in effect for a period of more than 30 consecutive days; (ii) was subject to an Order that was in effect for a period of more than 30 consecutive days that was issued after the Director or executive officer ceased to be a director, CEO or chief financial officer of such company and which resulted from an event that occurred while that person was acting in such capacity, other than as set forth below in respect of Mr. Jentsch in his role as former Senior Executive of Scotiabank.

On August 19, 2020, The Bank of Nova Scotia ("Scotiabank") announced that it entered into a Deferred Prosecution Agreement ("DPA") with the U.S. Department of Justice (the "DOJ"). Additionally, the Commodity Futures Trading Commission (the "CFTC") issued three separate orders against Scotiabank (collectively, the "CFTC Orders"). The DPA and the CFTC Orders (together, the "Resolutions") resolve the DOJ's and CFTC's previously disclosed investigations into Scotiabank's activities and trading practices in the metals markets and related conduct as well as pre-trade mid-market marks and related swap dealer compliance issues. Mr. Jentsch was a Senior Executive of Scotiabank during the time period during which such activities, trading practices and related conduct occurred. Mr. Jentsch was not personally sanctioned as part of these proceedings nor was he the subject of these investigations.

To the knowledge of the Company, no Director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company is at the date hereof, or has been within the 10 years before the date of this Annual Information Form, a director or executive officer of a company that, while acting in that capacity, or within a year of ceasing to act in such capacity became bankrupt, made a proposal under legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or trustee appointed to hold its assets, other than Mr. Ross. Mr. Ross was asked to join the Board of Directors of Just Energy Group Inc. ("Just Energy") in June 2017. Mr. Ross was on the Board of Directors of Just Energy to execute a Plan of Arrangement under the CBCA in mid-2020 and then to subsequently execute a CCAA filing amidst significant issues in the Texas regulated market in early 2021.

To the knowledge of the Company, no Director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceeding, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

Legal proceedings and regulatory actions.

Other than as set forth herein, there are no other material legal or regulatory proceedings to which the Company or any of its subsidiaries is or was a party, or to which any of the property of any of them is or was the subject of, during the Company's financial year ended December 31, 2025, and there are no other such material legal or regulatory proceedings which the Company knows to be contemplated. In addition, there are no penalties or sanctions imposed against the Company or any of its subsidiaries by a court relating to Canadian securities legislation or by a securities regulatory authority during the Company's financial year ended December 31, 2025 or any other penalties or sanctions imposed by a court or regulatory body against any of them which would likely be considered important to a reasonable investor in making an investment decision, and none of them have entered into any settlement agreements with a court relating to Canadian securities legislation or by a securities regulatory authority during the Company's financial year ended December 31, 2025.



On October 12, 2015, the Softwood Lumber Agreement between the governments of Canada and the US expired which resulted in a twelve-month period in which no trade actions could be imposed for the importation of softwood lumber from Canada to the US (commonly referred to as a “stand-still period”). On October 12, 2016, the stand-still period expired, and on November 25, 2016, a petition was filed by the US Lumber Coalition to the US Department of Commerce and the US International Trade Commission alleging certain subsidies and administered fees below the fair market value of timber that favour Canadian lumber producers, including Canfor. On January 6, 2017, the US International Trade Commission ruled that there is a reasonable indication that US lumber producers are materially injured by reason of imports of softwood lumber products from Canada that are allegedly subsidized and sold in the United States at less than fair value. Canfor was selected by the US Department of Commerce as a “mandatory respondent” to the countervailing and antidumping investigations and is subject to company specific countervailing and anti-dumping duties.

On April 24, 2017, the US Department of Commerce announced a preliminary countervailing duty of 20.26%, specific to Canfor, to be imposed on the Company’s lumber exports to the United States from April 28, 2017 to August 25, 2017. On June 23, 2017, the US Department of Commerce announced a preliminary anti-dumping duty of 7.72% effective on US-bound shipments beginning June 30, 2017. On November 2, 2017, the US Department of Commerce announced a final countervailing duty rate of 13.24% effective December 28, 2017, and a final anti-dumping duty rate of 8.89% effective November 8, 2017. The anti-dumping duty rate was further amended to 7.28%, effective January 3, 2018, following a Ministerial Error Challenge, which was accepted by the US Department of Commerce.

Despite cash deposits being made at rates determined by the US Department of Commerce in 2017 (20.52%), the final liability associated with duties is not determined until the completion of administrative reviews performed by the US Department of Commerce. For the countervailing duty rate, the first period of review was based on sales and cost data through 2017 and 2018, while the anti-dumping duty rate was based off data from July 2017 to December 2018.

In early 2020, the US Department of Commerce announced the preliminary results for the first period of review and on November 24, 2020, finalized the rates. Accordingly, the Company’s final countervailing duty cash deposit rate was determined to be 2.94% for 2017 and 2.63% for 2018 (versus a cash deposit rate of 13.24%), while the final anti-dumping duty cash deposit rate was 1.99% for the entire first period of review (versus a cash deposit rate of 7.28%). The US Department of Commerce’s final combined duty and cash deposit rate of 4.62% applied to the Company’s Canadian lumber shipments destined to the United States from December 1, 2020 until completion of the administrative review for the second period of review in November 2021.

At the end of November 2021, the US Department of Commerce finalized the Company’s countervailing duty rate at 2.42% for the second period of review (versus a cash deposit rate of 13.24%), while the final anti-dumping duty rate was 17.12% (versus a deposit rate of 7.28%). This final combined duty rate of 19.54% applied to the Company’s Canadian lumber shipments destined to the United States from December 2, 2021 until completion of the administrative review for the third period of review in August 2022.

In August 2022, the US Department of Commerce finalized the Company’s countervailing duty rate at 0.95% for the third period of review (versus a cash deposit rate of 2.42%), while the final anti-dumping duty rate was 4.92% (versus a deposit rate of 17.12%). This final combined duty rate of 5.87% became the new duty cash deposit rate and was applied to the Company’s Canadian lumber shipments destined to the United States from August 9, 2022 until completion of the administrative review for the fourth period of review in July 2023.

In July 2023, the US Department of Commerce finalized the Company’s countervailing duty rate at 1.36% for the fourth period of review (versus a cash deposit rate of 2.63%), while the final anti-dumping duty rate was 5.25% (versus a deposit rate of 1.99%). This final combined duty rate of 6.61% became the new duty cash deposit rate and was applied to the Company’s Canadian lumber shipments destined to the United States from August 1, 2023 until completion of the administrative review for the fifth period of review in August 2024.

In August 2024, the US Department of Commerce finalized the company’s countervailing duty rate at 6.14% for the fifth period of review (versus cash deposit rates of 2.42% from January to July 2022 and 0.95% from August to December 2022), while the final anti-dumping duty rate was 10.44% (versus deposit rates of 17.12% from January to July 2022 and 4.92% thereafter). This final combined duty rate of 16.58% became the new duty cash deposit rate and was applied to the Company’s Canadian lumber shipments destined to the United States from August 1, 2024 until completion of the administrative review for the sixth period of review in August 2025.

In August 2025, the US Department of Commerce finalized the company’s countervailing duty rate for the sixth period of review at 12.12% (versus a cash deposit rate of 0.95% from January to July 2023, and 1.36% from August to December 2023), while the final anti-dumping duty rate was 35.47% (versus deposit rates of 4.92% from January to July 2023 and 5.25% thereafter). This final combined duty rate of 47.59% became the new duty cash deposit rate and was applied to the Company’s Canadian lumber shipments destined to the United States from August 1, 2025 until completion of the administrative review for the seventh period of review (anticipated mid-2026).

Canfor and other Canadian forest product companies, the Federal Government of Canada and Canadian Provincial Governments continue to categorically deny the US allegations and strongly disagree with the current countervailing and anti-dumping



determinations made by the US Department of Commerce. Canada has proceeded with legal challenges under the United States-Mexico-Canada Agreement and through the WTO, where Canadian litigation has proven successful in the past.

Experts.

KPMG LLP, Chartered Professional Accountants, of Vancouver, British Columbia are the auditors of the Company. KPMG LLP, Chartered Accountants, have reported that they are independent of the Company in accordance with the auditor's rules of professional conduct in Canada.

The Company will propose KPMG LLP for reappointment as the auditors of the Corporation on the expiry of its term of office at the Annual Meeting of Shareholders of the Corporation on May 6, 2026. No auditor's report prepared by the auditor in respect of the Corporation's financial statements relating to the relevant period contained any modified opinion and there have been no reportable events involving the Corporation and the auditor.

Transfer agent and registrar.

TSX Trust Company is the Company's transfer agent and registrar with registers of transfer in Vancouver and Toronto.

Audit Committee information.

Audit Committee terms of reference – see Appendix A.

Composition of Audit Committee.

The Audit Committee is composed entirely of Directors who are financially literate and a majority of whom are independent, in each case as contemplated by National Instrument 52-110 – Audit Committees ("NI 52-110"). Ms. Yaremko, the Chair of the Committee, has deep financial expertise in capital-intensive industries including utilities, transportation, and manufacturing, and is a Chartered Professional Accountant. Mr. Barrington-Foote is a Fellow Chartered Professional Accountant (FCPA, FCA) and President at The Jim Pattison Group. Mr. Jentsch was a former Senior Executive at Scotiabank, where he had a 35-year career holding numerous senior roles.

Of the Audit Committee members, Ms. Yaremko and Mr. Jentsch are independent Directors, and Mr. Barrington-Foote is treated as a non-independent because he is an employee, director, or officer of one or more companies wholly owned by James Pattison, the largest shareholder of the Company.

In its assessment of the composition of the Audit Committee, the Board determined that Mr. Barrington-Foote is an appropriate member for this committee on the basis that: except for his positions with Mr. Pattison's companies, he is not considered to otherwise have any material relationships which could reasonably be expected to interfere with the exercise of his independent judgement as a Director; and, given his financial literacy and his active day-to-day involvement in relevant financial matters and issues, his role on the Audit Committee is required in the best interests of the Company. The Company is therefore relying on the exemption in subsection 3.3(2) (Controlled Companies) of NI 52-110 in including Mr. Barrington-Foote on the Company's Audit Committee.

The Audit Committee has adopted a policy for the engagement of non-audit services whereby the external auditor of the Company is not entitled to provide any non-audit services to the Company exceeding \$50,000 in value without the Audit Committee Chair's prior approval and any such services exceeding \$100,000 are to be pre-approved by the Audit Committee. All such engagements are reported to the Audit Committee.

External auditor service fees (by category).

The aggregate fees billed by KPMG LLP, the auditor of the Company, for the last two years, were an aggregate \$6.1 million. Fees listed below were for audit, tax, financial and other verification audit services.



(thousands of Canadian dollars)		2025		2024
Audit fees ¹	\$	2,013	\$	1,747
Audit-related fees ²		121		114
Other assurance fees ³		608		665
Total assurance fees	\$	2,742	\$	2,526
Tax fees ⁴		468		412
Total fees⁵	\$	3,210	\$	2,938

Notes:

¹. For the audit of the Company's annual financial statements and services normally provided by the principal auditor in connection with the Company's statutory and regulatory filings.

². For assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported in "Audit fees", including accounting consultations and various agreed upon procedures.

³. Other assurance fees primarily related to forest certification services and greenhouse gas emissions assurance.

⁴. For tax compliance, tax consulting services, and tax planning.

⁵. Included in the fees above is \$0.6 million which was billed to the Company's subsidiary, CPPI (\$0.6 million in 2024).

Additional information.

Additional financial information regarding the Company is provided in the Company's "2025 Management's discussion and analysis" and "Consolidated Financial Statements" for the year ended December 31, 2025. Additional information, including Directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Information Circular for the Annual General Meeting of the Company held on May 8, 2025 and will be contained in the Information Circular for the Annual General Meeting of the Company to be held on May 6, 2026. See also the Arrangement Circular.

The Company will provide upon request to the Corporate Secretary of the Company, 101-161 East 4th Avenue, Vancouver, British Columbia, V5T 1G4, copies of the above documents. These documents and additional information about the Company and all documents identified in this Annual Information Form as being incorporated by reference herein are available on SEDAR+ at www.sedarplus.ca.



Appendix A – Audit Committee terms of reference.

1. Purpose.

The Audit Committee is appointed by the board of directors (the “Board”) of Canfor Corporation (the “Company”) to assist the Board in fulfilling its oversight responsibilities. The Audit Committee will:

- (a) Review the financial reports and other financial information provided by the Company to its shareholders;
- (b) Monitor the integrity of the financial reporting process and the system of internal controls that management and the Board have established;
- (c) Monitor the management of the principal risks that could impact the financial performance of the Company;
- (d) Review and receive the audit plan, process, results and performance of the Company's independent external auditors and the internal audit department while providing an open avenue of communication between the external auditors, the internal auditors, management and the Board; and
- (e) Monitor the management of risk by the Company generally.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and it has direct access to the external auditors as well as anyone in the organization. The Audit Committee has the authority to retain, at the Company's expense, special legal, accounting and other consultants or experts it deems necessary in the performance of its duties.

2. Audit Committee composition and meetings.

All members of the Audit Committee must be Independent Directors (or otherwise determined by the Board to eligible to serve as members of the Audit Committee in accordance with applicable securities laws).

All Audit Committee members must be financially literate with the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. At least one Audit Committee member should have accounting or related financial expertise, including:

- (a) an understanding of financial statements and accounting principles used by the Company to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with accounting for estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements, or experience supervising the preparation, audit, analysis or evaluation of financial statements, that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements;
- (d) an understanding of internal controls and procedures for financial reporting; and
- (e) an understanding of audit committee functions.

A Chair shall be appointed by the Board annually from among the members of the Audit Committee.

The Audit Committee shall schedule regular meetings and shall meet at least four times annually, or more frequently as deemed necessary by the Chair. The Chair shall prepare and/or approve an agenda in advance of each meeting. The Audit Committee shall meet privately at least annually with management, the manager of the Internal Audit department (the “Internal Auditor”) and the external auditors to discuss any matters that the Audit Committee or each of these groups believe should be discussed.

The Chief Executive Officer, the Chief Financial Officer, the Internal Auditor and the external auditors shall be given notice of, and have the right to appear before and to be heard at, every meeting of the Audit Committee, and shall appear before the Audit Committee when requested to do so by the Committee.

3. Primary duties and responsibilities.

To fulfill its primary duties and responsibilities, the Audit Committee shall adhere to the following terms:



(a) Review and reporting procedures.

- (i) The Audit Committee is authorized to review and/or investigate any financial, internal control, or risk management related issue or activity of the Company. The Audit Committee shall report to the Board at its next regular meeting all such action it has taken since the previous report.
- (ii) The Audit Committee is authorized to request the presence, at any meeting, of a representative from the external auditors, senior management, internal audit, legal counsel or anyone else who could contribute to the subject of a meeting.
- (iii) The Audit Committee will review and reassess these Terms of Reference at least annually to determine whether revisions are necessary. The Audit Committee shall periodically self-assess in its performance and effectiveness in fulfilling its role.
- (iv) Supporting schedules and information reviewed by the Committee will be available for examination by any director of the Audit Committee upon request to the Secretary of the Audit Committee.

(b) Internal controls and risk management processes.

- (i) To assure itself that the Company has appropriate controls in place to achieve the following objectives:
 - Effectiveness and efficiency of operations (including safeguarding of assets);
 - Reliability of internal and external reporting;
 - Compliance with applicable laws and regulations and internal policies.
- (ii) To ensure the Company has appropriate processes in place to manage the principal risks of its businesses, the Audit Committee shall:
 - Consider and review internal processes for managing the principal risks of the Company's businesses, including a review of insurance coverage and hedging activities.
 - Obtain assurance from both management and the Internal Auditor regarding the adequacy of risk management processes.
 - Review with management, the Internal Auditor and the external auditor:
 - The adequacy of the Company's internal controls including computerized information systems, controls and security.
 - Any related significant internal control findings and recommendations of the external auditor, and/or Internal Auditor together with management's responses thereto.
 - The Company's compliance or adherence to debt covenants, terms or conditions.
 - Significant related party transactions and potential conflicts of interest.

(c) Financial reporting.

In order to satisfy itself that the Company's annual financial statements are fairly presented in accordance with International Financial Reporting Standards ("IFRS") and in a form sufficient for the Audit Committee's recommendation for approval by the Board, and that the financial information contained in the Company's financial statements, Annual Report to Shareholders, Annual Information Form and other financial disclosure documents such as Management's Discussion and Analysis, is complete and accurate in all material respects, the Audit Committee shall:

- (i) General.
 - Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- (ii) Interim financial statements.
 - Review the Company's interim financial statements with management prior to their release or distribution. This review will include a detailed reporting of quarterly and year-to-date results, variance against budget



and prior year and a discussion with the external auditor. Upon satisfactory completion of the review, the Audit Committee shall recommend to the Board approval of the financial statement release.

- Review any significant proposed changes to the Company's accounting principles or policies, or financial reporting practices.
- Review the financial statement impact of any significant, unusual event or transaction.
- Review news releases containing financial information disclosure and Management's Discussion and Analysis.

(iii) Annual financial statements and other financial information.

- Obtain draft annual financial statements in advance of the Audit Committee meeting and assess, on a preliminary basis, the reasonableness of the financial statements in light of the analyses provided by management.
- Review any material changes in accounting policies, IFRS, or financial reporting requirements that may affect the current year's financial statements.
- Obtain and review summaries of significant or unusual transactions, and other potentially complex matters whose treatment in the annual financial statements merits advance consideration.
- Review a summary provided by the Company's legal counsel of the status of any material pending or threatened litigation, claims and assessments.
- Review and discuss the annual financial statements and the external auditor's report thereon in detail with management and the external auditors.
- Through discussion with management, the Internal Auditor and the external auditors, obtain assurance that the risk of material misstatement of the financial statements is acceptably low.
- Review the financial information included in the Management's Discussion and Analysis, and consider whether the information is adequate and consistent with the Audit Committee members' knowledge of the Company.
- Review the tax status of the Company and understand the status of any related tax reserves, potential reassessments or other matters which could affect the annual financial statements.
- Review and assess the quality and appropriateness of the Company's accounting and reporting principles and policies.
- Provide to the Board a recommendation as to whether the annual financial statements should be approved.
- Review the news release announcing the annual financial results of the Company.
- Review the annual financial disclosure contained in the Annual Information Form.

(iv) Prospectus and information circulars.

- Review the financial information included in any prospectus or information circular prior to their release and, as appropriate, recommend to the Board whether such prospectus or information circular should be approved by the Board.

(d) **External audit.**

The external auditors are accountable to the Audit Committee and the Board as representatives of the shareholders.

In order to assure itself that the external audit function has been effectively carried out and that any matters that the external auditors consider appropriate to bring to the attention of the Board have been addressed, the Audit Committee shall:

- (i) Recommend to the Board the selection (retention or replacement) of the external auditors, considering independence and effectiveness, and approve the fees and other compensation to be paid to the external auditors. On an annual basis, the Audit Committee should review and discuss with the external auditors all significant relationships its



accountants have with the Company to confirm their independence. If there is a recommendation to change auditors, review all the issues with respect to such change and the steps planned for an orderly transition.

- (ii) Review the external auditor's audit plan and engagement letter with management and the external auditors, including audit scope and approach.
- (iii) Meet with the external auditor and management in separate private sessions to discuss any matters that the Audit Committee or these groups believe should be discussed privately with the Audit Committee.
- (iv) Pre-approve any non-audit services to be provided by the external auditor. The Audit Committee may delegate this responsibility to the Chair, provided that any pre-approval granted pursuant to such delegation must be detailed as to the service to be provided and must be reported to the full Audit Committee at its next scheduled meeting.
- (v) Review and assess the performance of the external auditor, including consideration of demonstrated external audit judgment and application and adherence to accounting policy and standards.
- (vi) Review the external auditor's policy on partner rotation.
- (vii) Review the Company's hiring policy with respect to partners, employees and former partners and employees of the Company's present or former external auditor.

(e) Internal audit.

In order to assure itself that the internal audit function has been effectively carried out and that any matter that the Internal Auditor considers appropriate to bring to the attention of the Board has been addressed, the Audit Committee shall:

- (i) Be advised of and concur with the appointment, replacement, reassignment or dismissal of the Internal Auditor and consider resource requirements.
- (ii) Review and approve Internal Audit Services Terms of Reference, including scope, organization structure and mandate.
- (iii) Confirm and assure the independence of the Internal Auditor.
- (iv) Review jointly with the Internal Auditor and the external auditor the coordination of audit effort to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
- (v) Review with management and the Internal Auditor the annual audit plan and monitor any changes required in the scope of the plan.
- (vi) Meet with the Internal Auditor and management in separate private sessions to discuss any matters that the Audit Committee or these groups believe should be discussed privately with the Audit Committee.
- (vii) Review significant internal audit reports together with management's response and follow-up actions, including any problems or issues encountered in the course of an audit.
- (viii) Review and assess the performance of the Internal Auditor; and
- (ix) Ensure that the Internal Auditor reports directly to the Chair of the Audit Committee with a dotted line reporting responsibility to either the CEO or CFO of the Company.

(f) Finance.

The Audit Committee is authorized to review and approve for recommendation to the Board:

- (i) the Company's annual financing plan and any amendments thereto from time to time;
- (ii) any proposed financings;
- (iii) the method by which the Company measures financial results or performance.



4. Other duties.

(a) Legal and regulatory compliance.

To provide assurance of Company compliance with all legal and regulatory requirements, the Audit Committee shall:

- (i) In areas in which it has oversight responsibility, monitor the Company's compliance and obtain management's assurance of compliance with applicable laws, regulations and internal policies in all jurisdictions where the Company does business. The Audit Committee will consider the financial statement implications of applicable laws and regulations, including the laws and regulations overseen by other Committees of the Board.
- (ii) Receive and review copies of legal letters provided to the external auditors by in-house and outside counsel regarding claims and possible claims against the Company.
- (iii) Make inquiries of management, the external auditors and the Internal Auditor, to ensure that all material legal matters have been brought to the attention of the Audit Committee.
- (iv) On at least an annual basis, review with the Company's counsel any legal matters that could have a significant impact on the organization's financial statements or risk profile, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.
- (v) Ensure that all annual and interim financial statement filings are personally certified by the Chief Executive Officer and the Chief Financial Officer if and as required by applicable law.
- (vi) Review the Company's procedures and establish procedures for the Audit Committee for the:
 - receipt, retention and resolution of complaints regarding accounting, internal accounting controls, financial disclosure or auditing matters; and
 - confidential, anonymous submission by employees regarding questionable accounting, auditing, or financial reporting and disclosure matters.

(b) Pension funds.

Be responsible for oversight of the supervision of the pension plans in which the Company's employees participate by:

- (i) establishing the Management Pension Committee, which has the responsibility for assisting the Audit Committee in overseeing and managing the Company's pension plans, and will be comprised of the Company's Chief Financial Officer and Corporate Secretary, the Senior Vice President of People and Technology, the Vice President of Legal and General Counsel, the Head of Corporate Development, and will report to the Audit Committee;
- (ii) receiving, at least annually, a report from the Management Pension Committee detailing the performance of the plans' money managers and the investment policies and practices in respect of the funds contributed to the Company's pension plans and compliance with applicable legislation and regulatory guidelines;
- (iii) reviewing the funding of the Company's pension plans, including actuarial reports in respect of the Company's pension obligations so as to determine the level of unfunded liabilities, if any;
- (iv) reviewing applicable investment policies and procedures and any changes as appropriate, on the advice and recommendation of the Management Pension Committee;
- (v) reviewing and approving the audited annual financial statements and budgets for each pension plan;
- (vi) reviewing on an annual basis the unfunded liability for retiree non-pension benefits and future liability therefor;
- (vii) receiving a report from the Management Pension Committee immediately upon the identification or disclosure of any issue or circumstance that may materially impact the Company's obligations, liabilities, or responsibilities with respect to such pension plans;
- (viii) approving the appointment of or changes to pension service providers, such as actuaries, auditors and legal advisors, as appropriate; and
- (ix) establishing and reviewing on an annual basis the terms of reference of the Management Pension Committee.



(c) **Officer expenses.**

Review policies and procedures with respect to the Chair of the Board and President and Chief Executive Officer's expense accounts and perquisites, including the use of corporate assets.

Periodically review major expenses incurred by the office of the Chair of the Board and President and Chief Executive Officer.

(d) **Other duties.**

- (i) The Audit Committee will perform such other functions as assigned by law or regulation or as required by the Board.
- (ii) The Audit Committee of the Company will receive reports from the CPPI Audit Committee at such times that the Chair of the Audit Committee considers appropriate, detailing such matters, issues and circumstances of a financial nature that may impact the Company or be of interest to its Audit Committee.

