



West Fraser Timber Co. Ltd.

Notice of Annual and Special
Meeting of Shareholders

To Be Held April 29, 2014

Information Circular

Your Participation is Important
Please Take the Time to Vote

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INVITATION TO SHAREHOLDERS

Dear Shareholders:

You are invited to attend the Annual and Special Meeting of Shareholders of West Fraser Timber Co. Ltd., which will take place on April 29, 2014 at 11:30 a.m., local time, at 1250 Brownmiller Road, Quesnel, B.C.

The items of business to be considered at the Meeting are described in the accompanying Notice of Annual and Special Meeting and Information Circular.

Your participation and views are very important to us. You are encouraged to vote, which can be done by following the instructions enclosed with these materials.

At the Meeting, in addition to dealing with the matters described in the Notice, I will review the affairs of the Company. Also, you will have an opportunity to ask questions and to meet the Company's Directors and management representatives.

All of our public documents, including the 2013 Annual Report and Quarterly Reports, are available on our website at www.westfraser.com. You are encouraged to access our website during the year for continuous disclosure items, including news releases and investor presentations.

I look forward to seeing you at the Meeting.

Yours sincerely,



Ted Seraphim
President and Chief Executive Officer

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

The annual and special meeting (the "Meeting") of Shareholders of WEST FRASER TIMBER CO. LTD. (the "Company") will be held at 1250 Brownmiller Road, Quesnel, B.C. on April 29, 2014 at 11:30 a.m., local time, for the following purposes:

1. to receive the consolidated financial statements of the Company for its fiscal year ended December 31, 2013, together with the auditor's report on them;
2. to elect the directors of the Company to hold office until the close of the next annual general meeting;
3. to appoint an auditor of the Company to serve until the close of the next annual general meeting and to authorize the directors to fix the auditor's remuneration;
4. to consider and, if deemed advisable, approve by ordinary resolution, an increase of the maximum number of Common shares that the Company is authorized to issue from 200,000,000 to 400,000,000, as more particularly set in the section of the Information Circular entitled "Increase in Authorized Shares";
5. to consider an advisory (non-binding) resolution on the Company's approach to executive compensation, as more particularly set in the section of the Information Circular entitled "Advisory Resolution on the Company's Approach to Executive Compensation (Say on Pay)";
6. to consider and, if deemed advisable, approve by special resolution, an amendment to the Company's Articles to include advance notice provisions for director nominations and elections, as more particularly set forth in the section of the Information Circular entitled "Amendment to Articles to Approve Advance Notice Provisions";
7. to consider any amendment to or variation of any matter identified in this Notice; and
8. to transact such other business as may properly come before the Meeting or any adjournment of it.

An Information Circular and a copy of the Annual Report of the Company for the year ended December 31, 2013 accompany this Notice. The Information Circular contains details of matters to be considered at the Meeting. The Annual Report includes the consolidated financial statements and the auditor's report.

Shareholders registered at the close of business on March 18, 2014 will be entitled to receive this Notice and to vote at the Meeting.

A Shareholder who is unable to attend the Meeting in person and who wishes to ensure that its shares are voted at the Meeting must complete, date and sign an acceptable form of proxy and deliver it by hand or by mail in accordance with the instructions set out in the enclosed form of proxy and in the Information Circular.

DATED at Vancouver, B.C., April 1, 2014,

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read "Ted Seraphim", with a long horizontal flourish extending to the right.

Ted Seraphim
President and Chief Executive Officer

INFORMATION CIRCULAR

(As of March 3, 2014, except as otherwise provided)

This Circular is furnished in connection with the solicitation of proxies by the Board of Directors and management of West Fraser for use at the Annual and Special Meeting of Shareholders to be held at 1250 Brownmiller Road, Quesnel, B.C. on April 29, 2014 (and at any adjournment thereof) for the purposes set out in the attached Notice of Annual and Special Meeting of Shareholders.

All references to the number of West Fraser shares, share prices, earnings per share, options, and other equity-based incentives reflect the payment and adjustments resulting from the Stock Dividend applied retroactively to all comparative periods.

DEFINITIONS

Unless stated otherwise, in this Circular

“**Auditor**” means our external auditor, currently PricewaterhouseCoopers LLP,

“**Board**” or “**Board of Directors**” means our board of Directors,

“**Circular**” means this information circular,

“**CST Trust**” means CST Trust Company, our transfer agent,

“**Director**” means a director of the Company,

“**DS Unit**” has the meaning set out on page 14 of this Circular,

“**Meeting**” means the Annual and Special Meeting of Shareholders to be held on April 29, 2014 and any adjournment of it,

“**Notice**” means the attached Notice of Annual and Special Meeting,

“**Phantom Share Unit Plan**” means the plan described as such on page 32 of this Circular,

“**PS Unit**” means a performance share unit granted under our Phantom Share Unit Plan,

“**ROSE**” has the meaning set out in “Executive Compensation Discussion & Analysis – Report on Executive Compensation” under the heading “Annual Incentive Bonus Plan” on page 30,

“**RS Unit**” means a restricted share unit granted under our Phantom Share Unit Plan,

“**Share**” means a Common share or a Class B Common share in the capital of West Fraser,

“**Shareholder**” means an owner of any Share,

“**Stock Dividend**” means the stock dividend of one Common share declared and issued in respect of each issued and outstanding Common share and each issued and outstanding Class B Common share in the capital of the Company and paid to Shareholders on January 13, 2014,

“**Stock Option Plan**” means our Stock Option Plan, as amended,

“**\$**” means Canadian dollars, and

“**West Fraser**”, “**Company**”, “**we**”, “**us**” and “**our**” mean West Fraser Timber Co. Ltd.

VOTING AND PROXIES: QUESTIONS AND ANSWERS

Your vote is important. Good corporate governance begins with shareholder participation. If you cannot attend the Meeting or if you plan to attend but prefer the convenience of voting in advance, we encourage you to exercise your vote using either of the voting methods described below. Please read the following for answers to commonly asked questions regarding voting and proxies.

If your Shares are held in a street form or in a brokerage account, you may not be a registered Shareholder. Please refer to “Voting by Non-Registered Shareholders” on page 7 for a description of the procedure to be followed to vote your Shares.

Q. Am I entitled to vote?

A. You are entitled to vote if you were a registered Shareholder as of the close of business on March 18, 2014. Each Share entitles the holder to one vote.

Q. What am I voting on?

A. The following matters:

- the election of Directors to the Board of Directors to hold office until the close of the next annual general meeting;
- the appointment of PricewaterhouseCoopers LLP as our auditor until the close of the next annual general meeting, at a remuneration to be fixed by the Directors;
- the increase of the maximum number of Common shares that we are authorized to issue from 200,000,000 to 400,000,000;
- an advisory (non-binding) resolution on the Company’s approach to executive compensation.
- the ratification and approval of an advance notice policy relating to the nomination and election of directors, as adopted by the Board.

Q. What if amendments are made to these matters or if other matters are brought before the Meeting?

A. If you attend the Meeting in person and are eligible to vote, you may vote on such matters as you choose.

If you have completed and returned a proxy in the form enclosed, the persons named in it will have discretionary authority with respect to amendments or variations to matters identified in the Notice and to other matters which properly come before the Meeting. If any other matter properly comes before the Meeting, the persons so named will vote on it in accordance with their best judgment. As of the date of this Circular, our management does not know of any such amendment, variation or other matter expected to come before the Meeting.

Q. Who is soliciting my proxy?

A. The management of West Fraser is soliciting your proxy. Solicitation of proxies is done primarily by mail, supplemented by telephone or other contact, by Company employees, and the Company bears all associated costs.

Q. How do I vote?

- A.
- 1) If your Shares are not registered in your name, please see “Voting by Non-Registered Shareholders” on page 7.
 - 2) If you are a registered Shareholder there are two ways that you may vote your Shares:
 - (a) you may vote in person at the Meeting; or
 - (b) you may complete and sign a form of proxy appointing someone to represent you and to vote your Shares at the Meeting.

If a registered Shareholder is a body corporate or association, the form of proxy must be signed by a person duly authorized by that body corporate or association.

Completing, signing and returning a form of proxy will not prevent you from attending the Meeting in person.

Q. Must I use the enclosed form of proxy?

A. No. If you do not wish to use the enclosed proxy form, you may use any other form of proxy to appoint your proxyholder, although the Company's Articles require that a form of proxy be substantially in the form enclosed.

Q. Can I appoint someone to vote my Shares other than persons named in the enclosed form of proxy?

A. Yes. Write the name of your chosen person, who need not be a Shareholder, in the blank space provided in the form of proxy. It is important to ensure that any other person you appoint as proxyholder will attend the Meeting, and is aware that his or her appointment has been made to vote your Shares and that he or she should present himself/herself to a representative of CST Trust.

Q. What if my Shares are registered in more than one name or in the name of my company?

A. If your Shares are registered in more than one name, all those registered must sign the form of proxy. If your Shares are registered in the name of your company or any name other than yours, we may require that you provide documentation that proves you are authorized to sign the form of proxy.

Q. What if I plan to attend the Meeting and vote in person?

A. If you plan to attend the Meeting and wish to vote your Shares in person, you do not need to complete or return a form of proxy. Your vote will be taken and counted at the Meeting. Please register with the scrutineer when you arrive at the Meeting.

If your Shares are not registered in your name, but you wish to attend the Meeting, please see

"Voting by Non-Registered Shareholders" on page 7.

Q. What happens when I sign and return a form of proxy?

A. You will have given authority to whoever it appoints as your proxyholder to vote your Shares at the Meeting in accordance with the voting instructions you provide.

Q. What do I do with my completed form of proxy?

A. Return it to our Transfer Agent, CST Trust at the address set out below so that it arrives no later than 11:30 a.m. (Vancouver time), on April 25, 2014 or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the adjourned Meeting.

Q. How will my Shares be voted if my proxy is in the enclosed form with no other person named as proxyholder?

A. The persons named in it will vote or withhold from voting your Shares in accordance with your instructions. **In the absence of such instructions, however, your Shares will be voted FOR the election of the Directors nominated by management, FOR the appointment of the Auditor, FOR the increase in the number of Common shares authorized for issuance, FOR the advisory approval of the Company's approach to executive compensation and FOR the amendment to the Company's Articles to include advance notice provisions for Director nominations and elections.**

Q. If I change my mind, can I revoke my proxy once I have given it?

A. Yes. If you are a registered Shareholder as of the record date you may revoke your proxy with an instrument in writing (which can be another proxy with a later date) executed by you authorized in writing and delivered to McMillan LLP, Suite 1500, 1055 West Georgia Street, Vancouver, B.C., V6E 4N7, no later than 5:00 p.m. (Vancouver time) on April 28, 2014 or to the individual chairing the Meeting on the date of the Meeting or any adjournment thereof.

Please note that your participation in person in a vote by ballot at the Meeting would automatically revoke any proxy you have given in respect of the item of business covered by that vote.

If you are not a registered Shareholder, see “Voting by Non-Registered Shareholders” below.

Q. What documents are sent to Shareholders?

A. Shareholders will receive a package of the usual annual corporate documents (our 2013 Annual Report, including the Annual Information Form, our annual audited consolidated financial statements and auditor’s report, Management’s Discussion & Analysis, the Notice, this Circular and the form of proxy).

Copies of our Annual Report, including our audited consolidated financial statements, are filed with Canadian securities regulators and are available at www.sedar.com under the Company’s profile and may also be obtained, without charge, on request from the Secretary of West Fraser or accessed on our website at www.westfraser.com.

Q. Who are our Principal Shareholders?

A. The Principal Shareholders (persons or companies that beneficially own or exercise control or direction over more than 10% of a class of our outstanding Shares) are set out in the Circular under the heading “Voting Securities, Principal Shareholders and Normal Course Issuer Bid” on page 16.

Q. What if I have other questions?

A. If you have a question regarding the Meeting, please contact our Transfer Agent or the Secretary of West Fraser at (604) 895-2700 or by email at shareholder@westfraser.com.

Q. How can I contact the Transfer Agent?

A. You can contact the Transfer Agent at:

CST Trust Company
1600 - 1066 West Hastings Street
Vancouver, B.C. V6E 3X1

Telephone: (416) 682-3860
(toll free throughout North America:
1-800-387-0825)
Facsimile: 1-888-249-6189
Email: inquiries@canstockta.com
Website: www.canstockta.com

VOTING BY NON-REGISTERED SHAREHOLDERS

Q. If my Shares are not registered in my name, how do I vote my Shares?

A. Our share register does not list non-registered or beneficial Shareholders. Their Shares are usually held in the name of an intermediary or a “nominee”, such as a trust company, securities broker or other financial institution. If you are a non-registered Shareholder, there are two ways that you can vote your Shares:

1) By providing voting instructions to your nominee

Applicable securities laws require institutional nominees to seek voting instructions from you in advance of the Meeting. Accordingly, you will receive, or have already received with these materials, from your nominee either a request for voting instructions or a form of proxy for the number of Shares you hold. Every institutional nominee has its own mailing procedures and provides its own signing and return instructions, which you should follow carefully to ensure that your Shares are voted at the Meeting.

2) By attending the Meeting in person

The Company generally does not have access to the names of its non-registered Shareholders. Therefore, if you attend the Meeting, the Company will have no record of your shareholdings or of your entitlement to vote unless your nominee has appointed you as proxyholder.

If you wish to vote in person at the Meeting, insert your own name in the space provided on the request for voting instructions or form of proxy provided by your nominee to appoint yourself as proxyholder. If you are a non-

registered Shareholder and instruct your nominee to appoint yourself as proxyholder, you

should present yourself to the scrutineer of the Meeting with appropriate identification.

BUSINESS TO BE TRANSACTED AT THE MEETING

(See Notice of Annual and Special Meeting of Shareholders)

1) Presentation of Financial Statements

The consolidated financial statements of the Company for the year ended December 31, 2013 and the Auditor's report thereon for 2013 will be submitted to Shareholders at the Meeting, but no vote with respect to them is required or proposed to be taken. The consolidated financial statements are included in our Annual Report which is being mailed to Shareholders with the Notice and this Circular.

2) Election of Directors

The table of nominees on the following pages sets out the name of each person proposed to be nominated for election as a Director, as well as other relevant information. The number of directors was last set at nine. Management of the Company recommends the election of the nine nominees set out in the table of nominees to fill the nine positions as Director. The term of office of each current Director will expire at the conclusion of the Meeting. Each Director elected at the Meeting will hold office until the conclusion of the next annual general meeting of the Company at which a Director is elected, unless the Director's office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (B.C.).

The Board of Directors has adopted a majority voting policy, which is described on page 21 of this Circular, relating to the election of Directors.

The Board of Directors may fill vacancies on the Board resulting from the death, resignation or retirement of Directors. As well, the Board is authorized to appoint up to two additional Directors to hold office until not later than the next annual general meeting.

3) Appointment of Auditor

The Auditor is to be appointed to serve until the close of the next annual general meeting of the Company, and the Directors are to be authorized to fix the Auditor's remuneration.

The Board of Directors and management of the Company, on the advice of the Audit Committee of the Board, recommend that PricewaterhouseCoopers LLP, Vancouver, Canada, be re-appointed as Auditor, at a remuneration to be fixed by the Board of Directors.

A representative of PricewaterhouseCoopers LLP will be present at the Meeting and will have the opportunity to make a statement if the representative so desires. The representative will also be available to answer questions.

4) Increasing our Authorized Shares

On January 13, 2014, the Company paid the Stock Dividend and issued one Common share on each issued and outstanding Share, which had the same effect as a two for one stock split.

The Company is currently authorized to issue up to 200,000,000 Common shares, 20,000,000 Class B Common shares and 10,000,000 Preferred Shares. As a result of the Stock Dividend, the number of issued and outstanding Common shares increased from 40,554,274 Common shares, before the payment of the Stock Dividend, to currently 83,390,026 Common shares. The Company has decided to seek an increase in the number of Common shares authorized for issuance in order to retain the same proportion of Common shares authorized for issuance, after giving effect to the Stock Dividend, as there was prior to the Stock Dividend.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve, by

way of an ordinary resolution the increase of the maximum number of Common shares that the Company is authorized to issue from 200,000,000 to 400,000,000.

5) Advisory Resolution on our Approach to Executive Compensation (Say on Pay)

Our executive compensation philosophy, policies and programs are based on the fundamental principle of pay-for-performance to align the interests of our executives with those of our Shareholders. At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve (on an advisory basis), by way of ordinary resolution, the Company's approach to executive compensation.

6) Amendment to Articles to Approve Advance Notice Provisions

On February 13, 2014 the Board adopted an advance notice policy setting out requirements


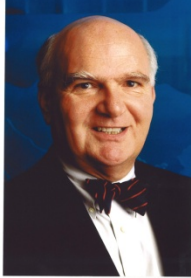
for Director nominations and elections. At the Meeting, the Company will seek approval by special resolution of an amendment to the Company's Articles to include this advance notice requirement. This new advance notice requirement will (i) ensure that all Shareholders receive adequate notice of Director nominations and sufficient information with respect to all nominees proposed by Shareholders, and (ii) provide an opportunity for the Board to make an informed determination respecting Shareholder nominees and, if appropriate, present alternatives to Shareholders. At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve, by way of special resolution, an amendment to the Company's Articles to adopt advance notice provisions.

INFORMATION REGARDING NOMINEES FOR ELECTION AS DIRECTORS

The following table sets out the name of each person proposed to be nominated for election as a Director, as well as that person's position in the Company, residence and principal occupation, and the date that person first became a Director. Additional information concerning compensation and security holdings of Directors is provided below the following table. All nine current directors are standing for re-election.

Unless otherwise indicated, the nominee has held the same or similar principal occupation with the organization set out below, or a predecessor of that organization, for the last five years. The information as to principal occupation and securities beneficially owned or controlled by each nominee has been furnished by the nominee and is not within the knowledge of our management.

The following table also sets out committee memberships of the proposed nominees as at March 3, 2014. We have four committees: Audit, Compensation, Safety & Environment, and Governance & Nominating.

<p>HANK KETCHAM</p> 	<p>Director since September 16, 1985</p> <p>Hank Ketcham was born on December 1, 1949 and resides in Vancouver, B.C., Canada. He is our Executive Chairman of the Board. Mr. Ketcham was our President until April 2012 and retired from the position of Chief Executive Officer effective March 1, 2013 when his title as Chairman was redesignated as Executive Chairman. He is also a director and shareholder of Ketcham Investments, Inc., which owns 6,962,718 Common shares and 1,743,228 Class B Common shares of the Company. Mr. Ketcham has been actively involved with the Company since 1973. He is a director of The Toronto-Dominion Bank and is Chairman of the B.C. Business Council. Mr. Ketcham has also acted as West Fraser's representative in a number of industry related associations including the B.C. Council of Forest Industries, the Forest Products Association of Canada and the Sustainable Forestry Initiative.</p>
<p>CLARK S. BINKLEY</p> 	<p>Director since February 1, 1992</p> <p>Clark S. Binkley was born on December 1, 1949 and resides in Portland, Oregon, U.S.A. In 2012 Dr. Binkley was appointed Chief Investment Officer of GreenWood Resources, Inc., a timberland investment management organization. Prior to that time, he was the Managing Director of International Forestry Investment Advisors, LLC, a firm he founded in 2005 to provide timberland investment advisory services to qualified investors. Between 1998 and 2005, he was Senior Vice-President of Hancock Natural Resource Group, Inc., a timberland investment company and previously he was the Dean of the Faculty of Forestry at the University of B.C. in Vancouver. Dr. Binkley holds an undergraduate degree in applied mathematics and a master's degree in engineering from Harvard University as well as a Ph.D. from Yale University in forestry and environmental studies. Dr. Binkley is the Chairman of the Safety & Environment Committee and is a member of the Audit Committee and of the Governance & Nominating Committee.</p>

<p>J. DUNCAN GIBSON</p> 	<p>Director since April 29, 1997</p> <p>J. Duncan Gibson was born on November 3, 1949 and resides in Toronto, Ontario, Canada. Since November 2001, he has been a business investor. He was formerly Vice Chairman of The Toronto-Dominion Bank. He has served as a director of Quadra FNX Mining Ltd. and Futuremed Healthcare Corporation. Mr. Gibson is a member of the Audit Committee, the Safety & Environment Committee and the Governance & Nominating Committee.</p>
<p>SAMUEL W. KETCHAM</p> 	<p>Director since April 27, 2010</p> <p>Samuel W. Ketcham was born on July 3, 1968 and resides in Seattle, Washington, U.S.A. He is currently Managing Partner of Ketcham Capital, Inc., a diversified investment manager based in Seattle and currently owns or controls 1,502,048 of our Common shares. From 1996 to December 2005 Mr. Ketcham held various positions in the Company including Vice-President, Administration. Mr. Ketcham is a member of the Safety & Environment Committee and of the Governance & Nominating Committee. He is a director of Radiant Communications Inc.</p>
<p>HARALD H. LUDWIG</p> 	<p>Director since May 2, 1995</p> <p>Harald H. Ludwig was born on November 2, 1954 and resides in West Vancouver, B.C., Canada. He is President of Macluan Capital Corporation, a diversified private equity investment company. Mr. Ludwig is the Chairman of the Compensation Committee and a member of the Governance & Nominating Committee. He is also a director of Lions Gate Entertainment Corp., Seaspan Corporation and Canadian Overseas Petroleum Limited and is also a member of the Advisory Board of Tennenbaum Capital Partners, LLC (private equity) and a governor of the B.C. Children's Hospital Foundation. (See "Our Corporate Governance Policies and Procedures – Composition of the Board" on page 24). Mr. Ludwig is a graduate of Simon Fraser University and holds an LL.B. from Osgoode Hall Law School.</p>
<p>GERALD J. MILLER</p> 	<p>Director since April 19, 2012</p> <p>Gerald J. Miller was born on July 26, 1955 and resides in Lake Country, B.C., Canada. He holds a Bachelor of Commerce Degree from the University of B.C. He is a Chartered Accountant who retired from West Fraser on July 31, 2011 after a 25-year career. Mr. Miller is a member of the Safety & Environment Committee. Mr. Miller was a key member of West Fraser's senior executive team and served in a number of executive positions including as Executive Vice-President, Pulp & Paper, Executive Vice-President, Operations and Executive Vice-President, Finance and Chief Financial Officer, the position that he held at the time of his retirement. Mr. Miller is also a trustee of Granite Real Estate Investment Trust.</p>

<p>ROBERT L. PHILLIPS</p> 	<p>Director since April 28, 2005</p> <p>Robert L. Phillips was born on January 19, 1951 and resides in West Vancouver, B.C., Canada. Mr. Phillips holds a B.Sc. (Chemical Engineering) and an LL.B., both from the University of Alberta. Before July 2004, he was President and Chief Executive Officer of the BCR Group of Companies, which was involved in rail transportation and marine terminal operations. Before joining BCR, he was Executive Vice President, Business Development and Strategy for MacMillan Bloedel Limited, and has held the position of President and Chief Executive Officer of the PTI Group Inc. and Dresco Energy Services Ltd. He was appointed Queen's Counsel in Alberta in 1991. In February 2008 Mr. Phillips was designated by the Board to serve as Lead Director and in that capacity he serves as Chairman of the Governance & Nominating Committee. Mr. Phillips is also a member of the Compensation Committee. He is a director of several public corporations, including Canadian Western Bank, MacDonald, Dettwiler and Associates Ltd. and Precision Drilling Corporation (see "Our Corporate Governance Policies and Procedures – Composition of the Board" on page 24).</p>
<p>JANICE G. RENNIE</p> 	<p>Director since April 28, 2004</p> <p>Janice G. Rennie was born on June 29, 1957 and resides in Edmonton, Alberta, Canada. Ms. Rennie earned a Bachelor of Commerce Degree from the University of Alberta. She is a Fellow Chartered Accountant and a Fellow of the Institute of Corporate Directors and is currently a corporate director. From September 7, 2004 to September 9, 2005 she was the Senior Vice-President, Human Resources and Organizational Effectiveness of EPCOR Utilities Inc., a provider of energy, water and energy-related services and products, on whose board she served for over 10 years. Before September 7, 2004, she was the Principal of Rennie & Associates, which provided investment and related advice to small and mid-sized companies. Ms. Rennie is the Chair of the Audit Committee and a member of the Compensation Committee and of the Governance & Nominating Committee. She is a director of the following public corporations: Major Drilling Group International Inc., Methanex Corporation, Teck Resources Limited and WestJet Airlines Ltd. (see "Our Corporate Governance Policies and Procedures – Composition of the Board" on page 24).</p>
<p>TED SERAPHIM</p> 	<p>Director since April 30, 2013</p> <p>Ted Seraphim was born on November 14, 1959 and resides in North Vancouver, B.C., Canada. Mr. Seraphim holds a Bachelor of Commerce Degree from the University of B.C. He is a Chartered Accountant and our President and Chief Executive Officer. Before February 15, 2007 Mr. Seraphim was Vice-President, Pulp & Paper Sales and on that date he was appointed Vice-President, Pulp & Paper, a position which he held until July 1, 2010. He was Executive Vice-President and Chief Operating Officer from July 1, 2010 to April 19, 2012 when he was appointed President and Chief Operating Officer. On March 1, 2013 Mr. Seraphim became the Company's President and Chief Executive Officer.</p>

Each nominee has consented to act as a Director of West Fraser if elected. We do not contemplate that any proposed nominee will be unable to serve as a Director, but if for any reason that occurs before the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion.

Board Renewal and Skills Matrix

The Governance & Nominating Committee is responsible for identifying new candidates to stand as nominees for election or appointment as directors to our Board of Directors. The Committee uses a skills matrix to assist in this process. The Committee reviews a matrix that sets out the various skills and experience considered to be desirable for the Board to possess in the context of the Company's strategic direction. The Committee then assesses the skills and experience of each current Board member against this matrix. When completed, the matrix helps the Committee identify any skills or experience gaps and provides the basis for a search to be conducted for new directors to fill any gaps. Following is a summary of the current skills matrix that sets out the various skills and experience categories. The Committee has reviewed the skills and experience of the current Board members against the matrix and has determined that no material skill or experience gaps exist.

<u>Skills and Experience</u>	<u>Current Directors</u>
Senior executive/Strategic leadership	9
Financial literacy	9
Forestry/Manufacturing	6
Risk management	6
Capital markets/Treasury	4
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Mergers and acquisitions	9

In identifying potential director candidates, the Committee takes into account a broad variety of factors it considers appropriate, including skills, independence, financial acumen, board dynamics and personal characteristics. In addition, diversity in perspective arising from personal, professional or other attributes and experiences are considered when identifying potential director candidates. Desirable individual characteristics include integrity, credibility, the ability to generate public confidence and maintain the goodwill and confidence of our Shareholders, sound and independent business judgment, general good health and the capability and willingness to travel to, attend and contribute at Board functions on a regular basis. Background checks, as appropriate, are completed prior to nomination.

Director Compensation

Directors' remuneration is adjusted periodically to provide competitive compensation for services provided as a Director. Current remuneration (which was approved effective October 1, 2011) for each Director is as follows:

Annual base retainer	\$50,000
Annual equity retainer	\$75,000 in Units
Board meeting attendance fee	\$1,500 per meeting
Annual Committee Chairman retainer	\$10,000 per Committee
Annual Committee retainer	\$4,000 per Committee
Committee meeting attendance fee	\$1,500 per meeting
Lead Director retainer	\$50,000 per year
Fee for return travel of more than 7 hours	\$1,500

Annual non-equity retainers are paid in monthly instalments.

Hank Ketcham and Ted Seraphim do not receive Director's fees. Directors are also reimbursed for out-of-pocket expenses incurred in attending meetings of the Board or committee meetings or otherwise on Company business.

The Company has a Directors' Share Compensation Plan (the "Compensation Plan"), the purpose of which is to enable each Director to participate in our growth by receiving Common shares in lieu of cash for services performed as Directors. Under the Compensation Plan, Common shares are issued after each quarter at a price per share equal to the weighted average of the trading price for the Common shares on the Toronto Stock Exchange (the "TSX") for the last five trading days in the quarter.

No Common shares were issued to Directors during 2013 under the Compensation Plan.

The Company has a Deferred Share Unit Plan ("DSU Plan") which provides a structure for Directors to accumulate an equity-like holding in the Company. The DSU Plan allows Directors to participate in our growth by providing a deferred payment based on the value of a Common share at the time of redemption. Each Director may elect to receive up to 100% of annual retainers and meeting fees in deferred share units ("DS Units") and must receive DS Units in payment of the annual equity retainer. The DS Units are issued based on the weighted average trading price of the Common shares on the TSX during the five trading days prior to their issue. Additional DS Units are issued to take into account the value of dividends paid on Common shares from the date of issue to the date of redemption. DS Units are redeemable only after a Director retires, resigns or otherwise leaves the Board and has ceased to fulfill any other role as an officer or employee. The redemption value is equal to the Common share price at the date of redemption. A holder of DS Units may elect to redeem DS Units in cash or in Common shares. DS Units qualify as equity for the purposes of the minimum equity holding requirement for Directors. For a description of the minimum equity holding requirements see page 22.

Total Director Compensation 2013

Name	Fees earned ¹ (\$)	Share-based awards ² (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Clark S. Binkley	83,500	75,000	Nil	Nil	Nil	Nil	158,500
J. Duncan Gibson	85,000	75,000	Nil	Nil	Nil	Nil	160,000
Samuel W. Ketcham	64,500	75,000	Nil	Nil	Nil	Nil	139,500
Harald H. Ludwig	73,500	75,000	Nil	Nil	Nil	Nil	148,500
Gerald J. Miller	64,500	75,000	Nil	Nil	Nil	Nil	139,500
Robert L. Phillips	119,000	75,000	Nil	Nil	Nil	Nil	194,000
Janice G. Rennie	86,500	75,000	Nil	Nil	Nil	Nil	161,500

1. Represents total earned during 2013 other than the annual equity retainer which is included in the Share-based awards column of this table. These amounts were paid either in cash or DS Units as described in the following chart.

2. DS Units granted at the end of each quarter in payment of the annual equity retainer are valued based on the weighted average trading price of the Common shares on the TSX on the last five trading days of the quarter.

Payment of 2013 Compensation

Name	Cash	DS Units ¹
Clark S. Binkley	Nil	\$158,500
J. Duncan Gibson	\$85,000	\$75,000
Samuel W. Ketcham	\$64,500	\$75,000
Harald H. Ludwig	\$36,750	\$111,750
Gerald J. Miller	\$64,500	\$75,000
Robert L. Phillips	\$119,000	\$75,000
Janice G. Rennie	\$86,500	\$75,000

1. DS Units are granted quarterly based on the weighted average trading price of the Common shares on the Toronto Stock Exchange for the last five trading days of the quarter.

Direct and Indirect Share and Other Holdings of Current Directors (as at March 3, 2013 and 2014)

	Shares ¹		Share Purchase Options		DS Units	
	2014	2013	2014	2013	2014	2013
Hank Ketcham ^{2,3}	385,896	385,896	1,204,305	1,274,200	Nil	Nil
Clark S. Binkley	7,972	17,972	Nil	Nil	36,554	32,824
J. Duncan Gibson	12,950	12,950	Nil	Nil	16,300	14,544
Samuel W. Ketcham	1,502,048	1,603,308	Nil	Nil	5,366	3,678
Harald H. Ludwig	11,476	11,476	Nil	Nil	35,188	32,504
Gerald J. Miller	12,142	12,142	Nil	100,000	3,360	1,688
Robert L. Phillips	10,000	10,000	Nil	Nil	5,366	3,678
Janice G. Rennie	1,000	1,000	Nil	Nil	16,592	14,836
Ted Seraphim ⁴	17,184	4,004	214,100	247,690	Nil	Nil

1. Includes Common and Class B Common shares.
2. Does not include 6,962,718 Common shares and 1,743,228 Class B Common shares held by Ketcham Investments, Inc.
3. Mr. Ketcham held 39,598 RS Units and 13,474 PS Units as of March 3, 2014 (70,074 and 19,768 on March 3, 2013).
4. Mr. Seraphim held 26,645 RS Units and 17,141 PS Units as of March 3, 2014 (27,698 and 12,526 on March 3, 2013).

As at March 3, 2014, based on the closing price on the TSX (the “Closing Price”) of \$56.50, the total value of all shares, exercisable options and DS Units held by each director is as follows:

Value of Shares, Exercisable Options and DS Units Held as at March 3, 2014

Name	Shares (\$)	Exercisable Options (\$)	DS Units (\$)	Total Value (\$)
Hank Ketcham ¹	21,803,124	40,758,106	Nil	62,561,230
Clark S. Binkley	450,418	Nil	2,065,301	2,515,719
J. Duncan Gibson	731,675	Nil	920,950	1,652,625
Samuel W. Ketcham	84,865,712	Nil	303,179	85,168,891
Harald H. Ludwig	648,394	Nil	1,988,122	2,636,516
Gerald J. Miller	686,023	Nil	189,840	875,863
Robert L. Phillips	565,000	Nil	303,179	868,179
Janice G. Rennie	56,500	Nil	937,448	993,948
Ted Seraphim ²	970,896	4,287,523	Nil	5,258,419

1. Mr. Ketcham’s 39,598 RS Units and 13,474 PS Units would have a total value of \$2,998,568 based on \$56.50 per unit.
2. Mr. Seraphim’s 26,645 RS Units and 17,141 PS Units would have a total value of \$2,473,909 based on \$56.50 per unit.

VOTING SECURITIES, PRINCIPAL SHAREHOLDERS AND NORMAL COURSE ISSUER BID

As of March 3, 2014 a total of 83,391,332 Common shares and 2,281,478 Class B Common shares were issued, each carrying the right to one vote. Our Class B Common shares are equal in all respects to our Common shares and are exchangeable on a one for one basis for Common shares. Our Common shares are listed for trading on the TSX while our Class B Common shares are not. Certain circumstances or corporate transactions may require the approval of the holders of our Common shares and Class B Common shares on a separate class by class basis.

The Directors have fixed the close of business on March 18, 2014 as the record date for the Meeting, being the date for the determination of the registered holders of Shares entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.

To the knowledge of the Directors and the Named Executive Officers (as defined in this Circular), the only persons who, as at March 3, 2014, beneficially owned or exercised control or direction over, directly or indirectly, Shares carrying more than 10% of the voting rights attached to any class of our voting securities are as follows:

Name of Beneficial Holder	Title of Class	Amount Beneficially Owned or Controlled	% of Class	% of Total Votes
Ketcham Investments, Inc. ¹ Seattle, Washington	Common	6,962,718	8.3	8.1
	Class B Common	1,743,228	76.4	<u>2.0</u> 10.1
Tysa Investments, Inc. ² Seattle, Washington	Common	4,687,792	5.6	5.5
	Class B Common	333,066	14.6	<u>0.4</u> 5.9

1. Ketcham Investments, Inc. is controlled by the family of Henry H. Ketcham, our Executive Chairman.
2. Tysa Investments, Inc. is controlled by William P. Ketcham, one of our former directors. Information concerning holdings of Common shares has been provided by Tysa Investments, Inc.

On May 25, 2012 the Company announced the renewal of its normal course issuer bid to acquire up to 2,000,000 Common shares for cancellation (after giving effect to the Stock Dividend), representing approximately 2.5% of the then issued and outstanding Common shares, from June 1, 2012 until expiry of the bid on May 31, 2013. No Common shares were acquired under this bid. On September 12, 2013 the Company announced it had received Toronto Stock Exchange approval for its normal course issuer bid to acquire up to 2,000,000 Common shares for cancellation (after giving effect to the Stock Dividend), representing approximately 2.5% of the then issued and outstanding Common shares, until expiry of the bid on September 16, 2014. From September 17, 2013 to March 3, 2014, under this bid the Company repurchased 64,554 Common shares for cancellation at an average price of approximately \$44.60.

APPOINTMENT OF THE AUDITOR

Our current Auditor is PricewaterhouseCoopers LLP, Chartered Accountants, of 700 - 250 Howe Street, Vancouver, B.C. PricewaterhouseCoopers LLP has been our Auditor for more than five years.

The Auditor is appointed by the Shareholders, performs its role as the Auditor of our annual financial statements on their behalf, and reports the results of the audit to them. In order to assure the Shareholders that the audit is effective, the Auditor is required to confirm to the Audit Committee its independence from our management in connection with the audit. PricewaterhouseCoopers LLP has confirmed its independence from our management in connection with the audit of the consolidated financial statements for the period ending December 31, 2013.

All services provided by the Auditor are subject to the pre-approval of the Audit Committee through established procedures and a written policy. Management provides regular updates to the Audit Committee of the services that the Auditor undertakes on the Company's behalf.

During 2013, the Audit Committee met with the Auditor and members of management to review the overall scope and specific plans for the audit of our consolidated financial statements. In addition, the Auditor received and discussed our unaudited quarterly consolidated financial statements and earnings releases with management and the Audit Committee as required from time to time. Representatives of the Auditor meet with the Audit Committee in the absence of management representatives as part of each regularly scheduled meeting of the Audit Committee.

The Auditor, the Audit Committee and management maintain regular and open communications regarding the audit of our financial statements. No disagreement arose among the Auditor, the Audit Committee and our management on any matter affecting the audit of our financial statements.

For additional information concerning the Audit Committee and its members see "Audit Committee" in the Company's Annual Information Form for the year ended December 31, 2013 which forms part of our 2013 Annual Report and is available at www.sedar.com under the Company's profile.

INCREASE IN AUTHORIZED SHARES

On January 13, 2014, the Company paid the Stock Dividend through the issuance of one Common share for each issued and outstanding Share, which had substantially the same effect as a two-for-one stock split.

The Company is currently authorized to issue up to 200,000,000 Common shares, 20,000,000 Class B Common shares and 10,000,000 Preferred Shares. As a result of the Stock Dividend, the number of issued and outstanding Common shares increased from 40,554,274 Common shares, before the payment of the Stock Dividend, to currently 83,390,026 Common shares immediately following the Stock Dividend and 83,391,332 Common shares as at March 3, 2014. The Company has decided to seek an increase in the number of Common shares authorized for issuance, in order to retain substantially the same proportion of Common shares authorized for issuance, after giving effect to the Stock Dividend, as there was prior to the Stock Dividend. A similar increase in the number of authorized but unissued Common shares would have resulted if the two-for-one stock split had been implemented by way of a share subdivision. Although there is no transaction currently under consideration in respect of which Common shares are intended to be issued, management believes that the proposed increase will provide reasonable flexibility should opportunities arise in the future. Additionally, although the adoption of a shareholder rights plan is not currently contemplated, management believes it is prudent to have available, should the need for such a plan arise, substantially the same proportion of authorized but unissued Common shares as there existed prior to the Stock Dividend.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve, by way of an ordinary resolution, the increase of the maximum number of Common shares that the Company is authorized to issue from 200,000,000 to 400,000,000.

The proposed ordinary resolution to be passed at the Meeting is as follows:

Resolved, as an ordinary resolution, that:

1. The authorized share structure of the Company be altered by increasing the maximum number of Common shares without par value that the Company is authorized to issue from 200,000,000 to 400,000,000;
2. The Notice of Articles of the Company be altered to reflect the alteration authorized by the preceding resolution;
3. Any one director or officer of the Company be authorized to execute and deliver all such documents and instruments including a Notice of Alteration, and to do such further acts, as may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof; and
4. The directors of the Company be and are authorized to revoke this ordinary resolution before it is acted on without further approval of the Shareholders.

The ordinary resolution to increase the authorized capital must be approved by at least a simple majority of 50% plus one vote of the votes cast on such resolution by the Shareholders present in person or represented by proxy at the Meeting.

Management and the Board recommend that Shareholders vote FOR the ordinary resolution approving alterations to the authorized share structure of the Company. The management proxyholders intend to vote FOR the ordinary resolution approving the alteration to the authorized share structure of the Company, except in relation to Shares held by a Shareholder who instructs otherwise. It is intended that the foregoing ordinary resolution will be voted on at the Meeting and, if approved, a Notice of Alteration will be filed with the Registrar of Companies to be effective on the date and time that it is filed.

ADVISORY RESOLUTION ON THE COMPANY'S APPROACH TO EXECUTIVE COMPENSATION (SAY ON PAY)

Our executive compensation philosophy, policies and programs are based on the fundamental principle of pay-for-performance to align the interests of our executives with those of our Shareholders. This compensation approach allows us to attract and retain high-performing executives who will be strongly incentivized to create value for our Shareholders on a sustainable basis. As a Shareholder you are asked to consider and approve the following resolution:

Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the Shareholders accept the approach to executive compensation disclosed in the Company's information circular delivered in advance of the 2014 annual and special meeting of Shareholders of the Company.

Because your Say on Pay vote is advisory, it will not be binding upon the Board. However, the Compensation Committee of the Board will review and analyze the results of the vote and take into consideration such results when reviewing executive compensation philosophy, policies and programs. The Board confirms that the Company's current practices achieve substantially the same results as the Canadian Coalition for Good Governance's (CCGG) "Say on Pay" Policy for Boards of Directors released in September 2010.

The management proxyholders intend to vote FOR the approval of the advisory resolution on executive compensation, except in relation to Shares held by a Shareholder who instructs otherwise.

AMENDMENT TO ARTICLES TO INCLUDE ADVANCE NOTICE PROVISIONS

Effective February 13, 2014, the Board adopted with immediate effect an advance notice policy for director nominations and elections (the “Board Policy”). At the Meeting the Company is seeking Shareholder approval of an amendment to the Company’s Articles to include the advance notice provisions as currently set out in the Board Policy (the “Advance Notice Provisions”). Whether or not the Shareholders approve such amendment at the Meeting, the Board Policy will cease to have effect after the termination of the Meeting. A copy of the proposed amendment is attached as Schedule “A” to this Circular. The Advance Notice Provisions (i) inform the Company of nominees for election at a Shareholder meeting proposed by a Shareholder sufficiently in advance of such meeting, and (ii) provide an opportunity for the Board to make an informed determination regarding the proposed nominees and, if appropriate, present alternatives to Shareholders.

Purpose of the Advance Notice Provisions

The Company is committed to facilitating an orderly and efficient process for the nomination of Directors at Shareholder meetings, ensuring that all Shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees to make an informed decision. The purpose of the Advance Notice Provisions is to provide Shareholders, Directors and management of the Company with a clear framework for nominating Directors. The Advance Notice Provisions fixes a deadline prior to any Shareholder meeting called for the election of directors by which director nominations must be submitted, and sets forth the information that the nominating Shareholder must include in the notice to the Company in order for a nominee to be eligible for election.

Terms of the Advance Notice Provisions

The Advance Notice Provisions provides that Shareholders seeking to nominate candidates for election as Directors must provide timely notice in writing to the Company’s Chief Financial Officer (“CFO”) by personal delivery or facsimile transmission at the number shown on the Company’s issuer profile on SEDAR at www.sedar.com.

To be timely, such notice must be received by the Company’s CFO (i) in the case of an annual general meeting, not earlier than the 65th day before the meeting date and not later than the 30th day before the meeting date provided, however, that in the event the first public announcement of the date of such meeting is less than 50 days prior to the meeting date, notice may be made not later than the close of business on the 10th day following the day on which public announcement of the date of such annual general meeting was first made by the Company, and (ii) in the case of a special meeting called for the purpose of electing Directors, not later than the close of business on the 15th day following the day on which public announcement of the date of the special meeting is first made by the Company. The Advance Notice Provisions prescribe the proper written form for a Shareholder’s notice as well as additional requirements in connection with nominations. Shareholders who fail to comply with the Advance Notice Provisions will not be entitled to make nominations for Directors at the relevant annual general or special meeting of Shareholders.

Approval of Amendment to Articles

The proposed special resolution to be passed at the Meeting is as follows:

“Resolved, as a special resolution, that:

1. The Company's Articles be amended by adding thereto Article 43A, a copy of which is attached as Schedule "A" to the information circular of the Company dated March 3, 2014 ("Information Circular");
2. Any one director or officer of the Company be authorized and directed to execute and deliver all such documents and instruments, and to do such further acts, as in such person's opinion may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof; and
3. The directors of the Company be and are authorized to revoke this special resolution before it is acted on without further approval of the Shareholders."

In accordance with the Company's Notice of Articles and the Act, an alteration of the Company's Articles requires the approval of at least three quarters of the votes cast in person or represented by proxy at the Meeting. Accordingly, Shareholders will be asked at the Meeting to vote on the above special resolution to approve the alteration of the Company's Articles to include the Advance Notice Provisions and such special resolution must be approved by a special majority of at least 75% of the votes cast on such resolution by the Shareholders present in person or represented by proxy at the Meeting.

Management and the Board have concluded that the Advance Notice Provisions are in the best interest of the Company and its Shareholders. Accordingly, Management and the Board recommend that Shareholders vote FOR the special resolution amending the Company's Articles to include the Advance Notice Provisions. The management proxyholders intend to vote FOR the special resolution, except in relation to Shares held by a Shareholder who instructs otherwise.

OUR CORPORATE GOVERNANCE POLICIES AND PROCEDURES

Governance Policy

Our Board of Directors believes that sound governance practices are essential to the effective and efficient operation of the Company and to the enhancement of Shareholder value. We established a corporate governance policy (the "Governance Policy") in 2002 which was updated and re-approved by our Board in 2007. The full text of the Governance Policy may be reviewed on our website at www.westfraser.com.

The following disclosure has been prepared under the direction of our Governance & Nominating Committee and has been approved by the Board.

Executive Chairman of the Board

Hank Ketcham was appointed our Chief Executive Officer and President in 1985 and assumed the role of Chairman of the Board in 1996. In 2012 he relinquished the title of President and on March 1, 2013 Mr. Ketcham retired as our Chief Executive Officer and was designated as our Executive Chairman of the Board. Ted Seraphim was appointed our President on April 19, 2012 and also became our Chief Executive Officer on March 1, 2013. The Board has considered the issue of the Executive Chairman's relationship with management in the context of the need to ensure the Board's independence from management and has determined that the Executive Chairman is sufficiently aligned with Shareholder interests to ensure Board independence from management. The Executive Chairman is a director and shareholder, and is related to the other directors and shareholders, of Ketcham Investments, Inc., whose shareholdings are described under "Voting Securities, Principal Shareholders and Normal Course Issuer Bid" on page 16. Ketcham Investments, Inc. acts in concert with Tysa Investments, Inc. which is also one

of our principal Shareholders. The Board considers that these relationships assure that the interests of the Executive Chairman are closely aligned with Shareholder interests and that separating the position of Chairman from executive functions is an unnecessary step. However, the Board has established the position of Lead Director to ensure that the Board's independence from management is clear in appearance as well as in fact.

Lead Director

Bob Phillips has been our Board's Lead Director since February 2008. Our Board has stipulated that if, and as long as, the Chairman of the Board is not independent of management, the Board will ensure that one of its independent Directors is appointed as Lead Director. The Lead Director's role is to focus on enhancing the effectiveness of the Board and to help ensure that it functions in an independent and cohesive fashion. In addition, the Lead Director participates in setting agendas for Board meetings, chairs meetings of the Governance & Nominating Committee of the Board, acts as a liaison between members of the Board and management when necessary, and ensures that the Board has the resources necessary to effectively carry out its functions.

Governance & Nominating Committee

The Board has established a Governance & Nominating Committee comprised entirely of independent Directors. The mandate of the Committee is summarized later in this Circular under "Committees of the Board" on page 25. The Board, through the Committee, monitors changes to the regulatory, business and investment environments with respect to governance practices and regularly reviews governance issues with a view to ensuring that both our Governance Policy and our actual practice continue to serve the best interests of our Shareholders, employees and other stakeholders. The Committee also focuses on the performance of the Executive Chairman, the President and Chief Executive Officer and management succession.

Majority Voting Policy and Advance Notice Policy

In February 2011, the Board reviewed and adopted a majority voting policy on the recommendation of the Governance & Nominating Committee. Under this policy, a director who is elected in an uncontested election with more votes withheld than cast in favour of his or her election will be required to tender his or her resignation to the Chairman of the Board. The resignation will be effective when accepted by the Board. The Governance & Nominating Committee will consider the resignation and make its recommendation to the Board on whether the resignation should be accepted. The Board expects that resignations will be accepted unless there are extenuating circumstances that warrant a contrary decision. The Board will announce its decision (including the reasons for not accepting any resignation) by way of a news release within 90 days of the date of the meeting at which the election occurred. Management will not re-nominate for re-election any director who fails to comply with this policy.

Pursuant to the advance notice policy adopted by the Board on February 13, 2014 and discussed in further detail above, any additional director nominations for the Meeting must have been received by the Company in compliance with the advance notice policy no later than the close of business on March 30, 2014. As no such nominations were received by the Company prior to such date, management's nominees for election as directors set forth above will be the only nominees eligible to stand for election at the Meeting.

Code of Conduct

In 2004 the Board approved a Code of Conduct for the Company and its Directors, officers and employees. The Code sets out expectations for compliance with laws, safety and health, environmental stewardship, discrimination and harassment, conflicts of interest, ethical conduct, fair dealing and other areas. On February 13, 2014 the Board approved amendments to the Code which included provisions prohibiting certain insiders who are subject to minimum shareholding requirements from purchasing financial instruments designed to hedge or offset any decrease in the market value of our Shares, Options or units. The Code also establishes a “whistle-blower” procedure for the reporting of potential breaches of the Code. The Code includes an acknowledgement with respect to compliance to be confirmed by each Director and each member of management. All Directors, members of management and substantially all salaried employees periodically confirm compliance with the Code of Conduct and any instances of non-compliance are reported to the Board. The full text of the Code of Conduct may be viewed on our website at www.westfraser.com.

Charters

The Board has developed and approved formal charters for each of the Audit, Compensation, Governance & Nominating and Safety & Environment Committees as well as formal position descriptions for each of the positions of Chairman of the Board, Lead Director and Chief Executive Officer. The charters and position descriptions were reviewed and revised by the Board in 2010. The Chairman of the Board’s general mandate is to ensure the effective and independent conduct of the Board. The Lead Director’s general mandate is to plan and chair meetings of the Governance & Nominating Committee, and the Chief Executive Officer’s general mandate is to implement the Company’s strategic and operating plans and enhance Shareholder value. These materials may be viewed on our website at www.westfraser.com.

Minimum Share Ownership

On the recommendation of the Board’s Compensation Committee, we have adopted a minimum requirement with respect to ownership of our securities by Directors and senior executives. Each Director is expected to acquire and hold Shares and DS Units totalling not less than 10,000. All current directors are in compliance with this requirement. For a description of the holdings of the Directors see the chart on page 15. The share ownership requirements for senior executives are described under “Executive Compensation Discussion and Analysis – Report on Executive Compensation - Executive Share Ownership Requirements” on page 33.

Mandate of the Board

Our Board has expressly assumed overall responsibility for the stewardship of the Company, including responsibility for (i) adoption of a strategic planning process and approval of a strategic plan, (ii) identification of the principal risks of our business and implementation of appropriate systems to manage these risks, (iii) succession planning, including appointment, training and monitoring of our senior management, (iv) implementation of a communication policy regarding our disclosure of corporate information, and (v) ensuring the integrity of our internal control and management information systems including accounting systems.

The Board met five times in 2013 which were regularly scheduled meetings. During the regularly scheduled meetings the Board received, reviewed and contributed to management’s strategic planning and operating and capital plans, taking into account identified business opportunities and business risks. In conjunction with the ongoing planning process, the Board regularly reviews, with management, the strategic environment, the emergence of new opportunities and risks, and the implications for our strategic direction.

The Board has, with the advice of management, identified the principal risks of our business and has overseen management's establishment of systems and procedures to ensure that these risks are monitored. These systems and procedures provide for the effective management of our manufacturing assets, forest resources and financial resources, and compliance with all regulatory obligations. At each regularly scheduled Board meeting management submits a matrix identifying key short term and long term risks together with an analysis of each risk and management's mitigation strategy. The matrix is regularly reviewed by the Board and consideration is given to any changes in circumstances that could either heighten or diminish the nature of a particular risk. The Board understands that our major risks are associated with safety, the environment, access to raw materials and our product end markets.

The Board receives and reviews regular reports on our operations, including reports dealing with safety and environmental issues.

The Board is responsible for the supervision of our senior management to ensure that our operations are conducted in accordance with objectives set by the Board. All appointments of senior management are approved by the Board. As part of our planning process, succession planning for senior management positions is regularly reviewed and discussed.

Corporate Disclosure Policy

The Board has, as part of our Governance Policy, approved a Corporate Disclosure Policy that is intended to ensure that all material information relating to the Company is communicated appropriately to our Shareholders and the public. The Policy also applies to the dissemination of annual and quarterly reports, news releases and environmental reports. The Corporate Disclosure Policy may be viewed on our website at www.westfraser.com. In addition to annual general meetings, meetings are held from time to time each year between management representatives and various investors, investment analysts, credit rating agencies and financial institutions, all of which are governed by the Corporate Disclosure Policy.

Audit Committee

The Board, through the Audit Committee, is responsible for overseeing the Company's financial reporting and audit process and ensuring that management has designed and implemented an effective system of internal controls and management information systems. The Audit Committee generally meets twice annually with the Auditor to discuss the annual audit. These meetings are in addition to regular meetings, in which the Auditor participates, during which the Audit Committee reviews and approves certain of our quarterly reports. The Audit Committee has complete and unrestricted access to the Auditor.

Decisions Requiring Prior Approval by the Board

The Board has overall responsibility for the stewardship of the Company. Any responsibility that is not delegated to management or to a committee of the Board remains with the full Board. We maintain policies with respect to matters requiring prior approval of the Board. These policies, and understandings between management and the Board through previous Board practice and accepted legal practice, require that our annual operating and capital plans, significant capital expenditures and all transactions or other matters of a material nature involving the Company or any of its Subsidiaries must be presented by management for approval by the Board.

Shareholder Feedback and Concerns

In addition to the information provided to Shareholders in connection with the annual general meetings of Shareholders and the continuous disclosure requirements of securities regulatory authorities, we maintain a policy of ongoing communication with investors and with representatives of the investment community.

This process consists of periodic meetings with investment fund managers and investment analysts as well as individual investors and Shareholders, although always in circumstances that assure full compliance with disclosure requirements. All news releases issued by us are available for viewing on our website at www.westfraser.com. Inquiries by Shareholders are directed to, and dealt with by, members of senior management. Shareholders and potential investors are encouraged to communicate on any issues, including those relating to executive and Director compensation, directly with members of our senior management. All communications are subject to our Corporate Disclosure Policy.

Expectations of Management

The Board has determined its expectations of management, which include provision of information and implementation of processes that enable the Board to identify risks and opportunities for the Company, the identification of appropriate comparisons and benchmarks against which our performance may be measured, and the provision of data that permits the Board to monitor ongoing operations, and management understands these expectations. As part of the ongoing process of monitoring the performance of management, at each Board meeting the Board receives operational updates on each of our business units. These updates compare actual performance to our annual plan and historical results and include a discussion of all significant variances. During the past several years the Board has been actively involved in planning, implementing and overseeing the succession of the Chief Executive Officer role from Hank Ketcham to Ted Seraphim.

As part of the monitoring process, the Chief Executive Officer submits to the Board at the beginning of each year a written report setting out goals, expectations and priorities for the year. These are reviewed by the Board and may be varied based on the Board's comments. At the end of the year, a report is submitted to the Board by the Chief Executive Officer that sets out achievements relative to the original goals and expectations. Both the Board and the Chief Executive Officer expect that the level of those achievements will be taken into account when establishing the executive's compensation for the following year.

Composition of the Board

We are required to disclose which of our Directors are, or are not, "independent" of management as that term is used in National Instrument 52-110. Seven of our nine current Directors, all of whom are being re-nominated for election, are independent. Below is a summary of the basis of our determinations:

Name	Determination and Basis
Hank Ketcham	Non-independent Basis for Determination: Currently our Executive Chairman.
Samuel W. Ketcham	Independent
Clark S. Binkley	Independent
J. Duncan Gibson	Independent
Harald H. Ludwig	Independent
Gerald J. Miller	Non-independent Mr. Miller retired on July 31, 2011.
Robert L. Phillips	Independent
Janice G. Rennie	Independent
Ted Seraphim	Non-independent Basis for Determination: Currently our President and Chief Executive Officer.

Samuel W. Ketcham is the cousin of Hank Ketcham, the Company's Executive Chairman. The Board has considered this relationship and interest, including the shareholding interests of Hank Ketcham and Samuel W. Ketcham, and has determined that Samuel W. Ketcham is sufficiently independent of our

management and has interests aligned with Shareholders to an extent that qualifies him to be a member of the Governance & Nominating Committee and make a valuable contribution in that role.

Gerald J. Miller retired as an employee and senior officer of the Company on July 31, 2011 and following the third anniversary of that date he may be considered independent if the Board determines that he is otherwise sufficiently independent of management.

The Governance & Nominating Committee, which is comprised of all Directors other than Hank Ketcham, our Executive Chairman, Ted Seraphim, our President and Chief Executive Officer, and Gerald J. Miller, meets without any members of management present as part of each regularly scheduled meeting of the Board. There were five such meetings during 2013.

Serving on Other Boards

Each of Harald Ludwig, Bob Phillips and Janice G. Rennie is an active corporate director serving on several corporate boards. The Board and the Governance & Nominating Committee have reviewed each of their board memberships and determined that they have demonstrated that they devote the required time and attention to discharge their duties as members of our Board. Mr. Ludwig, Mr. Phillips and Ms. Rennie have all demonstrated a strong understanding of West Fraser's business, have been well prepared for all Board and committee proceedings and make consistent and valuable contributions to those proceedings. In 2013, Mr. Phillips maintained a 100% attendance record at Board and committee meetings, Ms. Rennie attended 15 out of 16 Board and committee meetings, and Mr. Ludwig attended 9 out of 10 Board and committee meetings. They also made themselves available to meet with management and fellow directors on an ad hoc basis whenever required to do so.

The disclosure under "Information regarding Nominees for Election as Directors" on page 10 lists the other public company directorships held by our Directors. West Fraser does not limit the number of outside directorships. The Governance & Nominating Committee discusses our Director expectations with potential candidates to ensure the candidates understand the time commitments and expectations before agreeing to be nominated as a Director of the Company.

Committees of the Board

The Board has concluded that, because of its relatively small size, committees of the Board should be kept to a minimum so that all members of the Board are able to participate in discussions on significant issues. Matters that are outside of management's authority are reported to and approved by the Board.

Committees of the Board may engage outside advisors at the expense of the Company. Under the Governance Policy an individual Director may, with the approval of the Board, retain an outside advisor at our expense.

The Board has appointed the following four committees of the Board, each of which is comprised entirely of Directors who are not members of our management: Audit, Compensation, Safety & Environment, and Governance & Nominating.

Audit Committee

Chair: Janice G. Rennie

Other Members: Clark S. Binkley
J. Duncan Gibson

The full text of the Audit Committee Charter, which forms part of our Annual Information Form which is included in our Annual Report, is available for viewing on our website at www.westfraser.com. The Audit Committee is responsible for reviewing our annual financial statements and making recommendations as to approval of the annual financial statements by the Board. Material issues related to the audit of our internal control and management information systems are discussed by management representatives and the Committee as they arise. The Committee has typically been delegated the authority to approve certain of our quarterly financial statements and quarterly earnings announcements before publication. The Audit Committee has direct access to the Auditor and is responsible for approving the nomination, and establishing the independence, of the Auditor. The role of the Committee has been discussed at various times with our Auditor.

Under NI 52-110 the Audit Committee must be comprised of independent directors. An “independent director” is a director that has no direct or indirect material relationship with the Company, including not being affiliated with management or the Company in terms of specific family or commercial relationships. In addition to being independent, each member of our Audit Committee is considered “financially literate” as that term is used in NI 52-110.

Additional disclosure concerning the Audit Committee is contained in our Annual Information Form, which is included in our Annual Report, under the heading “Audit Committee”.

We have been advised by PricewaterhouseCoopers LLP that it is its policy to rotate the senior audit partner for the Company at least once every seven years. The senior audit partner for the Company has completed his tenure as the senior audit partner for the Company and a new senior audit partner has been assigned for the Company for 2014, contingent on PricewaterhouseCoopers LLP being appointed by Shareholders as the Company’s auditor at the Meeting. The Audit Committee participated in the process of selecting the new senior audit partner and in the transition from the current senior audit partner to the new senior audit partner.

Compensation Committee

Chair: Harald H. Ludwig

Other Members: Robert L. Phillips
Janice G. Rennie

The Compensation Committee is responsible for reviewing and making recommendations to the Board with respect to the remuneration of our senior management and the remuneration of each Director, and has the authority to grant share purchase options (“Options”) to officers and employees under our Stock Option Plan. This Committee reviews the remuneration of Directors and senior management each year.

The Charter of the Compensation Committee may be viewed on our website at www.westfraser.com.

Safety & Environment Committee

Chair: Clark S. Binkley

Other Members: J. Duncan Gibson
Samuel W. Ketcham
Gerald J. Miller

The Safety & Environment Committee is responsible for monitoring our safety and environmental performance. The Committee conducts an ongoing review of our safety and environment-related policies and performance, including compliance with applicable laws and regulations. The Committee also

reviews the suitability and effectiveness of safety and environment management systems and environment sustainability certification programs to which we subscribe. The Charter of the Safety & Environment Committee may be viewed on our website at www.westfraser.com.

Governance & Nominating Committee

Chair: Robert L. Phillips

Other Members: Clark S. Binkley
J. Duncan Gibson
Samuel W. Ketcham
Harald Ludwig
Janice G. Rennie

The Governance & Nominating Committee is comprised of each Director who is “independent” of management as that term is used in National Instrument 52-110. The Charter of the Committee may be viewed on our website at www.westfraser.com. The Committee is responsible for providing support for the governance role of the Board and, as part of that support, reviews and makes recommendations on the composition of the Board, periodically assesses the function of the Board and its Committees, and monitors developments in corporate governance. In addition, this Committee is responsible for establishing criteria and procedures for identifying candidates for election to the Board, engaging search firms, where necessary, and recommending (to the Board) nominees to stand for election as Directors. The Committee also regularly assesses the performance of the Chief Executive Officer and reviews and assesses succession plans for management submitted to it on a regular basis. The Committee regularly reviews succession alternatives and planning for the Chief Executive Officer position. The Committee, together with the Chief Executive Officer manages an ongoing formal process to assess the abilities, readiness and interests of members of the current executive group and oversees appropriate skills development.

Orientation Program and Continuing Education

New Directors receive a broad range of materials that provide both historical and forward-looking information concerning West Fraser, its operations, senior management and the Board, and its strategic objectives. As part of our orientation program, new Directors have an opportunity to meet with senior management to discuss our business, receive historical and current operating and financial information and are encouraged to tour our facilities.

We do not have a formal continuing education program for our Directors. Each of our Directors has had, or currently has, executive or board of director responsibilities and there is a regular sharing of those experiences which assists our Board in identifying and adopting, on a continuing basis, best corporate governance practices. Board proceedings include periodic presentations by industry experts and Directors will tour our facilities from time to time which contributes to a more complete understanding of our business.

A key part of each regularly scheduled Board meeting is a business overview provided by the Chief Executive Officer. This overview includes an operational and financial review but also provides perspectives on growth strategies, human resources, political, legal and regulatory issues and material changes in our risk environment. These discussions help our Directors to understand the full scope of our underlying business environment when making decisions that affect our future.

Performance Reviews

The Governance & Nominating Committee regularly and, not less frequently than annually, reviews the performance of the Board and its Committees. This review has been conducted both by way of a formal questionnaire and report and by informal interviews and discussions led by the Chairman (now Executive Chairman) or the Lead Director. The Board performance review also includes a “peer” or individual director review process. To date no significant problem with respect to performance of the Board, any Committee or any individual director has been identified.

Meeting Attendance Record

In 2013 the attendance record for Board meetings was 97%. The following chart sets out meeting attendance records of each Director during 2013, including each Committee of which the Director is currently a member.

Director	Board Meetings	Committees			
		Audit	Compensation	Safety & Environment	Governance & Nominating
H.H. Ketcham	5 of 5	—	—	—	—
C.S. Binkley	5 of 5	6 of 6	—	2 of 2	5 of 5
J.D. Gibson	5 of 5	6 of 6	—	2 of 2	5 of 5
S.W. Ketcham	5 of 5	—	—	2 of 2	5 of 5
H.H. Ludwig	4 of 5	—	5 of 5	—	4 of 5
G.J. Miller	5 of 5	—	—	2 of 2	—
R.L. Phillips	5 of 5	—	5 of 5	—	5 of 5
J.G. Rennie	5 of 5	6 of 6	4 of 5	—	5 of 5
Ted Seraphim ¹	4 of 4	—	—	—	—

1. Mr. Seraphim joined the Board of Directors on April 30, 2013.

Age Limitation

In 1994 the Board approved a requirement that any nominee for Director be less than age 70. Directors who were serving in that capacity at that time (including Clark S. Binkley and Hank Ketcham) were exempted from this requirement.

EXECUTIVE COMPENSATION DISCUSSION & ANALYSIS

Report on Executive Compensation

All references to the number of West Fraser shares, share prices, earnings per share, options and other equity-based incentives reflect the payment and adjustments resulting from the Stock Dividend which has been applied retroactively to earlier comparative periods.

The policy of the Compensation Committee and the Board of Directors with respect to executive compensation is to provide compensation to each executive officer in the form of a base salary, employment benefits, performance-related bonus, equity-based long-term incentives and post-retirement pension benefits in order to attract and retain a highly-motivated, cohesive and results-oriented management team. Total compensation for each executive officer is designed to be competitive with that provided by comparable companies in Canada to executive officers in similar positions as well as to align the interests of executive officers with those of our Shareholders and not encourage excessive risk taking. Each of the components of total compensation is established based on the following criteria:

Base Salary	– to be below the median base salaries for comparable positions
Annual Incentive Bonus	– based on our financial performance above a minimum return on shareholders' equity, and targeted to be below the median for comparable positions
Long-Term Incentive	– to be above the median on long-term incentives for comparable positions

Overall, the compensation package is designed to compensate executive officers for above-average, long-term, sustainable financial results, and is designed to be competitive at the 50% percentile for overall compensation for comparable positions.

In order to establish compensation for executive officers other than the Executive Chairman and the Chief Executive Officer (the "CEO"), the Committee receives recommendations with supporting documentation, including data on comparable compensation levels, from the Executive Chairman and the CEO. The Committee considers the recommendations and comparative data and makes its recommendation to the Board. In respect of compensation for the CEO, the Committee bases its recommendation to the Board on its review of comparable compensation data for chief executive officer positions.

In determining the comparability of similar positions in other companies the Committee considers responsibility levels as well as industry similarity, annual revenues and market capitalization of the selected companies. For positions where compensation data is not comparable, internal guidelines and data are used.

We use, and periodically participate in, broad-based compensation surveys prepared by independent consulting firms. As well, from time to time we and the Committee may obtain specific benchmarking data prepared by independent consulting firms. This information, along with Company-specific data, is considered when establishing compensation for executive officers.

In 2013 we benchmarked compensation of the CEO and certain other executive officer positions where comparable information could be obtained. The group of comparable companies included five Canadian publicly-traded paper and forest products companies and 18 publicly-traded capital-intensive companies (the "Peer Group").

The Peer Group for the compensation benchmarking study includes the following publicly-traded, Canadian companies:

Paper and Forest Products	Capital-Intensive	
Resolute Forest Products Inc.	ARC Resources Ltd.	Pembina Pipeline Corporation
Canfor Corporation	ATCO Ltd. and Canadian Utilities Limited	Pengrowth Energy Corporation
Domtar Corporation	Canadian Oil Sands Limited	Penn West Petroleum Ltd.
Norbord Inc.	Canadian Pacific Railway Limited	ShawCor Ltd.
Tembec Inc.	Emera Incorporated	SNC-Lavalin Group Inc.
	Finning International Inc.	Toromont Industries Ltd.
	GLV Inc.	TransAlta Corporation
	IAMGOLD Corporation	Veresen Inc.
	Methanex Corporation	Wajax Corporation

Composition of the Compensation Committee

The Committee currently consists of three independent Directors each of whom has held senior executive roles which have included involvement in executive compensation issues. The Committee met five times in 2013 to review matters relating to the compensation of Directors and executive officers. In addition to meetings, members of the Committee regularly receive reports and advice from independent consultants and members of senior management on executive compensation issues. The Board gives final approval on all matters relating to the compensation of Directors and our executive officers, although Options may be granted under the Stock Option Plan by the Committee. None of the members of the Committee is indebted to the Company.

See also “Our Corporate Governance Policies and Procedures – Committees of the Board – Compensation Committee” on page 26.

Base Salaries

The Committee reviews base salaries periodically and considers annual adjustments to be effective in October of each year. The most recent review of base salaries was conducted in September 2013.

In determining its September 2013 recommendation for the base salary of each executive officer, the Committee considered the comparative data for the Peer Group.

Annual Incentive Bonus Plan

The annual incentive bonus plan (the “Bonus Plan”) covers our Executive Chairman, our CEO and our Vice-Presidents. The Bonus Plan is the variable compensation component of total executive compensation designed to compensate these officers annually based on the achievement of our objective annual financial return targets.

The bonus is calculated as a percentage of current salary, with the percentage based on the annual return (adjusted by excluding equity-based compensation expense or recovery) on average Common Shareholders’ equity (“ROSE”) above a minimum return. If the annual ROSE is below 5% bonuses are not payable under the Bonus Plan. At the 5% ROSE level, bonuses for the Executive Chairman and the Vice-Presidents are 17.5% of base salary. The bonus percentage increases as the ROSE increases and the bonus percentage will reach 100% of base salary at a 15% ROSE level, which is the maximum bonus percentage payable. In any year, the bonus percentage for the CEO is equal to 125% of the bonus percentage for other officers covered by the Bonus Plan.

The Board may, in its discretion, also consider other issues, including safety performance, when determining the amount, if any, of bonuses earned under the Bonus Plan that will be paid.

In each of 2012 and 2013 the annual ROSE exceeded the minimum threshold and annual incentive bonuses were awarded to each of the qualifying senior executives in accordance with the Bonus Plan and were paid in the following year. See “Clawback Policy” on page 33 which applies to the Bonus Plan.

Long-Term Incentive Component

The long-term incentive component of compensation is comprised of equity-based share purchase options (“Options”) and phantom share units (which are either RS Units or PS Units) that are intended to directly align the long-term interests of our senior management with those of our Shareholders. The proportion of Options and phantom share units included in a long-term incentive grant will vary from time to time at the discretion of the Board.

Stock Option Plan

The Board established the Stock Option Plan on February 24, 1994 as a means of recognizing contributions to the Company made by Directors, officers and employees and to provide a long-term incentive for their continuing relationship with the Company and its subsidiaries. Directors ceased to participate under the Stock Option Plan in 2004. The Stock Option Plan has been amended from time to time to increase the number of Common shares that may be issued under Options granted under it, to impose certain limits on the number of Options that may be issued to our insiders, to establish certain restrictions on amendments to the Stock Option Plan without Shareholder approval, to provide for certain automatic extensions for Options expiring during or within five business days of a blackout period under the Company’s Securities Trading Policy, and to address certain incidental housekeeping changes. See also “Option Grants” on page 37.

Outstanding and Authorized Options (as at March 3, 2014)¹

Year	Outstanding²	Weighted Average Price	Remaining Authorized²	Total	% of Outstanding Common Shares²
2014	2,628,217	\$23.07	412,251	3,040,468	3.5
2013	3,025,900	\$21.01	574,096	3,599,996	4.2
2012	4,143,074	\$19.40	774,046	4,917,120	5.7

1. Figures reflect the payment and adjustments resulting from the Stock Dividend.

2. Based on 85,672,810 outstanding Common shares.

Since the introduction in 2003 of the right of a holder to surrender an Option for a cash payment (the “Cash Value Alternative”) under the Stock Option Plan, 131,006 Options have been exercised for Common shares, resulting in less than a 0.1% dilution to Common shareholders. See “Option Grants” on page 37. Of the 2,628,217 outstanding Options, 1,996,508 are exercisable. Of the outstanding Options, 2,140,424 Options were held by insiders representing 2.4% of the total number of issued and outstanding Common shares and Class B Common shares as of March 3, 2014. A total of 199,950 Options were granted to officers or employees in 2013 and a total of 161,845 Options were granted to officers or employees in 2014.

Our Board has adopted a policy to manage the Stock Option Plan with a goal of limiting the potential dilution of outstanding and remaining authorized Options to 5% of the number of our outstanding Shares.

Phantom Share Unit Plan

In 2010 the Board approved the Phantom Share Unit Plan which is intended to supplement or, in whole or in part, replace, the granting of Options as long-term incentives for officers and employees. This plan provides contingent future compensation based on Common share price performance, but is payable only in cash and represents no potential for Shareholder dilution. The Committee and the Board believe that this plan, combined with other components of compensation, provides a broader range of alternatives in developing retention and performance incentives for officers and employees that more directly align their interests with those of current and future Shareholders.

The plan permits the Board to grant, as it determines appropriate, two types of units which vest on the third anniversary of the grant date. A vested RS Unit must be redeemed by us by payment to the holder of an amount equal to the volume weighted average trading price of a Common share over the 20 trading days immediately preceding its vesting date (the “vesting date value”). A vested PS Unit must be redeemed by us by payment to the holder of an amount determined by the Board of between 0% and 200% of its vesting date value contingent upon our performance relative to a peer group of companies over the three year performance period. At the end of such period, the Company’s performance is measured by reference to both the Company’s total cumulative shareholder return and the average of its annual total cumulative return on capital employed relative to its peer group. The amount paid, if any, on such PS Units is based on an equal weighting of these two performance measurements although if the return on capital employed is negative for the period the weighting for that factor is capped at one-half its potential maximum, regardless of relative performance. The peer group used for the purposes of the Phantom Share Unit Plan currently consists of Canfor Corporation, International Forest Products Limited, Tembec Inc., Western Forest Products Inc. and Weyerhaeuser Company, all of which are North American publicly-traded forest products companies. This peer group may be reviewed and changed by the Board, from time to time, as it deems appropriate. The Board also has discretion to vary the payout calculation as it considers appropriate to take into account factors which may have a significant or extraordinary effect on relative performance.

Officers and employees granted units under the Phantom Share Unit Plan are also entitled to additional units to reflect cash dividends paid on Common shares from the applicable grant date until payout. The final amount to be paid, in cash, to each officer or employee on RS Units and PS Units is based on the type and number of vested units she or he holds multiplied by the applicable payout value. Other than officers or employees who retire, become totally disabled or die, units will be automatically cancelled, without payout, on termination of employment or resignation. In the event of retirement, total disability or death of a holder of RS Units or PS Units granted after 2012, the vesting date value will be pro-rated based on the proportion of the three-year period that the holder was an officer or employee.

In each of February 2013 and 2014 the Board granted units under the Phantom Share Unit Plan to officers and employees. In the case of Executive Officers, the proportions of the grants for each of the RS Units and the PS Units were equal. See also “Clawback Policy” on page 33 which applies to the Phantom Share Unit Plan.

Post-Retirement Pension Benefit

Executive officers, including the CEO, are members of our non-contributory defined benefit pension plans for salaried employees. The pension benefit provided under these pension plans is described starting at page 42 of this Circular. The Company does not provide any additional post-retirement benefits, such as medical or dental insurance, to the executive officers.

Clawback Policy

We have recognized a trend in recent years towards the adoption of recoupment and “clawback” policies, particularly among large public companies. As a prudent aspect of risk management and our commitment to operate consistently with good governance practices, the Board in 2013 approved amendments to the Phantom Share Unit Plan and the Bonus Plan to incorporate payment adjustment provisions. These Plans now both contain financial restatement triggers permitting West Fraser to recoup the amount of the incentive awards that have been paid in excess of the amount that would have been payable under the restated financial statements or deduct such excess amount from future payments to be made under such Plans. These payment adjustment provisions also allow the Company to adjust incentive awards upwards to reflect restated financial statements that are more favourable than the original financial statements. The payment adjustment provisions have a three year look-back period.

CEO’s Compensation

In recommending compensation for the CEO, the Committee follows similar principles to those applied for all of our other executive officers. The Committee considers market competitive-salary information for chief executive officer positions in similar-sized companies in Canada. This includes manufacturing companies in other sectors as well as in the forest products sector. The Company periodically participates in broad-based compensation surveys and also periodically seeks the advice of independent compensation consultants engaged to review the executive compensation program. In 2013 Towers Watson, a professional services firm, conducted a survey on our behalf concerning CEO compensation. The survey results, along with Company-specific data, are used to determine the competitiveness of the CEO’s compensation and its alignment with the interests of Shareholders. The CEO establishes, with guidance and direction from the Board, annual goals and reports to the Board at the end of each year on his performance against those goals. The Committee considers this performance when considering its recommendation of compensation of the CEO.

On March 1, 2013 Hank Ketcham retired as an employee and CEO of West Fraser and Ted Seraphim was appointed CEO in addition to being our President. Details of Ted Seraphim’s compensation are described in the table titled “Summary Compensation Table”.

Executive Share Ownership Requirements

In February 2013 our Board approved the adoption of minimum share ownership requirements. In September 2013, on recommendation of the Compensation Committee, the Board revised the policy with respect to the CEO to better align with what the Board considered best governance practices. Each senior executive is required to hold Shares and RS Units having a value of not less than the executive’s salary in the case of a Vice-President and not less than three times the executive’s salary in the case of the CEO (originally two times). Current senior executives will have until January 1, 2018 to comply with this requirement and newly-appointed senior executives will have five years from date of appointment to meet the minimum share ownership requirement.

For the purposes of the following disclosure, the following officers are each a “Named Executive Officer” of the Company:

Hank Ketcham, Executive Chairman,
Ted Seraphim, President and Chief Executive Officer.
Ray Ferris, Vice-President, Wood Products,
Larry Hughes, Vice-President, Finance and Chief Financial Officer and Secretary, and
Chris McIver, Vice-President, Lumber Sales and Corporate Development.

The following table shows the total holdings of Shares and RS Units held by each Named Executive Officer as at March 3, 2014 valued based on the Closing Price of \$56.50.

**Named Executive Officer Share and Unit Holdings
(March 3, 2014)**

Named Executive Officer	Share ¹ holdings	RS Unit holdings	Value of total holdings (\$)	Total as multiple of 2013 salary
Hank Ketcham ^{2,3} Executive Chairman	385,896 ²	39,598	24,040,411	48.4
Ted Seraphim ³ President and Chief Executive Officer	17,184	26,645	2,476,339	4.2
Ray Ferris ³ Vice-President, Wood Products	4,826	14,800	1,108,869	2.8
Larry Hughes ^{3,4} Vice-President, Finance and Chief Financial Officer and Secretary	11,258	13,804	1,416,003	3.9
Chris McIver ³ Vice-President, Lumber Sales and Corporate Development	4,836	11,716	935,188	3.0

1. Includes Common and Class B Common shares.
2. Does not include 6,962,718 Common shares and 1,743,228 Class B Common shares of the Company held by Ketcham Investments, Inc.
3. Named Executive Officers also hold PS Units as follows: H. Ketcham – 13,474; T. Seraphim – 17,141; R. Ferris – 8,142; L. Hughes – 7,552; C. McIver – 6,461.
4. Mr. Hughes also holds 3,462 DS Units.

On February 13, 2014 the Board approved amendments to our Code of Conduct which included provisions prohibiting insiders from purchasing financial instruments designed to hedge or offset any decrease in the market value of our Shares, Options or units.

Independent Consultant

Towers Watson has provided consulting services to us for several years with respect to executive and non-executive compensation. In 2012 the Committee adopted a protocol under which all consulting services provided by Towers Watson related to executive compensation must be retained and authorized by the Committee. Towers Watson reports to the Committee as outside compensation consultant to advise on compensation policies including providing information on comparative levels of compensation for senior executives and directors. In 2013, in addition to a survey concerning CEO compensation, the Committee also received advice from Towers Watson on various executive compensation issues. Towers Watson's fees for 2011, 2012 and 2013 for such services were \$49,537, \$11,383 and \$57,212, respectively.

Compensation Committee Responsibility

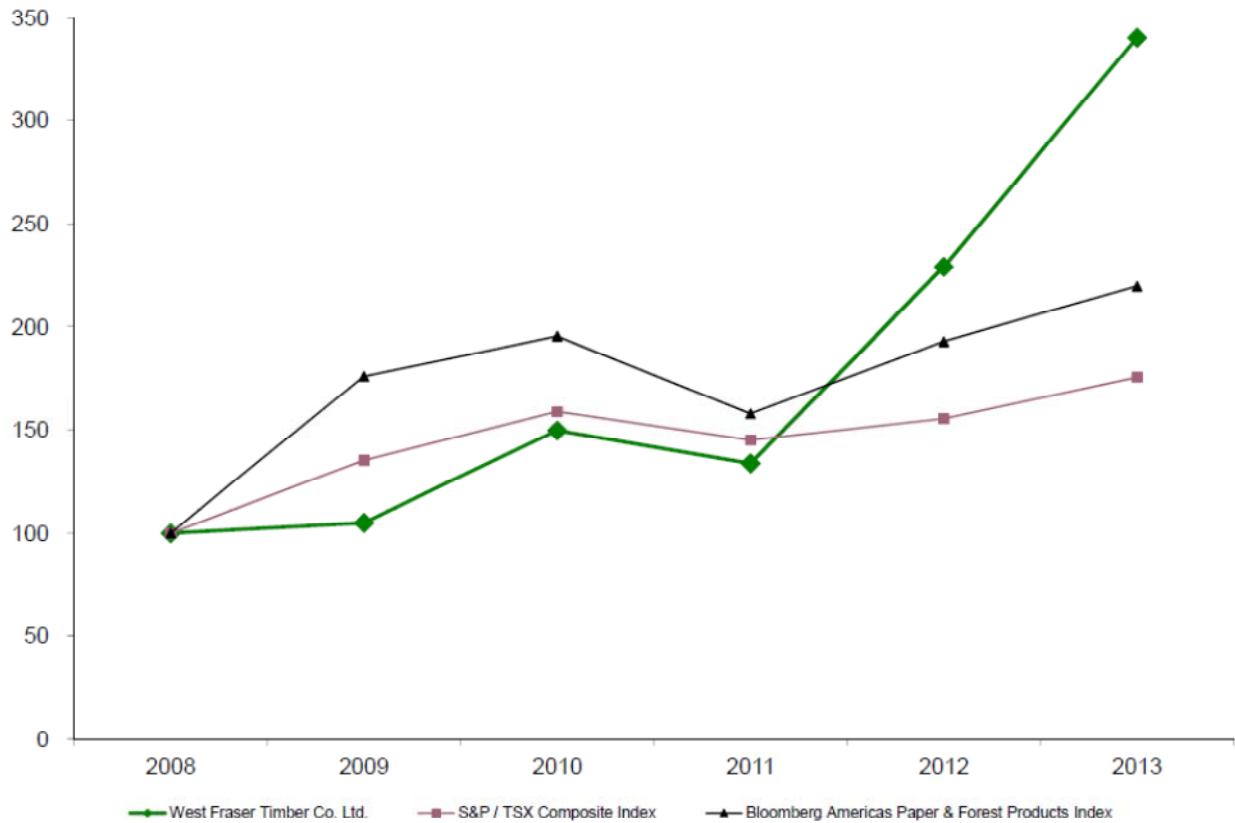
The Committee is responsible for recommending to the Board the level and nature of compensation for executive officers and Directors and may grant Options to officers and employees under the Stock Option Plan and units under the Phantom Share Unit Plan. In making its determinations, the Committee has access to comparative data and, if considered appropriate, receives advice from selected independent consultants. The Committee is also responsible for reviewing and recommending to the Board the approval of our compensation and benefits philosophy and policies and any incentive-compensation plans and equity-based plans. In reviewing such policies, the Committee may consider the recruitment,

development, promotion, retention and compensation of senior management and other employees and any other factors that it deems appropriate. The Committee also assesses on an ongoing basis whether such compensation and benefits policies are consistent with the sustainable achievement of our business objectives, the prudent management of our operations and risks, and the promotion of adherence to our Code of Conduct, its policies concerning safety and environmental stewardship and other material policies, procedures and controls. The Committee also ensures that such compensation and benefit policies do not encourage unwarranted risk taking and, when it reviews and recommends compensation for the CEO and senior management, assesses the appropriateness of compensation relative to business risks undertaken by considering, among other things, adherence to our Code of Conduct and its other material policies, procedures and controls, as well as any other factors it considers appropriate.

Submitted by the Compensation Committee:
H.H. Ludwig (Chair)
R.L. Phillips
J.G. Rennie

Performance Graph

The following graph compares the total cumulative return to a Shareholder who invested \$100 in our Common shares on December 31, 2008 with the cumulative total return of the S&P/TSX Composite Index and the Bloomberg Americas Paper & Forest Products Index for the same period.



We consider the Bloomberg Americas Forest Products & Paper Index to be an appropriate comparative measure. This is a capitalization-weighted index of the leading forest products companies in the North, South, and Central American region with currently 16 constituent issuers, one of which is the Company.

	2008	2009	2010	2011	2012	2013
West Fraser Timber Co. Ltd.	100	105	150	134	229	340
S&P/TSX Composite Index	100	135	159	145	155	176
Bloomberg Americas Paper & Forest Products Index	100	176	196	158	193	220

Notes:

1. All returns are expressed on a total return basis (all dividends reinvested in the index or security).
2. All information per Bloomberg.

Executive Compensation

Total compensation for Named Executive Officers, as described in the Summary Compensation Table set out below, reflects a gradual recovery from the significant downturn in the forest products industry which began in 2006. Annual incentive bonuses for Named Executive Officers were not earned or paid for 2007, 2008, 2009 and 2011. In 2010, 2012 and 2013 the Company achieved a ROSE in excess of the minimum threshold and annual incentive bonuses were earned, with payment occurring in the following year.

The compensation of each of our Named Executive Officers for our three most recently-completed financial years is set out below:

Summary Compensation Table

Name and principal position	Year	Salary (\$)	Share-based awards ¹ (\$)	Option-based awards ² (\$)	Non-equity incentive plan compensation (\$)		Pension value ⁴ (\$)	All other compensation ⁵ (\$)	Total compensation (\$)
					Annual incentive plans ³	Long-term incentive plans			
Hank Ketcham Executive Chairman	2013	497,000	201,250	203,750	527,450	—	37,500	—	1,466,950
	2012	721,100	875,500	874,150	496,200	—	217,900	—	3,184,850
	2011	717,500	875,600	874,000	—	—	114,500	—	2,581,600
Ted Seraphim President and Chief Executive Officer	2013	586,350	524,350	525,150	720,850	—	642,000	—	2,998,700
	2012	436,250	313,550	310,150	271,250	—	429,000	—	1,760,200
	2011	366,250	211,200	209,000	—	—	372,900	—	1,159,350
Ray Ferris Vice-President, Wood Products	2013	390,250	231,265	233,470	400,000	—	114,400	—	1,369,385
	2012	374,250	223,950	224,950	209,950	—	115,600	—	1,148,700
	2011	336,250	198,000	195,700	—	—	250,100	—	980,050

Name and principal position	Year	Salary (\$)	Share-based awards ¹ (\$)	Option-based awards ² (\$)	Non-equity incentive plan compensation (\$)		Pension value ⁴ (\$)	All other compensation ⁵ (\$)	Total compensation (\$)
					Annual incentive plans ³	Long-term incentive plans			
Larry Hughes Vice-President, Finance and Chief Financial Officer and Secretary	2013	364,500	217,140	217,650	372,000	—	107,800	—	1,279,090
	2012	353,000	207,650	211,300	196,950	—	54,900	—	1,023,800
	2011	319,250	189,200	186,200	—	—	100,300	—	794,950
Chris McIver Vice-President, Lumber Sales and Corporate Development	2013	307,500	182,500	182,220	312,000	—	70,100	—	1,054,320
	2012	301,500	179,150	180,600	166,000	—	50,400	—	877,650
	2011	288,750	176,000	174,800	—	—	171,200	—	810,750

1. For a description of the units see “Phantom Share Unit Plan” on page 32. Units are valued at the date of grant using the Towers Watson Binomial method which was the method used by the Compensation Committee when granting the units. This method was applied consistently in its competitive market analysis.
2. Options have a term of ten years and vest as to 20% on each of the first through fifth anniversary dates of the grant date. Each Option was valued using the Towers Watson Binomial method for the same reason as described in footnote 1. Whether the executive will receive value under these Options will depend on the future market price of Common shares. A description of the current value of all Options held by each Named Executive Officer is set out in the charts at pages 40 – 41.
3. Annual incentive (bonus) plan payments are included in the year earned and are paid in the following year.
4. Pension value represents the change in the pension liability related to the annual service cost, actual and assumed future compensation changes and the impact of plan changes, if any.
5. Perquisites and other personal benefits do not exceed the lesser of \$50,000 and 10% of total compensation for any of our Named Executive Officers.

Option Grants

All references to the number of West Fraser shares, options and terms thereof reflect the payment and adjustments resulting from the Stock Dividend.

Under the Stock Option Plan, the exercise price of an Option per Common share will not be less than the closing price of the Common shares on the TSX on the last trading day before the Option is granted. The length of the term of Options will be fixed by the Board or the Compensation Committee at not more than ten years and, unless otherwise determined by the Board or the Compensation Committee, Options vest at the rate of 20% per year over the first five years of the term.

Under the Stock Option Plan, Options may not be exercised after a holder ceases to be an eligible participant except: that (a) an Option held on the death of an Option holder may be exercised by the personal representative of the holder during the period ending on the earlier of its expiry date and two years after the date of death, (b) an Option held on the retirement or total disability of an Option holder may be exercised during the period ending on the earlier of its expiry date and five years after the date of retirement or disability, and (c) a vested Option held in any other case, may be exercised no later than the earlier of its expiry date and 30 days after the date the holder ceases to be an eligible participant. Options are not assignable, other than those that may be exercised by the personal representative of a deceased holder.

The number of Common shares subject to an Option, the exercise price per Common share and the total number of Common shares that may be made subject to Options under the Stock Option Plan will be adjusted proportionately in the event of any subdivision or consolidation of Common shares or any dividend payable in Common shares and will be adjusted as determined by the Board in the event of certain other reorganizations or other events affecting the Common shares.

The Stock Option Plan permits outstanding vested Options to be surrendered by the holder to the Company in return for a cash payment under the Cash Value Alternative. The cash payment for a surrendered Option is equal to the amount by which the weighted average price per share at which the Common shares were traded on the TSX on the last trading day exceeds the exercise price per Common share applicable to the Option multiplied by the number of Common shares underlying the Option and the amount determined by the Compensation Committee as representative of the estimated costs avoided by the Option holder (such as trading commissions) by virtue of electing the Cash Value Alternative. Since implementation in 2003 of the Cash Value Alternative and up to March 3, 2014, Options representing a total of 6,685,560 Common shares have been surrendered pursuant to it while only 131,006 Common shares have been issued on the exercise of outstanding Options. Our management believes that the Stock Option Plan, with the Cash Value Alternative, operates in a manner similar to the types of long-term incentive plans currently recommended by major institutional shareholder groups for public companies in North America.

The Stock Option Plan restricts the Option holdings of insiders. It provides that: (a) annual grants of Options to insiders may not be for a number of Common shares that exceeds 1% of the total number of our outstanding voting securities (the "Issued Shares"); (b) no single insider may hold, at any time, Options to acquire a number of Common shares that, together with all other Common shares issuable to the insider under any other equity compensation arrangements then in place ("Other Arrangements"), would exceed 5% of the Issued Shares; (c) the total number of Options held, at any time, by insiders cannot allow them to acquire a number of Common shares that, together with all other Common shares issuable to insiders under any Other Arrangements, would exceed 10% of the Issued Shares; and (d) the number of Common shares that may be acquired by all insiders during any 12 month period by exercising Options, together with all other Common shares issuable to insiders under any Other Arrangements, may not exceed 10% of the Issued Shares.

The Board has the power to amend, suspend, terminate or discontinue the Stock Option Plan provided that doing so will not adversely alter or impair any Option without the written consent of the holder. This power includes the right to make appropriate adjustments to outstanding Options in the event of certain corporate transactions, to add provisions requiring forfeiture of Options in certain circumstances, to specify practices with respect to applicable tax withholdings, and to enhance clarity or correct ambiguous provisions in the Stock Option Plan. Notwithstanding this power, the Stock Option Plan provides that the Board may not, without Shareholder approval, amend the Stock Option Plan or an Option to: increase the number of Common shares that may be issued; reduce the subscription price of an outstanding Option; extend the term of any Option beyond its expiry date or allow for an expiry date to be greater than ten years; allow non-permitted assignments or exercises of Options; expand the persons entitled to participate in the Stock Option Plan; or provide for other types of equity-based compensation.

A total of 199,950 Options were granted pursuant to the Stock Option Plan during the year ended December 31, 2013. An additional 161,845 Options were granted pursuant to the Stock Option Plan in February of 2014.

The Options granted to each of the Named Executive Officers during the financial year ended December 31, 2013 pursuant to the Stock Option Plan were as follows:

Option Grants During 2013

Name	Securities Under Options Granted (#)	% of Total Options Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
Hank Ketcham	16,100	8	40.82	40.82	February 15, 2023
Ted Seraphim	41,500	21	40.82	40.82	February 15, 2023
Ray Ferris	18,450	9	40.82	40.82	February 15, 2023
Larry Hughes	17,200	9	40.82	40.82	February 15, 2023
Chris McIver	14,400	7	40.82	40.82	February 15, 2023

The outstanding Options held by each Named Executive Officer that vested during the financial year ended December 31, 2013 were as follows:

Options Vested During 2013

Name	Number of Options	Value (\$)¹
Hank Ketcham	147,756	3,594,522
Ted Seraphim	27,204	619,062
Ray Ferris	23,446	542,640
Larry Hughes	32,033	776,114
Chris McIver	22,238	522,197

1. Based on the Closing Price as at the date of vesting.

During 2013 the Named Executive Officers surrendered outstanding Options for cash as follows:

Options Surrendered for Cash During 2013

Name	Number of Options	Value (\$)
Hank Ketcham	40,000	2,032,770
Ted Seraphim	43,370	2,239,737
Ray Ferris	7,000	401,452
Larry Hughes	18,983	1,053,642
Chris McIver	29,894	1,990,202

The following tables provide particulars of Options held by each of the Named Executive Officers as of March 3, 2014 with current value based on the Closing Price of \$56.50:

Hank Ketcham

Option Grant Date	Exercisable	Non-Exercisable	Exercise Price (\$)	Current Value of Exercisable Options (\$)	Current Value of Non-Exercisable Options (\$)	Expiry Date
February 17, 2005	103,320	—	25.78	3,173,990	—	February 17, 2015
February 17, 2006	90,000	—	20.60	3,231,450	—	February 17, 2016
February 15, 2007	246,000	—	22.60	8,339,400	—	February 15, 2017
February 22, 2008	257,180	—	16.65	10,248,623	—	February 22, 2018
February 20, 2009	287,000	—	12.36	12,669,615	—	February 20, 2019
February 21, 2011	55,200	36,800	25.75	1,697,400	1,131,600	February 21, 2021
February 20, 2012	41,040	61,560	23.68	1,347,138	2,020,707	February 20, 2022
February 15, 2013	3,220	12,880	40.82	50,490	201,958	February 15, 2023
February 17, 2014	—	10,105	53.96	—	25,667	February 17, 2024
Totals	1,082,960	121,345		40,758,106	3,379,932	

Ted Seraphim

Option Grant Date	Exercisable	Non-Exercisable	Exercise Price (\$)	Current Value of Exercisable Options (\$)	Current Value of Non-Exercisable Options (\$)	Expiry Date
February 22, 2008	35,620	—	16.65	1,419,457	—	February 22, 2018
February 20, 2009	42,000	—	12.36	1,854,090	—	February 20, 2019
February 21, 2011	13,200	8,800	25.75	405,900	270,600	February 21, 2021
February 20, 2012	14,560	21,840	23.68	477,932	716,898	February 20, 2022
February 15, 2013	8,300	33,200	40.82	130,144	520,576	February 15, 2023
February 17, 2014	—	36,580	53.96	—	92,913	February 17, 2024
Totals	113,680	100,420		4,287,523	1,600,987	

Ray Ferris

Option Grant Date	Exercisable	Non-Exercisable	Exercise Price (\$)	Current Value of Exercisable Options (\$)	Current Value of Non-Exercisable Options (\$)	Expiry Date
February 22, 2008	3,028	—	16.65	120,666	—	February 22, 2018
February 20, 2009	20,000	—	12.36	882,900	—	February 20, 2019
February 21, 2011	12,360	8,240	25.75	380,070	253,380	February 21, 2021
February 20, 2012	10,560	15,840	23.68	346,632	519,948	February 20, 2022
February 15, 2013	3,690	14,760	40.82	57,859	231,437	February 15, 2023
February 17, 2014	—	14,350	53.96	—	36,449	February 17, 2024
Totals	49,638	53,190		1,788,127	1,041,214	

Larry Hughes

Option Grant Date	Exercisable	Non-Exercisable	Exercise Price (\$)	Current Value of Exercisable Options (\$)	Current Value of Non-Exercisable Options (\$)	Expiry Date
September 4, 2007	60,000	—	19.50	2,220,000	—	September 4, 2017
February 22, 2008	40,000	—	16.65	1,594,000	—	February 22, 2018
February 20, 2009	52,400	—	12.36	2,313,198	—	February 20, 2019
February 21, 2011	11,760	7,840	25.75	361,620	241,080	February 21, 2021
February 20, 2012	9,920	14,880	23.68	325,624	488,436	February 20, 2022
February 15, 2013	3,440	13,760	40.82	53,939	215,757	February 15, 2023
February 17, 2014	—	13,370	53.96	—	33,960	February 17, 2024
Totals	177,520	49,850		6,868,381	979,233	

Chris McIver

Option Grant Date	Exercisable	Non-Exercisable	Exercise Price (\$)	Current Value of Exercisable Options (\$)	Current Value of Non-Exercisable Options (\$)	Expiry Date
February 20, 2009	16,000	—	12.36	706,320	—	February 20, 2019
February 21, 2011	11,040	7,360	25.75	339,480	226,320	February 21, 2021
February 20, 2012	8,480	12,720	23.68	278,356	417,534	February 20, 2022
February 15, 2013	2,880	11,520	40.82	45,158	180,634	February 15, 2023
February 17, 2014	—	11,200	53.96	—	28,448	February 17, 2024
Totals	38,400	42,800		1,369,314	852,936	

RS Units and PS Units

In 2010 the Board of Directors approved the grant of RS Units and PS Units (collectively, “Units”) to Named Executive Officers and other employees pursuant to the Phantom Share Unit Plan. The plan and Units are described in the Report on Executive Compensation under the heading “Phantom Share Unit Plan” on page 32.

The Units granted to each of the Named Executive Officers during the year ended December 31, 2013 were as follows:

Equity-Based Grants During 2013

Name	Number of Units Granted		% of Total Units Granted to Employees in the Current Year		Aggregate Market Value of Units on Date of Grant (\$)		Aggregate Market Value of Units at March 3, 2014 (\$)	
	RSUs ¹	PSUs ²	RSUs	PSUs	RSUs ³	PSUs ³	RSUs ⁴	PSUs ⁴
Hank Ketcham	2,800	2,900	6	11	114,296	118,378	158,200	163,850
Ted Seraphim	7,400	7,450	17	28	302,068	304,109	418,100	420,925
Ray Ferris	3,250	3,300	7	12	132,665	134,706	183,625	186,450
Larry Hughes	3,050	3,100	7	11	124,501	126,542	172,325	175,150
Chris McIver	2,570	2,600	6	10	104,907	106,132	145,205	146,900

1. RS Units.
2. PS Units.
3. Based on a value of \$40.82 per Unit.
4. Based on the Closing Price of \$56.50.

Units Held by Year of Vesting¹

Name	Vesting 2015		Vesting 2016		Vesting 2017		Value as at March 3, 2014 ² (\$)	
	RSUs	PSUs	RSUs	PSUs	RSUs	PSUs	RSUs	PSUs ¹
Hank Ketcham	34,400	8,600	2,800	2,900	1,815	1,815	2,204,348	752,298
Ted Seraphim	12,400	3,000	7,400	7,450	6,595	6,595	1,491,318	963,043
Ray Ferris	8,800	2,200	3,250	3,300	2,585	2,585	826,878	456,803
Larry Hughes	8,200	2,000	3,050	3,100	2,400	2,400	771,225	423,750
Chris McIver	7,000	1,800	2,570	2,600	2,015	2,015	654,553	362,448

1. Does not include adjustments on account of cash dividends declared on Common Shares.
2. Based on the Closing Price on the previous trading day of \$56.50.

Pension Plans

The majority of our full-time salaried employees are covered by non-contributory pension plans which provide a pension equal to 2% of the highest average compensation (which includes base salary and bonuses) of the employee for any consecutive 60-month period in that employee's final 10 years with us multiplied by the number of years of credited service with us. Normal retirement is at age 65. Each of these pension plans allows for early retirement at age 55 with a minimum service requirement of two years. Benefits provided for early retirement are reduced by 4% per year for retirement between the ages of 55 and 57 and by 3% per year for retirement between the ages of 58 and 59. No reduction is made for retirement between the ages of 60 and 64.

The estimated annual pension payable upon retirement, assuming no reduction for early retirement and based on the standard form life annuity for a minimum of 60 months with no joint survivor pension, is as follows:

Estimated Annual Benefits Payable Upon Retirement

Annual Compensation	Years of Service						
	15 Years	20 Years	25 Years	30 Years	35 Years	40 Years	45 Years
\$400,000	\$120,000	\$160,000	\$200,000	\$240,000	\$280,000	\$320,000	\$360,000
\$500,000	\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000	\$450,000
\$600,000	\$180,000	\$240,000	\$300,000	\$360,000	\$420,000	\$480,000	\$540,000
\$700,000	\$210,000	\$280,000	\$350,000	\$420,000	\$490,000	\$560,000	\$630,000
\$800,000	\$240,000	\$320,000	\$400,000	\$480,000	\$560,000	\$640,000	\$720,000
\$900,000	\$270,000	\$360,000	\$450,000	\$540,000	\$630,000	\$720,000	\$810,000
\$1,000,000	\$300,000	\$400,000	\$500,000	\$600,000	\$700,000	\$800,000	\$900,000
\$1,100,000	\$330,000	\$440,000	\$550,000	\$660,000	\$770,000	\$880,000	\$990,000
\$1,200,000	\$360,000	\$480,000	\$600,000	\$720,000	\$840,000	\$960,000	\$1,080,000
\$1,300,000	\$390,000	\$520,000	\$650,000	\$780,000	\$910,000	\$1,040,000	\$1,170,000
\$1,400,000	\$420,000	\$560,000	\$700,000	\$840,000	\$980,000	\$1,120,000	\$1,260,000
\$1,500,000	\$450,000	\$600,000	\$750,000	\$900,000	\$1,050,000	\$1,200,000	\$1,350,000

Compensation for the purposes of the pension plans is defined as the average annual compensation, including salary and bonus, of the highest consecutive 60-month period in the last 10 years' service with the Company.

The benefits listed in the table are not subject to any deduction for Canada Pension Plan or other offset amounts.

The table below sets forth the accumulated pension benefits for each of the Named Executive Officers (other than for Hank Ketcham who retired as an employee of the Company on February 28, 2013) as at December 31, 2013:

Name	Number of years credited service (#)	Annual benefits payable ¹ (\$)		Opening present value of defined benefit obligation ² (\$)	Compensatory change (\$) ³	Non-compensatory change ⁴ (\$)	Closing present value of defined benefit obligation ² (\$)
		At year end	At age 65				
Ted Seraphim	16.3	159,800	267,000	2,440,000	642,000	13,400	3,095,400
Ray Ferris	12.3	90,500	189,600	1,384,700	114,400	800	1,499,900
Larry Hughes	6.3	51,100	71,200	566,300	107,800	32,000	706,100
Chris McIver	22.7	157,900	257,100	2,088,800	70,100	(900)	2,158,000

1. Represents the estimated annual pension, excluding any employee-paid ancillary benefits, where applicable, that would be received by the Named Executive Officer upon retirement at age 65 based on actual pensionable earnings at December 31, 2013. The annual pension payable at year end is based on actual credited service at December 31, 2013. The annual pension at age 65 is based on credited service projected to age 65.
2. The present value is the estimated value of the pension obligation to the date indicated using the actuarial assumptions and methods that are consistent with those used in determining pension liabilities as disclosed in the consolidated financial statements.
3. Compensatory change represents the change in the pension liability related to the annual service cost, actual and assumed future compensation changes and the impact of plan changes, if any.
4. Non-compensatory change includes items such as interest on the obligation and the impact of changes in the discount rate assumption.

The estimated years of credited service under the pension plans at the normal retirement age of 65 for each Named Executive Officer, would be as follows:

Ted Seraphim	27 years
Ray Ferris	26 years
Larry Hughes	9 years
Chris McIver	37 years

Directors' Compensation and Holdings

For a description of retainers and fees payable to Directors, actual compensation paid during 2013 and securities held by Directors, see "Information regarding Nominees for Election as Directors - Director Compensation" beginning on page 13.

Indebtedness of Directors, Officers and Employees

The following table sets out the aggregate indebtedness outstanding to us from our employees and former employees as at March 3, 2014. There was no outstanding indebtedness to us from any of our Directors or officers, or former Directors or officers or any of our subsidiaries as at March 3, 2014.

AGGREGATE INDEBTEDNESS		
Purpose	To the Company or its Subsidiaries	To Another Entity
Share purchases	Nil	Nil
Other	\$1,638,981.19	Nil

Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information with respect to securities authorized for issuance by us under equity compensation plans that permit issuance from treasury as at December 31, 2013.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by Shareholders	2,516,772	21.13	574,096
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A
Total	2,516,772	21.13	574,096

Indebtedness of Directors or Officers Under Securities Purchase Programs

There were no loans outstanding from us to any of our Directors or officers as at March 3, 2014.

ADDITIONAL INFORMATION

Additional information (including financial information) relating to us can be found in our Annual Report for the year ended December 31, 2013, which includes our Annual Information Form and our audited financial statements for the years ended December 31, 2013 and 2012 and the accompanying audit report and management's discussion and analysis. The Annual Report is on our website (www.westfraser.com) and can also be found on SEDAR (www.sedar.com). Copies of the Annual Report and the relevant portion of any documents incorporated by reference in the Annual Report, as well as additional copies of this Circular, may be obtained upon request to our Secretary, Suite 501 – 858 Beatty Street, Vancouver, B.C., V6B 1C1 or by emailing to shareholder@westfraser.com.

DATED at Vancouver, B.C., April 1, 2014.

BY ORDER OF THE BOARD



Ted Seraphim
President and Chief Executive Officer

SCHEDULE “A”
ADVANCE NOTICE PROVISIONS

43A. (1) Only persons who are eligible under the *Business Corporations Act* (British Columbia) (the “Act”) and who are nominated in accordance with the following procedures will be eligible for election as directors of the Company. Nominations of persons for election to the board of directors of the Company may be made at any annual general meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

- (a) by or at the direction of the Board or an authorized officer of the Company, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the Act or pursuant to a requisition of the shareholders made in accordance with the Act; or
- (c) by any person (a “Nominating Shareholder”):
 - (i) who, at the close of business on the date of the giving of notice provided for below in this Article and at the close of business on the record date for giving notice of such meeting, is entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting on the election of directors; and
 - (ii) who complies with the notice procedures set forth below in this Article.

(2) In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof (in accordance with Article 43A(3) below) in proper written form (in accordance with Article 43A(4) below) to the Chief Financial Officer of the Company (the “CFO”) in accordance with Article 43A(7).

(3) To be timely, a Nominating Shareholder’s notice to the CFO must be made:

- (a) in the case of an annual general meeting of shareholders (the “AGM”), not less than 30 nor more than 65 days prior to the date of the AGM; provided, however, that in the event that the AGM is to be held on a date that is less than 50 days after the date on which the first Public Announcement (as defined in Article 43A(6) below) of the date of the AGM was made (the “Notice Date”), notice by the Nominating Shareholder may be made not later than the close of business on the tenth day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an AGM) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth day following the day on which the first Public Announcement of the date of the special meeting of shareholders was made.

Notwithstanding the provisions of this Article, in no event will any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described above.

- (4) To be in proper written form, a Nominating Shareholder's notice to the CFO must set forth:
- (a) if the Nominating Shareholder is not the beneficial owner of the shares, the identity of the beneficial owner and the number of shares held by that beneficial owner;
 - (b) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
 - (i) the name, age, business address, and residential address of the person;
 - (ii) the current principal occupation, business or employment of the person, the name and principal business of any company in which such employment is carried on, and similar information as to all the principal occupations, businesses or employments within the five preceding years;
 - (iii) the class or series and number of shares in the capital of the Company which are directly or indirectly controlled or directed or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date will then have been made publicly available and will have occurred) and as of the date of such notice; and
 - (iv) any other information relating to the person that would be required to be disclosed in a proxy circular or a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined in Article 43A(6) below) (including such person's written consent to being named in the proxy circular as a nominee and to serving as a director if elected); and
 - (c) as to the Nominating Shareholder giving the notice, the class or series and number of shares of the Company which are controlled or which are owned or held beneficially or of record by the Nominating Shareholder as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred), full particulars regarding any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company in accordance with Applicable Securities Laws and the rules of any stock exchange on which the securities of the Company are then listed of trading or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

- (5) Except as otherwise provided by the special rights or restrictions attached to the shares of any class or series of the Company, no person will be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article; provided, however, that nothing in this Article will be deemed to preclude discussion by a shareholder or proxy holder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in

respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act or the discretion of the chair of the meeting. The chair of the meeting will have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions of this Article and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination will be disregarded. A duly appointed proxy holder of a Nominating Shareholder will be entitled to nominate at a meeting of shareholders the directors nominated by the Nominating Shareholder, provided that all of the requirements of this Article have been satisfied.

- (6) For the purposes of this Article:
- (a) “**Affiliate**”, when used to indicate a relationship with a person, will mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;
 - (b) “**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada;
 - (c) “**Associate**”, when used to indicate a relationship with a specified person, will mean (i) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (ii) any partner of that person, (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (iv) a spouse of such specified person, (v) any person of either sex of whom such specified person is living in a conjugal relationship outside marriage or (vi) any relative of such specified person or of a person mentioned in clauses (iv) or (v) of this definition if that relative has the same residence as the specified person;
 - (d) “**business day**” means a day other than a Saturday, Sunday or statutory holiday in British Columbia;
 - (e) “**Derivatives Contract**” will mean a contract between two parties (the “Receiving Party” and the “Counterparty”) that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the “Notional Securities”), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority will not be deemed to be Derivatives Contracts;
 - (f) “**owned beneficially**”, “**owns beneficially**” or “**beneficially owns**” means, in connection with the ownership of shares in the capital of the Company by a person, (i) any such

shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (ii) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (iii) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (iii) in connection with a particular Derivatives Contract will not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract will for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso will be applied to successive Counterparties as appropriate; and (iv) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and

(g) **"Public Announcement"** will mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

(7) Notwithstanding any other provision of this Article, notice given to the CFO pursuant to this Part may only be given by personal delivery or by facsimile transmission (at such contact information as set out on the Company's issuer profile on SEDAR), and will be deemed to have been made and given only at the time it is served by personal delivery to the CFO at the principal executive offices of the Company or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication will be deemed to have been made on the subsequent day that is a business day.

(8) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any provision in this Article.