

WEST FRASER TIMBER CO. LTD.

ANNUAL INFORMATION FORM

DATED MARCH 23, 2015

TABLE OF CONTENTS

DATE	1
FORWARD-LOOKING STATEMENTS AND STOCK DIVIDEND	1
BUSINESS OVERVIEW	1
CORPORATE STRATEGY	2
CORPORATE STRUCTURE	2
HISTORY AND DEVELOPMENT OF BUSINESS	4
FIBRE SUPPLY	5
CAPITAL EXPENDITURES AND ACQUISITIONS	8
HUMAN RESOURCES	9
MARKETS	9
RESEARCH AND DEVELOPMENT	10
LUMBER	10
PANELS	11
PULP & PAPER	12
PULP	12
NEWSPRINT	12
EXTERNAL FACTORS AFFECTING WEST FRASER'S BUSINESS IN 2014	13
RISK FACTORS	14
CAPITAL STRUCTURE	14
RATINGS	15
EXPERTS	16
DIRECTORS AND OFFICERS	16
GOVERNANCE	19
AUDIT COMMITTEE	19
MATERIAL CONTRACTS	20
ADDITIONAL INFORMATION	21
SCHEDULE 1 - AUDIT COMMITTEE CHARTER	22

ANNUAL INFORMATION FORM

Date

This Annual Information Form of West Fraser Timber Co. Ltd. (“West Fraser”, “we”, “us”, “our” or the “Company”) is dated as of March 23, 2015. Except as otherwise indicated, the information contained in it is as of December 31, 2014.

Forward-looking Statements and Stock Dividend

This Annual Information Form, and the Annual Report of which it forms a part, contain historical information, descriptions of current circumstances and statements about potential future developments. The latter, which are forward-looking statements, are presented to provide reasonable guidance to the reader but their accuracy depends on a number of assumptions and is subject to various risks and uncertainties. Forward-looking statements are included under the headings “Fibre Supply – Mountain Pine Beetle (the projected outcome of the infestation) and First Nations Matters (the potential effect of First Nations title)” and “Capital Structure – Cash dividends” and “Risks and Uncertainties” in the 2014 Management’s Discussion & Analysis incorporated herein. Actual outcomes and results will depend on a number of factors that could affect the ability of the Company to execute its business plans, including the matters described in these sections and under “Risk Factors”, and may differ materially from those anticipated or projected. Accordingly, readers should exercise caution in relying upon forward-looking statements which reflect management’s estimates, projections and views only as of the date hereof. The Company undertakes no obligation to publicly revise these statements to reflect subsequent events or changes in circumstances except as required by applicable securities laws.

All references within this Annual Information Form to the number of West Fraser shares, share prices and cash dividends reflect the payment and adjustments resulting from a stock dividend, declared on December 10, 2013 and paid on January 13, 2014, applied retroactively to all comparative periods. See Note 17 to the annual consolidated financial statements contained in our 2014 Annual Report for additional information on the stock dividend.

Business Overview

We are a North American diversified wood products company which produces lumber (SPF and SYP), panels (plywood, MDF and LVL), pulp (NBSK and BCTMP), newsprint, wood chips and energy. We hold rights to timber resources that are sufficient to supply a significant amount of the fibre required by our Canadian operations and have long-term agreements for the supply of a significant amount of the fibre required by our United States operations. We carry on our operations through subsidiaries and joint ventures in British Columbia, Alberta and the southern United States. Our operations located in western Canada manufacture all of the products described above except SYP lumber. Our sawmills located in the southern U.S. produce SYP lumber and wood chips.

The annual production capacities of our wholly-owned facilities and our share of the capacities of our 50%-owned operations are as follows:

Lumber (MMfbm)	
SPF	3,880
SYP	<u>2,320</u>
Total	6,200
Panels	
Plywood (MMsf 3/8")	830
MDF (MMsf 3/4")	300
LVL (Mcf)	3,200
Pulp (Mtonnes)	
BCTMP	650
NBSK	570
Newsprint (Mtonnes)	135

Corporate Strategy

Our goal at West Fraser is to generate strong financial results through the business cycle, relying on our committed work force, the quality of our assets and our well-established corporate culture. This culture emphasizes cost control in all aspects of the business and on competitiveness, both internally and externally. In our approach to employee relations, we emphasize employee involvement and favour internal promotions whenever possible.

We are a diversified producer of wood products with access to extensive timber resources. Our Canadian lumber, plywood, LVL and veneer operations are directly or indirectly the primary source of raw material for our pulp & paper and MDF operations.

Acquisitions and expansions are considered with a view to extending our existing business lines, particularly in lumber operations, and to product and geographic diversification. Our earnings over the business cycle have enabled us to make significant and ongoing capital investments in our facilities with the goal of achieving, maintaining or improving an overall low-cost position.

We are committed to operating in a financially conservative and prudent manner. The North American wood products industry is cyclical and periodically faces very difficult market conditions and serious challenges. During such cyclical downturns, we focus on financial discipline, including reduction or deferral of non-essential capital expenditures. As market conditions improve we will typically undertake an expanded capital investment program in order to catch up on expenditures reduced or deferred during the downturn. We believe that maintaining a strong balance sheet provides the ability to react to growth opportunities and is a key tool in managing our operations through a business cycle.

Corporate Structure

The corporate structure chart below shows the relationship of West Fraser to the principal direct and indirect subsidiaries and the joint ventures in which we participate and, where less than 100%, the percentage of our direct or indirect ownership.



CORPORATE STRUCTURE



WEST FRASER TIMBER CO. LTD.

WEST FRASER MILLS LTD.

LUMBER		PANELS	PULP & PAPER
CANADA	US³	PLYWOOD	PULP
QUESNEL	JOYCE	EDMONTON	HINTON
WILLIAMS LAKE	HUTTIG	QUESNEL	QUESNEL
SMITHERS	HENDERSON	WILLIAMS LAKE	QUESNEL (50%) ⁴
CHETWYND	NEW BOSTON		SLAVE LAKE
FRASER LAKE	LEOLA	MDF	
CHASM	MANSFIELD	BLUE RIDGE	NEWSPRINT
100 MILE HOUSE	RUSSELLVILLE	QUESNEL	WHITECOURT (50%) ⁵
BLUE RIDGE ¹	MAPLESVILLE		
HINTON	OPELIKA	VENEER & LVL	
EDSON	MCDAVID	ROCKY MOUNTAIN	
SUNDRE ²	WHITEHOUSE	HOUSE ²	
HIGH PRAIRIE	AUGUSTA	SLAVE LAKE	
	NEWBERRY		
	ARMOUR		
	SEABOARD		

1. Owned through Blue Ridge Lumber Inc., a wholly-owned subsidiary.
2. Owned through Sundre Forest Products Inc., a wholly-owned subsidiary.
3. Owned through West Fraser, Inc., a wholly-owned subsidiary.
4. 50% interest in Cariboo Pulp & Paper Company.
5. 50% interest in Alberta Newsprint Company owned through West Fraser Newsprint Ltd., a wholly-owned subsidiary.

West Fraser assumed its present form in 1966 by the amalgamation of a group of companies under the laws of B.C. The principal operating subsidiary, West Fraser Mills Ltd., assumed its present form on January 1, 2005 by amalgamation under those laws. West Fraser, Inc. and West Fraser Wood Products Inc. are Delaware corporations, while Blue Ridge Lumber Inc. and Sundre Forest Products Inc. are Alberta corporations. West Fraser Newsprint Ltd. subsists under the laws of Canada. Alberta Newsprint Company (“ANC”) and Cariboo Pulp & Paper Company are unincorporated 50%-owned operations governed, respectively, by the laws of Alberta and B.C.

Our executive office is located at 858 Beatty Street, Suite 501, Vancouver, B.C., Canada, V6B 1C1 and our registered office is located at 1500 – 1055 West Georgia Street, Vancouver, B.C., Canada, V6E 4N7.

History and Development of Business

West Fraser originated in 1955 when three brothers, Pete, Bill and Sam Ketcham, acquired a lumber planing mill located in Quesnel, B.C. (“Quesnel”). From 1955 through 2014 the business expanded through the acquisition of a number of sawmills and related timber harvesting rights and the acquisition or development of lumber, panel and pulp & paper businesses.

Major developments for West Fraser during the last five years include the following:

- | | |
|------|--|
| 2010 | <ul style="list-style-type: none">• Initiated \$125 million capital investment program over an 18-month period focused on our lumber segment.• Closed our linerboard and kraft paper mill at Kitimat, B.C. |
| 2012 | <ul style="list-style-type: none">• Acquired a sawmill at Edson, Alberta.• Completed a biomass electricity turbogeneration project at our 50%-owned Cariboo pulp mill with excess electricity sold to the public utility under a long-term contract.• Commenced a biogas-electricity generation project at one of our Alberta pulp mills. Currently being commissioned.• Commenced co-generation projects at two of our sawmills to generate electricity from wood waste to be sold under long-term contracts. Expected completion in the second quarter of 2015. |
| 2013 | <ul style="list-style-type: none">• The largest Capital investment program in our history to date, totalling \$358 million. |
| 2014 | <ul style="list-style-type: none">• Acquired two sawmills in Arkansas and one in High Prairie, Alberta.• Permanently closed our Houston, B.C., Slave Lake, Alberta and Folkston, Georgia sawmills.• Capital investment sets new annual record at \$410 million. |

Sales Revenue (\$ millions)

Year ended December 31	2014	2013	2012	2011	2010
Lumber	2,622	2,315	1,855	1,670	1,715
Panels	526	467	448	378	409
Pulp & Paper	812	780	775	813	863
Intracompany fibre sales	(104)	(88)	(78)	(99)	(101)
Total	3,856	3,474	3,000	2,762	2,886

Fibre Supply

Our operations are dependent on the consistent supply of substantial quantities of wood fibre in various forms. The primary manufacturing facilities, which produce lumber, plywood and LVL, consume whole logs while the pulp & paper and MDF facilities mostly consume wood by-products in the form of wood chips, shavings and sawdust resulting from the production of lumber, plywood or LVL. Many facilities also consume hog fuel and wood waste in energy systems.

In B.C. and Alberta substantially all timberlands are publicly owned and the right to harvest timber is acquired through provincially-granted licences. Licences grant the holder the right to harvest up to a specified quantity of timber annually and either have a term of 15 to 25 years and are replaceable or renewable or have a shorter term but are not replaceable or renewable. Government objectives in granting licenses include responsible management of timber, soils, wildlife, water and fish resources and the preservation of biodiversity and the protection of cultural heritage. The objectives also include achieving the fullest possible economic utilization of the forest resources and employment in local communities.

We do not own or manage any timberlands in the U.S.

Timber tenures in B.C. and Alberta require the payment of a fee, commonly known as stumpage, for timber harvested under it. Currently, stumpage in Alberta is product-price specific and varies with the sales price of the product into which the logs will be converted. Stumpage in B.C. is substantially based on the results of certain publicly-auctioned timber harvesting rights.

Timber tenures in B.C. and Alberta require the holder to carry out reforestation to ensure re-establishment of the forest after harvesting. Reforestation projects are planned and supervised by our woodlands staff and are subject to approval by relevant government authorities. Our timber harvesting operations are carried out by independent contractors under the supervision of our woodlands staff.

The following table summarizes the timber tenures, as at December 31, 2014, which supply the Canadian mills that we own or in which we have an interest, as well as our AAC for such tenures.

Timber Tenures (thousand m³)

Location	Tenure ¹	Expiry	AAC
B.C.	Coniferous Long-term	2021 - 2035	5,605
	Coniferous Short-term	2015 - 2017	612
Alberta	Coniferous Long-Term	2016 - 2033	6,596
	Deciduous Long-Term	2019 - 2033	1,210

1. Long-term tenures include TFLs, FMAs, timber quotas and forest licences, which are renewable timber tenures. Short-term tenures include non-replaceable forest licences.

Log Supply

Annual log requirements for our Canadian sawmills, plywood facilities and LVL plant, all operating at the capacities described herein, would total approximately 15 million m³. Approximately 79 % of these requirements can be obtained from the tenures described in the above table and the balance is typically acquired from third parties holding short or long-term timber harvesting rights, including independent logging contractors, First Nations, communities and woodlot owners. We do not necessarily consume the maximum permitted volume of logs that may be harvested from our tenures annually but will adjust between tenure and purchase logs depending on circumstances including the availability of purchase logs.

Our U.S. operations, which produce SYP lumber, would consume approximately 10 million tons of logs per year if operating at the capacity described herein which includes two U.S. sawmills acquired in 2014. Our U.S. operations have access to approximately 20% of their log requirements under certain long-term supply contracts, with the balance being purchased on the open market.

Mountain Pine Beetle

The current mountain pine beetle infestation in the B.C. interior reached a peak a number of years ago in terms of the annual timber mortality rate according to information published by B.C.'s Ministry of Forests, Lands and Natural Resource Operations. To date, the Ministry estimates that 723 million m³ of pine has been attacked and killed and that approximately 56% of the mature pine within the province's timber harvesting land base ("THLB") will be killed by 2017. Approximately 40% of B.C.'s standing timber inventory is within the THLB and approximately 29% of this is pine. When only considering the THLB of B.C.'s interior, approximately 37% is pine. Although the ultimate effect of the infestation is less severe than originally forecasted, the damage to the mature pine forests within our operating areas is significant.

We continue to focus on the salvage and processing of dead pine in order to utilize as much of the resource as possible and to ensure that affected sites are promptly reforested. The Province of B.C. has also limited the harvest of non-pine species until the salvage of dead pine stands comes to a conclusion. The AAC will be reduced to reflect lower mature inventories as dead pine stands are harvested or when they are no longer economic to harvest. The Province has reduced the AAC in the central Interior by approximately 8% in the past four years and we expect this process to continue over the next several years. To date, B.C.'s Chief Forester has announced reductions of the AAC in three of our operating areas in the Interior with four more announced reductions expected in 2015. As the timing of future reductions and the effect on our

AACs will depend on a variety of factors, including the amount of non-pine species available for harvest, the full effect on our operations cannot reasonably be determined at this time.

In Alberta, the Minister and the forest industry continue to implement aggressive programs of early detection, single tree control and focussed harvesting activity. Beetles have declined significantly in the southern part of the Province but a significant population remains in the northwest and west-central areas, including some pockets within our tenures. There is still risk of further in-flight of insects from northeastern B.C. We continue to work aggressively to reduce the number of susceptible pine stands and conduct spread control activities across the region in concert with other forest industry participants and the Province of Alberta.

Forestry Certification

We obtain external certification from a number of recognized providers and auditors who offer independent verification of the measures that we take to mitigate the effects of our activities on the environment.

All of the Canadian woodlands operations directly managed by us are independently certified by the Sustainable Forestry Initiative (“SFI”), an internationally-recognized sustainable forest management certification program. They are also certified to the International Organization for Standardization (ISO) 14001 Environmental Management System standard.

We also subscribe to the chain-of-custody certification Programme for Endorsement of Forest Certification (“PEFC”) standard for our Canadian-produced forest products. PEFC chain of custody assures customers that the fibre in the supply chain comes from sources that comply with applicable laws, regulations and sustainable resource standards. The standard also demonstrates avoidance of sourcing fibre from controversial sources.

PEFC is a global organization that provides a mutual recognition framework for national certification systems. PEFC recognizes more than 25 national certification systems, including SFI, and assures customers that differing systems provide a consistent level of sustainable forest management.

Our pulp operations and MDF mills are registered to the Forest Stewardship Council’s (“FSC”) Standard for Chain of Custody Certification and the Standard for Company Evaluation of FSC Controlled Wood. This standard independently verifies that these operations do not source fibre from wood harvested (i) illegally, (ii) in violation of traditional and civil rights, (iii) in forests where high conservation values are threatened by management activities, (iv) in forests being converted to plantations or non-forest use, (v) from forests in which genetically modified trees are planted, or (vi) in violation of any of the ILO Core Conventions, as defined in the ILO Declaration on Fundamental Principles and Rights at Work, 1988.

We do not own or manage any forestlands in the United States. Our U.S. sawmills procure wood from a variety of sources normally within an approximate 70-mile radius of each mill.

For more information concerning our sustainable and environmentally sound forest practices see our *Responsibility Report* at www.westfraser.com.

First Nations Matters

There are risks associated with First Nations rights and title (or claims thereto) and treaties that could affect the supply of forest resources in Canada. The obligations of Canadian provincial governments to consult and accommodate First Nations regarding asserted and established rights, as well as their obligations under existing treaties and ongoing treaty negotiations, could affect the issuance, validity, renewal and exercise and terms and conditions of Crown timber rights and authorizations to harvest, or the timeliness of obtaining such rights. If First Nations title is proven over any of the lands where we have interests or rights, it could result in First Nation ownership of the resources on title lands.

To date there has been only one court case finding aboriginal title in B.C. where aboriginal title was found to be held by the Tsilhqot'in Nation in respect of an area that is less than 0.2% of B.C., but where we do not hold timber harvesting rights.

As the jurisprudence and government policies respecting aboriginal title and rights and the consultation process continue to evolve, we cannot at this time predict whether First Nations claims will have a material adverse effect on our timber harvesting rights or on our ability to exercise, renew or transfer them, or secure other timber harvesting rights.

Residual Fibre Supply

In Canada substantially all our requirements for wood chips, shavings and sawdust and hog fuel are supplied from our own operations, either directly or indirectly through trades. This reduces our exposure to risks associated with price fluctuations and supply shortages of these products.

Our B.C. sawmills and plywood plants produce substantially all of the fibre requirements of our B.C. pulp operations and MDF plant. The Alberta MDF plant obtains its fibre from the adjacent Blue Ridge sawmill and other sawmills in the area. The Hinton pulp mill obtains its fibre from the adjacent Hinton sawmill and other sawmills in the area owned by us. At times we produce whole log chips at the Hinton facility to supplement the supply of residual chips from our various sawmills. Almost all of the fibre requirements of our newsprint mill are obtained from local sawmills, including the Slave Lake veneer operation, through log-for-chip trades using logs harvested from the newsprint mill's tenures. The balance is obtained from direct fibre purchases. The Slave Lake deciduous FMA provides most of the fibre requirements of the Slave Lake pulp mill, with the balance being obtained from logs purchased from local suppliers.

The majority of the wood chips produced by our U.S. operations are sold to pulp mills at market prices pursuant to long-term contracts.

Capital Expenditures and Acquisitions

We regularly invest in upgrading and expanding our facilities and operations. However, during periods when earnings are weak, we will reduce capital and other expenditures in order to preserve liquidity. The following table shows the capital expenditures and acquisitions during the past five years.

Capital Expenditures and Acquisitions (\$ millions)

Year ended December 31	2014	2013	2012	2011	2010
Lumber	326	281	114	108	47
Panels	7	5	5	5	2
Pulp & Paper	71	71	38	99	39
Corporate & Other	6	1	2	1	1
	410	358	159	213	89
Acquisitions	208	-	30	-	-
Total	618	358	189	213	89

Human Resources

At December 31, 2014, we employed approximately 7,560 individuals, including our share of those in 50%-owned operations. Of these, approximately 5,140 are employed in our lumber segment, 1,310 in our panels segment, 830 in our pulp & paper segment and 280 in our corporate segment. Approximately 34% of our employees are covered by collective agreements. In 2015, collective agreements covering approximately 300 employees will expire.

We provide ongoing safety training for our employees to minimize potential risks inherent in forestry-related manufacturing industries. Our Health and Safety Policy and a description of external safety certifications obtained by us are described in our *Responsibility Report* on our website at www.westfraser.com.

Markets

The markets for our products are highly competitive. Our products are sold in markets open to a number of companies with similar products. We compete with North American and, for our pulp product lines, global producers. In addition, European lumber producers and South American panel producers may enter our markets during periods of peak prices. Our competitive position is affected by factors such as cost and availability of raw materials, energy and labour, the ability to maintain high operating rates and low per-unit manufacturing costs, and the quality of our final products. Some of our products may also compete with non-fibre based alternatives or with alternative products in certain market segments. Purchasing decisions by customers are generally based on price, quality and service. However, because commodity products such as ours have few distinguishing properties from producer to producer, competition for these products is based primarily on price. Prices and sales volumes are influenced by general economic conditions. The following table shows selected average benchmark prices for the past five years for products of the type we produced, although these prices do not necessarily reflect the prices we obtained.

Average Benchmark Prices (In US\$ except plywood)

	2014	2013	2012	2011	2010
SPF #2 & Better 2x4 (per Mfbm)¹	349	356	299	255	256
SPF #3 Utility (per Mfbm)¹	302	295	250	217	227
SYP #2 West 2x4 (per Mfbm)²	427	414	348	279	304
Plywood (per Msf 3/8" basis)³ Cdn\$	429	392	382	308	334
NBSK (per tonne)⁴	1,025	941	872	977	960
Newsprint (per tonne)⁵	604	608	640	640	607

Sources: (refer to our 2014 Management's Discussion & Analysis for Canadian dollar equivalent prices of the products described herein)

1. Random Lengths – 2x4, #2 & Better – Net FOB mill.
2. Random Lengths – 2x4 – Net FOB mill Westside.
3. Crow's Market Report – Delivered Toronto.
4. Resource Information Systems, Inc. – U.S. list price, delivered U.S.
5. Resource Information Systems, Inc. – U.S. delivered 48.8 gram newsprint.

Research and Development

We support industry research and development organizations, and conduct research and development at several plants to improve processes, maximize resource utilization and develop new products and environmental applications.

Lumber

Capacity and Production (both MMfbm)

	2014	2013	2012	2011	2010
Capacity (year-end)					
B.C.	2,470	2,470	2,600	2,600	2,540
Alberta	1,410	1,330	1,200	1,100	960
U.S. South	2,320	2,000	2,000	2,000	2,000
Total Capacity	6,200	5,800	5,800	5,700	5,500
Production					
B.C.	2,282	2,477	2,461	2,497	2,397
Alberta	1,194	1,094	1,005	911	921
U.S. South	1,817	1,582	1,488	1,503	1,365
Total Production	5,293	5,153	4,954	4,911	4,683

Lumber capacity is generally based on our sawmills running on a five-day, two-shift basis with certain exceptions where logs may be available to run a third shift.

Operations

We operate 27 sawmills and a wood-treating facility at the Sundre sawmill.

Sales

Lumber produced at our Canadian sawmills and sold to North American customers is marketed and sold from our sales office in Quesnel, while sales to offshore markets are made from our export sales office in Vancouver, B.C. Offshore sales activities are complemented by customer

service offices in Japan and China. Lumber produced at our U.S. sawmills is marketed by the sales group in Memphis, Tennessee. From time to time, we purchase lumber for resale in order to meet requirements of customers.

In 2014 sales of lumber from Canadian and U.S. operations were made to customers in the U.S. and Canada and to customers offshore, predominantly in China and Japan. Most lumber shipments to North American customers by the Canadian operations were made by rail and the rest by truck. Most lumber shipments to North American customers by the U.S. operations were delivered by truck and the rest by rail. Offshore shipments from both Canada and the U.S. were through various public terminals in bulk or container vessels.

Panels

Capacity and Production

	2014	2013	2012	2011	2010
Plywood (MMsf 3/8" basis)					
Capacity (year-end)	830	830	830	830	830
Total Production	771	781	793	780	791
MDF (MMsf 3/4" basis)					
Capacity (year-end)	300	300	300	300	300
Total Production	206	204	195	186	192
LVL (Mcf)					
Capacity (year-end)	3,200	3,200	3,200	3,200	3,200
Production	1,796	1,848	1,964	1,634	1,918

Operations

Our panel operations include three plywood mills that primarily produce standard softwood sheathing plywood, two MDF mills, each with the flexibility to manufacture varying thicknesses and sizes, an LVL mill, and a veneer mill that produces veneer for use in the Edmonton plywood mill.

Sales

Plywood, LVL and MDF are marketed from our sales office in Quesnel to retail outlets, wholesale distributors, remanufacturers and treating businesses. MDF is marketed under the names "Ranger"™, "WestPine"™, "Eco-Gold"™ and "Ecopremium"™ both from our sales office and through distributors under the direction of our sales personnel.

In 2014 the majority of our sales of plywood were made to customers in Canada and the majority of our sales of MDF and LVL were to customers in the U.S. and Canada. Shipments to North America were by rail or truck and offshore shipments were by container vessels.

Pulp & Paper

Pulp

Capacity and Production (Mtonnes)

	2014	2013	2012	2011	2010
BCTMP					
Capacity (year-end)	650	650	650	640	620
Total Production	631	603	620	623	616
NBSK					
Capacity (year-end)	570	590	590	590	530
Total Production¹	455	496	529	509	525

1. Reflects West Fraser's 50% ownership of the Cariboo pulp mill.

Operations

BCTMP is produced at our Slave Lake pulp mill, primarily from hardwood aspen, and also produced at our QRP mill, primarily from softwood species. These pulps are used by paper manufacturers to produce paperboard products, printing and writing papers and a variety of other paper grades. NBSK is produced at our Hinton and Cariboo pulp mills and is used by paper manufacturers to produce a variety of paper products, including tissues and printing and writing papers.

Sales

Pulp is marketed out of our pulp sales office in Vancouver. In 2014, sales of both NBSK and BCTMP were to customers in North America, Asia, predominantly China, and to other offshore customers. Shipments within North America were primarily by rail and those to offshore customers were by rail and truck to Vancouver and then by bulk or container vessels.

Newsprint

Capacity and Production¹ (Mtonnes)

	2014	2013	2012	2011	2010
Capacity (year-end)	135	135	135	135	135
Production	132	119	128	122	131

1. reflects West Fraser's 50% ownership.

Operations

Our 50%-owned newsprint mill at Whitecourt, Alberta produces standard newsprint in three basis weights: 43, 45 and 48.8 grams per square metre.

Sales

Newsprint is sold to various publishers and printers in North America and delivered by rail and truck.

External Factors Affecting West Fraser's Business in 2014

Economic Conditions

Our earnings are sensitive to changes in world economic conditions, primarily those in North America, Europe and Asia and particularly to the U.S. housing market. Most of our revenues are from sales of commodities for which prices are sensitive to variations in supply and demand. Since most of these sales are in foreign currencies, mainly U.S. dollars, currency exchange fluctuations against the Canadian dollar are a major source of earnings volatility for us.

Softwood Lumber Agreement ("SLA")

Effective October 12, 2006, the SLA came into force. It originally had a term of seven years, but in January 2012 was extended and now expires in October 2015. At this time, we are not aware of any negotiations underway to extend or modify the agreement.

Under the SLA we may be required to pay a tax to Canada on softwood lumber we export into the U.S. The basic tax may range up to 15% of the value of the lumber for producers in B.C. and Alberta, and will vary depending on a reference composite lumber price. Subject to U.S. lumber consumption and the volume of lumber shipments to the U.S. from either province, an additional 50% surcharge on the applicable basic tax may be levied. In certain circumstances, exporters may be entitled to a refund of up to one third of taxes paid.

The reference composite lumber benchmark price strengthened sufficiently to eliminate duties under the SLA for the full year of 2014. Under the SLA, duties are eliminated when this price reaches levels above US\$355 per Mfbm.

A substantial portion of our products that are manufactured in Canada are exported for sale. Our financial results are dependent on continued access to the export markets and tariffs and other trade barriers that restrict or prevent access represent a continuing risk to us. The SLA has provided our Canadian lumber operations with continued access to the U.S. market and its expiry could result in the imposition of trade barriers which could impair that access. National economic protectionist measures more commonly arise during periods of broad economic downturn and so a deterioration of global economic conditions could result in the adoption of additional trade barriers.

Energy

Our pulp, paper and MDF operations consume substantial amounts of electricity. Our Hinton and Cariboo pulp mills have generating facilities which produce electricity to satisfy most of their energy requirements and can contribute to earnings by selling any excess electricity. We have also completed or have underway several projects to reduce our purchased energy dependence by utilizing woodwaste to produce heat and steam to dry our wood products or to utilize woodwaste or pulp mill by-products or effluent to generate electricity.

In B.C., electricity is purchased from the provincial utility at regulated prices based largely on generation costs. In Alberta, electricity is purchased at market prices through the Alberta power pool.

In Alberta, we are hedged against electricity market price fluctuations for a substantial volume of our electricity consumption through two long-term power purchase agreements, one that expires in 2017 and the other in 2020. These agreements provide electricity at prices based largely on generation costs and inflation which we sell into the Alberta electricity grid at prevailing market prices. We also operate a natural gas-fired peaking power price plant at our 50%-owned newsprint mill which provides an additional hedge for that mill against high prices of electricity. Our exposure to energy costs includes the cost to purchase electricity, natural gas, gasoline, diesel fuels, carbon taxes and fuel surcharges on purchased transportation.

Environment

Our manufacturing operations are subject to environmental protection laws and regulations. We have developed and apply internal programs and policies to help ensure that our operations are in compliance with applicable laws and standards and to address any instances of non-compliance. We are committed to responsible stewardship of the environment and to the continual improvement of our forest practices and manufacturing procedures so we can optimize the use of resources and minimize the impact of our operations on the environment.

We have incurred, and will continue to incur, capital expenditures and operating costs to comply with environmental laws and regulations, which are not expected to have material financial or operational effects on us or our competitive position. We are required to carry out remediation activities, including site decommissioning, under applicable environmental protection laws and regulations. In addition, we are required to carry out reforestation activities under our various timber licenses. We maintain accruals in our financial statements for certain environmental, reforestation and decommissioning obligations.

We have adopted and follow an Environmental Policy, a copy of which is available on our website at www.westfraser.com. Additional information is available in our *Responsibility Report*, also available on our website at www.westfraser.com.

Risk Factors

A detailed discussion of risk factors is included in “Management's Discussion & Analysis – Risks and Uncertainties”, which is incorporated herein by reference. Our Management's Discussion & Analysis is available on SEDAR at www.sedar.com.

Capital Structure

Share Capital

Our authorized share capital consists of 430,000,000 shares divided into:

- (a) 400,000,000 Common shares,
- (b) 20,000,000 Class B Common shares, and
- (c) 10,000,000 Preferred shares, issuable in series.

The Common shares and Class B Common shares are equal in all respects, including the right to dividends and the right to vote, except that each Class B Common share may at any time be exchanged for one Common share. The Common shares are listed and traded on the Toronto Stock Exchange under the symbol WFT 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.

In December 2013 we announced that a one Common share dividend would be paid in respect of each Common share and Class B Common share outstanding as at December 31, 2013, payable on January 13, 2014. This had the effect of a two-for-one share subdivision effective on January 13, 2014.

As at December 31, 2014, the issued share capital consisted of 81,245,657 Common shares and 2,281,478 Class B Common shares for a total of 83,527,135 shares (adjusted as at December 31, 2013 – 85,671,504 shares).

Credit Ratings

As shown in the table below, West Fraser is rated by three rating agencies. West Fraser pays annual fees to maintain its debt and corporate ratings. The ratings are assigned both on a corporate level and specifically to our US\$300 million notes issued in October 2014 at an interest rate of 4.35% and maturing October 2024. The ratings are not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by each rating agency.

Ratings

Agency	Rating	Outlook
Dominion Bond Rating Service ¹	BBB(low)	Stable
Moody's ²	Baa3	Stable
Standard & Poor's ³	BBB-	Stable

1. DBRS credit ratings for long-term obligations range from AAA to D. A rating of BBB is described by DBRS as “adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events”. Additional information on the rating is available on DBRS’s website.

2. Moody’s credit ratings for long-term obligations range from Aaa to C. Moody’s describes obligations rated Baa as “subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics”. Additional information on the rating is available on Moody’s website.

3. S&P credit ratings for long-term obligations range from AAA to D. A rating of BBB- is described by S&P as “considered lowest investment grade by market participants”. Additional information on the rating is available on S&P’s website.

Market Prices

The following table sets forth adjusted market prices and trading volumes of our Common shares on the Toronto Stock Exchange for each month of 2014 and 2013.

	2014				2013	
	High (\$)	Low (\$)	Close (\$)	Volume (000's)	Close (\$)	Volume (000's)
January	59.50	50.38	57.19	5,165	40.04	5,537
February	57.52	53.30	56.04	4,337	42.50	3,800
March	57.67	48.06	50.50	5,281	45.00	3,667
April	52.94	45.05	49.00	6,850	43.98	5,413
May	54.24	49.00	49.80	6,933	38.51	6,962
June	52.01	47.00	51.71	5,213	39.75	5,938
July	53.45	48.57	49.67	4,864	46.81	5,286
August	55.25	46.15	55.05	4,475	41.70	4,308
September	57.80	53.02	54.75	4,841	46.35	5,041
October	59.40	49.46	59.13	6,111	47.79	5,199
November	61.66	56.02	59.38	5,253	46.90	5,602
December	66.80	58.97	66.47	3,428	51.80	3,971
Total				62,751		60,724

Source: <http://tradingdata.tsx.com>

Cash dividends

The declaration and payment of cash dividends is within the discretion of our Board of Directors. Historically, cash dividends have been declared on a quarterly basis payable after the end of each quarter. On an annual basis, dividends of \$0.28 per share were paid in 2014, 2013 and 2012. There can be no assurance that cash dividends will continue to be declared and paid by us in the future, as the discretion of the Board of Directors will be exercised from time to time taking into account our current circumstances.

Transfer Agent

Our transfer agent and registrar is Canadian Stock Transfer, with registers of transfers in Vancouver and Toronto.

Experts

Our auditors are PricewaterhouseCoopers LLP (“PwC”), who prepared the Auditor’s Report included with our Consolidated Financial Statements for the year ended December 31, 2014. PwC has confirmed that it is independent with respect to us, within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of B.C., as of February 19, 2015.

Directors and Officers

Directors

The names and municipalities of residence of the directors of the Company, their principal occupations during the past five years and the periods during which they have been directors of the Company are as follows:

Name and Municipality of Residence	Principal Occupation	Director Since
Henry H. Ketcham Vancouver, B.C.	Executive Chairman	September 16, 1985
Clark S. Binkley ^{1, 3 & 4} Portland, Oregon	Chief Investment Officer, GreenWood Resources, Inc. (a timberland investment management organization)	February 13, 1992
J. Duncan Gibson ^{1, 3 & 4} Toronto, Ontario	Investor	April 29, 1997
Samuel W. Ketcham ^{3 & 4} Seattle, Washington	Managing Partner, Ketcham Capital, Inc.	April 27, 2010
Harald H. Ludwig ^{2 & 4} West Vancouver, B.C.	President, Macluan Capital Corporation (diversified private equity investment company)	May 2, 1995
Gerald J. Miller ³ Lake Country, B.C.	Corporate Director	April 19, 2012
Robert L. Phillips ^{2, 4 & 5} West Vancouver, B.C.	Corporate Director	April 28, 2005
Janice G. Rennie ^{1, 2 & 4} Edmonton, Alberta	Corporate Director	April 28, 2004
Ted Seraphim North Vancouver, B.C.	President and Chief Executive Officer	April 30, 2013

1. Member of the Audit Committee.
2. Member of the Compensation Committee.
3. Member of the Safety & Environment Committee.
4. Member of the Governance & Nominating Committee.
5. Lead Director.

Each director has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years except for Henry H. Ketcham who before March 1, 2013 was our Chairman and Chief Executive Officer and before April 19, 2012 was also our President; Gerald J. Miller who before July 31, 2011, was our Executive Vice-President, Finance and Chief Financial Officer; Ted Seraphim who before March 1, 2013 was President and Chief Operating Officer, before April 19, 2012 was Executive Vice-President and Chief Operating Officer and before July 1, 2010 was Vice-President, Pulp & Paper; and Clark Binkley who before July 31, 2012 was Managing Director of International Forestry Investment Advisors LLC. The term of office of each director will expire at the conclusion of the Company's next annual general meeting.

Officers

Name and Municipality of Residence	Office Held
Henry H. Ketcham Vancouver, B.C.	Executive Chairman
Ted Seraphim North Vancouver, B.C.	President and Chief Executive Officer
Raymond W. Ferris Quesnel, B.C.	Vice-President, Wood Products
Larry S. Hughes Vancouver, B.C.	Vice-President, Finance, Chief Financial Officer and Secretary
Rodger M. Hutchinson West Vancouver, B.C.	Vice-President, Corporate Controller and Investor Relations
Maureen F. Kuper Burnaby, B.C.	Treasurer
David P. Lehane Quesnel, B.C.	Vice-President, Woodlands
Christopher D. McIver Quesnel, B.C.	Vice-President, Lumber Sales and Corporate Development
Sean P. McLaren Collierville, Tennessee	Vice-President, U.S. Lumber Operations
Peter A. Rippon Quesnel, B.C.	Vice-President, Pulp and Energy
Tom V. Theodorakis Vancouver, B.C.	Assistant Secretary Partner, McMillan LLP (lawyers)
Russell L. Wiggins Quesnel, B.C.	Vice-President, Operations Controller

Each officer has held the same or a similar office with the organization indicated or a predecessor thereof for the last five years except for Henry H. Ketcham (see disclosure under “Directors”); Ted Seraphim (see disclosure under “Directors”); Larry S. Hughes, who before August 1, 2011 was our Senior Vice-President and Secretary; Rodger M. Hutchinson, who before February 13, 2014 was our Vice-President, Corporate Controller; Christopher D. McIver, who before October 1, 2010 was our Vice-President, Lumber Sales; Sean P. McLaren, who before October 1, 2010 was our General Manager, Wood Products for the U.S. operations and

before August 11, 2010 was our Manufacturing Manager for the U.S. operations; Peter A. Rippon, who before October 1, 2010 was our Operations Manager, Mechanical Pulp and Energy; and Russell L. Wiggins, who before February 13, 2014 was our Operations Controller and before October 15, 2010 was our Solid Wood Controller.

Shareholdings of Directors and Officers

The directors and officers of the Company as a group, beneficially owned or controlled or directed, directly or indirectly, the following shares of the Company:

	December 31, 2014	December 31, 2013
Common shares	1,784,034	1,910,572
% of total Common shares	2%	2%
Class B Common shares	78,728	78,728
% of total Class B Common shares	3%	3%
% of all shares outstanding	2%	2%

Governance

Corporate governance is guided by our Corporate Governance Policy, a copy of which may be viewed on our web site: www.westfraser.com. The Board of Directors has established a Governance & Nominating Committee comprised of all non-management directors. The Committee provides support for the stewardship and governance role of the Board in reviewing and making recommendations on the composition of the Board, the functioning of the Board and its committees, succession planning and all other corporate governance matters and practices. On the occasion of each regularly-scheduled meeting of the Board in 2014, the Committee met without management representatives present and reviewed these and other issues.

The Corporate Governance Policy includes a Code of Conduct which sets out our policies and requirements relating to, among other categories, legal compliance, safety, environmental stewardship, human rights, anti-corruption and whistleblowing. Additional information is available on our website www.westfraser.com under Corporate Governance.

Audit Committee

The Audit Committee of our Board of Directors assists the Board in fulfilling its responsibility to oversee our financial reporting and audit process. The full text of the Audit Committee's Charter is attached as Schedule 1.

Members

The following identifies each current member of the Audit Committee, and the education and experience of each member that is relevant to the performance of the member's responsibilities as an Audit Committee member. All members of the Audit Committee are considered "independent" and "financially literate" within the meaning of NI 52-110.

J. Duncan Gibson

Mr. Gibson holds a Bachelor of Commerce and a Masters of Business Administration. His career spanned 27 years with the Toronto-Dominion Bank, including nine years in the Corporate Banking, U.S. Division, and as Vice Chairman with responsibility for the Commercial Banking Division.

Clark S. Binkley

Dr. Binkley holds a Bachelor of Arts in Applied Mathematics and a PhD in Forestry and Environmental Studies. He is the Chief Investment Officer of a large private equity timberland investment firm. He has served as a director of public and private forest products companies.

Janice G. Rennie

Mrs. Rennie, who holds a Bachelor of Commerce, is a Chartered Accountant. She was elected as Fellow of the Chartered Accountants in 1998. Mrs. Rennie has chaired or been a member of several audit committees of public companies, including Teck Resources Limited, Nova Chemicals Inc., Weldwood of Canada Limited, Canadian Hotel Income Properties REIT, Capital Power Corporation, Methanex Corporation, Major Drilling Group International Inc. and Matrikon Inc.

Pre-Approval Policies and Procedures

The Audit Committee has adopted a policy that sets out the pre-approval requirements related to services to be performed by our independent auditors. The policy provides that the Committee will annually review proposed audit, audit-related, tax and other services (to be submitted by the Chief Financial Officer and the independent auditor), and will provide general approval of described services, usually including specific maximum fee amounts.

Unless a service has received general pre-approval, it will require specific pre-approval by the Committee. The Committee is permitted to delegate pre-approval authority to any of its members. The Committee reports on the pre-approval process to the full Board of Directors from time to time.

Fees Paid to Auditors (\$ thousands)

	2014	2013
Audit Fees ¹	846	926
Audit-Related Fees ²	180	203
Tax Fees	451	393

1. Represents actual and estimated fees related to fiscal year ends.

2. For assurance and related services that are reasonably related to the performance of the audit but are not reported as "Audit Fees".

Material Contracts

On October 15, 2014, we issued US\$300 million of fixed-rate senior unsecured notes due October 15, 2024 pursuant to a private placement in the U.S. The notes bear interest of 4.35% with semi-annual payments commencing on April 15, 2015 and are redeemable, in whole or in

part, at our option at any time. In the event of a change in control in respect of the Company which is followed within 60 days by ratings downgrades to below investment grade in certain circumstances, unless we have exercised the right to redeem all of the notes, each holder will have the right to require us to repurchase all or any part of such holder's notes at a purchase price in cash equal to 101% of the principal amount of the notes plus any accrued and unpaid interest.

Additional Information

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities and securities authorized for issuance under equity compensation plans, is contained in the Information Circular for the annual general meeting of the Company to be held on April 28, 2015. Additional financial information is provided in our annual consolidated financial statements and Management's Discussion & Analysis for the year ended December 31, 2014.

Copies of our Annual Report, which includes this Annual Information Form and the documents incorporated by reference herein, our annual consolidated financial statements (including the auditor's report) for the year ended December 31, 2014, as well as the unaudited interim condensed consolidated financial statements prepared for a period after December 31, 2014, and our Information Circular may be obtained at any time upon request from us, but we may require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Company.

This Annual Information Form, our Annual Report and additional information concerning the Company may also be obtained on the web site www.westfraser.com and on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Schedule 1 - Audit Committee Charter

The Audit Committee Charter, which is set out below, was approved by the Board on December 8, 2010.

General Mandate

To assist the Board in fulfilling its responsibility to oversee the Company's financial reporting and audit processes, its system of internal controls and its process for monitoring compliance with applicable financial reporting and disclosure laws and its own policies.

Responsibilities

The Committee will carry out the following responsibilities:

Financial Statements

- Review significant accounting and financial reporting issues, including complex or unusual transactions, significant contingencies and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the Company's financial statements
- Review interim financial reports (including financial statements, management's discussion and analysis and related news releases) with management and the auditors, consider whether they are complete and consistent with the information known to Committee members and provide a recommendation to the Board with respect to the approval of the interim financial reports
- Understand how management develops interim financial information, and the nature and extent of auditor involvement
- Review with management and the auditors the results of the audit, including any difficulties encountered
- Review the annual financial statements, the annual management discussion and analysis and related news releases, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles, and provide a recommendation to the Board with respect to the approval of the statements, the management discussion and analysis and the news release
- Review with management and the auditors all matters required to be communicated to the Committee under generally accepted auditing standards
- Approve, if so delegated by the Board, the interim financial reports and annual financial statements and the filing of the same together with all required documents and information with regulators

Internal Control

- Require management of the Company to implement and maintain appropriate internal control procedures over annual and interim financial reporting
- Review with management and auditors the adequacy and effectiveness of the Company's internal control over annual and interim financial reporting, including information technology security and control and controls related to the prevention and detection of fraud and improper or illegal transactions or payments, the status of the remediation of any identified control deficiencies, and elicit recommendations for improvements
- Understand the scope of the auditors' review of internal control over financial reporting, and obtain and review reports on significant findings and recommendations, including respecting the Company's accounting principles

or changes to such principles or their application and the treatment of financial information discussed with management, together with management's responses

Audit

- Review the auditors' proposed audit scope and approach
- Review the performance of the auditors, and provide a recommendation to the Board with respect to the nomination of the auditors for appointment and remuneration
- Review and confirm the independence of the auditors by obtaining statements from the auditors on relationships between the auditors and the Company, including non-audit services, and discussing the relationships with the auditors
- Periodically evaluate the need for the establishment of an internal audit function and make appropriate recommendations to the Board

Compliance

- Review the effectiveness of the system for monitoring compliance with financial reporting and disclosure laws and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance
- Review the findings of any examinations by regulatory agencies, and any auditor observations
- Obtain regular updates from management and Company legal counsel regarding compliance matters

Reporting Requirements

- Regularly report to the Board about Committee activities, issues and related recommendations
- Provide an open avenue of communication between the auditors and the Board
- Review any reports the Company issues that relate to Committee responsibilities

Other Responsibilities

- Institute and oversee special investigations as needed
- Develop and implement a policy for the approval of the provision of non-audit services by the auditors and assessing the independence of the auditors in the context of these engagements
- Establish procedures for: (a) the receipt, retention and treatment of complaints received regarding non-compliance with the Company's Code of Conduct, violations of laws or regulations, or concerns regarding accounting, internal accounting controls or auditing matters; and (b) the confidential, anonymous submission by officers or employees of the Company or by other persons of concerns regarding questionable accounting, auditing or financial reporting and disclosure matters or non-compliance with the Company's Code of Conduct or other matters that are of a sensitive or "whistleblower" nature
- Perform other activities related to this charter as requested by the Board
- Review and assess the adequacy of this charter annually, requesting Board approval for proposed changes
- Review terms of any Code of Conduct established by the Board and respond to any related compliance issues

- Confirm annually to the Board that all responsibilities outlined in this charter have been carried out

Qualifications and Procedures

- The composition of the Committee will comply with applicable laws including requirements for independence, unrelated to management, financial literacy and audit experience
- The Committee will meet at least four times annually, and more frequently as circumstances dictate, and the CFO and a representative of the auditors should be available on request to attend all meetings
- The Committee should meet privately in executive session with representatives of each of management and of the auditors to discuss any matters of concern to the Committee or such members, including any post-audit management letter
- Minutes of each meeting should be prepared, approved by the Committee and circulated to the full Board