

## **CHIEF EXECUTIVE OFFICER POSITION DESCRIPTION**

In addition to the responsibilities and specific duties set out in the Board Mandate, the Chief Executive Officer (CEO) of Canfor Corporation (“Canfor”) has the responsibility and specific duties described below.

### **Appointment**

The CEO will be a duly elected and appointed member of the Board of Directors (Board), will be appointed as CEO by the Board each year and will have the competencies and skills recommended by the Management Resources and Compensation Committee (“MRCC”) and determined by the Board. The CEO is not independent pursuant to Canfor’s Corporate Governance Manual adopted by the Board. The CEO shall not be a member of any Board Committee other than the Capital Expenditure and Environmental, Health and Safety Committees, but is invited to attend Board Committee meetings, except for in camera sessions. The CEO shall seek approval of the Board before committing to any outside board or organizational appointments that would require a significant time commitment by the CEO.

### **Responsibility**

The CEO provides effective leadership and vision for Canfor to grow value responsibly, in a profitable and sustainable manner. The CEO sets the “tone” for Management to foster ethical and responsible decision making, appropriate management and best-in-class corporate governance practices.

### **Specific Duties**

The CEO will:

#### **Leadership**

1. Provide leadership and vision to manage Canfor in the best interests of its shareholders.
2. Provide leadership in setting the vision, principles, values, strategic plan and annual business plan of Canfor, in conjunction with the Board.
3. Lead the growth of Canfor’s business in a profitable and sustainable manner through resourceful people, capitalizing on superior assets and innovation and operating in a socially responsible manner.

#### **Community**

4. Be a community leader and ensure that Canfor contributes to the well being and improvement of the communities in which it operates.
5. Serve as the external spokesperson and principal liaison for Canfor, including effectively managing relations with Canfor’s external stakeholders, such as shareholders, the communities in which Canfor operates, customers, creditors, suppliers, the media, governments, non-government organizations and the public generally.

6. Be responsible for communicating Canfor's vision, principles, values, strategy and business plan to external stakeholders.

#### Ethics and Integrity

7. Provide leadership to Management in support of Canfor's commitment to creating a culture of ethical conduct and integrity.
8. Foster ethical and responsible decision making by Management.
9. Set the ethical tone for Canfor and its Management, including (i) overseeing the administration and implementation of, and compliance with, Canfor's policies and procedures; (ii) take all reasonable steps to satisfy the Board as to the integrity of the CEO and other senior officers; and (iii) take all reasonable steps to satisfy the Board that the CEO and other senior officers create a culture of integrity throughout the organization.

#### Governance

10. Communicate in a timely fashion with the Board on material matters affecting Canfor.
11. Communicate regularly with the Chair of the Board (Board Chair) and other Directors to ensure that these responsibilities are being fully complied with and that Directors are being provided with information necessary to fulfill their responsibilities and statutory obligations.
12. Assist the Corporate Governance Committee (Governance Committee) Chair in developing the Board and Board Committee mandates.
13. Assist the Governance Committee Chair in developing an orientation program for new Directors and a continuing education program for Directors.

#### Disclosure

14. With the Disclosure Committee, the Chief Financial Officer and other members of Management, as needed, ensure appropriate and timely disclosure of material information.

#### Strategic Planning

15. Ensure the development of a strategic plan for Canfor to maximize shareholder value and recommend it to the Board for review and, in the Board's discretion, approval.
16. Ensure the implementation of the strategic plan and report to the Board in a timely manner on deviations from the strategic plan or any parameters established by the Board.

#### Business Management

17. Provide general direction and management of the day-to-day affairs of Canfor within the guidelines established by the Board, consistent with decisions requiring prior approval of the Board and the Board's expectations of Management.

18. Ensure the development of an annual business plan including operating plans, operational requirements, organizational structure, staffing and budgets that support the strategic plan and recommend the annual business plan to the Board for review and, in the Board's discretion, approval.
19. Ensure the implementation of the annual business plan and direct and monitor the activities and resources of Canfor, consistent with the strategic direction, financial limits and operating objectives approved by the Board.
20. Approve commitments within the limits of delegated approval authorities.

#### Risk Management

21. Provide the Board assurance that the proper systems are in place to identify and manage business risks and that such risks are acceptable to Canfor and are within the guidelines established by the Audit Committee.
22. Ensure the accuracy, completeness, integrity and appropriate disclosure of Canfor's financial statements and other financial information through appropriate policies and procedures.
23. Establish and maintain Canfor's disclosure controls and procedures through appropriate policies and procedures.
24. Establish and maintain Canfor's internal controls over financial reporting through appropriate policies and procedures.
25. Ensure that Canfor has complied with all regulatory requirements for Canfor's financial information, reporting, disclosure requirements and internal controls over financial reporting.
26. Provide required regulatory certifications regarding Canfor and its activities.
27. Ensure appropriate policies and procedures of Canfor are developed, maintained and disclosed.

#### Organizational Effectiveness/Succession

28. Develop a strong organization with the right people in the right positions.
29. With the MRCC and the Board, ensure that Canfor has an effective senior Management team below the level of the CEO, that the board has regular exposure to senior Management team members, and that there exists an effective plan of succession and development for the CEO and senior Management.
30. Recommend appointments to senior Management, monitor performance of senior Management and provide feedback and training as appropriate.

#### CEO Performance

31. With the MRCC and the Board, participate in developing the CEO Position Description and participate in developing CEO annual targets consisting of personal and corporate

goals and objectives aligned with Canfor's visions, principles, values, strategic plan and annual business plan, as well as indicators to measure the CEO's performance, and present them to the Board for review, and in the Board's discretion, approval.

32. Ensure that an annual evaluation of CEO performance is conducted by the MRCC and the Board.

Other

33. Carry out any other appropriate duties and responsibilities assigned by the Board.
34. This position description may be amended from time to time as the MRCC considers advisable and as the Board may approve. The MRCC shall review this position description on an annual basis.

Approved: March 14, 2006