

CODE OF CONDUCT

Business ethics and corporate social responsibility are issues that are extremely important to the ongoing success of any company. International Forest Products Limited's goal is to be a company that conducts itself to the highest standards. The reputation of International Forest Products Limited, including its subsidiaries, (collectively "Interfor") will be determined by the conduct of our employees. Therefore, Interfor has developed a Code of Conduct, including a set of Core Values and Guiding Principles (the "Code") to clearly lay out the standard of conduct expected of all directors, officers and employees of Interfor (collectively referred to as "We" or "Us").

CORE VALUES

We will conduct ourselves with honesty, integrity and professionalism.

- **People:** People are the foundation of our business.
- **Safety:** Safety is a prerequisite for work.
- **Environment:** Environmental integrity must be maintained in everything We do.
- **Customers:** Customers pay our way.
- **Shareholders:** Returns to our shareholders facilitate investment, employment, and public benefits.

We Are Responsible For Our Own Success.

GUIDING PRINCIPLES

While it is not possible to have a policy for everything We say or do, Interfor has adopted the following set of guiding principles and has outlined specific examples of how these principles are to be applied.

- 1. We will maintain a high level of ethical and lawful conduct in everything We do**
 - We are expected to follow appropriate ethical and lawful behavior pertaining to our roles and responsibilities.
 - We will not act unethically or unlawfully, or knowingly help another person act in this manner, in the conduct of their affairs.
 - We will obey all laws (e.g. environmental, labour, forestry, taxation, securities) that apply to Interfor and our operations.
 - We will be committed to honesty and forthrightness in all our communications, including those with shareholders, customers, suppliers, media, regulatory bodies, government and the public.
 - We will ensure that all people We deal with in carrying out our day-to-day roles and responsibilities are treated fairly, professionally and with respect.

- We will ensure that our accounting records, systems and practices, and financial communications are accurate, complete and conform to generally accepted accounting principles, as well as applicable laws and regulations. No asset, liability or transaction is to be concealed from management or Interfor's internal or external auditors.
- We will ensure that controls exist to protect Interfor's assets from fraud, theft or other losses.
- Information We receive in the conduct of our employment or responsibilities is deemed to be the exclusive property of Interfor and will be held in the strictest confidence.
- Interfor's Board of Directors (the "**Board**") has endorsed a Financial Reporting Policy, as contained in the Corporate Policy Manual, with which all employees are expected to comply.
- The Board has endorsed a Disclosure Policy for all employees, as contained in the Corporate Policy Manual, with which all employees are expected to comply.

2. Workplace safety is the uncompromised right and responsibility of all employees

- The safety of all employees, contractors and others who work for, or provide services to, Interfor is a core value of Interfor.
- Interfor is committed to providing a safe workplace and will follow operating practices that protect people from hazardous and unhealthy conditions.
- Employees will be committed to carrying out their day-to-day roles and responsibilities with safety as their overriding priority.
- Employees will avoid situations or conduct which jeopardize their safety or the safety of others.
- The Environment & Safety Committee of the Board regularly reviews safety incidents and issues, and holds Management accountable for providing and enforcing safe work practices.
- The Board has endorsed a Health and Safety Policy for all employees and contractors, as contained in the Corporate Policy Manual, with which all employees and contractors are expected to comply.

3. Responsible stewardship of the environment is the duty of all employees

- Meeting high standards of environmental responsibility is a core value of Interfor.
- Interfor and its employees will be committed to operating in compliance with all applicable environmental laws and regulations in carrying out their business activities.
- The Environment & Safety Committee of the Board regularly reviews environmental incidents and issues, and holds Management accountable for providing and enforcing sound environmental work practices.

- The Board has endorsed an Environment Policy for all employees and contractors, as contained in the Corporate Policy Manual, with which all employees and contractors are expected to comply.

4. We are committed to a workplace free from harassment and discrimination

- Offensive, demeaning or harassing communication or behavior is unacceptable and will not be tolerated.
- We will not permit discrimination against anyone based on race, religion, gender, marital status, language, age, disability or any grounds prohibited by law.
- The Board has endorsed a Harassment Policy for all employees, as contained in the Corporate Policy Manual with which all employees and contractors are expected to comply.

5. Interfor is committed to being a good community partner

- Interfor will support civic, educational, cultural, charitable and political organizations and events in the communities where We operate.
- Levels of support will be approved by the applicable divisional manager and Vice President.
- Political donations will be pre-approved by the President & CEO.
- Employees are encouraged to participate in activities that support their communities, however, activities that may conflict with day-to-day business responsibilities must be approved by the applicable Divisional Manager and/or Vice President.

Applying the Principles Generally

- Employees must read and comply with the Code.
- Interfor expects its executive, managers and supervisors to lead by example.

Applying the Principles to Specific Situations

1. Conflicts of Interest

- Any activity, investment, interest or association that interferes, or could be perceived to interfere, with our independent judgment or objectivity in performing our jobs is considered a conflict of interest.
- A conflict of interest most often occurs when an employee or immediate family members are in a position to obtain a personal benefit at the expense of Interfor.
- We are expected to avoid such conflicts of interest or even the appearance of such a conflict of interest.
- Where a situation arises where a conflict of interest exists or may exist, We will disclose the conflict of interest to our Supervisor and ensure that any decisions in this regard are made by others not in a position of conflict of interest.

2. Insider Information

- Employees are not to trade in securities of Interfor if they are in possession of material information that has not been generally disclosed to the marketplace. The Board has endorsed an Insider Trading Policy, as contained in the Corporate Policy Manual, with which all employees are expected to comply.

3. Giving and receiving gifts or entertainment

- Exchanges of nominal gifts and hospitality are generally an acceptable part of doing business.
- Nominal value generally means gifts that are relatively inexpensive, do not involve cash or negotiable instruments and that are unlikely to be perceived as unduly influencing the recipient.
- Employees and immediate family members must not accept any gift or entertainment greater than nominal value from any Interfor supplier, contractor, customer or competitor unless:
 - The exchange is consistent with accepted local business practices (such as foreign cultures);
 - A clear business purpose has been identified for the exchange; and
 - Prior approval has been obtained from Senior Management
- This guideline also applies to the giving of gifts or entertainment to suppliers, contractors, customers or competitors.

4. Abuse of Position

- Employees will not use their position to inappropriately influence or obtain a benefit from suppliers or customers of Interfor.
- Employees will not use their position to inappropriately influence or obtain a benefit from other employees.
- Employees will not override internal controls, Interfor policies or procedures and an employee must report any attempt by a Manager or Supervisor to do so, in line with the Whistleblower Policy, as contained the Corporate Policy Manual.

5. Protection of Interfor Assets

- Employees will not misappropriate Interfor assets for personal use.
- Employees will safeguard all assets and resources of Interfor.
- Employees will operate computer equipment and software applications in accordance with the standards outlined in the Internet, Email and Computer Use Policy contained in the Corporate Policy Manual.

6. Improper Payments/Corrupt Practices

- Employees are not to participate in or in any way be involved in corrupt practices including receiving or paying kickbacks or bribes or corrupting domestic or foreign public officials.

7. Alcohol and Drugs

- Any misuse of alcohol or prescription drugs, or the use of any illegal drugs, will jeopardize job safety and performance, and is not allowed in the Interfor workplace. Employees must not enter the workplace under the influence of alcohol or prescription drugs that impair safety and performance or illegal drugs.

Criteria for Individual Judgment

If you have questions about the implications of an intended action pertaining to any of the guidelines listed in the Code, ask yourself:

- Is anyone's life, health or safety endangered by this action (including your own)?
- Is the action legal? If legal, is it also the "right thing to do?"
- Does the action comply with Interfor policies and approved practices?
- Do I feel uncomfortable about doing this?
- Should I ask my Supervisor or Manager about this before I act?
- Would I, Interfor, or any other employee be compromised if this action was known by my Supervisor, Manager, Senior Management, co-workers, subordinates, customers, shareholders or regulatory authorities?
- Can I defend this action before my Supervisor, Manager and Senior Management?
- Is this action consistent with Interfor's stated Core Values?
- How would this action or situation appear to others if it were reported in the media or posted on an external website?

REPORTING CODE VIOLATIONS

Employees must promptly report any conduct or proposed conduct that they reasonably believe to be a violation of this Code in accordance with the Whistleblower Policy.

WAIVER OF CODE

In extraordinary circumstances and where it is clearly in the best interests of Interfor, the CEO or the Board may waive specific provisions of this Code. Any waiver of the Code for Directors or Officers of Interfor may only be granted by the Board, and will be promptly disclosed as required by law or stock exchange regulation.