

CANFOR CORPORATION

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of Canfor Corporation ("**Canfor**") will be held at the Vancouver Marriott Pinnacle Downtown Hotel, 1128 West Hastings Street, Vancouver, British Columbia, on December 18, 2019, at 9:00 a.m. (Vancouver time) for the following purposes:

1. to consider, pursuant to an interim order of the Supreme Court of British Columbia (the "**Court**") dated November 18, 2019, as same may be amended (the "**Interim Order**"), and, if deemed advisable to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set forth in Appendix A to the accompanying management information circular (the "**Circular**"), to approve a statutory plan of arrangement (the "**Arrangement**") pursuant to section 288 of the *Business Corporations Act* (British Columbia) (the "**BCA**") pursuant to which 1227738 B.C. Ltd. (the "**Purchaser**") will acquire all of the outstanding Common Shares not already held by the Purchaser or its affiliates, all as more particularly described in the Circular; and
2. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The enclosed Circular contains a summary of the terms of the arrangement agreement between Canfor, the Purchaser and Great Pacific Capital Corp. dated October 28, 2019 (the "**Arrangement Agreement**") entered into in connection with the Arrangement. The Interim Order and the plan of arrangement to give effect to the Arrangement (the "**Plan of Arrangement**") are attached to the Circular as Appendix C and Appendix D, respectively. A complete copy of the Arrangement Agreement may be found under Canfor's issuer profile on SEDAR at www.sedar.com.

To be effective, the Arrangement Resolution must be approved by: (i) at least 66 2/3% of the votes cast at the Meeting by Shareholders either in person or represented by proxy at the Meeting and entitled to vote thereat; and (ii) a simple majority of the votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereat, excluding the votes cast by such Shareholders that are required to be excluded pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (including Great Pacific and its affiliates). Each Shareholder is entitled to one vote for each Common Share held.

The directors of Canfor have fixed the close of business on November 12, 2019 as the record date (the "**Record Date**") for the determination of the Shareholders entitled to receive notice of, and to vote at, the Meeting.

Shareholders are entitled to vote at the Meeting either in person or by proxy, as described in the Circular under the heading "*General Proxy Information*". Only registered Shareholders, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. For information with respect to Shareholders who own their Common Shares beneficially through an intermediary, see "*General Proxy Information – Non-Registered Shareholders*" in the accompanying Circular. It is expected that the solicitation of proxies will be made primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone by directors, officers or employees of Canfor to whom no additional compensation will be paid. In addition, Canfor has retained the services of Laurel Hill Advisory Group to solicit proxies.

Whether or not you are able to attend the Meeting in person, you are encouraged to provide voting instructions on the enclosed form of proxy or on the voting instruction form provided to you by your broker, investment dealer or other intermediary in accordance with the instructions set out in the applicable form of proxy or voting instruction form and in the Circular.

Registered Shareholders have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement Resolution becomes effective, to be paid the fair value of their Common Shares in accordance with the provisions of the BCA, as may be modified by the Plan of Arrangement and the Interim Order, as described in the Circular under the heading "*The Arrangement – Dissent Rights*". **Failure to strictly comply with the requirements with respect to**

the dissent rights set forth in the BCA, as may be modified by the Plan of Arrangement and the Interim Order, may result in the loss of any right to dissent. Persons who are beneficial owners of Common Shares registered in the name of a broker, custodian, nominee or other intermediary and who wish to dissent must make arrangements for the Common Shares beneficially owned by them to be registered in their name prior to the time the written objection to the Arrangement Resolution is required to be received by Canfor or, alternatively, make arrangements for the registered holder of such Common Shares to dissent on their behalf. It is strongly recommended that any Shareholder wishing to dissent with respect to the Arrangement Resolution seek independent legal advice, as the failure to comply strictly with the provisions of the BCA, as modified by the Interim Order and the Plan of Arrangement, may prejudice such Shareholder's right to dissent.

Shareholders who would like additional copies of the attached Circular or have additional questions or require assistance, please contact Laurel Hill Advisory Group, our proxy solicitation agent, **at 1-877-452-7184 toll free in North America, collect outside of North America at 416-304-0211 or by email at assistance@laurelhill.com.**

DATED at Vancouver, British Columbia this 18th day of November, 2019.

By Order of the Board of Directors

(signed) "*David M. Calabrigo*"

David M. Calabrigo
Corporate Secretary