UNDERWRITING AGREEMENT

September 17, 2013

International Forest Products Limited
P.O. Box 49114
Bentall Tower Four
3500- 1055 Dunsmuir Street
Vancouver, B.C.
V7X 1H7

Attention: J.A. Horning
Senior Vice President and Chief Financial Officer

Dear Mr. Horning:

RBC Dominion Securities Inc., ("**RBC**"), Raymond James Ltd., ("**RJ**") (RBC and RJ are together the "**Co-Lead Underwriters**"), BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc. and TD Securities Inc. (collectively, the "**Underwriters**" and individually an "**Underwriter**") understand that International Forest Products Limited (the "**Company**") intends to issue and sell 6,250,000 Class "A" Subordinate Voting shares without par value of the Company (the "**Firm Shares**") to the Underwriters on the terms and conditions described herein. In addition, the Underwriters understand that the Company proposes to grant to the Underwriters a one-time option (the "**Over-Allotment Option**") to purchase up to an additional 937,500 Class "A" Subordinate Voting shares without par value from the Company (the "**Optional Shares**"), for the sole purpose of covering over-allotments, being an amount equal to up to 15% of the number of Firm Shares (collectively, the Firm Shares and the Optional Shares are referred to herein as the "**Offered Shares**").

We also understand that the Company is eligible to file, and will prepare and file, a preliminary short form prospectus and a (final) short form prospectus and all other necessary documents in order to qualify the Offered Shares and the Over-Allotment Option for distribution to the public in each of the Provinces of Canada. In addition, the Offered Shares may be sold in the United States, provided, however, that offers and sales of Offered Shares in the United States shall be made only on a private placement basis in accordance with the United States securities laws and the provisions of Article 19 of this Agreement (the "**Offering**").

Based upon the foregoing and on the basis of the representations, warranties, covenants and agreements contained herein and subject to the terms and conditions set out below, the Company agrees to (i) sell to each of the Underwriters, and each of the Underwriters agrees severally (and not jointly or jointly and severally) to purchase from the Company, the respective percentage of the Firm Shares set forth opposite the name of such Underwriter in Section 16.1 at a purchase price of $12.00 per Firm Share (for an aggregate purchase price of $75,000,000); and (ii) in the event and to the extent the Over-Allotment Option granted to the Underwriters pursuant to this Agreement is exercised by the Underwriters, the Company agrees to sell to the Underwriters, and each of the Underwriters agrees severally (and not jointly or jointly and severally) to purchase from the Company the respective percentage of the Optional Shares set forth opposite the name of such Underwriter in Section 16.1 at the purchase price of $12.00 per Optional Share in the manner contemplated in Section 4.1.

This offer is subject to the following terms and conditions:

ARTICLE 1
DEFINITIONS

1.1 In this Agreement, unless otherwise defined herein, the following words and terms shall have the following meanings:

"**1933 Act**" means the United States *Securities Act of 1933*, as amended;

"**1934 Act**" means the United States *Securities Exchange Act of 1934*, as amended;

"**business day**" means a day which is not a Saturday, a Sunday or a statutory or civic holiday in the City of Toronto, Ontario or the City of Vancouver, British Columbia;

"**CDS**" means CDS Clearing and Depository Services Inc.;

"**Claim**" has the meaning ascribed thereto in Section 14.1 hereof;

"**Class A Shares**" mean the Class "A" Subordinate Voting shares without par value of the Company;

"**Class B Shares**" mean the Class "B" Common shares without par value in the capital of the Company;

"**Closing Date**" means October 1, 2013 or such other date as the Company and the Co-Lead Underwriters, on behalf of the Underwriters, may agree, provided that in no event shall the Closing Date be later than November 5, 2013;

"**Closing Time**" means 5:00 a.m. (Vancouver time) on the Closing Date or such other time on the Closing Date as the Company and the Co-Lead Underwriters, on behalf of the Underwriters, may agree;

"**Co-Lead Underwriters**" has the meaning ascribed thereto in the first paragraph hereof;

"**Commission**" has the meaning ascribed thereto in Section 10.1 hereof;

"**Company**" has the meaning ascribed thereto in the first paragraph hereof;

"**Company Public Documents**" has the meaning ascribed thereto in Section 7.1(j) hereof;

"**Company's Auditors**" means KPMG LLP;

"**Company's Counsel**" means the law firm of McCarthy Tétrault LLP;

"**Defaulted Securities**" has the meaning ascribed thereto in Section 16.2 hereof;

"**Directed Selling Efforts**" means "directed selling efforts" as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Agreement, it means, subject to the exclusions from the definition of "directed selling efforts" contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Shares, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the Offering;

"**distribution**" and "**distribution to the public**" shall have the respective meanings ascribed thereto in the Securities Laws;

"**Environmental Laws**" means all currently applicable federal, provincial, state, local or foreign statutes, laws, rules, regulations, ordinances or codes relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to a release or threatened release of Hazardous Materials or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials;

"**Final Passport Receipt**" means the receipt issued by the British Columbia Securities Commission, as principal regulator, in accordance with Multilateral Instrument 11-102 and National Policy 11-202 evidencing that a receipt has been issued in respect of the Prospectus by each of the Securities Regulators in accordance with Securities Laws;

"**Financial Information**" has the meaning ascribed thereto in Section 5.1(c) hereof;

"**Firm Shares**" has the meaning ascribed thereto in the first paragraph of this Agreement;

"**Hazardous Materials**" means pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products, asbestos containing materials or mold;

"**including**" means including, without limitation;

"**Indemnified Party**" has the meaning ascribed thereto in Section 14.1 hereof;

"**marketing materials**" has the meaning ascribed thereto under NI 41-101;

"**misrepresentation**", "**material fact**" and "**material change**" have the respective meanings ascribed thereto in the *Securities Act* (British Columbia);

"**Multilateral Instrument 11-102**" means Multilateral Instrument 11-102 - *Passport System*;

"**NI 41-101**" means National Instrument 41-101 - *General Prospectus Requirements*;

"**NI 44-101**" means National Instrument 44-101 - *Short Form Prospectus Distributions*;

"**National Policy 11-202**" means National Policy 11-202 - *Process for Prospectus Reviews in Multiple Jurisdictions*;

"**Offered Shares**" has the meaning ascribed thereto in the first paragraph hereof;

"**Offering**" has the meaning ascribed thereto in the second paragraph hereof;

"**Offering Price**" means $12.00 per Offered Share;

"**Option Closing Date**" has the meaning ascribed thereto in Section 4.1 hereof;

"**Option Closing Time**" has the meaning ascribed thereto in Section 4.1 hereof;

"**Optional Shares**" has the meaning ascribed thereto in the first paragraph hereof;

"**Over-Allotment Option**" has the meaning ascribed thereto in the first paragraph hereof;

"**Preliminary Passport Receipt**" means the receipt issued by the British Columbia Securities Commission, as principal regulator, in accordance with Multilateral Instrument 11-102 and National Policy 11-202 evidencing that a receipt has been issued in respect of the Preliminary Prospectus by each of the Securities Regulators in accordance with Securities Laws;

"**Preliminary Prospectus**" means the preliminary short form prospectus of the Company (in both the English and French languages, unless the context indicates otherwise), signed and certified in accordance with the Securities Laws, relating to the qualification for distribution of the Offered Shares and the Over-Allotment Option under applicable Securities Laws in the Qualifying Jurisdictions, and the term "**Preliminary Prospectus**" shall be deemed to refer to and to include all the documents incorporated therein by reference;

"**Private Placement Memorandum**" means the Prospectus or Preliminary Prospectus, as the case may be, together with the memorandum attached as Exhibit 3 to this Agreement, which will be delivered to purchasers and prospective purchasers, as the case may be, of the Offered Shares under Rule 144A;

"**Prospectus**" means the (final) short form prospectus of the Company (in both the English and French languages, unless the context indicates otherwise), signed and certified in accordance with the Securities Laws, relating to the qualification for distribution of the Offered Shares and the Over-Allotment Option under applicable Securities Laws in the Qualifying Jurisdictions, and the term "**Prospectus**" shall be deemed to refer to and include all the documents incorporated therein by reference;

"**Provide**" shall have the meaning ascribed thereto by NI 41-101 and NI 44-101;

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as that term is defined in Rule 144A;

"**Qualifying Jurisdictions**" means all of the Provinces of Canada;

"**RBC**" has the meaning ascribed thereto in the first paragraph hereof;

"**Regulation D**" means Regulation D adopted by the SEC under the 1933 Act;

"**Regulation M**" means Regulation M adopted by the SEC under the 1934 Act;

"**Regulation S**" means Regulation S adopted by the SEC under the 1933 Act;

"**Release**" means the spilling, leaking, emptying, dumping, disposing, discharging, emitting, depositing, ejecting, leaching, escaping or any other release whether intentional or unintentional, of any Hazardous Material;

"**RJ**" has the meaning ascribed thereto in the first paragraph hereof;

"**Rule 144A**" means Rule 144A adopted by the SEC under the 1933 Act;

"**SEC**" means the United States Securities and Exchange Commission;

"**Securities Laws**" means the applicable securities laws, regulations, rules, policy statements and prescribed forms, collectively, of each of the Qualifying Jurisdictions;

"**Securities Regulators**" means the applicable securities commission or regulatory authority in each of the Qualifying Jurisdictions;

"**standard term sheet**" has the meaning ascribed thereto under NI 41-101;

"**Substantial U.S. Market Interest**" means "**substantial U.S. market interest**" as that term is defined in Regulation S;

"**Supplementary Material**" means, collectively, any amendment or supplement to the Preliminary Prospectus or the Prospectus or any other similar documents required to be filed by the Company under the Securities Laws in connection with the Offering;

"**Timber Rights**" has the meaning ascribed thereto in Section 7.1(dd) hereof;

"**TSX**" means the Toronto Stock Exchange;

"**Underwriters**" has the meaning ascribed thereto in the first paragraph hereof;

"**Underwriters' Counsel**" means the law firm of Farris, Vaughan, Wills & Murphy LLP;

"**United States**" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia; and

"**U.S. Securities Laws**" means the 1933 Act and any other U.S. state securities laws applicable to the offer and sale of the Offered Shares.

1.2 Any reference in this Agreement to any Article, Section, or Exhibit shall refer to any Article, Section, or Exhibit of this Agreement unless specifically referring to another source.

ARTICLE 2
FILING OF PRELIMINARY PROSPECTUS AND PROSPECTUS

2.1 The Company will prepare and file the Preliminary Prospectus in order to qualify the Offered Shares for distribution in each of the Qualifying Jurisdictions in accordance with the Securities Laws no later than 5:00 p.m. (Vancouver time) on September 17, 2013 and obtain the Preliminary Passport Receipt dated September 17, 2013.

2.2 The Company will use its best efforts to prepare and file the Prospectus and obtain the Final Passport Receipt in order to qualify the Offered Shares for distribution in each of the Qualifying Jurisdictions in accordance with the Securities Laws as soon as possible after any comments of the Securities Regulators have been satisfied, but in any event, shall prepare and file the Prospectus not later than 5:00 p.m. (Vancouver time) on September 24, 2013 (or such other time and/or later date as the Company and the Co-Lead Underwriters, acting reasonably, may agree) and obtain the Final Passport Receipt dated September 24, 2013 (or such other time and/or later date as the Company and the Co-Lead Underwriters, acting reasonably, may agree).

ARTICLE 3
QUALIFICATION FOR DISTRIBUTION AND COMPLIANCE WITH THE SECURITIES LAWS

3.1 The Company shall take all steps and proceedings as may be necessary for the Company to qualify the distribution of the Offered Shares in the Qualifying Jurisdictions by or through the Underwriters or any other registrant who complies with the relevant provisions of the Securities Laws.

3.2 Until the date on which the distribution of the Offered Shares is completed, the Company will promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under the Securities Laws to continue to qualify the distribution in each Qualifying Jurisdiction of the Offered Shares or, in the event that the Offered Shares have, for any reason, ceased to so qualify in each Qualifying Jurisdiction, to again qualify the Offered Shares for distribution in the Qualifying Jurisdictions in accordance with the Securities Laws.

3.3 The Underwriters covenant and agree that the Offered Shares shall be offered for sale by the Underwriters to the public in the Qualifying Jurisdictions in compliance with applicable laws including the Securities Laws upon the terms and conditions set forth in the Prospectus. Each Underwriter shall cause similar undertakings to be contained in any agreements among the members of any banking, selling or other groups formed for the distribution of the Offered Shares. After the Underwriters have made reasonable efforts to sell all the Offered Shares at the Offering Price, the Underwriters may sell Offered Shares to the public at prices below the Offering Price.

3.4 The Underwriters covenant and agree that if they offer to sell or sell any Offered Shares in jurisdictions other than the Qualifying Jurisdictions, such offers or sales shall be effected in accordance and in compliance with the applicable laws of such jurisdictions and shall be effected in such manner so as not to require registration of the Offered Shares, or the filing of a prospectus, registration statement or any other notice or document with respect to the distribution of the Offered Shares, under the laws of any jurisdiction outside the Qualifying Jurisdictions including, without limitation, the United States. The Underwriters shall cause similar undertakings to be contained in any agreements among the members of any banking, selling or other groups formed for the purpose of selling the Offered Shares.

3.5 The Underwriters agree, and will require each member of any banking, selling or other group formed for the purposes of selling the Offered Shares, to agree to observe the United States selling restrictions set forth in Article 19 hereof and the Company agrees for the benefit of the Underwriters to comply with the covenants as set forth in Article 19 hereof.

3.6 Each of the Underwriters, severally and not jointly, represents and warrants to the Company, and acknowledges that the Company will be relying upon such representations and warranties in entering into this Agreement, that:

(a) it has good and sufficient right and authority to enter into this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein; and

(b) it is appropriately registered under the Securities Laws of the Qualifying Jurisdictions so as to permit it to lawfully fulfill its obligations hereunder.

3.7 The representations and warranties of each Underwriter contained in this Agreement will be true at the Closing Time as though they were made at the Closing Time and they shall survive the completion of the transactions contemplated by this Agreement.

3.8 The Company, and the Underwriters, on a several basis, covenant and agree not to Provide any potential investor in the Offering with (i) any marketing materials, or (b) any standard terms sheets, except for standard term sheets approved in writing by the Co-Lead Underwriters.

3.9 The obligations of the Underwriters under this Article 3 are several and not joint or joint and several. No Underwriter will be liable for any act, omission, default or conduct by any other Underwriter or any member of any banking, selling or other group appointed by any other Underwriter.

ARTICLE 4
OVER-ALLOTMENT OPTION

4.1 The Company hereby grants to the Underwriters, in the respective percentages set out in Section 16.1 of this Agreement, the Over-Allotment Option to purchase up to an additional 937,500 Optional Shares, being 15% of the number of Firm Shares at a purchase price per Optional Share equal to the purchase price per Firm Share. The Over-Allotment Option may be exercised in whole on one occasion prior to its expiry or in part from time to time prior to its expiry, in accordance with the provisions of this Agreement. Delivery of and payment for any Optional Shares will be made at the offices of the Company's Counsel at the time (the "**Option Closing Time**") on the date set out in the written notice of the Co-Lead Underwriters referred to below (the "**Option Closing**

Date") which may occur on the Closing Date but will in no event occur earlier than the Closing Date, nor earlier than two business days or later than five business days after the date upon which the Company receives written notice from the Co-Lead Underwriters on behalf of the Underwriters, setting out the number of Optional Shares to be purchased by the Underwriters, which notice must be received by the Company not later than 6:00 p.m. (Vancouver time) on the date that is thirty (30) days after the Closing Date. Upon the furnishing of the notice, the Underwriters will severally (and not jointly or jointly and severally) be committed to purchase, in the respective percentages set out in Section 16.1 of this Agreement, and the Company will be committed to issue and sell in accordance with and subject to the provisions of this Agreement the number of Optional Shares indicated in the notice. Optional Shares may be purchased by the Underwriters only for the purpose of satisfying over-allotments made in connection with the distribution of the Firm Shares and for market stabilization purposes permitted pursuant to applicable Securities Laws. The Company agrees that the number of Optional Shares to be issued upon exercise of the Over-Allotment Option shall be adjusted for any stock splits, consolidations or other changes to the Class A Shares after the Closing Date, if any.

ARTICLE 5
DELIVERIES UPON FILING OF PROSPECTUS

5.1 The Company shall deliver or cause to be delivered, to the Underwriters, without charge, in Vancouver, British Columbia, contemporaneously with or prior to the filing of the Preliminary Prospectus or Supplementary Material, as the case may be (except that the French language version of such documents, together with the opinions referred to in paragraphs (c) and (d) below, may be delivered contemporaneously with the filing of the Prospectus or any Supplementary Material, as the case may be, in the Province of Québec):

(a) a copy of the Preliminary Prospectus in the English and French languages, signed as required by the Securities Laws, including copies of documents incorporated by reference therein, and if requested a copy of the Private Placement Memorandum;

(b) a copy of any Supplementary Material required to be filed by the Company under the Securities Laws;

(c) an opinion of the Company's Counsel, addressed to the Underwriters, the Underwriters' Counsel, the Company and the directors thereof, dated the date of the Preliminary Prospectus or Supplementary Material, as the case may be, acceptable in form and substance to the Underwriters' Counsel, acting reasonably, that except for certain financial or statistical information (collectively, the "**Financial Information**") contained in such document, the document in the French language is in all material respects a complete and proper translation of the English version thereof; and

(d) an opinion of the Company's Auditors addressed to the Underwriters, the Underwriters' Counsel, the Company's Counsel, the Company and the directors thereof, dated the date of the Preliminary Prospectus or Supplementary Material, as the case may be, and acceptable in form and substance to the Underwriters' Counsel, acting reasonably, that the Financial Information in respect of the Company contained in such document in the French language is in all material respects a complete and proper translation of the English language version thereof.

5.2 The Company shall deliver or cause to be delivered to the Underwriters, without charge, in such cities as the Co-Lead Underwriters may request on behalf of the Underwriters, as soon as possible and in any event not later than noon (local time) on the second business day after the date that the Preliminary Prospectus or Supplementary Material is filed with the Securities Regulators, such number of commercial copies of the Preliminary Prospectus or Supplementary Material (including the French language version thereof) and the Private Placement Memorandum as the Underwriters reasonably require.

5.3 The Company shall deliver or cause to be delivered, to the Underwriters, without charge, in Vancouver, British Columbia, contemporaneously with or prior to the filing of the Prospectus or any Supplementary Material, as the case may be:

(a) a copy of the Prospectus in the English and French languages, signed as required by the Securities Laws, including copies of documents incorporated by reference therein, and if requested a copy of the Private Placement Memorandum;

(b) a copy of any Supplementary Material required to be filed by the Company under the Securities Laws;

(c) an opinion of the Company's Counsel, addressed to the Underwriters, the Underwriters' Counsel, the Company's Counsel, the Company and the directors thereof, dated the date of the Prospectus or Supplementary Material, as the case may be acceptable in form and substance to the Underwriters' Counsel, acting reasonably, that except for the Financial Information contained in such document, the document in the French language is in all material respects a complete and proper translation of the English language version thereof;

(d) an opinion of the Company's Auditors addressed to the Underwriters, the Underwriters' Counsel, the Company's Counsel, the Company and the directors thereof, dated the date of the Prospectus or Supplementary Material, as the case may be and acceptable in form and substance to the Underwriters' Counsel, acting reasonably, that the Financial Information in respect of the Company contained in such document in the French language is in all material respects a complete and proper translation of the English language version thereof; and

(e) a comfort letter dated the date of the Prospectus and addressed by the Company's Auditors to the Underwriters and the directors of the Company, in form and substance satisfactory to the Underwriters and Underwriters' Counsel, acting reasonably, with respect to Financial Information in respect of the Company contained in the Prospectus.

5.4 The Company shall deliver or cause to be delivered to the Underwriters, without charge, in such cities as the Co-Lead Underwriters may request on behalf of the Underwriters, as soon as possible and in any event not later than noon (local time) on the second business day after the date that the Prospectus or Supplementary Material is filed with the Securities Regulators, such number of commercial copies of the Prospectus or Supplementary Material in respect thereof (including the French language version thereof), and the Private Placement Memorandum as the Underwriters reasonably require.

ARTICLE 6
NOTICE OF MATERIAL CHANGE

6.1 During the period of distribution to the public of the Offered Shares, which shall be the period from the date hereof to the date upon which the Company has received the notice of termination contemplated in Section 17.1 or the notice that distribution has ceased contemplated in Article 20 hereof, whichever is earlier, the Company shall promptly notify the Underwriters in writing of:

(a) any material change (actual, contemplated or threatened) in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or ownership of the Company or proposed ownership of the Company, in each case on a consolidated basis;

(b) any material fact that has arisen or has been discovered which would have been required to have been stated in the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum, or any Supplementary Material, as the case may be, had the fact arisen or been discovered on, or prior to, the date of such document; and

(c) any change in a material fact in the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum, any Supplementary Material, or any documents referenced therein by incorporation, as the case may be, or the existence of any new material fact,

which change or new material fact is, or may be of such a nature as:

(i) to render the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum, or the Supplementary Material misleading or untrue;

(ii) would result in the Preliminary Prospectus, the Prospectus or the Supplementary Material not complying with Securities Laws, or the Private Placement Memorandum not complying with U.S. Securities Laws;

(iii) would reasonably be expected to have a significant effect on the market price or value of the Offered Shares or the Class A Shares or which would restrict or prevent the trading of the Offered Shares or the Class A Shares; or

(iv) would be material to a prospective purchaser of the Offered Shares.

6.2 In any such case described in Section 6.1, the Company shall promptly and, in any event within applicable time limitations set out in the Securities Laws, comply with all legal requirements necessary to comply with the Securities Laws and rules of the TSX in order to allow for the continued distribution of the Offered Shares in the Qualifying Jurisdictions as contemplated hereunder and the sale of the Offered Shares in the United States in accordance with Article 19 hereof.

6.3 The Company shall in good faith discuss with the Underwriters any change in a fact or circumstances (actual, proposed or prospective) which is of such a nature that there is reasonable doubt whether notice need be given to the Underwriters pursuant to this Article 6.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

7.1 The Company represents and warrants to each of the Underwriters and acknowledges that each of the Underwriters is relying upon such representations and warranties in connection with its execution and delivery of this Agreement, and agrees that each delivery of the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum, and any Supplementary Material by the Company to the Underwriters shall constitute the representation and warranty of the Company to the Underwriters that:

(a) the Company has been duly incorporated and is validly existing under the laws of British Columbia and has all corporate power, capacity and authority to carry on its business as now carried on and presently proposed to be conducted as is or will be described in the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum and any Supplementary Material, and to own and lease its properties and assets as described in the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum and any Supplementary Material in each jurisdiction in which it carries on or proposes to carry on its business or owns, leases, or operates or proposes to own, lease or operate its properties and assets;

(b) each of the Company’s subsidiaries has been duly incorporated and is validly existing under the laws of its jurisdiction of incorporation and has all corporate power, capacity and authority to carry on its business as now carried on and presently proposed to be conducted as is described in the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum and any Supplementary Material;

(c) each of the Company and its subsidiaries has conducted and is conducting its business in compliance in all material respects with all applicable laws, rules and regulations in each jurisdiction in which it carries on its business and is duly licensed, registered or qualified in all jurisdictions in which it owns, leases or operates any of its properties or carries on any of its business to enable its business and assets to be owned, leased and operated, except to the extent that the failure to so comply or to be so licensed, registered or qualified would not have a material adverse effect on the Company and its subsidiaries (taken as a whole), and all such licenses, registrations or qualifications which are material are valid and existing in good standing;

(d) none of the Company or its subsidiaries is in violation of its constating documents, in any material respect; and none of the Company or its subsidiaries is in default in the performance or observation of any obligation, agreement, covenant, or condition contained in any contract, indenture, mortgage, loan agreement, note or other instrument to which it is a party or by which it may be bound or to which any of its properties or assets is subject which would have a material adverse affect on the Company and its subsidiaries (taken as a whole);

(e) the Company (i) is a reporting issuer (within the meaning of Securities Laws) or the equivalent in all the provinces of Canada, (ii) is not in default of any of the requirements of the Securities Laws, (iii) is eligible under National Instrument 44-101 – *Short Form Prospectus Distributions* to file the Preliminary Prospectus and the Final Prospectus in each of the Qualifying Jurisdictions and (iv) there are no reports or information that in accordance with the requirements of the Securities Laws must be made publicly available in connection with the Offering as at the date hereof that have not been made publicly available as required;

(f) the Class A Shares are listed for trading on the TSX and the Company is not in default of any of the listing requirements of the TSX applicable to the Company including, for avoidance of doubt, any requirement that shareholder approval be obtained for the Offering or the issuance of the Offered Shares;

(g) the Company has duly authorized, executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation of the Company enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally and except as limited by the application of equitable remedies which may be granted in the discretion of a court of competent jurisdiction and that enforcement of the rights to indemnity and contribution set out in this Agreement may be limited by applicable law;

(h) The execution and delivery of this Agreement by the Company, the issuance, offering and sale of Offered Shares, the use of proceeds as described in the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum and any Supplementary Materials, and the compliance by the Company with the other provisions of this Agreement do not:

  (i) require the consent, approval, authorization, registration or qualification of or with any governmental authority, stock exchange, Securities Regulators or other third party except: (A) such as have been obtained; and (B) such as may be required (and shall be obtained as provided in this Agreement) under the Securities Laws and the rules of the TSX;

  (ii) conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under: (A) any material indenture, mortgage, lease or other agreement or instrument to which the Company,

any of its subsidiaries or any of their respective properties is bound; (B) the constating documents of the Company or any of its subsidiaries, respectively; or (C) any statute or any judgment, decree, order, material rule or regulation of any court or other governmental authority or any arbitrator, stock exchange or securities association applicable to the Company or any of its subsidiaries; or

(iii) give rise to any claim against the Company, any of its subsidiaries, or any of their assets or give rise to or accelerate the repayment of any indebtedness or other payment or repayment obligation under any term or provision of any document or instrument referred to in sub-clause (A) or (B) of clause 2(h)(ii) above;

(i) the Company has the necessary corporate power and authority to execute and deliver the Preliminary Prospectus and the Prospectus and, if applicable, will have the necessary corporate power and authority to execute and deliver any Supplementary Material prior to the filing thereof, and all necessary corporate action has been taken by the Company to authorize the execution and delivery by it of the Preliminary Prospectus and the Prospectus, and the filing thereof in each of the Qualifying Jurisdictions under the Securities Laws;

(j) the Company has filed each statement, report, material change report, prospectus, management information circular, annual and interim report to shareholders, annual information form, financial statements, business acquisition report, and any other material filing required to be filed with the Securities Regulators by the Company since January 1, 2011 (collectively, the "**Company Public Documents**"). As of their respective filing dates, the Company Public Documents complied in all material respect with the requirements of applicable Securities Laws and none of the Company Public Documents contained any untrue statement of material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstance in which they were made, not misleading, except to the extent corrected by a subsequently filed Company Public Document. The Company has not filed any confidential material change report or other confidential report with any Securities Regulators or other governmental entity which at the date hereof remains confidential;

(k) except as has been or will be disclosed in or contemplated by the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum and any Supplementary Material, subsequent to December 31, 2012, there has not been any material adverse change, actual or pending, in the capital, assets, liabilities (absolute, accrued, contingent or otherwise), earnings, business, prospects, operations or condition (financial or otherwise) or results of the operations of the Company and its subsidiaries (taken as a whole). Other than as set forth in the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum or any Supplementary Material, subsequent to December 31, 2012, (i) there have been no transactions entered into by the Company or any of its subsidiaries, other than those in the ordinary course of business, which are material with respect to the Company and its subsidiaries (taken as a whole), (ii) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock, and (iii) neither the Company nor any of its subsidiaries has sustained any material loss or interference with its business from fire, drought, earthquake, flood, insect infestations, crop pest, tsunamis, explosion, nuclear disaster or other calamity, whether or not covered by insurance;

(l) the Financial Information presents fairly in all material respects the financial condition, results of operations and cash flows of the Company as of the dates and for the periods indicated, complies as to form with the applicable accounting requirements of the Securities Laws and has been prepared in conformity with International Financial Reporting Standards applied on a consistent basis throughout the periods involved (except as otherwise noted therein). Any selected financial data set forth in the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum and any Supplementary Material fairly present, on the basis stated therein, the information included therein;

(m) other than as disclosed in the Financial Information there are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of the Company or any of its subsidiaries with unconsolidated entities or other persons that may have a material current or future effect on the financial condition, change in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses of the Company or any of its subsidiaries;

(n) except as disclosed in the Preliminary Prospectus, the Prospectus, the Private Place Memorandum or any Supplementary Material, none of the Company or any of its subsidiaries has any contingent liabilities, in excess of the liabilities that are either reflected or reserved against it in the Financial Information which are material to the business, prospects, operations, conditions (financial or otherwise) of the Company and its subsidiaries (taken as a whole);

(o) except as disclosed in the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum or any Supplementary Material, no material indebtedness (actual or contingent) and no material contract or arrangement is outstanding between the Company or any of its subsidiaries and any director or executive officer of the Company or any person connected with such director or executive officer (including his/her spouse or children, or any company or undertaking in which he/she holds a controlling interest). There are no material relationships or transactions between the Company or any of its subsidiaries on the one hand and its affiliates, officers and directors or their shareholders, customers or suppliers on the other hand which are not disclosed in the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum or any Supplementary Material;

(p) the Company and each of its subsidiaries maintains a system of internal controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management’s general or specific authorization; (ii) transactions are recorded as necessary to permit the Financial Information to be fairly presented in accordance with International Financial Reporting Standards and to maintain accountability for assets; (iii) access to its assets is permitted only in accordance with management’s general or specific authorization; (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to differences; (v) the Company and each of its subsidiaries have made and kept books, records and accounts, which in reasonable details, accurately and fairly reflect in all material respects the transactions and dispositions of assets of such entity; (vi) material information relating to the Company and its subsidiaries is made known to those within the Company responsible for the preparation of the Financial Information during the period of which the Financial Information has been prepared and that such material information is disclosed to the public within the time periods required by applicable law, material weaknesses in the design or operation of such internal controls that could adversely affect the Company’s ability to disclose to the public information required to be disclosed by it in accordance with applicable law, including Securities Laws, and all fraud, whether or not material, that involves management or employees that have a significant role in the Company’s internal controls have been disclosed to the audit committee of the Company’s board of directors;

(q) except as will be disclosed in the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum or any Supplementary Material, there is no action, suit or proceeding (whether or not purportedly by or on behalf of, the Company or the Company’s subsidiaries) pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its subsidiaries at law or in equity or before or by any federal, provincial, state, municipal or other governmental department, commission, board or agency having jurisdiction over the Company or any of its subsidiaries, domestic or foreign, which in any way materially adversely affects or could reasonably be expected to materially adversely affect the business, prospects, operations or condition of the Company and its subsidiaries (taken as a whole) (financial or otherwise);

(r) the Company is not in default or breach of, and the execution, delivery, performance and compliance of or with the terms of this Agreement and the distribution of the Offered Shares by the Company will not result in any breach of, or be in conflict with or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under, (i) any material term or provision of the articles or resolutions of the directors (or any committee thereof) or the shareholders of the Company, or its subsidiaries, as applicable; (ii) in any material respect, any material mortgage, note, indenture, contract, agreement, instrument, lease or other document of which any of the Company, or its subsidiaries, is a party or by which it is bound; or (iii) in any material respect, any judgment, decree, order, statute, rule or regulation applicable to the Company;

(s) no labour dispute with the employees of the Company or any of its subsidiaries exists or, to the best of the knowledge, information and belief of the Company, is imminent, and the Company is not aware of any existing or imminent labour disturbance by the employees of any of its or any of its subsidiaries' principal suppliers, manufacturers, customers or contracts, which in either case, would result in any material adverse effect on the business, prospects, operation or conditions of the Company and its subsidiaries (taken as a whole);

(t) the Company is authorized to issue 100,000,000 Class A Shares, 1,700,000 Class B Shares, and 5,000,000 Preference Shares without par value, issuable in series, of which, as at September 17, 2013, 55,862,955 Class A Shares, no Class B Shares and no Preference Shares are issued and outstanding, all of which Class A Shares are issued as fully paid and non-assessable;

(u) except as provided for herein and under the Company's share option plan or other existing compensation or incentive arrangements, no person now has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement (including convertible securities or warrants) for the purchase, subscription or issuance of Class A Shares and no person now has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement (including convertible securities or warrants) for the purchase, subscription or issuance of Class B Shares;

(v) all of the issued and outstanding securities of Interfor U.S. Inc., CEDARPRIME Inc., Interfor Sales & Marketing Ltd., Interfor Japan Ltd., Interfor Energy Corp., Grand Forks Railway Company, Interfor U.S. Holdings Inc., Klamath Northern Railway Company, Seaboard International Shipping Company Limited and Seaboard Shipping Company Limited are issued as fully paid and non-assessable and legally and beneficially owned, directly or indirectly, by the Company, and no person now has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement (including convertible securities or warrants) for the acquisition of any unissued or issued securities of such subsidiaries; except for the subsidiaries named in this section 7.1(v), the Company does not legally or beneficially own, or control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, limited liability company, association, or other business entity;

(w) the Company has full corporate power and authority to issue the Offered Shares;

(x) the Offered Shares conform to the description thereof in the Preliminary Prospectus and the Prospectus;

(y) when issued, all of the Offered Shares will have been duly and validly created, allotted and issued as fully paid and non-assessable;

(z) no Securities Regulators or similar regulatory authority or the TSX has issued any order which is currently outstanding preventing or suspending trading in any securities of the Company, no such proceeding is pending, contemplated or threatened and the Company is not in material default of any requirement of Securities Laws;

(aa) the Company's Auditors, who have audited certain consolidated Financial Information of the Company and delivered their report with respect to the audited consolidated financial statements included or incorporated by reference in the Preliminary Prospectus and the Prospectus, are independent chartered accountants with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia and there has not been any disagreement (within the meaning of the National Instrument 52-102 **–** *Continuous Disclosure Obligations*) since January 1, 2010 with the Company's Auditors;

(bb) Computershare Investor Services Inc., at its principal offices located in the City of Vancouver, has been duly appointed as the transfer agent in respect of the Offered Shares;

(cc) the Company and its subsidiaries carry or are entitled to the benefits of insurance, with to the best of the knowledge, information and belief of the Company, financially sound and reputable insurers, in such amounts covering such risks as is generally maintained by the companies of established repute engaged in the same or similar business, and all such insurance is in full force and effect. The Company has no reason to believe that it or any of its subsidiaries will not be able (i) to renew its existing insurance coverage as and when such policies expires or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not result in a material adverse change in the business, prospects, operations or conditions (financial or otherwise) of the Company and its subsidiaries;

(dd) all material forest licences, tree farm licences, timber licences and tenures, agreements with private landowners, industries or U.S. state or federal agencies, and agreements for fibre supply or other direct or indirect interests in timber resource properties, forest lands and rights to harvest timber or receive any supply of timber or fibre and other property rights in which the Company or its subsidiaries holds an interest or right (collectively the "**Timber Rights**") are in all material respects completely and accurately described in the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum or any Supplementary Material and except as set forth therein, the Company or a subsidiary is the legal and beneficial owner of such Timber Rights or has a valid contractual right to the timber or fibre, and the Timber Rights are in good standing and are valid and enforceable and free and clear of any liens, charges or encumbrances except as set forth in the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum or any Supplementary Material and no material royalty is payable in respect of any of them except as required by applicable laws;

(ee) the Company has not taken, directly or indirectly, and will not take any action designed to or that would constitute or that might reasonably be expected to cause or result in, under Securities Laws or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Offered Shares;

(ff) there is no material contract or other document of a character required to be described in the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum or any Supplementary Material, or to be filed, which is not described or filed as required; and the statements in the Preliminary Prospectus and the Prospectus insofar as such statements summarize legal matters, agreements, documents or proceedings discussed therein, are accurate and fair summaries of such legal matters, agreements, documents or proceedings;

(gg) except as set forth in or contemplated in the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum or any Supplementary Material or as otherwise disclosed to the Underwriters in writing, the Company and its subsidiaries are (i) in substantial compliance with all applicable Environmental Laws, (ii) have received and are in substantial compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) have not received notice of any actual or potential liability for the investigation or remediation of any disposal or Release of Hazardous Materials, except where such non-compliance with Environmental Laws, failure to receive required permits, licenses or other approvals, or liability would not, individually or in the aggregate, have a material adverse effect on the Company and its subsidiaries (taken as a whole), whether or not arising from transactions in the ordinary course of business. Except as set forth in the Preliminary Prospectus, the Prospectus, Private Placement Memorandum or any Supplementary Material, neither the Company nor any of its subsidiaries has been named as a “potentially responsible party” under the United States *Comprehensive Environmental Response, Compensation, and Liability Act of 1980*, as amended, or under any similar Canadian legislation;

(hh) the minute books and corporate records of the Company and its subsidiaries are true and correct and contain all minutes of all meetings and all resolutions of the directors (and any committees of such directors) and shareholders of the Company and its subsidiaries as at the date hereof and at the Closing Date will contain the minutes of all meeting and all resolutions of the directors (and any committees of such directors) and shareholders of the Company and its subsidiaries;

(ii) other than as provided for in this Agreement, neither the Company nor any of its subsidiaries has incurred any obligation or liability (absolute, accrued, contingent or otherwise) for brokerage fees, finder’s fees, agent’s commission or other similar forms of compensation with respect to the transactions contemplated herein;

(jj) the Company is not aware of any defects, failures or impairments in the title of the Company or any of its subsidiaries to its assets or those of its subsidiaries whether or not an action, suit, proceeding or inquiry is pending or threatened or whether or not discovered by any third party, which in aggregate could have a material adverse effect on the Company;

(kk) to the knowledge of the Company, the Company or its subsidiaries has good and marketable title to its properties and assets, free and clear of all liens, charges, encumbrances and security interests of any nature or kind, except as described in the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum or any Supplementary Material;

(ll) each of the Company and its subsidiaries has duly and on a timely basis filed all tax returns required to be filed by each of them, each has paid all taxes due and payable by it and each has paid all assessments and reassessments and all other taxes, governmental charges, penalties, interest and other fines due and payable by it and which were claimed by any governmental authority to be due and owing and adequate provision has been made for taxes payable for any completed fiscal period for which tax returns are not yet required and there are no agreements, waivers, or other arrangements providing for an extension of time with respect to the filing of any tax return or payment of any tax, governmental charge or deficiency by the Company and its subsidiaries (except where failure to pay, file or provide will not have a material adverse effect on the Company and its subsidiaries taken as a whole) and, to the best of the knowledge, information and belief of the Company, there are no actions, suits, proceedings, investigations or claims threatened or pending against the Company or its subsidiaries in respect of the taxes, governmental charges or assessments or any matters under discussion with any governmental authority relating to taxes, governmental charges or assessments asserted by any such authority;

(mm) each of the Company, its subsidiaries, its affiliates and, to the best of the knowledge of the Company, any of their respective officers, directors, supervisors, managers, agents, or employees, has not violated, will not violate, and it has instituted and maintains policies and procedures designed to ensure continued compliance with, anti-money laundering laws; and

(nn) the Company and its subsidiaries have not, and to the best of the knowledge of the Company, no director, officer, agent, employee, affiliate or other person acting on behalf of the Company or any of its subsidiaries has, taken any action, directly or indirectly, that would result in a violation by such persons of the anti-corruption legislation of Canada, Japan, the Peoples Republic of China, the United States or any other jurisdiction, or the rules and regulations thereunder, and all related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency thereof, including, without limitation, (i) making an offer, payment or promise to pay or (ii) authorizing the payment of any money, other property, gift, promise to give, or the giving of anything of value to any official, employee or agent of any governmental agency, authority or instrumentality in Canada, Japan, the Peoples Republic of China, the United States or any other jurisdiction where either the payment, gift or promise or the purpose of such contribution, payment, gift or promise was, is or would be prohibited under applicable law, rule or regulation of Canada, Japan, the Peoples Republic of

China, the United States or any other relevant jurisdiction or to any political party or official thereof or any candidate or political office, where either the payment, gift or promise or the purpose of such contribution, payment, gift or promise was, is or would be prohibited under applicable law, rule or regulation of Canada, Japan, the Peoples Republic of China, the United States or any other relevant jurisdiction, except such as would not, individually or in the aggregate, have any material adverse effect on the business, prospects, operations or condition (financial or otherwise) of the Company or its subsidiaries.

ARTICLE 8
REPRESENTATIONS AND WARRANTIES REGARDING THE PROSPECTUS AND THE SUPPLEMENTARY MATERIAL

8.1 The delivery to the Underwriters of the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum or any Supplementary Material shall constitute the representation and warranty of the Company to the Underwriters that, at the time of such delivery, the information and statements contained therein (except information and statements relating solely to and provided or approved in writing by the Underwriters or on behalf of the Underwriters by Underwriters’ Counsel expressly for inclusion therein):

(a) are true and correct in all material respects;

(b) constitute full, true and plain disclosure of all material facts relating to (i) the Company and its subsidiaries on a consolidated basis; and (ii) the Offered Shares;

(c) contain no misrepresentations; and

(d) do not omit a material fact which is necessary to make the information and statements contained therein not misleading in light of the circumstances in which they were made.

8.2 Such delivery shall also constitute the Company’s consent to the use of the Preliminary Prospectus, the Prospectus, or the Supplementary Material, as the case may be by the Underwriters for the purpose of offering and selling the Offered Shares in the Qualifying Jurisdictions in accordance with the Securities Laws, as contemplated herein and the consent to the use of the Private Placement Memorandum by the Underwriters for the purpose of selling the Offered Shares as contemplated in Article 19. The Underwriters covenant and agree not to make any representation or warranty as to the Company or the Offered Shares other than as set forth in the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum or any Supplementary Material.

ARTICLE 9
COVENANTS OF THE COMPANY

9.1 The Company covenants and agrees with each of the Underwriters that:

(a) at the respective times of filing, the Preliminary Prospectus, the Prospectus and any Supplementary Material will fully comply with the requirements of the Securities Laws;

(b) the Company will, in addition to its other obligations hereunder, (i) forthwith prepare and file or cause to be prepared and filed all documents and take or cause to be taken all actions required under the by-laws, rules, policies and regulations of the TSX in order to issue and sell to the Underwriters the Offered Shares for distribution to the public in the Qualifying Jurisdictions, and to cause the Offered Shares to be listed and posted for trading on the TSX on the Closing Date, and (ii) make all necessary filings and use its best efforts to obtain all necessary regulatory and other consents, exemptions and approvals required in connection with the transactions contemplated by this Agreement;

(c) the Company will arrange, if necessary, for the qualification of the Offered Shares for sale under the laws of the Qualifying Jurisdictions and will maintain such qualifications in effect so long as required for the distribution of the Offered Shares; provided that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to service of process in suits, other than those arising out of the offering or sale of the Offered Shares, in any jurisdiction where it is not now so subject;

(d) the Company will advise the Underwriters, promptly after receiving notice thereof of the time when any amendment or supplement to the Prospectus has been filed and when the Preliminary Passport Receipt and the Final Passport Receipt has been issued, and will provide evidence satisfactory to the Underwriters of any such filing or document;

(e) the Company will promptly file all reports required to be filed by it with the Securities Regulators under applicable Securities Laws for so long as the delivery of a prospectus is required in connection with the offering or sale of the Offered Shares, and during such same period will, until the end of the distribution of the Offered Shares, advise the Co-Lead Underwriters, promptly after receiving notice, or obtaining knowledge of (i) the issuance of any order suspending or preventing the use of the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum or any Supplementary Material; (ii) the imposition of cease trading or similar orders affecting the Offered Shares, the Over-Allotment Option, the Class A Shares or any other securities of the Company, or the institution, threatening or contemplation of any proceeding for any such purpose; or (iii) any request made by any Securities Regulator or other authority to amend or supplement the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum or any Supplementary Material. The Company will use its best efforts to prevent the issuance of any such order and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible; and

(f) the Company shall not without the prior written consent of the Co-Lead Underwriters, such consent not to be unreasonably withheld, during the period commencing on the date hereof and ending 90 days following the Closing Date, (i) offer, pledge, sell, contract to sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer, lend or dispose of directly or indirectly, shares of the Company or any securities convertible into or exercisable or exchangeable for shares of the Company, (ii) enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of such shares or such other securities, whether any such transaction at (i) or (ii) of this section is to be settled by delivery of such shares or such other securities, in cash or otherwise, or (iii) agree to do any of the foregoing, provided, however, that the restrictions in (i), (ii) and (iii) of this section shall not apply to securities issued: (x) through the Company's existing share option plan and other existing compensation and incentive plans, or (y) as consideration for the acquisition of real property or assets from an arm's length vendor.

ARTICLE 10
UNDERWRITERS' FEES

10.1 In consideration for the Underwriters' services in:

(a) assisting in the preparation of the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum, and the Supplementary Material;

(b) forming and managing banking, selling or other groups in connection with the distribution of the Offered Shares;

(c) distributing the Offered Shares, both directly and through other registered dealers and brokers; and

(d) all other matters in connection with the issue and sale of the Offered Shares,

the Company agrees to pay to the Underwriters, on the terms set forth in this Agreement, a fee (the "**Commission**") equal to 4.00% of the aggregate gross proceeds to the Company from the Offered Shares purchased by the Underwriters hereunder (being $0.48 per Offered Share). Such Commission will be allocated such that 5% of the Commission is distributed to the Co-Lead Underwriters (and divided equally among such Co-Lead Underwriters) and the remaining 95% of the Commission is distributed among the Underwriters (including the Co-Lead Underwriters) in accordance with the percentages set forth in Section 16.1, as adjusted pursuant to Section 16.2.

ARTICLE 11
CLOSING PROCEDURES

11.1 The purchase of the Firm Shares shall be completed at the Closing Time at the offices of the Company's Counsel or at such other place as the Co-Lead Underwriters and the Company may agree. At the Closing Time the Company will deliver to the Co-Lead Underwriters (or any one of them as the Co-Lead Underwriters may jointly direct), on behalf of the Underwriters:

(a) confirmation that the Firm Shares have been deposited in a non certificated entry deposit account in the name of CDS or as the Co-Lead Underwriters may otherwise direct, provided, however, that in the event that any Firm Shares are sold in accordance with Rule 144A under the 1933 Act, such Firm Shares shall be evidenced by certificates in definitive form, to be registered as directed by the Co-Lead Underwriters; and

(b) such further deliverables as may be contemplated herein or as the Underwriters or the applicable Securities Regulators or the TSX may reasonably require,

against payment by the Underwriters of the purchase price for the Firm Shares, less the Commission for such Firm Shares, by wire transfer to the order of the Company in Canadian same day funds or by such other method as the Company and the Underwriters may agree upon.

11.2 In the event the Over-Allotment Option and from time to time when the Over-Allotment Option is exercised in accordance with its terms, the Company will, at or prior to the Option Closing Time, deliver to the Co-Lead Underwriters (or any one of them as the Co-Lead Underwriters may jointly direct), on behalf of the Underwriters:

(a) confirmation that the Optional Shares have been deposited in a non certificated entry deposit account in the name of CDS or as the Co-Lead Underwriters may otherwise direct, provided, however, that in the event that any Optional Shares are sold in accordance with Rule 144A under the 1933 Act, such Optional Shares shall be evidenced by certificates in definitive form, to be registered as directed by the Co-Lead Underwriters; and

(b) the items listed in Section 13.1(a), Section 13.1(b), Section 13.1(c), Section 13.1(e), Section 13.1(f) and Section 13.1(i), in each case dated the Option Closing Date, together with such further documentation as the TSX may reasonably require, except that such conditions that apply shall be satisfied as at the Option Closing Time on the Option Closing Date,

against payment by the Underwriters of the purchase price for the Optional Shares, less the Commission for such Optional Shares, by wire transfer to the order of the Company in Canadian same day funds or by such other method as the Company and the Underwriters may agree upon.

11.3 In order to facilitate an efficient and timely closing at the Closing Time or Option Closing Time, as the case may be, the Underwriters may choose to initiate a wire transfer of funds to the Company prior to the Closing Time or Option Closing Time, as the case may be. If the Underwriters do so, the Company agrees that such transfer of funds to the Company prior to the Closing Time or Option Closing Time, as the case may be, does not constitute a waiver by the Underwriters of any of the conditions set out in this Agreement. Furthermore, the Company agrees that any such funds received from the Underwriters prior to the Closing Time or Option Closing Time, as the case may be, will be held by the Company in trust solely for the benefit of the Underwriters until the Closing Time or Option Closing Time, as the case may be, and, if the closing does not occur at the scheduled Closing Time or Option Closing Time, as the case may be, such funds shall be immediately returned by wire transfer to the Co-Lead Underwriters on behalf of the Underwriters, without interest. Upon the satisfaction of the conditions of closing at the Closing Time or Option Closing Time, as the case may be, the funds held by the Company in trust for the Underwriters shall be deemed to be delivered by the

Underwriters to the Company in satisfaction of the obligation of the Underwriters under Article 11 of this Agreement and upon such delivery the trust constituted by this Section 11.3 shall be terminated without further formality.

ARTICLE 12
EXPENSES

12.1 Except as otherwise provided herein, the Company agrees to pay all costs, fees and expenses incidental to the performance of the obligations set forth under this Agreement, whether or not the transactions contemplated herein are consummated, including, without limitation, all costs and expenses incidental to:

(a) the printing or other publication of all documents contemplated hereby, including all costs of printing the Preliminary Prospectus, the Prospectus, the Private Placement Memorandum, and the Supplementary Material;

(b) all arrangements relating to the delivery to the Underwriters of copies of the foregoing documents;

(c) the fees and disbursements of the Company's Counsel, the Company's Auditors, and any other experts or advisors retained by the Company;

(d) the translation of the Preliminary Prospectus, the Prospectus and any Supplementary Material;

(e) the preparation, issue and delivery to the Underwriters of any certificates evidencing the Offered Shares, including all fees in connection with the services of CDS and any registrar and transfer agent for the Offered Shares; and

(f) the qualification for distribution of the Offered Shares and the Over-Allotment Option under the Securities Laws in each of the Qualifying Jurisdictions, including all applicable fees and all listing fees relating to the listing of the Offered Shares.

12.2 Legal fees and disbursements of the Underwriters' Counsel and out-of-pocket expenses of the Underwriters shall be borne by the Underwriters, provided however, that in the event that the Offering is terminated, other than by reason of default of the Underwriters, the Company shall reimburse the Underwriters for any and all out-of-pocket expenses, and disbursement reasonably incurred by the Underwriters.

ARTICLE 13
CONDITIONS OF THE UNDERWRITERS' OBLIGATIONS

13.1 The obligations of the Underwriters to purchase and pay for the Offered Shares shall be subject to the performance by the Company of its covenants and agreements hereunder and to the satisfaction of the following additional conditions at or prior to the Closing Time or any Option Closing Time, as applicable:

(a) the Underwriters shall have received legal opinions dated the Closing Date or any Option Closing Date from Company's Counsel, addressed to the Underwriters and Underwriters' Counsel, relating to the Offering and as to the laws of the Provinces of Ontario, Québec, Alberta and British Columbia and the laws of Canada applicable therein, substantially in the form set forth in Exhibit 1 hereto. In giving their opinions, Company's Counsel shall be entitled to rely, as to matters of fact, upon certificates of officers of the Company, the Company's registrar and transfer agent and the Company's Auditors, and on certificates of public and stock exchange officials;

(b) the Underwriters shall have received legal opinions dated the Closing Date or any Option Closing Date from local counsel in the Qualifying Jurisdictions other than the Provinces of Ontario, Québec, Alberta and British Columbia, addressed to the Underwriters and Underwriters' Counsel, relating to the Offering and as to the laws of such Qualifying Jurisdictions, substantially in the form set forth in paragraphs 12 and 13 of Exhibit 1 hereto;

(c) the Underwriters shall have received legal opinions dated the Closing Date or any Option Closing Date from local counsel in applicable jurisdictions, addressed to the Underwriters and Underwriters' Counsel, relating to the subsidiaries of the Corporation other than subsidiaries incorporated under the laws of a jurisdiction in Canada, such legal opinions to be in a form satisfactory to the Underwriters and Underwriters' Counsel, acting reasonably;

(d) the Underwriters shall have received legal opinions dated the Closing Date or any Option Closing Date from Underwriters' Counsel, addressed to the Underwriters, relating to the Offering and as to the laws of Canada and the Qualifying Jurisdictions, it being understood that Underwriters' Counsel may rely on the opinions of Company's Counsel;

(e) the Underwriters shall have received a certificate, or certificates, dated the Closing Date and executed by each of the President and Chief Executive Officer and the Senior Vice President and Chief Financial Officer of the Company, on behalf of the Company, without personal liability, to the effect that:

(i) the Final Passport Receipt has been issued by the British Columbia Securities Commission as the principal regulator of the Company under Multilateral Instrument 11-102 and National Policy 11-202, and, to the best of their knowledge, information and belief, no order suspending or preventing the use of the Prospectus or any amendment thereto or cease trading the Offered Shares, the Over-Allotment Option, the Class A Shares or any other securities of the Company, has been issued, and no proceedings for that purpose have been instituted or threatened by any Securities Regulator;

(ii) the constating documents of the Company attached to the certificate are full, true and correct copies and in effect on the date of such certificate;

(iii) the resolutions of the board of directors of the Company relating to the Offering attached to the certificate are full, true and correct copies thereof and have not been modified or rescinded as of the date of such certificate;

(iv) subsequent to the respective dates as of which information is given in the Prospectus and any Supplementary Material, there has not been any material adverse change, actual or to the knowledge of the Company, pending, in the capital, assets, liabilities (absolute, accrued, contingent or otherwise), earnings, business, operations or condition (financial or otherwise) or results of the operations of the Company and its subsidiaries (taken as a whole);

(v) subsequent to the respective dates as of which information is given in the Prospectus and any Supplementary Material, no transaction out of the ordinary course of business, material to the Company and its subsidiaries on a consolidated basis, has been entered into by the Company or any of the subsidiaries or has been approved by the management of any of them;

(vi) the representations and warranties of the Company contained in this Agreement are true and correct in all material respects as of the Closing Date or the Option Closing Date with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated hereby; and

(vii) the Company has duly complied in all material respects with all the terms and conditions of this Agreement on its part to be complied with up to the Closing Time or the Option Closing Date;

(f) in the event of the offering and sale of Offered Shares in the United States or to or for the account or benefit of a U.S. person (within the meaning of Regulation S) pursuant to Article 19 hereof, the Underwriters shall have received an opinion from the Company's United States counsel, in form and substance reasonably satisfactory to the Company, the Underwriters and their respective counsel and addressed to the Company and each of the Underwriters, such opinion to be subject to standard qualifications and assumptions, to the effect that no registration under the 1933 Act is required in connection with the offer, sale and delivery to the Underwriters of the Offered Shares, and the initial resale by the Underwriters of the Offered Shares to Qualified Institutional Buyers in the United States or to or for the account or benefit of a U.S. person (within the meaning of Regulation S) in the manner contemplated by this Agreement and the Private Placement Memorandum. In providing such opinion, such counsel shall be entitled to assume (i) that the representations and warranties of the Company and the Underwriters set forth in this Agreement are true and correct, and (ii) compliance by the Company and the Underwriters with their respective obligations under this Agreement, and to rely upon certificates of the Underwriters to be delivered pursuant to Section 19.5(h) hereof;

(g) the Underwriters shall have received a comfort letter of the Company's Auditors in form and substance satisfactory to Underwriters' Counsel, acting reasonably, similar to the comfort letter to be delivered to the Underwriters pursuant to Section 5.3(e) hereof, and updated to a date not less than two days prior to the Closing Date;

(h) on the Closing Date, the Firm Shares and on the Option Closing Date, the Optional Shares (if applicable) shall be listed and posted for trading on the TSX;

(i) the Company shall have caused Computershare Investor Services Inc. to have delivered confirmation that the Offered Shares have been deposited in a non certificated inventory deposit account in the name of CDS as specified in Section 11.1 or Section 11.2 hereof;

(j) the Company shall have delivered any definitive certificate or certificates, as the case may be, representing the Offered Shares as specified in Section 11.1 or Section 11.2 hereof; and

(k) the Underwriters shall have received the Commission in the manner specified in Section 11.1 or 11.2 hereof.

ARTICLE 14
INDEMNIFICATION AND CONTRIBUTION

14.1 The Company covenants and agrees to indemnify and save harmless each of the Underwriters and its respective directors, officers, employees, partners and agents (each an "**Indemnified Party**") against all losses (other than a loss of profits in connection with the distribution of the Offered Shares), claims, damages, liabilities, costs or expenses (collectively, a "**Claim**") caused or incurred by reason of:

(a) any untrue statement or alleged untrue statement made by the Company in Article 7 or Article 8 hereof or in any certificate delivered to the Underwriters pursuant to this Agreement;

(b) any statement or information contained in the Preliminary Prospectus, the Prospectus or any Supplementary Material that may be filed on behalf of the Company under Securities Laws (other than any statement or information relating solely to the Underwriters and provided by the Underwriters in writing expressly for inclusion in such document) containing or being alleged to contain a misrepresentation (for the purposes of the Securities Laws or any of them) or being alleged to be untrue, false or misleading;

(c) the omission or alleged omission to state in the Preliminary Prospectus, the Prospectus or any Supplementary Material any material fact (for the purposes of the Securities Laws or any of them) (other than a material fact relating solely to the Underwriters) required to be stated therein or necessary to make any statement therein not false or misleading in the light of the circumstances under which it is made;

(d) any material breach or default under any representation, warranty, covenant or agreement of the Company in this Agreement or any other document delivered pursuant to this Agreement or under the Securities Laws, or the failure by the Company to comply with any of its obligations under this Agreement or under the Securities Laws;

(e) the Company not complying with any requirement of the Securities Laws or U.S. Securities Laws, or any breach or violation or alleged breach or violation of any Securities Laws or U.S. Securities Laws or any other applicable securities legislation of any jurisdiction; or

(f) any order made or inquiry, investigation or proceeding (formal or informal) commenced or threatened by any officer or official of any Securities Regulator based upon the circumstances described in Section 14.1(b), Section 14.1(c), Section 14.1(d) or Section 14.1(e) above which operates to prevent or restrict trading in or distribution of the Offered Shares or any other securities of the Company in any of the Qualifying Jurisdictions.

14.2 If any matter or thing contemplated by this Article 14 shall be asserted against any Indemnified Party in respect of which indemnification is or might reasonably be considered to be provided, such Indemnified Party shall notify the Company as soon as possible of the nature of any Claim, but the omission to so notify the Company will not relieve the Company from any liability which it may have to any Indemnified Party under this Article 14, except to the extent that such delay prejudices the Company's ability to contest such Claim, and, upon such notice, the Company shall be entitled (but not required) to assume the defence, on behalf of the Indemnified Party, of any suit brought to enforce such Claim; provided, however, that the defence shall be through legal counsel acceptable to the Indemnified Party, acting reasonably and that the Company shall bear the fees, costs and expenses of such defence.

14.3 With respect to any Claim, the Indemnified Party shall have the right to retain additional counsel to act on his, her or its behalf, provided the fees and disbursements of such additional counsel shall be paid by the Indemnified Party, unless:

(a) the Company and the Indemnified Party shall have mutually agreed to the retention of the additional counsel; or

(b) the named parties to any Claim (including any added, third or impleaded parties) include both the Indemnified Party, on the one hand, and the Company, on the other hand, and the Indemnified Party has been advised in writing by his, her or its outside counsel that representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them.

14.4 In the event that the Company does not assume the defence of a Claim within ten (10) days after receiving notice thereof, the Indemnified Party shall have the right to retain his, her or its own legal counsel and the Company shall bear the reasonable fees, costs and expenses of such counsel. Notwithstanding the foregoing, in no event shall the Company be required to pay the fees and expenses of more than one set of counsel for all of the Indemnified Parties in respect of any particular Claim or related set of Claims.

14.5 The rights of indemnity contained in this Section 14 shall not enure to the benefit of the Underwriters or any other Indemnified Party if the Company has complied with the provisions of Article 6 and Section 9.1(a) hereof and the person asserting any Claim contemplated by this Article 14 was not provided with a copy of any Preliminary Prospectus, Prospectus or Supplementary Material which corrects any untrue statement or information, misrepresentation (for the purposes of the Securities Laws or any of them) or omission which is the basis of such Claim and which is required under the Securities Laws to be delivered to such person by the Underwriters or members of their banking or selling group (if any).

14.6 With respect to any Indemnified Party who is not a party to this Agreement, the Underwriters shall obtain and hold the rights and benefits of this Article 14 in trust for and on behalf of such Indemnified Party.

14.7 If for any reason the indemnification provided for in Article 14 hereof is unavailable, in whole or in part, to an Indemnified Party in respect of any Claim (or claims in respect thereof) referred to in Article 14 hereof, and subject to the restrictions and limitations referred to herein, the Company shall contribute the amount paid or payable (or, if such indemnity is available only in respect of a portion of the amount so paid or payable, such portion of the amount so paid or payable) by such Indemnified Party as a result of such losses (except for loss of profits in connection with the distribution of the Offered Shares), or Claims (or claims in respect thereof):

(a) such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the distribution of the Offered Shares; or

(b) if the allocation provided by Section 14.7(a) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in Section 14.7(a) above but also the relative fault of the Company on the one hand and the Underwriters on the other hand in connection with the statement, information, misrepresentation, omission, order, inquiry, investigation, proceeding or other matter or thing referred to in Article 14 hereof which resulted in such Claim (or claims in respect thereof), as well as any other relevant equitable considerations.

14.8 The rights to contribution provided herein shall be in addition to and not in derogation of any right to contribution which the Underwriters may have by statute or otherwise at law.

14.9 The relative benefits received by the Company on the one hand and the Underwriters on the other hand shall be deemed to be in the same proportion as the total proceeds from the distribution of the Offered Shares (net of the fee payable to the Underwriters but before deducting expenses) received by the Company are to the fee received by the Underwriters, in each case as set forth in the table on the face page of the Prospectus. The Underwriters shall not in any event be liable to contribute, in the aggregate, any amounts in excess of the aggregate fees actually received by the Underwriters from the Company. The relative fault of the Company on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether the statement, information, misrepresentation, omission, order, inquiry, investigation, proceeding or other matter or thing referred to in Article 14 hereof which resulted in such Claim (or claims in respect thereof) relates to information supplied by or steps or actions taken or done by or on behalf of the Underwriters and the relative intent, knowledge, access to information and opportunity to correct or prevent such statement, information, misrepresentation, omission, order, inquiry, investigation, proceeding or other matter or thing referred to in Article 14 hereof. The amount paid or payable by an Indemnified Party as a result of a Claim (or claims, actions, suits or proceedings in respect thereof) referred to above shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such Claim (or claims in respect thereof), whether or not resulting in any such action, suit, proceeding or claim.

14.10 If any provision of this Article 14 is determined to be void, voidable or unenforceable, in whole or in part, such determination shall not affect or impair or be deemed to affect or impair the validity of any other provision of this Agreement and such void, voidable or unenforceable provision shall be severable from this Agreement.

ARTICLE 15
SURVIVAL

15.1 The respective representations, warranties, agreements, covenants, indemnities and contribution obligations of the Company and the Underwriters set forth in this Agreement shall survive the purchase by the Underwriters of the applicable Offered Shares and remain in full force and effect regardless of: (i) any investigation made by or on behalf of the Company, the Underwriters or any of their respective officers or directors; (ii) delivery of and payment for the Offered Shares; and (iii) any subsequent disposition by the Underwriters of the Offered Shares.

15.2 The provisions of Section 15.1 shall not apply if the Underwriters do not purchase any of the Offered Shares. In such circumstances, there shall be no further liability of the Company to the Underwriters under the terms of this Agreement except in respect of any liability that may have arisen or may thereafter arise under Article 12 or Article 14.

ARTICLE 16
OBLIGATIONS OF UNDERWRITERS

16.1 Subject to the terms hereof, the obligations of the Underwriters to purchase the Firm Shares at the Closing Time, and any Optional Shares at any Option Closing Time in accordance with Article 4, shall be several and not joint or joint and several and their respective obligations and rights in this regard shall be in the following percentages:

RBC Dominion Securities Inc.	25.0%
Raymond James Ltd.	25.0%
BMO Nesbitt Burns Inc.	12.5%
CIBC World Markets Inc.	12.5%

Scotia Capital Inc.	12.5%
TD Securities Inc.	12.5%
Total	100.00%

16.2 If one or more of the Underwriters should default in its obligations to purchase its respective percentage of the Firm Shares or Optional Shares, as applicable (the "**Defaulted Securities**"), at Closing Time or Option Closing Time, as the case may be, the non-defaulting Underwriters shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters, to purchase all but not less than all of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth; if, however, the non-defaulting Underwriters shall not have completed such arrangements within such 24 hour period, then:

(a) if the number of Defaulted Securities is less than 10% of the number of Firm Shares or Optional Shares, as applicable, to be purchased hereunder, the non-defaulting Underwriters shall be obligated, each severally and not jointly and not jointly and severally, to purchase the full amount thereof in the proportions that their respective underwriting obligations bear to the underwriting obligations of all non-defaulting Underwriters; or

(b) if the number of Defaulted Securities is 10% or more of the number of Firm Shares or Optional Shares, as applicable, to be purchased hereunder, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter.

16.3 In the event of any default by an Underwriter as described in this Article 16, the non-defaulting Underwriters shall have the right to postpone the Closing Date or Option Closing Date, as the case may be, for not more than three (3) business days in order that any changes in the arrangements or documents for the purchase and delivery of the Firm Shares or Optional Shares, as applicable, may be made. Nothing in this Article 16 shall require the Company to sell less than all of the Firm Shares or Optional Shares, as applicable, or relieve any defaulting Underwriter from liability in respect of its default hereunder to the Company and to the non-defaulting Underwriters.

ARTICLE 17
TERMINATION

17.1 In addition to any other remedies which may be available to the Underwriters, any Underwriter shall be entitled, without liability, at such Underwriter's sole discretion in accordance with Section 17.2, to terminate and cancel such Underwriter's obligations under this Agreement in respect of any Offered Shares not then purchased under this Agreement by written notice to that effect given to the Company prior to the Closing Time or Option Closing Time, as the case may be, if, at or prior to the Closing Time or the Option Closing Time, as applicable:

(a) any order to cease or suspend trading in any securities of the Company, or prohibiting or restricting the distribution of the Class A Shares is made, or any proceeding is announced or commenced or threatened for the making of any such order, by any securities regulatory authority, any stock exchange or by any other competent authority, and has not been rescinded, revoked or withdrawn; or

(b) any material inquiry, action, suit, proceeding or investigation (whether formal or informal) is commenced, announced or threatened which, in the opinion of the Underwriters (or any of them), acting reasonably, operates to prevent or restrict the issuance or trading of the Class A Shares; or

(c) there should develop, occur or come into effect any event of any nature (including without limitation, terrorism, accident, a new or change in any governmental law or regulation) or other condition or major financial occurrence of national or international consequence, which, in the opinion of the Underwriters (or any one of them), acting reasonably, seriously adversely affects, or will seriously adversely affect, the financial markets or the business, operations or affairs of the Company and its subsidiaries taken as a whole; or

(d) there shall occur any material change, or a change in any material fact or a new material fact shall arise which has or would be expected to have, in the opinion of the Underwriters (or any one of them), acting reasonably, a material adverse change or effect on the business, affairs or financial prospects of the Company or on the market price or the value of the Class A Shares; or

(e) the Company is in breach of a material term, condition or covenant of this Agreement that may not be reasonably expected to be remedied prior to the Closing Date.

17.2 The rights of termination contained in this Article 17 may be exercised by the Underwriters (or any of them) and are in addition to any other rights or remedies the Underwriters (or any of them) may have in respect of any default, act, or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise. A notice of termination given by an Underwriter under this Article 17 shall not be binding upon the other Underwriters. In the event that one or more, but not all of the Underwriters shall exercise the right of termination herein, the other Underwriter(s) shall have the right, but shall not be obligated, to purchase on a pro rata basis in accordance with Section 16.1 (or on such other basis as may be agreed to by the remaining Underwriters) all of the Offered Shares which would otherwise have been purchased by the Underwriter(s) which has so terminated. Nothing in this Article 17 shall oblige the Company to sell to the Underwriters less than all of the Offered Shares.

17.3 All terms and conditions of this Agreement shall be construed as conditions and any breach or failure to comply in all material respects with any such terms or conditions which are for the benefit of the Underwriters shall entitle any of the Underwriters to terminate its obligation to purchase the Offered Shares by notice in writing to that effect given to the Company at or prior to the Closing Time. The Underwriters may waive in whole or in part or extend the time for compliance with any of such terms and conditions without prejudice to their rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Underwriters any such waiver or extension must be in writing and signed by all of the Underwriters.

ARTICLE 18
DUE DILIGENCE

18.1 Prior to the filing of the Preliminary Prospectus, the Prospectus and any Supplementary Materials, the Company shall allow the Underwriters to participate fully in the preparation of the Preliminary Prospectus, the Prospectus and such Supplementary Materials, respectively, and shall allow the Underwriters and Underwriters' Counsel to conduct all due diligence investigations which the Underwriters may reasonably require in order to fulfil their obligations as underwriters and in order to enable the Underwriters to responsibly execute the certificate required to be executed by the Underwriters in the Preliminary Prospectus, Prospectus and any Supplementary Materials.

ARTICLE 19
UNITED STATES OFFERS AND SALES

19.1 The Underwriters, through their U.S. affiliates, intend to offer and sell the Offered Shares within the United States or to or for the account or benefit of U.S. persons (within the meaning of Regulation S) on the terms and subject to the conditions of this Article 19. In that connection, the Company hereby represents and warrants to, and covenants and agrees with, the Underwriters and their U.S. affiliates that:

(a) the Company is, and on the Closing Date will be, a "foreign issuer" within the meaning of Regulation S with no Substantial U.S. Market Interest with respect to the Offered Shares; and the Company is not, and as a result of the sale of the Offered Shares contemplated hereby will not be, an open-end investment company, closed-end investment company, unit investment trust or face-amount certificate company that is or is required to be registered under Section 8 of the United States *Investment Company Act of 1940*, as amended;

(b) the documents referred to in Section 19.5(f), at the respective dates thereof did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Such documents, at the date hereof, do not and at the Closing Time will not (and any amendment or supplement thereto or final form thereof at the date thereof and at the Closing Time will not) contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(c) none of the Company, its affiliates or anyone acting on its or their behalf (other than the Underwriters, their affiliates or any person acting on their behalf, as to which no representation is made) directly or indirectly, has taken or will take any action in violation of Regulation M in connection with the offer and sale of the Offered Shares;

(d) the Company believes that it is not currently and, as a result of the issue and sale of the Offered Shares and the application of the proceeds thereof, should not become a “passive foreign investment company” within the meaning of the United States Internal Revenue Code of 1986, as amended;

(e) none of the Company, its affiliates or any person acting on its or their behalf (other than the Underwriters, their affiliates or any person acting on their behalf, in respect of which no representation is made) has engaged or will engage in any Directed Selling Efforts with respect to the Offered Shares or has taken or will take any action (including sale of securities into the United States) that would cause the exemption afforded by Rule 144A or the exemption from registration under Regulation S to be unavailable for offers and sales of the Offered Shares pursuant to this Agreement;

(f) the Offered Shares satisfy the requirements set forth in Rule 144A(d)(3) under the 1933 Act in that they are not part of a class listed on a national securities exchange in the United States or quoted in a U.S. automated inter-dealer quotation system; and

(g) none of the Company, its affiliates or any person acting on its or their behalf (other than the Underwriters, their affiliates or any person acting on their behalf, in respect of which no representation is made) has offered or will offer to sell, or has solicited or will solicit offers to buy, the Offered Shares in the United States by means of any form of general solicitation or general advertising (as those terms are used in Regulation D) or in any manner involving a public offering within the meaning of Section 4(2) of the 1933 Act.

19.2 The Underwriters acknowledge that none of the Offered Shares has been or will be registered under the 1933 Act or any applicable state securities laws and that the Offered Shares are being offered and sold outside the United States in reliance upon an exemption from registration under the 1933 Act provided by Regulation S and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons (within the meaning of Regulation S) except pursuant to Rule 144A and exemptions from applicable state securities laws.

19.3 The Underwriters acknowledge that any Offered Shares sold in the United States or to or for the account or benefit of U.S. persons (within the meaning of Regulation S) will be first purchased by the Underwriters or affiliates thereof and resold in accordance with the provisions of this Article 19.

19.4 The Underwriters shall require each selling group member to agree, for the benefit of the Company, to comply with, and shall use their best efforts to ensure that each such member complies with, the provisions of this Article 19 as if such provisions applied to such selling group member.

19.5 Each of the Underwriters hereby represents and warrants to, and covenants and agrees with, the Company that:

(a) it is an “accredited investor” within the meaning of Regulation D under the 1933 Act;

(b) all offers and sales of the Offered Shares in the United States will be effected in compliance with registration and qualification provisions of applicable state securities laws and by or through its U.S. broker-dealer affiliates who are registered in the United States in accordance with all applicable U.S. broker-dealer registration and other requirements;

(c) its U.S. affiliate(s) selling Offered Shares in the United States is a Qualified Institutional Buyer within the meaning of Rule 144A;

(d) (A) it will solicit (and will cause its U.S. affiliate(s) to solicit) offers for the Offered Shares in the United States or from persons who are U.S. persons or purchasing the Offered Shares for the account or benefit of U.S. persons (within the meaning of Regulation S) only from, and will offer (and cause its U.S. affiliate(s) to offer) the Offered Shares only to, persons who it reasonably believes to be Qualified Institutional Buyers in accordance with Rule 144A, (B) it will not sell (and will cause its U.S. affiliate(s) not to sell) any Offered Shares in the United States or to or for the account or benefit of U.S. persons (within the meaning of Regulation S) except to institutions, each of which it reasonably believes to be a Qualified Institutional Buyer in accordance with Rule 144A, and (C) it will not sell (and will cause its U.S. affiliate(s) not to sell) any Offered Shares (other than in accordance with Rule 144A) to any purchaser unless it and any person acting on its behalf reasonably believe that at the time the order to purchase such shares was placed, the purchaser was outside the United States and was not a U.S. person or purchasing for the benefit or account of a U.S. person (within the meaning of Regulation S);

(e) it will inform (and cause its U.S. affiliate(s) to inform) all purchasers of the Offered Shares in the United States and that are, or are purchasing for the account or benefit of, U.S. persons (within the meaning of Regulation S) that the Offered Shares have not been and will not be registered under the 1933 Act and are being sold to them without registration under the 1933 Act in reliance on Rule 144A;

(f) it will deliver, through its U.S. affiliate(s), a copy of the preliminary Private Placement Memorandum and/or the final Private Placement Memorandum, as the case may be, including the Preliminary Prospectus, Prospectus or Supplementary Material, as applicable, relating to the Offered Shares, such memorandum to be substantially in the form attached hereto as Exhibit 3, and no other written material will be used in connection with the offer or sale of the Offered Shares in the United States or to or for the account or benefit of U.S. persons (within the meaning of Regulations S); the Private Placement Memorandum for the Offering of the Offered Shares in the United States and to or for the account or benefit of U.S. persons (within the meaning of Regulation S) shall contain disclosure in substantially the form set forth below:

"**THESE CLASS "A" SUBORDINATE VOTING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS EXCEPT TO PERSONS REASONABLY BELIEVED BY THE UNDERWRITERS (OR THEIR U.S. AFFILIATES) TO BE QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A UNDER THE 1933 ACT) IN ACCORDANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT PROVIDED BY RULE 144A AND EXEMPTIONS FROM ANY APPLICABLE STATE SECURITIES LAWS. EACH PROSPECTIVE PURCHASER IS HEREBY NOTIFIED THAT THE OFFER AND SALE OF THE CLASS "A" SUBORDINATE VOTING SHARES TO IT ARE BEING MADE IN RELIANCE UPON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE 1933 ACT PROVIDED BY RULE 144A.**

THE CLASS "A" SUBORDINATE VOTING SHARES WILL BE "RESTRICTED SECURITIES" AS DEFINED IN RULE 144 UNDER THE 1933 ACT AND MAY NOT BE REOFFERED OR RESOLD OR OTHERWISE TRANSFERRED EXCEPT (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT AND APPLICABLE LOCAL LAWS AND REGULATIONS, (C) INSIDE THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE 1933 ACT TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE OFFER, SALE OR TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) RULE 144 UNDER THE 1933 ACT, IF AVAILABLE, OR (3) ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT OR (D) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT, AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS OR SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTION AND IN THE CASE OF (C)(2) OR (C)(3) PROVIDED IT HAS FURNISHED TO THE COMPANY AND COMPUTERSHARE INVESTOR SERVICES INC. AN OPINION OF COUNSEL OF RECOGNIZED STANDING, OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT.

THE CLASS "A" SUBORDINATE VOTING SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES OR ANY CANADIAN PROVINCIAL SECURITIES COMMISSION PASSED ON THE ACCURACY OR ADEQUACY OF THIS U.S. PLACEMENT MEMORANDUM OR THE CANADIAN PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE."

Each purchaser of Offered Shares offered hereby will, by its purchase of such Offered Shares, be deemed to have represented and agreed for the benefit of the Company, the Underwriters and their U.S. affiliates as follows:

(i) it is aware that the Offered Shares have not been and will not be registered under the 1933 Act or the securities laws of any state and that the sale contemplated hereby is being made to Qualified Institutional Buyers in reliance on Rule 144A and exemptions under applicable state securities laws;

(ii) it is authorized to purchase the Offered Shares;

(iii) it is a Qualified Institutional Buyer and is acquiring the Offered Shares for its own account or for the account of a Qualified Institutional Buyer as to which it exercises sole investment discretion, and not with a view to any resale, distribution, or other disposition of the Offered Shares in violation of U.S. federal or state securities laws;

(iv) it acknowledges that it has not purchased the Offered Shares as a result of any general solicitation or general advertising, including advertisements, articles, notices, or other communications published in any newspaper, magazine, or similar media, or broadcast over radio and television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(v) it understands that the Offered Shares are "restricted securities" as defined in Rule 144 under the 1933 Act and that if it decides to offer, sell or otherwise transfer such securities, such securities may be offered, sold or otherwise transferred only (A) to the Company, (B) outside the United States in accordance with Rule 904 of Regulation S under the 1933 Act, (C) inside the United States in accordance with (i) Rule 144A to a person who the seller reasonably believes is a Qualified Institutional Buyer purchasing for its own account or for the account of a Qualified Institutional Buyer to whom notice is given that the offer, sale or transfer is being made in reliance on Rule 144A, (ii) by Rule 144 under the 1933 Act, if available, or (iii) another exemption from the registration requirements of the 1933 Act, or (D) under an effective registration statement under the 1933 Act and in each case in accordance with any applicable state securities laws in the United States or securities laws of any other applicable jurisdiction and in the case of (C)(ii) and (C)(iii) provided it has furnished to the Company and Computershare Investor Services Inc. an opinion of counsel of recognized standing, or other evidence, reasonably satisfactory to the Company to such effect;

(vi) it understands that all certificates representing the Offered Shares sold in the United States or to or for the account or benefit of U.S. persons (within the meaning of Regulation S) placement shall bear a legend in substantially the following form:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF INTERNATIONAL FOREST PRODUCTS LIMITED (THE "COMPANY") THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT, (C) INSIDE THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE 1933 ACT, (2) RULE 144 UNDER THE 1933 ACT, IF AVAILABLE, OR (3) ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT OR (D) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT, AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS OR SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTION AND IN THE CASE OF (C)(2) OR (C)(3) PROVIDED IT HAS FURNISHED TO THE COMPANY AND COMPUTERSHARE INVESTOR SERVICES INC. AN OPINION OF COUNSEL OF RECOGNIZED STANDING, OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. A NEW CERTIFICATE BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE "GOOD DELIVERY", MAY BE OBTAINED FROM COMPUTERSHARE INVESTOR SERVICES INC. UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO COMPUTERSHARE INVESTOR SERVICES INC. AND THE COMPANY, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT;

provided that, if Offered Shares are being sold under clause (B) above, the legend may be removed by providing a declaration to Computershare Investor Services Inc., as registrar and transfer agent, to the effect set forth in Exhibit 2 (or in such other form as Computershare Investor Services Inc. or such other entity as may be the Company's transfer agent at such time (the "**Transfer Agent**") or the Company may prescribe from time to time) and, if required by the Transfer Agent, an opinion of counsel of recognized standing, and provided further that, if any such Offered Shares are being sold under paragraph (C)(2) or (C)(3) above, the legend may be removed by delivery to Computershare Investor Services Inc. of an opinion of counsel, of recognized standing, or other evidence, reasonably satisfactory to the Company, to the effect that such legend is no longer required under applicable requirements of the 1933 Act or state securities laws, provided, however, that such legend may be removed at such time as the Company shall determine;

(vii) it consents to the Company making a notation in its records or giving instructions to any transfer agent of the Offered Shares in order to implement the restrictions on transfer set forth herein and in the Private Placement Memorandum; and

(viii) it understands and acknowledges that it is making the representations, warranties and agreements contained in the Private Placement Memorandum with the intent that they may be relied upon by the Company, the Underwriters and their U.S. affiliates in determining its eligibility or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to purchase the Offered Shares;

(g) it shall cause its U.S. affiliate(s) to agree to and comply with, for the benefit of the Company, the same provisions as are contained in this Article 19;

(h) at the Closing Time, it, together with its U.S. affiliate(s) selling Offered Shares in the United States, will provide a certificate, substantially in the form of Exhibit 2 hereto, relating to the manner of the offer and sale of the Offered Shares in the United States and to or for the account or benefit of U.S. persons (within the meaning of Regulation S);

(i) at least one (1) business day prior to the Closing Date, it shall cause each U.S. affiliate through which it has effected sales in the United States or to or for the account or benefit of U.S. persons (within the meaning of Regulation S) to provide Computershare Investor Services Inc. with a list of all purchasers of Offered Shares in the United States or who are U.S. persons (within the meaning of Regulation S); and

(j) none of the Underwriters, their affiliates or any person acting on their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M in connection with the offer and sale of the Offered Shares in the United States.

19.6 Each Underwriter agrees that neither it nor any of its affiliates nor any person acting on its behalf or on behalf of its affiliates:

(a) will, except to the extent permitted by this Article 19 and in accordance with Rule 144A, offer to sell or make any solicitation of an offer to buy, any Offered Shares other than in accordance with Regulation S;

(b) has made or will make any Directed Selling Efforts in the United States with respect to the Offered Shares, and has not taken nor will take any action that would cause the exemption afforded by Rule 144A or Regulation S to be unavailable for offers and sales of the Offered Shares pursuant to this Agreement; or

(c) has offered or will offer to sell, has solicited or will solicit any offer to buy, by any form of general solicitation or general advertising (as those terms are used in Regulation D under the 1933 Act) or in any manner involving a public offering within the meaning of Section 4(2) of the 1933 Act, any of the Offered Shares.

19.7 The Company agrees, for the benefit of any holder of Offered Shares or potential purchaser thereof, that for so long as any of the Offered Shares are outstanding and are "restricted securities", within the meaning of Rule 144(a)(3) under the 1933 Act, it will provide to any holder of Offered Shares and any prospective purchaser thereof designated by such holder for so long as such requirement is necessary in order to permit holders of Offered Shares to effect re-sales under Rule 144A, upon the request of such holder or purchaser, at or prior to the time of purchase, the information required to be provided to such holder or prospective purchaser by Rule 144A(d)(4) unless it is exempt from the reporting requirements of the 1934 Act pursuant to Rule 12g3-2(b) under the 1934 Act or files reports and other information with the SEC under Section 13 or 15(d) of the 1934 Act.

19.8 The Underwriters have not entered, and will not enter, into any contractual arrangement with respect to the distribution of the Offered Shares in the United States or to or for the account or benefit of U.S. persons (within the meaning of Regulation S), except with their U.S. affiliates, without the prior written consent of the Company, except that nothing in this Article 19 shall in any way restrict offers and sales in accordance with Rule 144A.

ARTICLE 20
POST-CLOSING COVENANTS OF THE UNDERWRITERS

20.1 The Underwriters shall after the Option Closing Time: (a) use their reasonable commercial efforts to terminate, and to cause the members of any banking, selling or other group to terminate, distribution to the public of the Firm Shares as promptly as possible; and (b) give prompt written notice to the Company, with a copy to Company's Counsel, when, in the opinion of the Underwriters, they and the members of such groups have ceased distribution to the public of the Offered Shares and of the total proceeds realized from such distribution in each of the respective Qualifying Jurisdictions in which such information is or may be required by the appropriate Securities Regulators.

ARTICLE 21
NOTICES

21.1 All communications hereunder shall be in writing and shall be telecopied or delivered, and shall, in the case of notice to the Company, be addressed and sent to:

International Forest Products Limited
P. O. Box 49114
Bentall Tower Four
3500 – 1055 Dunsmuir Street
Vancouver, BC
V7X 1H7

Attention:	J.A. Horning, Senior Vice-President and Chief Financial Officer
Telecopier No.:	(604) 689-6825

With a copy (which shall not constitute notice) to:

McCarthy Tétrault LLP
Suite 1300, 777 Dunsmuir Street
Vancouver, BC
V7Y 1K2

Attention: Richard Balfour
Telecopier No.: (604) 643-7900

And in the case of notice to the Underwriters, be addressed and sent to each of the following:

RBC Dominion Securities Inc.
2100-666 Burrard Street
Vancouver, BC V6C 3B1

Attention: Steven Borritt
Telecopier No.: (604) 257-7117

Raymond James Ltd.
2100-925 West Georgia Street
Vancouver, BC V6C 3L2

Attention: Ian G. MacKay
Telecopier No.: (604) 659-8398

BMO Nesbitt Burns Inc.
1700 – 885 West Georgia Street
Vancouver, BC V6C 3E8

Attention: Jamie Rogers
Telecopier No.: (604) 443-1408

CIBC World Markets Inc.
12th Floor, 400 Burrard Street
Vancouver, BC V6C 3A6

Attention: Kathy Butler
Telecopier No.: (604) 891-6330

Scotia Capital Inc.
18th Floor – 650 West Georgia Street
Vancouver, BC V6B 4N9

Attention: Andrew McLenan
Telecopier No.: (604) 661-7496

TD Securities Inc.
1700-700 West Georgia Street
Vancouver, BC V7Y 1B6

Attention: T. Dorian Cochran
Telecopier No.: (604) 654-3671

With a copy (which shall not constitute notice) to:

Farris, Vaughan, Wills & Murphy LLP
2500 - 700 West Georgia Street
Vancouver, BC V7Y 1B3

Telecopier No.: (604) 661-9349

The parties may change their respective addresses and telecopy numbers for notice, by notice given in the manner aforesaid. Any such notification shall be deemed to be effective when telecopied or delivered, if telecopied or delivered to the recipient on a business day and before 3:00 p.m. (local time) on such business day, and otherwise shall be deemed to be given at 9:00 a.m. (local time) on the next following business day.

ARTICLE 22
SUCCESSORS

22.1 This Agreement shall enure to the benefit of, and shall be binding upon, the Underwriters and the Company and their respective successors and legal representatives and nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions herein contained, this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of such persons and for the benefit of no other person.

ARTICLE 23
APPLICABLE LAW

23.1 The validity and interpretation of this Agreement, and the terms and conditions set forth herein, shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Any suit, action or proceeding against any party hereto or any of its assets arising out of or relating to this Agreement may be brought in a competent court of the Province of British Columbia and each party hereto hereby irrevocably and unconditionally attorns and submits to the non-exclusive jurisdiction of such court over the subject matter of any such suit, action or proceeding. Each party hereto irrevocably waives and agrees not to raise any objection it might now or hereafter have to any such suit, action or proceeding in any such court including any objection that the place where such court is located is an inconvenient forum or that there is any other suit, action or proceeding in any other place relating in whole or in part to the same subject matter.

ARTICLE 24
COUNTERPARTS

24.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

ARTICLE 25
TIME OF ESSENCE

25.1 Time shall be of the essence of this Agreement.

ARTICLE 26
AUTHORITY OF THE CO-LEAD UNDERWRITERS

26.1 Each of RBC and RJ are hereby authorized by the other Underwriters to act on their behalf and the Company shall be entitled to and shall act on any notice given in accordance with this Agreement or any agreement entered into by or on behalf of the Underwriters by the Co-Lead Underwriters which represent and warrant that they have irrevocable authority to bind the Underwriters, except in respect of any consent to a settlement pursuant to Article 14, which consent shall be given by the Indemnified Party, or a notice of termination given pursuant to Article 17, which notice may be given by any of the Underwriters, or a waiver or extension granted pursuant to Article 17, which waiver or extension must be granted by all of the Underwriters in writing. The Co-Lead Underwriters shall consult with the other Underwriters concerning any matter in respect of which it acts as representative of the Underwriters.

26.2 The Company hereby acknowledges that (i) the purchase and sale of the Offered Shares pursuant to this Agreement is an arm's-length commercial transaction between the Company, on the one hand, and each of the Underwriters and any affiliate through which it may be acting, on the other, (ii) each of the Underwriters is acting as principal and not as an agent or fiduciary of the Company and (iii) the Company's engagement of each of the Underwriters in connection with the Offering and the process leading up to the Offering is as independent contractors and not in any other capacity. Furthermore, the Company agrees that it is solely responsible for making its own judgments in connection with the Offering (irrespective of whether any of the Underwriters has advised or is currently advising the Company on related or other matters). The Company agrees that it will not claim that the Underwriters have rendered advisory services of any nature or respect, or owes an agency, fiduciary or similar duty to the Company, in connection with such transaction or the process leading thereto.

ARTICLE 27
INTEREST IN TMX GROUP LIMITED

27.1 Each of CIBC World Markets Inc., Scotia Capital Inc. and TD Securities Inc. or an affiliate thereof, owns or controls an equity interest in TMX Group Limited ("TMX Group") and has a nominee director serving on the TMX Group's board of directors. As such, each such investment dealer may be considered to have an economic interest in the listing of securities on any exchange owned or operated by TMX Group, including the

TSX, the TSX Venture Exchange and the Alpha Exchange. No person or company is required to obtain products or services from TMX Group or its affiliates as a condition of CIBC World Markets Inc., Scotia Capital Inc. and TD Securities Inc. supplying or continuing to supply a product or service.

If the foregoing is in accordance with your understanding and agreed to by you, please signify your acceptance by signing in the space provided below and return this letter to us whereupon this letter as so accepted shall constitute a binding agreement among us in accordance with the foregoing.

Yours very truly,

RBC DOMINION SECURITIES INC.

"Steven Borritt"
Steven Borritt
Authorized Signing Officer

RAYMOND JAMES LTD.

"Ian G. MacKay"
Ian G. MacKay
Authorized Signing Officer

BMO NESBITT BURNS INC.

"Jamie Rogers"
Jamie Rogers
Authorized Signing Officer

CIBC WORLD MARKETS INC.

"Kathy Butler"
Kathy Butler
Authorized Signing Officer

SCOTIA CAPITAL INC.

"Andrew McLenan"
Andrew McLenan
Authorized Signing Officer

TD SECURITIES INC.

"T. Dorian Cochran"
T. Dorian Cochran
Authorized Signing Officer

Accepted as of this 17th day of September, 2013.

INTERNATIONAL FOREST PRODUCTS LIMITED

By: *"Duncan Davies"*

Duncan Davies
President and Chief Executive Officer

And: *"John Horning"*

John Horning
Senior Vice President and Chief Financial Officer

EXHIBIT 1

Opinion of McCarthy Tétrault LLP

1. the Company is a corporation amalgamated and existing under the laws of British Columbia and has the corporate power to conduct its business as described in the Preliminary Prospectus and the Prospectus;

2. each of **[the Canadian subsidiaries to be listed]** of the Company (individually a "**Subsidiary**" and collectively the "**Subsidiaries**") is a corporation incorporated and existing under the jurisdiction of its incorporation and has the corporate power to conduct its business as described in the Preliminary Prospectus and the Prospectus;

3. the Company's ownership interest in each of the Subsidiaries;

4. the Company has the corporate power to enter into and deliver the Underwriting Agreement and to perform its obligations thereunder and to carry out the transactions contemplated thereby and the Underwriting Agreement has been authorized, executed and, to the extent delivery is a matter governed by the laws of the Province of British Columbia or the federal laws of Canada applicable therein (the "**Applicable Laws**"), delivered by the Company, and such agreement is a legal, valid and binding agreement of the Company and is enforceable against the Company in accordance with its terms under Applicable Laws;

5. the Company's authorized share capital consists of 1,700,000 Class B Shares; 100,000,000 Class A Shares and 5,000,000 Preference Shares without par value, issuable in series ("**Preference Shares**") of which there are no Class B Shares, • Class A Shares and no Preference Shares outstanding;

6. the attributes and characteristics of the Offered Shares conform in all material respects with the descriptions thereof in the Preliminary Prospectus and the Prospectus;

7. the Offered Shares to be delivered under the Underwriting Agreement will, when issued, be validly issued as fully paid and non-assessable shares in the capital of the Company;

8. the execution and delivery by the Company of, and the performance by the Company of its obligations under the Underwriting Agreement will not contravene any provisions of (i) the constating documents, as amended, of the Company, (ii) Applicable Laws applicable to the offering of the Offered Shares, (iii) any indenture, mortgage, deed of trust, loan, credit agreement, note or any other material agreement on the part of the Company or the Subsidiaries of which such counsel is aware, or, (iv) to the knowledge of such counsel, any judgment, order or decree of any governmental body, agency or court in Canada having jurisdiction over the Company or the Subsidiaries, except in the case of (ii), (iii) or (iv), such conflicts, breaches, violations, liens, charges and encumbrances that, individually, or in the aggregate, would not reasonably be expected to have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Company and its Subsidiaries, taken as a whole;

9. the TSX has conditionally approved the listing and posting for trading of the Offered Shares at the opening of trading on the Closing Date, subject to the Company fulfilling all of the requirements of such exchange;

10. all laws of the Province of Québec relating to the use of the French language (other than those relating to verbal communications, in respect of which such counsel express no opinion) will

have been complied with in connection with the sale of the Offered Shares to purchasers in the Province of Quebec provided such purchasers receive copies of the Final Prospectus in the French language alone, or in the English and French languages simultaneously, and that such purchasers receive forms of order and confirmations of sale drawn solely in the French language or in the French and English languages (on the assumption that no documents other than the Final Prospectus and the forms of order and confirmation of sale constitute the contract for the purchase of Offered Shares);

11. to knowledge of counsel, no order having the effect of ceasing or suspending the distribution of the Offered Shares has been issued by any Securities Regulator and no proceedings for that purpose have been instituted or are pending;

12. all documents have been filed, all proceedings have been taken and all other legal requirements have been fulfilled by the Company as required under the Securities Laws to qualify the distribution of the Offered Shares to the public in each of the Qualifying Jurisdictions through dealers duly registered in an appropriate category of dealer registration under the Securities Laws who have complied with the relevant provisions of such laws and the terms of their registration;

13. the Company is a "reporting issuer" in each of the Qualifying Jurisdictions and is not listed in the lists of defaulting reporting issuers by the Securities Regulators of the Qualifying Jurisdictions;

14. Computershare Investor Services Inc. is the duly appointed registrar and transfer agent for the Offered Shares;

15. each of the Preliminary Prospectus and the Prospectus and the execution and filing of each of the Preliminary Prospectus and the Prospectus with the Securities Regulators have been duly approved and authorized by the necessary corporate action on the part of the Company and each of the Preliminary Prospectus and the Prospectus have been duly executed on behalf of the Company; and

16. the statements under the heading "Eligibility for Investment" in the Preliminary Prospectus and the Prospectus are accurate, subject to the assumptions, qualifications, limitations and restrictions set out therein.

In giving the opinions described above, such counsel may state that the opinions above are limited to the laws of the Provinces of Ontario, Québec, Alberta and British Columbia and the federal laws of Canada therein. As to matters of fact, such counsel may, to the extent they deem proper, rely on certificates of responsible officers of the Company and public officials.

EXHIBIT 2

UNDERWRITERS' CERTIFICATE

In connection with the private placement in the United States of Class A Subordinated Voting Shares without par value (the "**Class A Shares")** of International Forest Products Limited. (the "**Company**") pursuant to the underwriting agreement dated September 17, 2013 (the "**Underwriting Agreement**") among the Company and the several Underwriters named therein (the "**Underwriters**"), the undersigned, ●, on behalf of the Underwriters, and ● in its capacity as placement agent in the United States for the Underwriters (the "**Placement Agent**"), does hereby certify that:

(a) all offers and sales of the Class A Shares in the United States or to or for the account or benefit of U.S. persons (within the meaning of Regulation S) were effected by or through the Placement Agent;

(b) the Placement Agent is a duly registered broker or dealer with the SEC and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. on the date hereof;

(c) each purchaser in the United States or that is a U.S. person, or purchasing for the account or benefit of a U.S. person (within the meaning of Regulation S) was provided with a copy of the Private Placement Memorandum, including the Prospectus and any Supplementary Material;

(d) immediately prior to our transmitting the Private Placement Memorandum to any prospective purchaser in the United States that is, or that is purchasing for the account or benefit of, a U.S. person (within the meaning of Regulation S), or making an offer of the Class A Shares to such prospective purchaser, we had reasonable grounds to believe and did believe that it was a Qualified Institutional Buyer, as such term is used under Rule 144A of the United States Securities Act of 1933, as amended ("**QIB**"), and, on the date hereof, we continue to believe that each such purchaser purchasing Class A Shares from us is a QIB;

(e) no form of general solicitation or general advertising (as those terms are used in Regulation D) was used by us; including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising, in connection with the offer or sale of the Class A Shares in the United States or to or for the account or benefit of U.S. persons (within the meaning of Regulation S); and

(f) all offers and sales of the Class A Shares in the United States and to or for the account or benefit of U.S. persons (within the meaning of Regulation S) and all offers and sales of the Class A Shares in Canada and elsewhere outside the United States have been conducted by us in accordance with the Underwriting Agreement.

Terms used in this certificate have the meanings given to them in the Underwriting Agreement unless otherwise defined herein.

DATED this _______day of __________, 2013.

●

By: ____________________________________

Name:
Title:

And: ____________________________________

Name:
Title:

EXHIBIT 3

PRIVATE PLACEMENT MEMORANDUM

The information in this Private Placement Memorandum is not complete and may be changed. We may not sell these securities until the Corporation files its final short form prospectus with the securities regulatory authorities in each of the provinces of Canada. This Private Placement Memorandum is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

CONFIDENTIAL

Subject to Completion, Dated September 17, 2013

U.S. PRIVATE PLACEMENT MEMORANDUM INTERNATIONAL FOREST PRODUCTS LIMITED

Private Placement of Class "A" Subordinate Voting Shares

The private placement of Class "A" Subordinate Voting Shares (the "**Subordinate Voting Shares**") of International Forest Products Limited (the "**Corporation**") is being made by the Corporation in the United States only to qualified institutional buyers ("**Qualified Institutional Buyers**"), as defined in Rule 144A ("**Rule 144A**") under the Securities Act of 1933, as amended (the "**1933 Act**"), concurrently with a public offering of the Subordinate Voting Shares being made in Canada as described in the accompanying preliminary short form prospectus dated September 17, 2013, including the documents incorporated by reference therein (said prospectus and the documents incorporated by reference therein are referred to in this memorandum (the "**U.S. Private Placement Memorandum**") as the "**Canadian Prospectus**"). Accordingly, all or a substantial portion of the Subordinate Voting Shares offered by this U.S. Private Placement Memorandum may be sold in Canada rather than in the United States through this U.S. Private Placement (as defined herein).

The Subordinate Voting Shares are being offered in the United States (the "**U.S. Private Placement**") by the Corporation through U.S. registered broker-dealer affiliates (the "**U.S. Affiliates**") of RBC Dominion Securities Inc., Raymond James Ltd., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc. and TD Securities Inc., (together, the "**U.S. Placement Agents**"). The Canadian Prospectus is incorporated by reference herein, and this U.S. Private Placement Memorandum is qualified in its entirety by the more detailed information contained or incorporated by reference in the Canadian Prospectus.

The Corporation's Subordinate Voting Shares are listed on the Toronto Stock Exchange under the symbol "IFP.A." The closing sale price on the Toronto Stock Exchange on September 16, 2013 was $●.

Price: $12.00 per Subordinate Voting Share

Notice to Investors

The Subordinate Voting Shares have not been approved or recommended by the U.S. Securities and Exchange Commission or by any Canadian or U.S. securities

commission or regulatory authority, nor have any of the foregoing authorities passed on the accuracy or adequacy of this U.S. Private Placement Memorandum or the accompanying Canadian Prospectus. Any representation to the contrary is a criminal offense.

The Subordinate Voting Shares have not been and will not be registered under the 1933 Act or the securities laws of any U.S. state and are being offered and sold in the U.S. Private Placement exclusively to Qualified Institutional Buyers in reliance on Rule 144A under the 1933 Act and exemptions under applicable state securities laws and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the 1933 Act.

Each prospective purchaser of the Subordinate Voting Shares is hereby notified that the offer and sale of Subordinate Voting Shares is being made in reliance upon the exemption from the provisions of Section 5 of the 1933 Act provided by Rule 144A.

The Subordinate Voting Shares sold in the U.S. Private Placement will be "restricted securities" within the meaning of Rule 144 of the 1933 Act and may only be resold or transferred in a transaction that is in accordance with the restrictions referred to below under "Transfer Restrictions".

In connection with this offering, and in accordance with applicable Canadian securities regulatory policies and stock exchange rules, the underwriters of the offering may over-allot or effect transactions which are intended to stabilize or maintain the market price of the Subordinate Voting Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The information contained herein is delivered on a confidential basis to each U.S. offeree solely to enable such offeree to evaluate the Subordinate Voting Shares, and does not constitute an offer to any other person or to the public generally to subscribe for or purchase any of the Subordinate Voting Shares. Distribution of this information to any person other than the offeree, or those persons, if any, retained to advise such offeree with respect hereto is unauthorized, and any disclosure of any of this information without the prior written consent of the Corporation is prohibited. By accepting delivery of this information, each offeree agrees to the foregoing and further agrees not to reproduce this information or any documents attached hereto or referred to herein. If the U.S. offeree does not purchase any Subordinate Voting Shares or if the U.S. Private Placement is terminated, the U.S. offeree agrees to return this information and all documents attached hereto or referred to herein to the Underwriter or the U.S. Affiliates from whom such offeree has received it. The Corporation and the U.S. Placement Agents reserve the right to reject any offer to purchase Subordinate Voting Shares, in whole or in part, for any reason, or to sell less than the number of Subordinate Voting Shares offered hereby.

For information concerning the Subordinate Voting Shares being offered in the U.S. Private Placement, see "Description of Share Capital" in the Canadian Prospectus.

The distribution of this U.S. Private Placement Memorandum and the offering of the Subordinate Voting Shares in certain jurisdictions may be restricted by law. The distribution of this U.S. Private Placement Memorandum (including the accompanying Canadian Prospectus) does not constitute, and may not be used for or in connection with, an offer to sell or solicitation of an offer to buy to any person in any jurisdiction in which such offer or solicitation is not authorized or is unlawful. **Investing in the Subordinate Voting Shares involves risks that are described or incorporated by reference in the "Risk Factors" section of the Canadian Prospectus.**

No dealer, salesman or any other person has been authorized by the Corporation to give any information other than this U.S. Private Placement Memorandum and the Canadian Prospectus or to make any representations in connection with the issue or sale of the Subordinate Voting Shares and, if given or made, any such information or representation must not be relied upon as having been authorized by the Corporation or the U.S. Placement Agents. Neither the delivery of this U.S. Private Placement Memorandum and the accompanying Canadian Prospectus nor any sale made in connection herewith shall, under any circumstances, constitute a representation or create any implication that the information contained in this U.S. Private Placement Memorandum and the accompanying Canadian Prospectus is correct as of any time subsequent to the date hereof and thereof. The offering is being made on the basis of this U.S. Private Placement Memorandum and the Canadian Prospectus. Any decision to purchase the Subordinate Voting Shares must be based on the information contained in these documents. Each offeree, prior to purchasing any Subordinate Voting Shares, should perform its own investigation and analysis of the Corporation and the terms of the offering of the Subordinate Voting Shares, including the risks and merits involved.

The Corporation is organized under the laws of the Province of British Columbia, Canada. The majority of the Corporation's assets are located outside the United States and the majority of its directors and officers and certain of the experts named in the Canadian Prospectus are residents of countries other than the United States. As a result, it may be difficult for investors to effect service of process within the United States on the Corporation, those directors, officers and experts or to realize in the United States upon judgments of courts of the United States predicated upon civil liability of the Corporation, those directors, officers or experts under United States federal and state securities laws.

Each person receiving this U.S. Private Placement Memorandum acknowledges that (a) such person has not relied on the U.S. Placement Agents or any person affiliated with the U.S. Placement Agents in connection with such person's investigation of the accuracy of this U.S. Private Placement Memorandum or the accompanying Canadian Prospectus or such person's investment decision, (b) such person has been afforded an opportunity to request from the Corporation, and to review, all additional information considered by such person to be necessary to verify the accuracy of, or to supplement, the information contained in this U.S. Private Placement Memorandum or the accompanying Canadian Prospectus and (c) the Corporation has not authorized any person to deliver any information different from that contained in this U.S. Private Placement Memorandum or the accompanying Canadian Prospectus.

Tax Consequences

Prospective purchasers should be aware that purchasing, holding and disposing of the Subordinate Voting Shares may have tax consequences under the laws of both Canada and the United States. Such consequences for holders that are residents of, or citizens of, or otherwise subject to taxation in the United States are not described in this U.S. Private Placement Memorandum or the Canadian Prospectus. *Prospective purchasers are solely responsible for determining the tax consequences applicable to their particular circumstances and should consult their tax advisors concerning investment in the Subordinate Voting Shares.*

Canadian Prospectus and Available Information

This U.S. Placement Memorandum is accompanied by the Canadian Prospectus, which has been filed by the Corporation with the securities regulators in all of the provinces of Canada for the purpose of qualifying the Subordinate Voting Shares for sale in Canada.

The Canadian Prospectus has been filed with the securities regulator in each of the provinces of Canada on SEDAR, an electronic database maintained on behalf of the Canadian provincial securities regulators. SEDAR is the System for Electronic Document Analysis and Retrieval, and documents filed on SEDAR may be viewed at the following Web site address: www.sedar.com. The Corporation does not endorse or accept any responsibility for the content on, or the use of, SEDAR. Reference is made to SEDAR for informational purposes only, and is not intended for trading or investment purposes. The Corporation does not guarantee the sequence, accuracy or completeness of any information or data displayed through SEDAR, nor shall the Corporation be liable in any way to any offeree in the U.S. Private Placement or to any other person, firm or corporation whatsoever for any delays, inaccuracies, errors in, or omission of any such information or data or the transmission thereof, or for any action taken in reliance thereon, or for any damages arising therefrom or occasioned thereby or by reason of non-performance or interruption, or termination, of the information or data for any cause whatsoever.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of International Forest Products Limited, at Suite 3500, 1055 Dunsmuir Street, Vancouver, British Columbia, Canada, V7X 1H7, telephone: (604) 689-6825.

The Corporation does not assume any duty of disclosure beyond that which is imposed by law, and expressly disclaims any duty to update any information set forth in its filings with the Canadian provincial securities regulators. To the extent that the Corporation has filed any documents other than the Canadian Prospectus on SEDAR, or that any other documents have been filed on SEDAR by any other person, none of those documents shall be deemed to be incorporated by reference in the Canadian Prospectus other than as specifically set forth in the Canadian Prospectus.

The Canadian Prospectus has been prepared in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of United States securities laws. The Canadian Prospectus describes the public offering of the Subordinate Voting Shares in Canada, which is a separate and distinct offering from the U.S. Private Placement.

Except where otherwise indicated, all dollar figures herein and in the Canadian Prospectus are expressed in Canadian dollars. On September 16, 2013, the noon buying rate of exchange in Canadian dollars as certified by the Bank of Canada was US$1.00 = CAD$●.

Preparation of Financial Statements

Prospective investors should be aware that the financial statements and other financial information incorporated by reference into the Canadian Prospectus have been prepared in accordance with International Financial Reporting Standards, and thus may not be comparable to financial statements and financial information of companies that prepare their financial statements in accordance with U.S. generally accepted accounting principles. Offerees should refer to notes to the Corporation's consolidated financial statements incorporated by reference into the Canadian Prospectus for a description of the significant accounting principles used in the preparation of the Corporation's consolidated financial statements.

U.S. Placement Agents

The Corporation has engaged the U.S. Placement Agents to assist the Corporation in connection with the U.S. Private Placement, including with respect to identifying qualified potential investors.

In consideration of the U.S. Placement Agents' services, the Corporation expects to pay a cash commission to the U.S. Placement Agents of approximately 4% of the aggregate purchase price of the Subordinate Voting Shares sold to investors identified by the U.S. Placement Agents.

Transfer Restrictions

The Subordinate Voting Shares have not been and will not be registered under the 1933 Act or under the securities laws of any U.S. state and may not be offered or sold within the United States except to Qualified Institutional Buyers in compliance with Rule 144A and exemptions under applicable state securities laws. Accordingly, the Subordinate Voting Shares are being offered and sold only (1) to Qualified Institutional Buyers in compliance with Rule 144A and (2) outside the United States to persons other than U.S. persons in reliance upon Regulation S under the 1933 Act. Absent registration of the Subordinate Voting Shares under the 1933 Act, which the Corporation has no obligation or present intention to undertake, resales of the Subordinate Voting Shares can occur only (a) to the Corporation, (b) outside the United States in accordance with Rule 904 of Regulation S under the 1933 Act, or (c) inside the United States, in accordance with (i) Rule 144A to a person who the seller reasonably believes is a Qualified Institutional Buyer purchasing for its own account or for the account of a Qualified Institutional Buyer to whom notice is given that the offer, sale or transfer is being made in reliance on Rule 144A, (ii) Rule 144 under the 1933 Act, if available, or (iii) in a transaction exempt from the registration under the 1933 Act, in each case in accordance with any applicable state securities or "blue sky" laws or securities laws of any other applicable jurisdiction.

Each purchaser of Subordinate Voting Shares in the U.S. Private Placement will, by its purchase of such Subordinate Voting Shares, be deemed to have represented, warranted and agreed for the benefit of the Corporation, the Underwriters and the U.S. Affiliates as follows:

- it is authorized to consummate the purchase of the Subordinate Voting Shares;

- it understands that the Subordinate Voting Shares have not been and will not be registered under the 1933 Act or the securities laws of any U.S. state, and that the offer and sale of Subordinate Voting Shares to it is being made in reliance on a private placement exemption to Qualified Institutional Buyers in accordance with Rule 144A under the 1933 Act and exemptions under applicable state securities laws;

- it has received a copy, for its information only, of the U.S. Private Placement Memorandum, dated September 17, 2013, relating to the offering in the United States of the Subordinate Voting Shares, and it has had access to such additional information, if any, concerning the Corporation as it has considered necessary in connection with its investment decision to acquire the Subordinate Voting Shares;

- it (i) is a Qualified Institutional Buyer, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring the Subordinate Voting Shares for its own account or for the account of a Qualified Institutional Buyer for which it exercises sole investment discretion, in either case, not with a view to any resale, distribution or other disposition of the Subordinate Voting Shares in violation of United States federal or applicable state securities laws;

- it acknowledges that it has not purchased the Subordinate Voting Shares as a result of any general solicitation or general advertising (as those terms are used in Regulation D under the 1933 Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet, or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

- it understands that the Subordinate Voting Shares are restricted securities as defined in Rule 144 under the 1933 Act and agrees that (1) if, in the future, it decides to offer, sell or otherwise transfer the Subordinate Voting Shares, the Subordinate Voting Shares may be offered, sold or otherwise transferred only (A) to the Corporation, (B) outside the United States in accordance with Rule 904 of Regulation S under the 1933 Act, (C) inside the United States pursuant to Rule 144 or Rule 144A under the 1933 Act, or otherwise in a transaction exempt from the registration requirements of the 1933 Act, or (D) pursuant to an effective registration statement under the 1933 Act, and in each case in accordance with any applicable state securities laws in the United States or securities laws of any other applicable jurisdiction and that (2) it will, and each subsequent holder is required to, notify any subsequent purchaser of the Subordinate Voting Shares from it of the resale restrictions referred to in (1) above.;

- it understands and acknowledges that upon the original issuance thereof, and until such time as the same is no longer required under applicable requirements of the 1933 Act or applicable state securities laws, certificates representing the Subordinate Voting Shares, and all certificates issued in exchange therefor or in substitution thereof, shall bear the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF INTERNATIONAL FOREST PRODUCTS LIMITED (THE “COMPANY”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT, (C) INSIDE THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE 1933 ACT, (2) RULE 144 UNDER THE 1933 ACT, IF AVAILABLE, OR (3) ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT OR (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT, AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS OR SECURITIES LAWS OF ANY OTHER APPLICABLE JURISDICTION AND IN THE CASE OF (C)(2) OR (C)(3) PROVIDED IT HAS FURNISHED TO THE COMPANY AND COMPUTERSHARE INVESTOR SERVICES INC. AN OPINION OF COUNSEL OF RECOGNIZED STANDING, OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA. A NEW CERTIFICATE BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE “GOOD DELIVERY”, MAY BE OBTAINED FROM COMPUTERSHARE INVESTOR SERVICES INC. UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO COMPUTERSHARE INVESTOR SERVICES INC. AND THE COMPANY, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT;

provided that, if the Subordinate Voting Shares are being sold under Rule 904 of Regulation S under the 1933 Act at a time when the Corporation is a “foreign issuer” as defined in Rule 902 of Regulation S under the 1933 Act, the legend may be removed by providing a declaration to the Corporation’s transfer agent in such form as the Corporation’s transfer agent or the Corporation may from time to time prescribe and, if requested by the Corporation or its transfer agent, an opinion of counsel of recognized standing satisfactory to the Corporation’s transfer agent and the Corporation to the effect that the sale of securities is being made in compliance with Rule 904 of Regulation S under the 1933 Act; *provided, further*, that the Corporation is not obligated to remain a “foreign issuer” within the meaning of Regulation S under the 1933 Act; *and, provided, further*, that, if any such Subordinate Voting Shares are being sold under Rule 144 under the 1933 Act and in compliance with applicable state securities laws, the legend may be removed by delivery to the Corporation’s transfer agent of an opinion of counsel reasonably satisfactory to the Corporation to the effect that such legend is no longer required under applicable requirements of the 1933 Act or state securities laws;

- it consents to the Corporation making a notation on its records or giving instructions to any transfer agent of the Subordinate Voting Shares in order to implement the restrictions on transfer set forth and described herein;

- if required by applicable securities legislation, regulatory policy or order or by any securities commission, stock exchange or other regulatory authority, it will execute, deliver and file and otherwise assist the Corporation in filing reports, questionnaires, undertakings and other documents with respect to the issue of the Subordinate Voting Shares;

- it understands and acknowledges that the Corporation is not obligated to file and has no present intention of filing with the U.S. Securities and Exchange Commission or with any state securities administrator any registration statement in respect of resales of the Subordinate Voting Shares in the United States;

- it understands and acknowledges that the Corporation is not obligated to remain a "foreign issuer" within the meaning of Regulation S under the 1933 Act; and

- it acknowledges that the foregoing representations, warranties, covenants, and agreements will be relied upon by the Corporation in determining such purchaser's eligibility to purchase the Subordinate Voting Shares.

The foregoing representations and warranties shall survive the purchase the Subordinate Voting Shares and shall continue in full force and effect notwithstanding any subsequent disposition by the purchaser of the Subordinate Voting Shares.

Investors in the U.S. Private Placement that seek to resell the Subordinate Voting Shares on the Toronto Stock Exchange must do so in compliance with Rule 904 of Regulation S under the 1933 Act and the rules and regulations of the Toronto Stock Exchange and applicable Canadian law. In general, a holder desiring to transfer Subordinate Voting Shares on the Toronto Stock Exchange must:

- Contact the Senior Vice President and Chief Financial Officer of the Corporation to confirm the holder's ability to resell the Subordinate Voting Shares under Rule 904 of Regulation S under the 1933 Act, or otherwise;

- Obtain from the Corporation or Computershare Investor Services Inc. (3rd Floor, 510 Burrard Street, Vancouver, B.C. V6C 3B9, Tel. (604) 661-9400, Fax (604) 661-9401) ("Computershare"), a declaration, in substantially the form attached hereto at Annex A and, if requested, opinion of counsel required by the Corporation, and such other certificates and other documents as the Corporation or Computershare may prescribe from time to time, to effect the sale of the Subordinate Voting Shares on the Toronto Stock Exchange;

- Complete the declaration and other certificates and documents, and obtain the opinion of counsel, if required; and

- Provide transfer instructions to the holder's broker and deliver the foregoing documents to Computershare, together with the certificates representing the Subordinate Voting Shares.

For so long as the Corporation is a "foreign issuer," as defined in Rule 902 of Regulation S under the 1933 Act, the Subordinate Voting Shares will not be subject to holding periods before they are eligible to be resold on the Toronto Stock Exchange in compliance with Rule 904 of Regulation S.

The Corporation has agreed that so long as any of the Subordinate Voting Shares which may be sold in the United States or to or for the account or benefit of U.S. Persons in reliance upon Rule 144A are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the 1933 Act, the Corporation shall either: (a) furnish to the SEC all information required to be furnished in accordance with Rule 12g3-2(b) under the U.S. Securities Exchange Act of 1934, as amended (the "**1934 Act**"); (b) file reports and other information with the SEC under Section 13 or 15(d) of the 1934 Act; or (c) in the event it is not exempt from reporting pursuant to Rule 12g3-2(b) nor subject to Section 13 or 15(d) of the 1934 Act, furnish to any holder of such Subordinate Voting Shares and any prospective purchaser of the Subordinate Voting Shares designated by such holder, upon request of such holder, the information required to be delivered pursuant to Rule 144A(d)(4) under the 1933 Act (so long as such requirement is necessary in order to permit holders of the Securities to effect resales under Rule 144A).

Investors should contact the Corporation, Attention: Senior Vice President and Chief Financial Officer, at (604) 689-6825, for further information about the transfer restrictions applicable to the Subordinate Voting Shares and the process for reselling the Subordinate Voting Shares on the Toronto Stock Exchange.

Annex A

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: Computershare Investor Services Inc., as registrar and transfer agent for Class “A” Subordinate Voting Shares (the “**Subordinate Voting Shares**”) of International Forest Products Limited (the “**Corporation**”)

The undersigned:

(a) represents that the sale of the securities of the Corporation to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the *United States Securities Act of 1933*, as amended (the “**1933 Act**”), and

(b) certifies that (1) the undersigned is not an affiliate of the Corporation as that term is defined in Rule 405 under the 1933 Act, (2) the offer of such securities was not made to a person in the United States (as defined in Regulation S) and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed in, on or through the facilities of the Toronto Stock Exchange and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any “directed selling efforts” (as defined in Regulation S) in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of “washing off” the resale restrictions as imposed because the securities are “restricted securities” (as that term is defined in Rule 144(a)(3) under the 1933 Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the Securities Act.

____
Name of Seller

By:______________________________________

Name:____________________________________

Title:_____________________________________

Dated:____________________________________