

**CONIFEX TIMBER INC.**  
**(the "Company")**

**MAJORITY VOTING POLICY FOR ELECTION OF DIRECTORS**

**Updated January 18, 2017**

The board of directors (the "**Board**") of the Company believes that each of its members should carry the confidence and support of the Company's shareholders (each a "**Shareholder**" and collectively, the "**Shareholders**") and is committed to upholding high standards in corporate governance. To this end, the Board has unanimously adopted this majority voting policy (the "**Policy**"). Future nominees for election to the Board will be asked to subscribe to this statement before their names are put forward.

At any Shareholders' meeting where directors are to be elected, Shareholders will be entitled to vote, or to withhold from voting, separately for each director nominee. In an election of directors of the Company that is not a contested election, it is the policy of the Board that each director should be elected by the vote of a majority of the shares cast. If any director nominee is not so elected by at least a majority of votes cast with respect to his or her election (*i.e.*, receives more "withheld" votes than votes in favour of his or her election) (a "**Majority Withheld Vote**"), that director shall promptly submit his or her resignation to the Chair of the Board. In this Policy, a "**contested election**" means a meeting at which the number of directors nominated for election is greater than the number of Board seats available.

The Corporate Governance and Human Resources Committee of the Board (the "**Committee**") shall consider the offer of resignation and shall recommend to the Board whether or not to accept it. Subject to the provisions of this Policy, any director who tenders his or her resignation pursuant to this Policy shall not participate in any meeting of the Committee or the Board or any of its committees at which his or her resignation is considered.

In its deliberations, the Committee will consider all factors it deems relevant including, without limitation, the stated reasons why Shareholders "withheld" votes for the election of the director, the length of service and the qualifications of the director, the effect such resignation may have on the Company's ability to comply with any applicable corporate or securities laws, including the Company's articles and by-laws or any applicable governance rules or policies, and whether such resignation would result in a violation of a material contract to which the Company is a party.

The Board shall review and act on the Committee's recommendation within 90 days following the applicable Shareholders' meeting and shall promptly disclose, by press release (with a copy of same to be provided to the Toronto Stock Exchange as required by its policies), its decision whether to accept the director's resignation offer after considering and evaluating the Committee's recommendation and any other factors that the Board considers relevant. It is expected that, absent exceptional circumstances, the Committee will recommend for accepting the director's resignation and that the Board will follow the Committee's recommendation. If the Board declines to accept the resignation, it will include in the announcing press release the

reasons for its decision. Any resignation tendered by a director under this Policy shall be effective upon its acceptance by the Board.

If a resignation is accepted, the Board may, in accordance with the *Canada Business Corporations Act* and the Company's articles and by-laws and previously-passed Shareholders' resolutions, appoint a new director to fill any vacancy created by the resignation or reduce the size of the Board, within the minimum and maximum number of directors fixed under the Company's articles and by-laws.

If a sufficient number of the Committee members receive a Majority Withheld Vote in the same election such that the Committee no longer has a quorum, then the independent directors of the Board not receiving a Majority Withheld Vote shall form a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept them. However, if the only directors who do not receive a Majority Withheld Vote in the same election do not constitute a quorum for a Board meeting, all directors may participate in the determination of whether or not to accept the resignation offers, provided that any director who received a Majority Withheld Vote in the same election will not participate in the deliberation of, or vote on, his or her resignation offer.

It is the intention of the Board that this Policy comply with all applicable requirements of securities laws and the rules of the stock exchange(s) on which the Company's securities are listed. To the extent any part of this Policy fails to so comply, the Board shall promptly consider and adopt necessary amendments to this Policy.

The Committee may adopt such procedures as it sees fit to assist in its determinations with respect to this Policy.