

CODE OF BUSINESS CONDUCT AND ETHICS



INTRODUCTION

- (a) This Code of Business Conduct and Ethics (“the Code”) is designed to give a broad and clear understanding of the conduct expected of TimberWest Forest Corp. (“TimberWest”) employees. The Code applies to all directors, officers and employees of TimberWest and its subsidiaries, who, unless otherwise specified, will be referred to jointly as “employees.”
- (b) The fundamental relationship between an employee and TimberWest must be one of trust: essential to trust is a commitment to honesty and integrity. This Code is also intended to promote honest and ethical behaviour and fair dealing with TimberWest’s security holders, customers, suppliers, competitors, and employees.
- (c) TimberWest leaders have the obligation to lead by example, using their own behaviour as a model. They are responsible for educating employees about the Code and for enforcing the policies that support it.
- (d) The Board is responsible for monitoring compliance with the Code.

RESPONSIBILITY

- (a) This Code outlines a framework of guiding principles. As with any statement of policy, the exercise of judgment is required in determining the applicability of this Code to each individual situation.
- (b) It is every employee’s responsibility to read and understand the Code. Individuals must comply with the Code in both letter and spirit. Ignorance of the Code will not excuse individuals from its requirements.
- (c) Follow the law wherever you are and in all circumstances.
- (d) Never engage in behavior that harms the reputation of TimberWest. If you wouldn’t want to tell your parents or your children about your action — or wouldn’t want to read about it in a newspaper — don’t do it.
- (e) Some situations may seem ambiguous. Exercise caution when you hear yourself or someone else say, “Everybody does it,” “Maybe just this once,” “No one will ever know” or “It won’t matter in the end.” These are signs to stop, think through the situation and seek guidance. Most importantly, don’t ignore your instincts. Ultimately, you are responsible for your actions.
- (f) You have several options for seeking guidance. You may discuss concerns with your manager, the CEO or the Board Chair.

COMPLIANCE WITH LAW

- (a) Each employee must at all times comply fully with applicable law and should avoid any situation that could be perceived as improper, unethical or indicate a casual attitude towards compliance with the law.
- (b) No TimberWest employee shall commit or condone an illegal act or instruct another employee to do so.
- (c) No employee shall create or condone the creation of a false record. No employee shall destroy or condone the destruction of a record, except in accordance with TimberWest policies.
- (d) Employees are expected to be sufficiently familiar with any legislation that applies to their circumstances and shall recognize potential liabilities, seeking advice where appropriate.
- (e) When in doubt, employees are expected to seek clarification from their immediate supervisor or the Corporate Secretary.

CONFLICTS OF INTEREST

- (a) Employees shall avoid situations that may result in a conflict or perceived conflict between their personal interests and the interest of TimberWest and situations where their actions as employees are influenced or perceived to be influenced by their personal interests.
- (b) The following examples of conflict of interest is for illustration and not intended to be an exhaustive list:
 - i) A customer, supplier or contractor is favoured in anticipation of personal gain, whether directly or indirectly.
 - ii) A significant gift or money is accepted from someone doing business with the Company, which could be construed as an attempt to influence the recipient with respect to a business decision.
 - iii) An employee gives or receives a secret commission.
 - iv) An employee acts as a consultant, advisor or employee of another firm doing business, directly or indirectly, with TimberWest.
 - v) An employee speculates in, or deals in, materials or merchandise produced by TimberWest for resale.
 - vi) An employee borrows or seeks to borrow money from a customer or supplier (other than banking or lending institutions).
 - vii) An employee receives preferred terms for loan financing, or extraordinary terms of sale or purchase discounts, from a customer, supplier or contractor doing business with the Company, unless such terms and discounts are available to the public at large.
- (c) In general, a conflict of interest exists for employees who use their position at TimberWest to benefit themselves, friends or families.
- (d) A perception of a conflict exists when a reasonably well-informed person could perceive that an employee's ability to perform a duty or function was or will be affected by the employee's private interests.

- (e) Full disclosure enables employees to resolve unclear situations and gives an opportunity to dispose of conflicting interests before any difficulty arises. Disclosure processes are outlined in more detail in the Disclosure Section of this Code. Any exemptions granted for the benefit of a director or executive officer of TimberWest would be granted only by the Board or a committee of the Board.

OUTSIDE BUSINESS INTERESTS

- (a) No employee may hold a significant financial interest, either directly or through a relative or associate, or hold or accept a position as an officer or director in an organization in a relationship with TimberWest, where by virtue of his or her position in TimberWest the employee could in any way benefit the other organization by influencing the purchasing, selling or other decisions of TimberWest, unless that interest has been fully disclosed in writing to your manager, the Corporate Secretary or the Board Chair.
- (b) A "significant financial interest" in this context is any interest substantial enough that decisions of TimberWest could result in gain for the employee.

CONFIDENTIAL INFORMATION AND SECURITIES TRADING

- (a) Employees should not disclose confidential records of TimberWest and must not make use of or reveal such information or records except in the course of performance of their duties or unless the documents or information become a matter of general knowledge.
- (b) Similarly employees may not use confidential information obtained through their association or employment with TimberWest to further their own private interests or the private interests of their friends or relatives.
- (c) An employee using TimberWest's data base or electronic mail system will be expected to comply with any internal policies and procedures that guide the storage, use and transmission of information through this medium.
- (d) Each province has its own legislation on "insider trading", which means buying and selling securities on the basis of "inside" knowledge not available to the public. Penalties are severe for violations and employees who trade in, or are contemplating trading in securities, should familiarize themselves with the relevant legislation.
- (e) Employees may not directly or indirectly, through friends, relatives or associates, acquire or dispose of any interest, including publicly traded shares, in any entity when in possession of confidential information obtained in the performance of their duties with TimberWest which could affect the value of such interest.
- (f) This Code should be read in conjunction with TimberWest's Confidential Information Policy, a copy of which accompanies this Code.
- (g) This Code should be read in conjunction with TimberWest's Securities Trading and Reporting Policy for Restricted Persons, a copy of which accompanies this Code.

USE OF TIMBERWEST PROPERTY

- (a) TimberWest assets must not be misappropriated for personal use by employees.

- (b) Employees are entrusted with the care, management and cost-effective use of TimberWest's property, including the use of TimberWest's name, and should not make significant use of these resources for their own personal benefit or purposes.
- (c) Employees should ensure that all TimberWest property assigned to them is maintained in good condition and should be able to account for such property.
- (d) Employees may not dispose of TimberWest property except in accordance with guidelines established by TimberWest.

ENTERTAINMENT, GIFTS AND FAVOURS

- (a) It is essential to efficient business practices that all those who do business with TimberWest as suppliers, contractors or customers, have access to TimberWest on equal terms.
- (b) Entertainment or gifts may be received by or given to employees on occasion but they must always be of such form and substance that they could not influence the employee's judgment with respect to the giver. When in doubt, employees should review the situation with their supervisor. The CEO shall review any doubtful situations with the Chair of the Audit Committee.
- (c) Similarly, employees may not offer or solicit gifts or favours in order to secure preferential treatment for themselves or TimberWest.
- (d) Gifts and entertainment may only be accepted or offered by an employee in the normal exchanges common to established business relationships. An exchange of such gifts shall create no sense of obligation. The following criteria will guide your judgment:
 - i) the gift or benefit would be considered by the business community to be within the bounds of propriety taking into account all the circumstances of the occasion;
 - ii) the exchange does not, nor is it expected to, create an obligation; and
 - iii) it occurs infrequently.
- (e) Inappropriate gifts that are received by an employee should be returned to the donor accompanied by a copy of this Code. Perishable gifts can be donated to a charity and the donor notified. The Corporate Secretary will be advised of the circumstances of an inappropriate gift.
- (f) In some cultures or business settings, the return of a gift or refusal of a favour, benefit or entertainment would be offensive; in these cases, an employee should refer the circumstances to their manager and the Corporate Secretary.
- (g) Full and immediate disclosure to TimberWest management of borderline cases will always be taken as good-faith compliance with this Code.

ENVIRONMENT AND SAFETY

- (a) TimberWest is committed to meeting or surpassing all environmental legislation, regulations, permits and licenses consistent with its Environmental Policy. TimberWest manages its assets for long-term sustainability and is committed to the protection of biodiversity.
- (b) TimberWest is committed to providing a safe and healthy working environment. TimberWest meets or exceeds industry standards and applicable government codes, standards and regulations in all jurisdictions in which it does business. If an employee has any concerns

about safety issues he or she must report them immediately to his or her manager or a member of the Safety Committee.

- (c) Every employee has a personal responsibility to take all prudent precautions in every activity, not just to ensure personal safety, but also to avoid creating any danger to others.

PATENTS AND DISCOVERIES

- (a) Employees are often engaged in various forms of research or problem solving for TimberWest. The product of their efforts produced within the scope of their employment belongs to TimberWest, whether the product was concluded while actually at work or not.
- (b) Such products include computer programs, technical processes, inventions, research methods, reports or articles and any other form of innovation or development. Patents, rights or copyright, as appropriate must be assigned by employees to TimberWest.

PROFESSIONAL DEVELOPMENT

TimberWest encourages and supports the professional development of its employees. Where employees are members of a recognized profession, they are expected:

- (a) to keep abreast of professional developments in their field;
- (b) to perform their duties in accordance with the recognized standards of that profession; and
- (c) to abide by any code of ethics adopted by their professional association.

NON-PROFIT AND PROFESSIONAL ASSOCIATIONS

- (a) TimberWest supports its employees who contribute to their communities through involvement with charitable, community service and professional organizations. If employees use TimberWest resources for such activities they should only do so with the prior approval of their manager, the Corporate Secretary or the Board Chair.
- (b) An employee should ensure that he or she is seen as speaking as an individual and not as a TimberWest employee or spokesperson.

POLITICAL PARTICIPATION

- (a) Employees are encouraged to participate fully as private citizens in the democratic process at any level, including campaigning in elections and running for or holding public office.
- (b) However, employees engaging in the political process should do so on their own time and must take care to separate their personal activities from their association with TimberWest.

ACCOUNTING AND AUDITING:

- (a) TimberWest complies with all financial reporting and accounting rules and regulations of all jurisdictions in which it does business.
- (b) If you have concerns or complaints regarding questionable accounting or auditing matters, you should submit them to the Audit Committee Chair.

- (c) The Audit Committee will treat such submissions confidentially, subject to applicable laws. Concerns should be directed to the attention of the Audit Committee Chair, 2300 - 1055 West Georgia Street, Vancouver, BC, V6E 3P3.

COMPETITION

- (a) TimberWest complies with the competition and anti-trust laws of the jurisdictions in which it conducts business.
- (b) TimberWest does not collude or collaborate with competitors to divide markets, restrict production, or fix prices. TimberWest does not slander competitors or their products, improperly seek competitor information or attempt to influence suppliers illegally.

EMPLOYEE, CUSTOMER AND SUPPLIER PRIVACY

- (a) TimberWest respects the personal privacy of employees, contractors, customers, suppliers and agents.
- (b) TimberWest complies with the letter and the spirit of applicable laws and regulations governing the privacy of personal information. Every TimberWest employee will have access to our Privacy Policy and will be expected to honour its commitments.

RESPECT IN THE WORKPLACE

- (a) TimberWest recognizes a shared responsibility on behalf of all employees to exercise the basic principles of respect and dignity in all working relationships.
- (b) TimberWest enforces a policy of zero tolerance for demeaning, offensive, harassing or discriminatory behavior. TimberWest practices the principle of equal employment opportunity.
- (c) All employees are responsible for complying with our Discrimination and Harassment Policies.

SOCIAL RESPONSIBILITY

- (a) TimberWest believes being a good corporate citizen is an important measure of its success as a company. We give back to the communities in which we do business by focusing on activities that make a meaningful difference
- (b) When conducting business internationally, we respect the cultures and customs of other countries without compromising consistent ethical standards.

DISCLOSURE

- (a) At the time of engagement, each employee of TimberWest must disclose all interest and relationships of which the employee is aware of at the time of engagement which will or may give rise to a conflict of interest. Staff make their disclosure to their manager, officers to the CEO, directors to the Board Chair. All disclosures made by staff and officers will be reported to and recorded by the Corporate Secretary. All disclosures made by directors and the Board Chair will be reported to and recorded by the Corporate Secretary.
- (b) If such an interest or relationship should arise after the individual is engaged, the individual shall make immediate disclosure of all relevant facts to the same positions referred to above.

- (c) If decisions are being made that may provide a benefit to an employee's private interests, the employee shall leave the meeting and shall not participate in the discussions, make any attempt to influence the discussions or vote on the subject matter of an agenda item in respect of which the employee has made a declaration of conflict of interest. If the declaration occurs at a Board meeting, the Corporate Secretary will note the declaration in the minutes.
- (d) The following provides some guidance regarding the process of disclosure for directors and officers who are interested in a contract or proposed contract with TimberWest – either directly, because they are a party to the contract, or indirectly, because they are directors or officers of or have a material interest in a party to the contract.
 - i) The director or officer must disclose their interest in sufficient detail that the other directors understand the true nature and extent of the interest.
 - ii) Disclosure must be in writing or entered into the minutes of a meeting of the board of directors.
 - iii) Except in certain limited circumstances, directors must refrain from voting in respect of a contract in which they have an interest requiring disclosure.
 - iv) In considering the contract, the disinterested directors should determine whether the contract is reasonable and fair to TimberWest.
 - v) In exercising their judgment, the disinterested directors should do so in an informed and independent fashion, after a reasonable analysis of the circumstances, acting on a rationale basis with reasonable grounds for believing that their decision will promote unitholder value.
 - vi) Depending upon the circumstances, it may be advisable for the disinterested directors to adopt various types of procedures in their decision making process to demonstrate the good faith exercise of due care.
- (e) Disclosure may cure a conflict of interest or allow TimberWest to appropriately avoid a potential conflict. However, a conflict may be so severe as to only be resolved by the employee's resignation from one or both of the conflicting positions. Each employee agrees that if the President, in the case of staff, or the Board, in the case of an officer or director, determines a potential conflict cannot be cured, the individual will resign.

VIOLATION OF THIS CODE

- (a) TimberWest is determined to behave, and to be perceived, as an ethical corporation. Each employee must adhere to the standards described in this Code of Conduct, and to the standards set out in applicable policies, guidelines or legislation.
- (b) Integrity, honesty, and trust are essential elements of our business success. Any employee who knows or suspects that this Code has been or is likely to be breached has a responsibility to report it.
- (c) An employee's failure to adhere to these standards could lead to disciplinary action, including termination.

EXEMPTIONS FROM CODE REQUIREMENTS.

- (a) In extraordinary circumstances and where it is clearly in the best interests of TimberWest to do so, the Board or in some cases the CEO, may grant an exemption from the requirements of this Code to allow the continuation of circumstances that would otherwise be considered

an actual or apparent conflict of interest under this Code or that would be considered a breach of this Code.

- (b) Staff may request an exemption from a requirement of the Code through their supervisor. All such requests and approvals must be documented and cleared with the Corporate Secretary and have the approval of the CEO. Requests and approvals for officers and directors must be cleared by the Corporate Secretary and have the approval of the Board. All exemptions, waivers, or amendments in favour of any officer or director shall be disclosed promptly as required by law.
- (c) Conditions may be attached to an exemption. Full and detailed disclosure of all material and relevant circumstances respecting the matter will be held by the Corporate Secretary and periodically reported to the Board.
- (d) If an employee is exempted from a requirement of this Code, the employee must refrain from participating in any way in any decision-making respecting the subject matter of the conflict of interest except to the extent specifically authorized in the decision granting the exemption.

CLARIFICATION AND REPORTING

- (a) Employees who require advice on a particular Code item or suspect improper activities or wish to report such activities should contact their manager, the Corporate Secretary or the Board Chair. Employees should also refer to the TimberWest Whistleblower Procedure to report violations or suspected violations of the Code.
- (b) If the issue is one that you feel unable to discuss with your immediate manager, you should refer to the next level of management or to a member of TimberWest's senior management, or to the Corporate Secretary.
- (c) The privacy of an employee who discloses a breach or potential breach under this Code of Conduct will be respected by management of TimberWest as much as possible in the circumstances.
- (d) Management of TimberWest is responsible for ensuring that any individual who, in good faith, has made a disclosure of a breach or potential breach of this Code of Conduct does not suffer any adverse consequences as a result.

COMMITMENT

- (a) To demonstrate our determination and commitment, TimberWest asks each employee to review the Code periodically throughout the year. Take the opportunity to discuss with management any circumstances that may have arisen that could be an actual or potential violation of these ethical standards of conduct.
- (b) Directors and officers are required to sign a Form of Declaration (Appendix C) annually and file it with the Corporate Secretary. Staff are required to sign the Code when they are engaged or when the Code is introduced.

TIMBERWEST
CODE OF BUSINESS CONDUCT AND ETHICS
ACKNOWLEDGEMENT

I ACKNOWLEDGE that I have read and considered the TimberWest Code of Business Conduct and Ethics and agree to conduct myself in accordance with this Code of Business Conduct and Ethics.

Signature

Print Name

Date

CONFIDENTIAL INFORMATION POLICY

An underlying principle of securities legislation is that the public should have the opportunity to decide whether to buy or sell securities on the basis of information equally available to all. Directors, officers and employees of a company sometimes acquire knowledge of material information concerning the business and affairs of the company (or a related company) which has not yet been disclosed to the public. If that is the case they have an unfair advantage in purchasing or selling securities because the seller or purchaser on the other side of the transaction may have made a different investment decision had they been aware of that information.

Similarly, if such a person informs another person of undisclosed material information, and such person purchases or sells securities on the basis of that information, the seller or purchaser on the other side of the transaction is, once again, at a disadvantage.

Certain securities laws in Canada have been enacted so as to prevent and deter such inequitable trading in securities. TimberWest has formulated a policy to assist directors, officers and employees of TimberWest and its subsidiaries in complying with these laws. Persons who are “insiders” of TimberWest and other persons who regularly come into contact with confidential information must also adhere to TimberWest’s Securities Trading and Reporting Policy for Restricted Persons.

In this policy the term “TimberWest” refers to TimberWest Forest Corp. and its subsidiaries and associated companies. Other italicized terms used in this policy have the meaning set forth in Schedule A to this policy.

POLICY

1. Access to *Undisclosed Material Information* shall be limited to *Employees* who have a “need to know” of such information.
2. No *Employee* or other *Restricted Person* having knowledge of *Undisclosed Material Information* relating to, or involving, TimberWest or another party involved in an activity or a negotiation with TimberWest shall:
 - (a) disclose such information to a *Tippee* other than in the necessary course of business with the express written consent of the director, officer or manager responsible for the activity or negotiation;
 - (b) buy or sell, or acquire an option to buy or sell or any other financial instrument relating to, any of TimberWest’s securities or securities of a third party involved in such activity or negotiation; or
 - (c) participate in discussions regarding decisions by others about investments in TimberWest or other companies involved in the matter;before such material information has been fully disclosed to the public and a reasonable period of time for dissemination has passed (which for the purposes of this policy shall be considered to be at least one clear business day following the day of the disclosure to the public) or until the activity or negotiation giving rise to the *Undisclosed Material Information* has terminated.
3. The director, officer or manager responsible for an activity or negotiation which, if known, might reasonably be expected to affect the market price or value of TimberWest’s securities or that of other parties involved in such activity or negotiation shall be responsible for

initiating adequate procedures and controls to restrict the knowledge of such matter in accordance with this policy and applicable laws, including, where appropriate:

- (a) Restricting participation or knowledge of such project to the minimum number of *Employees* practicable;
 - (b) Notifying all involved *Employees* and *Restricted Persons* of their “insider status” and confidentiality obligations;
 - (c) Maintaining a list of all persons who are aware of the activity; and
 - (d) Instituting necessary controls to provide adequate security and to monitor the observance of such controls.
4. In addition to any precautions which may be imposed on *Employees* and *Restricted Persons* by the person responsible for a matter, the following general precautions shall be adopted:
- (a) Make sure all correspondence concerning the matter is labelled “CONFIDENTIAL”.
 - (b) Refrain from open discussions concerning the matter where other persons not “in the know” are in the vicinity.
 - (c) Refrain from using cellular phones to discuss in an overt manner any *Undisclosed Material Information*. Any conversation using a cellular phone should be made on the assumption that others are listening.
 - (d) Do not leave correspondence and other documents concerning the matter in plain view in your working area.
 - (e) If the matter has been assigned a code name, use the code name on all correspondence and refrain from use of specific corporate names whenever possible.
 - (f) Report any information leaks or suspected information leaks to the person responsible for the matter.

CONSEQUENCES OF NON COMPLIANCE WITH POLICY

1. *Employees, Restricted Persons* or *Tippees* may, under some circumstances, be subject to prosecution which may result in fines of up to \$5,000,000 (or three times the profit made in the illegal trade) or to imprisonment for a term of up to five years, or both. In addition to fines, violation may result in liability to shareholders affected.
2. TimberWest may be held liable for damages resulting from misleading or untrue statements or the failure to disclose information on a timely basis, and the reputation and standing of TimberWest and its *Employees* in the community may be tarnished.
3. Securities exchanges could require the untimely disclosure by TimberWest of information to stop or confirm rumors.

Strict compliance with this policy is required. An *Employee* who fails to adhere to this policy may be subject to disciplinary action by TimberWest, which could result in termination of employment.

FURTHER INFORMATION

Any questions concerning this policy should be directed to the Corporate Secretary.

CONFIDENTIAL INFORMATION POLICY

SCHEDULE A

The following definitions are used in the policy on confidential information:

“*Employee*” means all officers, employees and agents of TimberWest and its subsidiaries, whether such employees and agents be managers, accountants, maintenance and support personnel, salespersons, secretaries, clerks, drivers or independent contractors;

“*Restricted Person*” includes all directors, officers and other insiders of the Company as determined from time to time in accordance with Canadian securities laws;

“*Tippee*” means an individual who obtains or receives *Undisclosed Material Information* from an *Employee* or *Restricted Person* and any person who subsequently receives such information, where such person knew or ought reasonably to have known that the information originated from an *Employee* or *Restricted Person*;

“*Undisclosed Material Information*” means any information relating to the business and affairs of TimberWest that when publicly released would significantly affect or would reasonably be expected to have a significant effect on the market price or value of TimberWest’s securities (or the securities of other companies with whom TimberWest may be conducting confidential negotiations). Examples of information which may be *Undisclosed Material Information* include:

- (a) Changes in unit ownership that may affect control of TimberWest;
- (b) Changes in corporate structure, such as amalgamations;
- (c) Take-over bids in respect of TimberWest’s securities or securities of another company or bids by TimberWest for its own securities;
- (d) Major corporate acquisitions or dispositions;
- (e) Change in capital structure of TimberWest and distribution decisions;
- (f) Borrowing of a significant amount of funds;
- (g) Public or private sale of additional securities of TimberWest;
- (h) Significant developments affecting TimberWest’s resources, technology, products or markets;
- (i) Entering into or loss of significant licenses or contracts;
- (j) Firm evidence of significant increases or decreases in near term earnings prospects;
- (k) Changes in capital investment plans or corporate objectives;
- (l) Significant changes in management;
- (m) Significant litigation;
- (n) Major disputes with major contractors, suppliers or customers;
- (o) Events of default under financing or other agreements; and
- (p) Any other developments relating to the business and affairs of TimberWest that would reasonably be expected to significantly affect the market price or value of any of TimberWest’s securities or that would reasonably be expected to have a significant influence on a reasonable investor’s investment decision.

SECURITIES TRADING AND REPORTING POLICY FOR RESTRICTED PERSONS

APPLICATION OF THE POLICY

This policy applies to all *Restricted Persons* of TimberWest. If you receive a copy of this policy you should assume, until informed otherwise, that you are a *Restricted Person*. You should also make sure that all people who provide direct clerical support to you and who may be in receipt of confidential information are aware of and conform to this policy.

This policy should be read together with TimberWest's Confidential Information Policy.

SECURITIES SUBJECT TO THE POLICY

All securities of TimberWest, and its subsidiaries and associated companies, are subject to this policy. A list of TimberWest's *Associated Companies* is attached to this policy and this list will be updated from time to time. Note that all securities of TimberWest and its *Associated Companies*, not just units, are covered by insider trading rules and therefore options, warrants, preferred shares, debentures and any other securities are subject to the requirements of this policy. In addition, the acquisition or disposition of a put, call or other financial instrument is deemed to be a change in the beneficial ownership of the underlying security to which the put, call or other financial instrument relates and therefore are also subject to the requirements of this policy.

The securities of TimberWest and its *Associated Companies*, which are covered by this policy, are referred to in this policy as *Restricted Securities*.

In addition, as noted in TimberWest's Confidential Information Policy, securities of other companies with which TimberWest or its *Associated Companies* have dealings may also be subject to trading and "tipping" prohibitions. If you are aware of any significant, non-public information or transactions involving third parties, you should consider that the trading and "tipping" prohibitions are in effect.

CLEARANCE OF TRADES

Restricted Persons should clear trades in Restricted Securities through the Corporate Secretary before placing a buy or sell order or otherwise committing to complete a trade. In addition to the prescribed blackout periods referred to below, trading in certain Restricted Securities may be prohibited from time to time as a result of there being undisclosed material information relating to such securities. Restricted Persons who request clearance for a trade in Restricted Securities in respect of which there is undisclosed material information, will be advised by the Corporate Secretary that trading in such securities is currently prohibited. No further explanation as to the reason for the trading prohibition will be provided.

PRESCRIBED BLACKOUT PERIODS

In addition to the blackout periods which may be prescribed from time to time, TimberWest may also establish on an annual basis blackout periods for the trading in securities of TimberWest. Such blackout periods relate to periods before results are disseminated to the public. Those periods generally commence on the 1st day of the last month of a quarter and end 2 business days after the general disclosure of quarterly results, and with respect to year-end results, such period generally commences on December 1st and ends 2 business days after the general disclosure of annual results. *Restricted Persons* will be provided with a schedule of the blackout periods each year.

INSIDER REPORTING REQUIREMENTS

Applicable securities laws require a person who is an *insider* of TimberWest to disclose in an insider report any direct or indirect beneficial ownership of or control or direction over Restricted Securities.

Insider includes all directors and *Senior Officers* of TimberWest and certain of its subsidiaries.

A *Senior Officer* includes the chairman or vice-chairman of the board of directors, the president, vice-president, secretary, comptroller, treasurer or the general manager of TimberWest or certain of its subsidiaries or any other individual who performs functions for TimberWest or such subsidiaries similar to those normally performed by an individual occupying that function. Employees who are *insiders* will be notified of their status.

Filing of insider reports is the responsibility of each insider except transactions conducted through TimberWest sponsored plans will be reported separately by TimberWest. The Corporate Secretary will assist in the preparation and filing of insider reports, as requested.

To clear a trade in *Restricted Securities* and to subsequently arrange to file an insider report (if applicable), please contact the Corporate Secretary.

An insider who files his or her own insider reports is asked to provide a copy of all reports to the Corporate Secretary.

Persons, who are *Restricted Persons*, but not insiders, are required to notify the Corporate Secretary of the details of any completed trades in Restricted Securities (indicating type and number of securities purchased/sold, price and date of transaction).

PROHIBITION ON TRADING WITH MATERIAL UNDISCLOSED INFORMATION

The provisions of the Confidential Information Policy should be carefully adhered to by all *Restricted Persons*.

As noted in the Confidential Information Policy, both penal sanctions and civil liability may result from violation of these restrictions.

Failure to observe these rules may result in adverse publicity for TimberWest.

Accordingly, strict compliance with this policy and the Confidential Information Policy is required.

Failure to adhere to these policies may result in disciplinary action, including termination of employment.

FURTHER INFORMATION

Any questions concerning this policy should be directed to the Corporate Secretary.

**ASSOCIATED COMPANIES OF TIMBERWEST FOREST CORP.
WHICH HAVE PUBLICLY TRADED SECURITIES**

NONE

APPENDIX C
DECLARATION

I ACKNOWLEDGE that I have read and considered the Code of Business Conduct and Ethics (the Code) for TimberWest, and as a

- Director of TimberWest or any of its subsidiary companies, or
- Officer of TimberWest,
- Officer appointed by a TimberWest subsidiary company, or
- Employee of TimberWest or any of its subsidiary companies

(Please check all categories that apply)

I AGREE to conduct myself in accordance with the Code.

I UNDERTAKE to review the Code from time to time during the term of my appointment and to become familiar with, and to understand the implications of, any changes to the Code.

Name _____
(Printed)

Signature _____

Title(s) in full _____

Please complete and return to the Corporate Secretary,

TimberWest Forest Corp.
2300, 1055 West Georgia Street, PO Box 11101, Vancouver, BC V6E 3P3
Telephone: 604-654-4600

Filed with the Corporate Secretary on _____
(Date)