TIMBERWEST FOREST CORP.

NOTICE OF ANNUAL GENERAL MEETING

AND

INFORMATION CIRCULAR

March 31, 2004

IMPORTANT INFORMATION FOR UNITHOLDERS

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TIMBERWEST FOREST CORP.

NOTICE OF ANNUAL GENERAL MEETING

TO BE HELD ON MAY 11, 2004

TO THE UNITHOLDERS:

The Annual General Meeting (the "Meeting") of the holders (the "Unitholders") of Stapled Units of TimberWest Forest Corp. (the "Company") will be held at 9350 Bomber Base Road, Port Alberni, British Columbia, Canada on Tuesday, May 11, 2004, at 2:00 pm (PST) for the following purposes:

1. To receive the report of the directors to the Unitholders.
2. To receive the consolidated financial statements of the Company for the financial year ended December 31, 2003, and the report of the auditors thereon.
3. To elect the directors of the Company for the ensuing year.
4. To appoint KPMG LLP as auditors of the Company for the ensuing year.
5. To authorize the directors to fix the remuneration to be paid to the auditors for the ensuing year.
6. To transact such other business as may properly come before the Meeting.

The consolidated financial statements of the Company for the financial year ended December 31, 2003, and the auditors' report thereon, which will be presented at the Meeting are contained in the 2003 Annual Report accompanying this Notice.

The names of the persons proposed to be nominated for election as directors of the Company are set out in the Information Circular that follows. Unitholders who are unable to be present in person at the Meeting are requested to date, execute and return the accompanying form of proxy to TimberWest Forest Corp., c/o Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, not later than 48 hours before the time of the Meeting or any adjournment thereof. A self-addressed postage paid envelope is enclosed.

DATED as of the 8th day of April 2004.

BY ORDER OF THE BOARD OF DIRECTORS

Brenda G. Blue
Secretary

TIMBERWEST FOREST CORP.

INFORMATION CIRCULAR

March 31, 2004

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by or on behalf of the management of **TIMBERWEST FOREST CORP.** (the "Company") for use at the Annual General Meeting (the "Meeting") of the holders ("Unitholders") of Stapled Units of the Company to be held on Tuesday, May 11, 2004, at the time and place and for the purposes set forth in the accompanying Notice of Annual General Meeting (the "Notice"). In this Information Circular, "Board of Directors" and "Board" refers to the board of directors of the Company.

PROXIES

Deposit of Proxy

In order to be valid and effective, a completed proxy must be delivered to the Company, c/o Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, not later than 48 hours before the time of the Meeting or any adjournment thereof. A self-addressed postage paid envelope is enclosed.

Appointment and Revocation of Proxies

A Unitholder who has given a proxy may revoke it by (a) signing a proxy bearing a later date and depositing it as provided under "Deposit of Proxy", (b) signing and dating a written notice of revocation (in the same manner as the enclosed form of proxy is required to be executed, as set out under "Validity of Proxy", and delivering such notice either to the head office of the Company, P.O. Box 11101, Suite 2300 - 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3P3, Attention: Brenda G. Blue, at any time up to and including the last business day preceding the day of the Meeting or to the Chairman of the Meeting on the day of the Meeting or (c) attending the Meeting in person and registering with the scrutineer thereat as a Unitholder present in person and signing and dating a written notice of revocation. Such revocation will have effect only in respect of those matters upon which a vote has not already been cast pursuant to the authority conferred by the proxy.

Voting of Shares Represented by Proxy

The individuals named as management's proxy nominees in the form of proxy enclosed with this Information Circular are directors or officers of the Company. On any ballot or poll, the common shares comprising part of the Stapled Units represented by a proxy in this form will be voted for or against or withheld from voting in accordance with the instructions of the Unitholder as specified in the proxy with respect to any matter to be acted on. **If a choice is not so specified with respect to any such matter, the common shares comprising part of the Stapled Units represented by a proxy given to the individuals named as proxy nominees in the enclosed form of proxy will be voted in favour of such matter. A Unitholder has the right to appoint a person (who need not be a Unitholder) other than the individuals named in the enclosed form of proxy to attend and act for the Unitholder and on the Unitholder's behalf at the Meeting and may exercise such right by inserting the name and address of the desired proxy nominee in the blank space provided in the form of proxy. In this case, if a voting choice is not so specified on such a proxy, the proxy nominee so named shall be entitled to vote the common shares represented by such proxy as that person sees fit.**

A proxy in the form enclosed will confer discretionary authority upon the proxy nominee named therein with respect to amendments and variations to the matters identified in the accompanying Notice and any other matter that may properly be brought before the Meeting. As of the date hereof, management of the Company is not aware of any such amendments, variations or other matters to be presented for consideration at the Meeting.

Validity of Proxy

A proxy will not be valid unless it is dated and signed by the Unitholder or by the Unitholder's attorney duly authorized in writing. In the case of a Unitholder that is a corporation, a proxy will not be valid unless it is executed under its seal, or by a duly authorized officer or agent of, or attorney for, such corporate Unitholder. If a proxy is executed by an attorney or agent for an individual Unitholder or joint Unitholders, or by an officer, attorney, agent or other authority for a corporate Unitholder, the instrument empowering the officer, attorney or agent, as the case may be, or a notarial copy thereof, should accompany the proxy or be delivered to the Company.

A vote cast in accordance with the terms of a proxy will be valid notwithstanding the previous death, incapacity or bankruptcy of the Unitholder or intermediary on whose behalf the proxy was given or the revocation of the appointment of the proxy nominee, unless written notice of such death, incapacity, bankruptcy or revocation is received by the Chairman of the Meeting before the commencement thereof.

PERSONS MAKING THE SOLICITATION

This information circular is furnished in connection with the solicitation of proxies by or on behalf of the management of the Company. The cost of the solicitation has been and will be borne by the Company. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone or other means of communication by directors and regular employees of the Company without special compensation. In addition, the Company may retain the services of agents to solicit proxies on behalf of management of the Company. In that event, the Company will compensate any such agent for such services, including reimbursement for reasonable out-of-pocket expenses, and will indemnify them in respect of certain liabilities that may be incurred by them in performing their services.

STAPLED UNITS AND PRINCIPAL HOLDERS THEREOF

Each Stapled Unit of the Company consists of one common share of the Company, 100 preferred shares of the Company and a Subordinate Note Receipt representing approximately $8.98 face amount of Series A Subordinate Notes of the Company entitling the holder to approximately $1.08 of interest per annum. The common share, 100 preferred shares and Series A Subordinate Note receipt trade together as a Stapled Unit on the Toronto Stock Exchange under the symbol "TWF.UN".

As a holder of one common share comprising a part of each Stapled Unit, each Unitholder is entitled to receive notice of and to attend all meetings of shareholders of the Company and to one vote for each such common share at such meetings.

As at March 31, 2004, there were 76,396,322 Stapled Units issued and outstanding, each of which includes one common share, which carries the right to one vote at the Meeting. The quorum for the Meeting is two individuals present at the Meeting and representing in person or by proxy common shares carrying not less than 10% of the votes eligible to be cast at the Meeting.

Only persons registered as Unitholders on the books of the Company as of the close of business on April 8, 2004, (the "Record Date") are entitled to receive notice of and to attend and vote at the Meeting.

To the knowledge of the directors and senior officers of the Company, as at March 31, 2004, no one person beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the outstanding Stapled Units, and the only registered shareholder holding more than 10% of the outstanding Stapled Units is The Canadian Depository for Securities Limited holding 61,433,980 Stapled Units representing 80.4% of the outstanding Stapled Units.

As at March 31, 2004, the directors and senior officers of the Company and its subsidiaries, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, less than 1% of the issued and outstanding Stapled Units.

INFORMATION FOR BENEFICIAL HOLDERS OF STAPLED UNITS

The information set forth in this section is of significant importance to any Unitholders of the Company who do not hold Stapled Units which are registered on the records of the Company in the Unitholders' own name. Unitholders who do not hold their Stapled Units in their own name (referred to in this Information Circular as "Beneficial Unitholders") should note that only registered holders of Stapled Units may deposit proxies for use at the Meeting. If Stapled Units are listed in an account statement provided to a Unitholder by a brokerage firm, bank or other intermediary, then in almost all cases those Stapled Units will not be registered in the name of the Beneficial Unitholder, the broker, the bank or other intermediary. In Canada, the vast majority of such Stapled Units are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited), which acts as nominee for many Canadian brokerage firms, banks and other intermediaries. Brokers, banks, other intermediaries and their nominees can only deposit a proxy upon the instructions of the Beneficial Unitholder. Without specific instructions, brokers, banks, other intermediaries and their nominees are prohibited from voting the common shares constituting part of the Stapled Units on behalf of their clients. Management of the Company does not know for whose benefit the Stapled Units registered in the names of CDS & Co. are held. Therefore, Beneficial Unitholders cannot be recognized at the Meeting for the purpose of voting the common shares constituting part of the Stapled Units in person unless appointed by the broker, bank or intermediary as a proxy nominee.

Applicable regulatory policy requires brokers, banks and intermediaries to seek voting instructions from Beneficial Unitholders in advance of Unitholders' meetings. Every broker, bank and intermediary has its own procedures to seek such voting instructions. These should be carefully followed by Beneficial Unitholders in order to ensure that their common shares constituting part of the Stapled Units are voted at the Meeting. The majority of brokers in Canada have delegated responsibility for obtaining instructions from clients to Independent Investor Communications Corp. ("IICC"). IICC typically applies a special sticker to the proxy forms or, alternatively, prepares a separate "voting instruction" form, mails those forms to the Beneficial Unitholders and asks Beneficial Unitholders to return the proxy or voting instruction forms to IICC. IICC then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares contained within the Stapled Units to be represented at the Meeting. A Beneficial Unitholder receiving a proxy with an IICC sticker on it, or a voting instruction form, cannot deposit on the Meeting Date that proxy or form to vote common shares contained within the Stapled Units at the Meeting. The proxy or form must be returned to IICC in advance of the Meeting in order to allow the common shares contained within the Stapled Units to be voted by the named proxy nominee at the Meeting.

IF YOU ARE A BENEFICIAL UNITHOLDER AND WISH TO VOTE IN PERSON AT THE MEETING, PLEASE CONTACT YOUR BROKER OR AGENT IN ADVANCE OF THE MEETING TO DETERMINE HOW YOU CAN DO SO.

MATTERS TO BE ACTED UPON

Report of the Directors to the Unitholders

The report of the directors to the Unitholders is included in the 2003 Annual Report, which has been mailed to Unitholders with this Information Circular.

Consolidated Financial Statements

The consolidated financial statements for the year ended December 31, 2003, are included in the 2003 Annual Report, which has been mailed to Unitholders with this Circular.

Election of Directors

Under the Articles of the Company, the number of directors of the Company was determined at seven (7). The directors of the Company are elected each year at the annual meeting of the Company and hold office until their successors are elected or appointed, or until he or she sooner ceases to hold office.

Advance notice of the Meeting inviting nominations for directors as required by Section 111 of the *Company Act* (British Columbia) was published in The Province newspaper in British Columbia on March 9, 2004. No nominations were received by the Company as a result of that notice.

Nominees

The following pages set out the name of each of the persons proposed to be nominated for election as directors. Each nominee is presently a director of the Company. **Management of the Company proposes to nominate each of the persons listed below for election as a director of the Company and the persons named in the enclosed form of proxy intend to vote for the election of these nominees.** The position and office with the Company presently held by each such person, his present principal occupation or employment, the year in which he was first elected or appointed as a director, other principal directorships held by him, his committee memberships and the number of Stapled Units that he has advised are beneficially owned, or over which control or direction is exercised, by him at the date of this Information Circular is set forth below:

	**William C. Brown,** of Bowen Island, British Columbia, has served on the board since 1997. Following a lengthy career in the Canadian sugar industry, Mr. Brown retired as Chairman of BC Sugar in 1998. Until 1997, he was President and CEO of BC Sugar, as well as Chairman and CEO of its subsidiaries, Rogers Sugar Ltd., Lantic Sugar Ltd. and Refined Sugars Inc. Mr. Brown is a director of Westcoast Energy Inc., Union Gas Ltd. and Boston Pizza Royalties Income Fund. He has served as a member of various Audit Committees for the past 15 years and has been the Chair of the TimberWest Audit Committee since 1997.	Chairman of the Audit Committee Member of the Environment, Health and Safety Committee 21,901 Stapled Units 70,000 Options, including 30,000 eligible for Distribution Equivalent Awards
	**V. Edward Daughney,** of Vancouver, British Columbia, has served on the board since 1997. Mr. Daughney has been Principal and Chairman of Echelon Home Products since 1989. This company distributes major appliances in Western Canada and the US Pacific Northwest. Prior to 2000, Mr. Daughney was Principal and President of Merit Kitchens, past Chairman of the Export Development Corporation and past President of First City Trust. Mr. Daughney has also served as a director of a number of Canadian companies. He is a Chartered Accountant with extensive experience in financial roles.	Chairman of the Board of Directors Member of the Audit Committee Member of the Governance and Human Resources Committee 11,993 Stapled Units 90,000 Options, including 50,000 eligible for Distribution Equivalent Awards

	**Paul J. McElligott,** President and CEO, of North Vancouver, British Columbia, joined the senior management of TimberWest Forest Corp. in January 2001. A director of TimberWest since 1997, Mr. McElligott had been President and CEO of British Columbia's BC Rail Group of Companies since 1989. Mr. McElligott has extensive experience in BC's real estate, rail transportation and deep-sea port terminal sectors. Prior to joining BC Rail, he had been President of Voyageur Enterprises Ltd., North America's third largest inter-city bus company. Mr. McElligott currently serves as Chair of the Coast Forest and Lumber Association.	78,471 Stapled Units 416,279 Options, including 270,070 eligible for Distribution Equivalent Awards
	**Robert W. Murdoch**, of Salt Spring Island, British Columbia, has served on the board since 2001. Mr. Murdoch was President and CEO of Lafarge Corporation and remains a director of that company. He is also a director of its majority shareholder Lafarge S.A. Paris. He interrupted his 20-year career with Lafarge to be Executive Assistant to Prime Minister Pierre Trudeau for five years. Mr. Murdoch is also a director of Sierra Systems Group Inc., Lallmand Inc. and A.P. Plasman Ltd. He is Chairman of the Board of Shawnigan Lake School located on Vancouver Island.	Member of the Audit Committee Member of the Governance and Human Resources Committee Member of the Pension Committee 3,600 Stapled Units 21,000 Options, all eligible for Distribution Equivalent Awards
	**Anthony J. Petrina,** of Vancouver, British Columbia, has served on the board since 1997. Former President, CEO and director of Placer Dome Inc., Mr. Petrina is a leading Canadian expert in mining. He retired in 1992, following 32 years with Placer Dome, and more than four decades in the mining industry. Mr. Petrina is a Past Chairman of both the Mining Association of BC and the Mining Association of Canada. He is a director of Miramar Mining Corp. and Pacific Rim Mining Corp., and a former member of the Queen's University Advisory Council on engineering.	Chairman of the Governance and Human Resources Committee Member of the Environment, Health and Safety Committee 11,001 Stapled Units 70,000 Options, including 30,000 eligible for Distribution Equivalent Awards
	**Conrad A. Pinette,** of Vancouver, British Columbia, has served on the board since 2002. Mr. Pinette's work in the Canadian forest industry began 40 years ago as an owner and President of a family lumber business, Pinette & Therrien Mills Ltd. In 1980, that company was sold to BC Forest Products, which was subsequently acquired by Fletcher Challenge Canada Ltd. Mr. Pinette was Chief Executive of a number of Fletcher Challenge's BC and Alberta subsidiaries. He joined forest products company Lignum Ltd. in 1990, where he served as President and Chief Operating Officer. Subsequent to the recent acquisition of Lignum by Riverside Forest Products Limited, he has been appointed Executive Vice President of Riverside and continues as Chief Operating Officer at Lignum. Mr. Pinette is Chairman of Finning International Inc., a director of A&W Revenue Royalties Income Fund, a director of Forintek, the Council of Northern Forest Employment Relations and BC Business Council.	Chairman of the Environment, Health and Safety Committee Member of the Audit Committee 5,000 Stapled Units 21,000 Options, all eligible for Distribution Equivalent Awards

	**Kenneth A. Shields,** of Vancouver, British Columbia, has served on the board since 1997. Mr. Shields is President and CEO of Raymond James Ltd., a Canadian investment dealer, and is a director of its NYSE listed parent company, Raymond James Financial, Inc and a trustee of Mercer International Inc. Mr. Shields is a Member of the Canadian Accounting Standards Oversight Council, a Director of the Council for Business and the Arts in Canada, and is Past Chairman of the Investment Dealers Association of Canada.	Chairman of the Pension Committee Member of the Governance and Human Resources Committee 20,675 Stapled Units 70,000 Options, including 30,000 eligible for Distribution Equivalent Awards

Each of the nominees named above have consented to act as a director of the Company. In the event the Company is advised prior to the election of directors at the Meeting that any such individual is unable or unwilling to so act, a proxy in the enclosed form of proxy will confer discretionary authority on the proxy nominee so named to vote for the election of such other individuals who may be nominated at the Meeting.

Compensation of Directors

The directors of the Company who are not employees of the Company are entitled to compensation for services rendered and to be reimbursed for expenses incurred in the performance of the duties of a director of the Company.

Annual compensation is $12,000 for each director (except that the Chairman of the Board is paid annual compensation of $50,000), plus $1,000 for each meeting of the Board of Directors or a committee of the Board attended. Each member of a committee of the Board (other than the chair of the committee) is paid an annual fee of $3,000, and a chair of a committee of the Board is paid an annual fee of $4,500, except for the chair of the Audit Committee who is paid an annual fee of $9,000.

Directors are, from time to time, requested to carry out special assignments by the Board of Directors and are compensated at a rate of $1,000 per day for such services.

Mr. McElligott, who is also an employee of the Company, is not entitled to and has not received any of the compensation described above.

During 2003, the non-employee directors were each granted 6,000 options with an exercise price of $11.90, except for the Chairman who was granted 10,000 options with an exercise price of $11.90. Information presented in the preceding table on the number of Stapled Unit options held reflects transactions occurring subsequent to December 31, 2003, including option awards in February 2004, comprised of 56,730 options to Mr. McElligott, 10,000 options to Mr. Daughney, and 6,000 options to each of Messrs. Brown, Murdoch, Petrina, Pinette and Shields, and option exercises in February 2004, comprised of 50,000 options exercised by Mr. McElligott, 5,840 options exercised by Mr. Daughney, and 3,500 options exercised by each of Messrs. Brown, Petrina and Shields.

In light of the regulatory change beginning to emerge in Canada and the consequent increased duties of the Board of Directors, particularly the Audit Committee, compensation will be reviewed in the coming year to ensure that it remains competitive. The Governance and Human Resources Committee monitors changing corporate governance and director compensation practices with the goal of recommending practices that further align the interests of directors with the Unitholders.

Record of Attendance by Directors for the Twelve Months Ended December 31, 2003

	Board Meetings		Committee Meetings	
Director	**Held**	**Attended**	**Held**	**Attended**
William C. Brown	12	12	11	11
V. Edward Daughney	12	11	5	5
Paul J. McElligott	12	12	n/a[1]	n/a[1]
Robert W. Murdoch	12	12	13	13
Anthony J. Petrina	12	11	8	8
Conrad A. Pinette	12	11	11	10
Kenneth A. Shields	12	11	12	10

(1) Committees of the Board are composed entirely of outside and unrelated directors. Mr. McElligott does, however, attend all Committee meetings.

Appointment and Remuneration of Auditors

Management proposes that KPMG LLP, Chartered Accountants ("KPMG") be reappointed as the auditors of the Company to hold office until the termination of the next annual meeting of the Company. Management further proposes that, as in the past, the remuneration to be paid to the auditors be determined by the Board. Unless otherwise instructed the persons named in the enclosed form of proxy intend to vote for the reappointment of KPMG as the auditors of the Company until the termination of the next annual meeting of the Company at a remuneration to be fixed by the directors of the Company.

Auditors' Fees

The following table provides a summary of fees paid to KPMG for the periods indicated:

Services	**2003**	**2002**
Audit fees	$254,455	$494,183
Audit-related fees	9,500	19,700
Tax-related fees	1,300	17,512
All other fees	94,937	126,088
	$360,192	$657,483

For 2003, audit fees were comprised of audit, review, debenture prospectus and limited procedures on unaudited interim financial statements and other accounting/disclosure services, and audit-related fees were comprised of audit services provided in connection with the Company's retirement pension plan for salaried employees, and all other fees were comprised of services related to ISO 14001 certification and Sustainable Forestry Initiative (SFI) certification.

For 2002, audit fees were comprised of audit, review, French translation and other services associated with two prospectuses issued and limited procedures on unaudited interim financial statements and other accounting/disclosure services, and audit-related fees were comprised of audit services provided in connection with the Company's retirement pension plan for salaried employees and Forest Renewal British Columbia audits of project costs. All other fees were comprised of services related to ISO 14001 certification and SFI certification.

The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining auditor independence and concluded that KPMG is indeed independent.

Other Matters to be Acted Upon

The management of the Company knows of no matters, which may be brought before the Meeting other than those referred to in the Notice. However, if other matters are properly brought before the Meeting, the persons named in the enclosed form of proxy intend, in their discretion, to vote on such matters in accordance with the judgment of the person so voting.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets out, for the periods indicated, the compensation earned from the Company and its subsidiaries by the Chief Executive Officer and the individuals who were, at December 31, 2003, the end of the Company's most recently completed financial year, the four most highly compensated executive officers of the Company other than the Chief Executive Officer (collectively, the "Named Executive Officers").

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			All Other Compensation[5] ($)
					Awards		Long Term Incentive Plan Payouts[4] ($)	
		Salary ($)	Bonus[1] ($)	Other Annual Compensation [2] ($)	Securities Under Options/ SARs Granted[3] (#)	Restricted Shares or Restricted Share Units ($)		
PAUL J. MCELLIGOTT[6] President and Chief Executive Officer	2003	351,796	NIL	NIL	50,000	NIL	NIL	132,066
	2002	341,392	252,024	24,534	NIL	NIL	NIL	85,369
	2001	314,560[7]	198,000	95,043	363,340	NIL	NIL	12,566
JOHN W. MANN [8] Vice-President, Timberland Operations	2003	214,167	NIL	NIL	16,000	NIL	NIL	40,548
	2002	184,737[9]	93,278	NIL	15,000	NIL	NIL	44,044
BEVERLEE F. PARK Vice-President, Finance and Chief Financial Officer	2003	206,131	NIL	NIL	15,350	NIL	NIL	107,151
	2002	208,333	101,139	3,208	NIL	NIL	NIL	95,496
	2001	192,917	81,000	18,987	72,250	NIL	NIL	26,804
HAMISH KERR[10] Vice-President, Strategic Planning & Forest Policy	2003	177,897	NIL	NIL	12,730	NIL	NIL	31,840
	2002	99,562[11]	84,204	NIL	12,500	NIL	NIL	128,108
JOHN A. KELVIN[12] Vice-President, Log Marketing & Sales	2003	171,000	NIL	39,995	12,440	NIL	NIL	79,982
	2002	161,667	82,123	3,691	NIL	NIL	NIL	48,157
	2001	142,879[13]	53,000	14,765	58,050	NIL	13,500	142,336

(1) The annual incentive bonus payments are reported in the financial year in which they were earned, not in the year in which they were actually paid. They are paid in cash in the year following the financial year in which they were earned.

(2) Perquisites and other personal benefits provided to Mr. Kelvin in 2003 include a vehicle allowance and club membership ($12,000 vehicle allowance, $27,995 club membership.) Other perquisites and personal benefits provided to Named Executive Officers do not exceed, with respect to any Named Executive Officer, the lesser of $50,000 and 10% of the total annual salary and bonus of such Named Executive Officer. Other amounts in this column represent (i) interest on loans for the purchase of Stapled Units pursuant to the Stapled Unit Incentive Plan (Mr. McElligott: $87,260 (2001), Ms. Park: $18,987 (2001) and Mr. Kelvin: $13,740 (2001)); (ii) amounts reimbursed in respect of the income taxes payable on the taxable benefit received by virtue of the payment of life insurance premiums (Mr. McElligott: $7,783 (2001) and Mr. Kelvin: $1,025 (2001)); and (iii) tax reimbursement

with respect to the wind-up of the Stapled Unit Incentive Plan (Mr. McElligott $24,534 (2002), Ms. Park $3,208 (2002) and Mr. Kelvin $3,691 (2002)).

(3) Consists of options to purchase Stapled Units granted during the relevant financial year. The 2003 options are annual grants. In 2002, the options granted to Messrs. Mann and Kerr were in connection with their appointments as executive officers of the Company. In 2001, the options granted to Mr. McElligott include options granted in connection with his appointment as President and Chief Executive Officer of the Company, an annual grant of options for the years 2001 and 2002 as well as a one-time grant of options in connection with the termination of the Company's Stapled Unit Incentive Plan. The options granted to Ms. Park and to Mr. Kelvin in 2001 include an annual grant of options for the years 2001 and 2002 as well as a one-time grant of options in connection with the termination of the Stapled Unit Incentive Plan. See "Report on Executive Compensation – Senior Management Stapled Unit Incentive Plan."

(4) The Stapled Unit Incentive Plan three-year performance bonuses are reported in the financial year in which they were earned, not in the year in which they were actually paid. The payment to Mr. Kelvin ($13,500 (2001)) represents a performance bonus in relation to the period January 1, 1999 to December 31, 2001. The after tax amounts of the bonuses were used to reduce the participant's loan amount under the Stapled Unit Incentive Plan. The three-year performance target was deemed achieved in 2001 for Mr. Kelvin. The Stapled Unit Incentive Plan was terminated in 2002.

(5) Includes (i) vested and unvested annual contributions and allocations made by the Company to a pension plan for senior executives, (ii) life insurance premiums reimbursed by the Company, (iii) contributions made by the Company under its Employee Stapled Unit Purchase Plan, (iv) Distribution Equivalent payments made to the Trustee under the Distribution Equivalent Plan with respect to vested awards awarded to the executive officers under the Distribution Equivalent Plan, (v) a bonus of $20,000 paid to Mr. Mann in connection with his appointment as an executive officer of the Company, and (vi) consulting fees of $115,516 paid to Mr. Kerr during 2002 prior to his appointment as an executive officer of the Company. For Ms. Park, the amount disclosed does not include the negative notional allocation of $770 to her pension account in 2001 pursuant to the defined contribution option of the Company's Retirement Plan for Senior Executives. See "Retirement Plans".

(6) Mr. McElligott became a Named Executive Officer on January 22, 2001 when he was appointed President and Chief Executive Officer of the Company.

(7) The salary disclosed is for the period from January 22, 2001 to December 31, 2001. For comparative purposes, Mr. McElligott's annual salary for 2001 was $332,000.

(8) Mr. Mann became an executive officer of the Company on February 4, 2002 when he was appointed Vice-President, Timberland Operations.

(9) The salary disclosed is for the period from February 4, 2002 to December 31, 2002. For comparative purposes, Mr. Mann's annual salary for 2002 was $200,000.

(10) Mr. Kerr became an executive officer of the Company on June 3, 2002 when he was appointed Vice-President, Strategic Planning and Forest Policy.

(11) The salary disclosed is for the period from June 3, 2002 to December 31, 2002. For comparative purposes, Mr. Kerr's annual salary for 2002 was $170,000.

(12) Mr. Kelvin became an executive officer of the Company on May 1, 2001 when he was appointed Vice-President, Log Marketing and Sales.

(13) The salary disclosed is for the period from January 1, 2001 to December 31, 2001. From January 1, 2001 to April 30, 2001, Mr. Kelvin was Manager of Log Trading for the Company. For comparative purposes, Mr. Kelvin's annual salary for 2001 as Vice-President, Log Marketing and Sales was $150,000.

Stapled Unit Option Grants During the Most Recently Completed Financial Year

The following table sets forth information concerning options to purchase Stapled Units granted to the Named Executive Officers, in their capacities as executive officers of the Company, during the financial year ended December 31, 2003.

Name	Stapled Units Under Options Granted[1]	% of Total Options Granted to Employees in Financial Year[2]	Exercise Price ($/Stapled Unit)	Market Value of the Stapled Units on Date of Grant ($/Stapled Unit)	Expiration Date
Paul J. McElligott	50,000	22.27%	11.90	11.90	01/29/08
John W. Mann	16,000	7.13%	11.90	11.90	01/29/08
Beverlee F. Park	15,350	6.84%	11.90	11.90	01/29/08
Hamish Kerr	12,730	5.67%	11.90	11.90	01/29/08
John A. Kelvin	12,440	5.54%	11.90	11.90	01/29/08

(1) The options entitle the holder to acquire Stapled Units of the Company upon exercise. These options become vested and eligible for exercise over a three-year period, with one-third exercisable on January 30, 2004, two-thirds on January 30, 2005 and all exercisable on January 30, 2006. The Company adopted a Distribution Equivalent Plan on November 24, 2001. Subject to determination otherwise by the Company at the time of grant, a person who is granted options to acquire Stapled Units under the Company's Stapled Unit Option Plan will be granted the same number of awards under the Distribution Equivalent Plan and such awards will have the same expiry date and vesting terms as the corresponding options that are granted. The awards granted under the Distribution Equivalent Plan will only be exercisable at the same time when and if the corresponding options are exercised. At any time and from time to time, when the Company pays any distribution on the Stapled Units, the Company will pay to the trustee of the trust formed in relation to the Distribution Equivalent Plan an amount proportionate to such distribution based on the number of awards granted under the Distribution Equivalent Plan. After receipt from the Company, the trustee will use such payment to purchase Stapled Units through the Toronto Stock Exchange for the trust. When a participant exercises vested awards under the Distribution Equivalent Plan at the time of exercise of the corresponding options, the trustee will release the applicable number of Stapled Units held in the trust to that participant in accordance with the terms of the Distribution Equivalent Plan.

(2) The total number of options granted to employees in 2003 was 224,467, representing grants to the President & CEO, executives, senior management and other employees. 40,000 options were granted to directors in 2003. The total number of options granted to employees in 2002 was 46,200, representing grants to new executives and senior management. Subsequent to December 31, 2003, on February 26, 2004, a total of 313,220 options were awarded, including 273,220 options granted to employees, representing 2004 annual grants to the President & CEO, executives, senior management and other employees, and 40,000 options granted to directors.

The following table sets forth information concerning the value realized upon the exercise of options to purchase Stapled Units during the financial year ended December 31, 2003 and the value of unexercised options to purchase Stapled Units held by the Named Executive Officers, in their capacities as executive officers of the Company, as at December 31, 2003.

AGGREGATED OPTION EXERCISES DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR AND FINANCIAL YEAR-END OPTION VALUES

Name	Stapled Units Acquired on Exercise (#)	Aggregate Value Realized ($)	Unexercised Options at December 31, 2003 (#)		Value of Unexercised in-the-Money Options at December 31, 2003 ($)[1]	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Paul J. McElligott	6,667	17,268	238,436	171,113	191,456	139,500
John W. Mann	-	-	5,000	26,000	-	12,800
Beverlee F. Park	-	-	81,084	23,183	63,168	12,280
Hamish Kerr	-	-	4,167	21,063	-	10,184
John A. Kelvin	-	-	39,848	30,642	-	9,952

(1) The closing price of the Stapled Units on the Toronto Stock Exchange on December 31, 2003 was $12.70. Subsequent to December 31, 2003, during February 2004, Mr. McElligott exercised 50,000 options, Ms. Park exercised 25,360 options and Mr. Kelvin exercised 11,000 options, and Mr. McElligott was awarded 56,730 options, Mr. Mann was awarded 16,240 options, Ms. Park was awarded 15,560 options, Mr. Kerr was awarded 13,870 options and Mr. Kelvin was awarded 13,190 options.

Retirement Plans

The following table sets forth estimated annual retirement benefits that become payable to Mr. McElligott under the defined benefit option of the Company's Retirement Plan for Senior Executives and Base Pension Plan.

PENSION PLAN TABLE

Remuneration[1]	Years of Service						
	5	10	15	30	35	40	45
$225,000	22,500	45,000	67,500	135,000	157,500	180,000	202,500
$250,000	25,000	50,000	75,000	150,000	175,000	200,000	225,000
$300,000	30,000	60,000	90,000	180,000	210,000	240,000	270,000
$400,000	40,000	80,000	120,000	240,000	280,000	320,000	360,000
$500,000	50,000	100,000	150,000	300,000	350,000	400,000	450,000
$600,000	60,000	120,000	180,000	360,000	420,000	480,000	540,000
$700,000	70,000	140,000	210,000	420,000	490,000	560,000	630,000
$800,000	80,000	160,000	240,000	480,000	560,000	640,000	720,000

(1) Annual average covered remuneration, which includes annual salary and bonus.

The Company's Base Pension Plan has a 1.3%/2.0% integrated final average earnings formula. Mr. McElligott is also a member of the Company's Retirement Plan for Senior Executives (the "Senior Executive Plan"), defined benefit option under which an executive officer who retires at age 65 is entitled to a monthly pension amounting to 2% of each year of credited service applied to the average monthly salary and bonus during the 60 consecutive months when salary and bonus were highest, with a spousal benefit of 60% of the executive officer's pension. The benefits payable under the Senior Executive Plan are reduced by 0.25% per month that retirement occurs prior to age 60. Benefits under the Base Pension Plan and the Senior Executive Plan are not subject to deduction for social security or other offset amounts. Credited years of service currently and at normal retirement at age 65 are 3 years and 17 years for Mr. McElligott. Mr. McElligott is also eligible for an additional pension of $25,000 per year commencing with the payout of his pension from his previous employer.

Under the Senior Executive Plan, the amount of bonus recognized in pensionable earnings is limited to 50% of bonus payments made to an executive officer by way of annual cash incentive, and includes neither any amount for bonuses under the Stapled Unit Incentive Plan nor the value of any options issued under the Stapled Unit Option Plan or payments made under the Distribution Equivalent Plan. Mr. McElligott's current pensionable earnings under the Senior Executive Plan and the Base Pension Plan are $410,919 and $485,923 respectively. The benefits payable under the Senior Executive Plan are vested after two years of participation or the attainment of age 55, whichever is earlier.

Ms. Park and Messrs. Mann, Kerr and Kelvin are members of the defined contribution option of the Senior Executive Plan. Under the defined contribution option, the Company allocates an aggregate of 12% of the executive officer's monthly salary and bonus to individual retirement accounts. Of this total, 7% of the monthly salary and bonus is contributed by the Company to the member's account in the defined contribution option of the salaried retirement plan available to all salaried employees of the Company. The remainder is allocated to a notional account maintained for the member under the Senior Executive Plan. In addition, the Company is also obligated to make an allocation to the notional account of a member every year and such amount is calculated by reference to the average performance of the balanced funds in which the pension fund is invested. Such allocation may be positive or negative. The obligation of the Company in respect of amounts payable pursuant to allocation to notional accounts of members under the Senior Executive Plan is secured by letters of credit.

Termination of Employment, Change in Responsibilities and Employment Contract

The Company has agreements with each of the current Named Executive Officers that include provisions relating to the termination of their employment and a change in control of the Company.

These agreements provide for severance payments to be made to such individuals if employment is terminated without cause within 24 months following a change of control of the Company, as defined in the agreements. The agreements provide for a "severance" period for each individual of either 24 or 36 months, and provide that in the event of termination (including termination by the individual for reasons that would constitute constructive dismissal (defined in the agreements as "good reason")), other than for cause, following a change in control, the Company will pay the individual:

- an amount equal to the individual's current annual base salary and average bonus paid over the previous three years (in the case of Mr. McElligott, instead of average bonus paid over the previous three years, twelve times the average monthly cash incentive earned under the Company's Senior Management Annual Incentive Plan for the previous 24 months will be used), multiplied by the individual's severance period in number of years;

- the individual's unpaid base salary and an amount equal to the individual's pro rated bonus to the date of termination based on the average bonus referred to above; and

- all benefits during the severance period, including insurance benefits and the accrual of pension benefits, less all benefits that are received by the individual during the severance period from a person other than the Company (except that in the case of Mr. McElligott, the accrual of TimberWest pension benefits during the severance period will not be reduced by any other pension benefits arising from alternate employment).

The agreements also provide that all options to purchase Stapled Units and awards granted under the Distribution Equivalent Plan held by the individual under the Company's Stapled Unit Option Plan as of the date of termination of employment will vest to the extent they have not already vested as at the date of the change in control and will be exercisable until the end of the relevant severance period.

The Company has entered into an employment contract with Mr. McElligott for a term of three years commencing January 22, 2001, subject to automatic renewal of further three year terms unless either party gives written notice of non-renewal not less than 90 days prior to the expiry of the relevant term. The contract has been renewed for another three years, through to 2007. The Company may terminate Mr. McElligott's employment without cause at any time or may not renew the agreement at the end of any three year term if it pays Mr. McElligott an amount equal to two years base salary plus, two times the average annual incentive paid under the Company's Senior Management Annual Incentive Plan in the prior 24 months. In addition, executive perquisites, insurance and other company benefits must be maintained by the Company for Mr. McElligott on a month by month basis for up to two years to the extent permitted by third party providers and until Mr. McElligott commences alternative employment. Two additional years of service will be recognized past the relevant termination date for the purpose of the defined benefit portion of the Company's Retirement Plan for Salaried Employees and the Company's Supplemental Retirement Plan for Senior Management but severance payments described above will not be considered "earnings" for pension purposes. All options to purchase Stapled Units and awards under the Distribution Equivalent Plan held by Mr. McElligott will vest and be exercisable within 90 days of the termination date.

Composition of the Compensation Committee

Members of the Governance and Human Resources Committee of the Board of Directors of the Company (this committee performs the functions of a compensation committee in the determination of compensation of the executive officers) who served during the financial year ended December 31, 2003, were Messrs. Daughney, Murdoch, Petrina and Shields. Mr. Murdoch joined the Committee on May 3, 2002. Mr. Daughney was an interim officer of the Company from November 22, 2000 to January 21, 2001.

Governance and Human Resources Committee Report On Executive Compensation

The Governance and Human Resources Committee (the "Committee") of the Board of Directors of the Company reviews and makes recommendations to the Board regarding the remuneration of the senior management of the Company, including the President and Chief Executive Officer (the "CEO"). The Committee recommends approval by the Board of salaries, bonuses, securities-related and other incentive plans, pensions and other benefit plans that would be considered compensation to senior management.

Compensation Strategy

Compensation is a key mechanism used by TimberWest to attract, retain and motivate employees with the skills and commitment needed to enhance unitholder value. The Company ensures that it provides competitive compensation to senior management by reviewing information from external advisors. The Committee's goal is to target senior management compensation at the market median for comparable Canadian publicly traded companies.

Total compensation for senior management includes base salary, annual and long-term incentives and a program of benefits and perquisites.

In addition to attracting and retaining a senior management team that demonstrates superior leadership skills and strategic management focus, the compensation strategy has the objective of linking the interests of the senior management group with those of the holders of the Stapled Units.

The Committee believes that its objectives can be met by providing for base salaries at levels prevailing in the marketplace, together with an emphasis on annual and long-term incentives based on the performance of the Company to provide total compensation competitive with a reference group comprising Canadian companies in the forest industry (for industry specific management roles) and a general industry sample of autonomous Canadian companies with revenues between $100 million and $5 billion (for non-industry specific management roles).

Chief Executive Officer's Compensation

The Committee assesses the overall performance of the CEO on the basis of his contribution to:

- the financial performance of the Company compared to specific goals and objectives as agreed to by the Committee and the Board at the beginning of each year,
- the strategic plan for the Company, and
- the management, including risk management and leadership, of the organization.

The Committee's objective is to provide competitive compensation for the CEO based on performance. The Committee's assessment of Mr. McElligott's performance over fiscal year 2003 included the following performance highlights:

- cost reduction,
- involvement in changes in governance of the coastal forest industry, and
- silviculture improvements.

Base Salary and Benefits and Perquisites

Base salary and benefits and perquisites have been recommended to the Board with the assistance of independent consultants and on the basis of market research conducted by the independent consultants on the reference groups. The CEO and other executive officers were compared to executives occupying similar positions in the reference groups.

Annual Cash Incentives

Effective for the financial year beginning January 1, 1998, the Committee adopted a formal plan, known as the Senior Management Annual Incentive Plan (the "Annual Incentive Plan"), which defined the criteria governing the payment of cash incentives. The intention of the Annual Incentive Plan is to encourage senior management to focus on strategies and results that meet expectations of the holders of Stapled Units for sustainable distributable cash. The Annual Incentive Plan also allows a measure of discretion for the CEO to differentiate incentive compensation paid on the basis of individual performance.

A target award is established for each participant in the Annual Incentive Plan using a percentage of base salary. The target award for members of senior management (other than the CEO) for achieving 100% of the Company's target performance was established at 35.0% of salary. Of the 35%, 25.0% is non-discretionary and 10.0% is discretionary. For the CEO, the target award for achieving 100% of the Company's target performance was established at 50% of salary. Of the 50%, 40% is non-discretionary and 10% is discretionary. Non-discretionary award amounts are determined for all participants based on the Company's actual performance relative to its target for the financial year.

Maximum awards are paid if the Company achieves 120% of its target performance. If the Company achieves 120% of its target performance, the maximum awards are 70% for members of senior management. The maximum award for the CEO is 100%.

The Company sets a target performance annually. For 2003, the target was set at $92.9 million of distributable cash. In 2003, the target was not achieved and no cash incentives were earned. In 2002, the target was set at $82.3 million, 114% of target performance was achieved and cash incentives earned under the plan were $729,912.

Stapled Unit Option Plan

On April 18, 2000, the Unitholders approved the adoption of the Company's Stapled Unit Option Plan, dated as of March 1, 2000, pursuant to which directors, officers or employees of the Company or of any of its subsidiaries who are in active service or employment with the Company or any of its subsidiaries (defined under the Stapled Unit Option Plan as "Eligible Persons") may be granted options to purchase Stapled Units.

Purpose of the Stapled Unit Option Plan

The purpose of the Stapled Unit Option Plan is to promote the interests of the Company by (i) furnishing certain directors, officers and employees of the Company and its subsidiaries with greater incentive to further develop and promote the business and financial success of the Company, (ii) furthering the identity of interests of persons to whom options may be granted with those of the Unitholders generally through securities ownership in the Company and (iii) assisting the Company in attracting, retaining and motivating its directors, officers and employees.

Description of the Stapled Unit Option Plan

Under the Stapled Unit Option Plan, options may be granted to Eligible Persons as described under the plan from time to time. The maximum number of Stapled Units which may be issued pursuant to the Stapled Unit Option Plan and all options granted thereunder will not exceed 3,500,000 Stapled Units, which amounts to approximately 4.6% of the issued and outstanding Stapled Units as of December 31, 2003. The number of Stapled Units subject to any option granted under the Stapled Unit Option Plan and the related exercise price are subject to conventional provisions for their adjustment in certain events, including subdivision or consolidation of the Stapled Units. The number of Stapled Units that may be reserved for issuance to any one person pursuant to options granted under the Stapled Unit Option Plan may not exceed 5% of the issued and outstanding Stapled Units from time to time on a non-diluted basis (the "Outstanding Stapled Units"), the number of Stapled Units that may be reserved for issuance to insiders of the Company pursuant to options granted may not exceed 10% of the Outstanding Stapled Units and the number of Stapled Units that may be reserved for issuance to directors of the Company (who are not employees of the Company) pursuant to options granted may not exceed 1% of the Outstanding Stapled Units. In addition, the number of Stapled Units that may be issued to all insiders of the Company in the aggregate, or to any one insider, pursuant to options granted under the Stapled Unit Option Plan and pursuant to any other compensation arrangement involving the issuance of Stapled Units, within a one year period, may not exceed 10% and 5% of the Outstanding Stapled Units, respectively.

The Stapled Unit Option Plan is administered by the Committee. The Committee may select Eligible Persons who may be granted options under the Stapled Unit Option Plan and determine the number of Stapled Units and exercise price in respect of which options are to be granted to such persons. The Committee may also determine the expiry date of the options, provided that the date of expiry may not be later than the date which is ten years after the date of grant. If an optionee ceases to be in active employment or service with the Company or any of its subsidiaries due to death, retirement or termination with or without cause, the options held by such optionee will be subject to early expiry.

Options granted under the Stapled Unit Option Plan may not be exercised except in accordance with such limitations, based on the passage of time after the option is granted or the satisfaction or fulfilment of any other conditions, and subject to such other provisos as the Committee may in its discretion determine to be appropriate. As long as the Stapled Units are listed on the Toronto Stock Exchange, the exercise price per Stapled Unit for each option granted pursuant to the Stapled Unit Option Plan may not be less than the weighted average trading price of the Stapled Units on the Toronto Stock Exchange over the period of five consecutive trading days ending on the trading day immediately before the date of grant.

The Stapled Unit Option Plan is designed to provide a target based on a percentage of base salary. In February, 2004, the Board of Directors established a maximum annual grant level and a maximum number of outstanding options a participant may hold at a maximum of five times an annual grant level.

The total number of options granted to employees in 2003 was 224,467, representing grants to the President & CEO, executives, senior management and other employees. 40,000 options were granted to directors in 2003. The total number of options granted to employees in 2002 was 46,200, representing grants to new executives and senior management. Annual grants for 2001/2002 totalling 51,000 for directors and 198,800 for officers and employees were made at the end of fiscal year 2001. Subsequent to December 31, 2003, on February 26, 2004, a total of 313,220 Options were awarded, including 273,220 options granted to employees, representing 2004 grants to the President & CEO, executives, senior management and other employees, and 40,000 options granted to directors.

Distribution Equivalent Plan

On November 24, 2001, the Board of Directors approved and the Company adopted a Distribution Equivalent Plan pursuant to which directors, officers or employees of the Company or any of its subsidiaries who are in active service or employment with the Company or any of its subsidiaries may be granted distribution equivalent awards under the Distribution Equivalent Plan.

Purpose of the Distribution Equivalent Plan

The purpose of the Distribution Equivalent Plan is very similar to that of the Stapled Unit Option Plan. It is intended to complement the Stapled Unit Option Plan so that recipients of options, by receiving corresponding distribution equivalent awards, will, upon exercise of the relevant options, have the benefit of distributions paid by the Company in respect of Stapled Units subject to the granted options.

Description of the Distribution Equivalent Plan

The Distribution Equivalent Plan is administered by the Committee. Subject to determination otherwise by the Company at the time of grant, a person who is granted options to acquire Stapled Units under the Company's Stapled Unit Option Plan will be granted the same number of awards under the Distribution Equivalent Plan and such awards will have the same expiry date and vesting terms as the corresponding granted options. The awards granted under the Distribution Equivalent Plan will only be exercisable at the same time when and if the corresponding options are exercised. At any time and from time to time, when the Company pays any distribution on the Stapled Units, the Company will pay to the trustee of the trust formed in relation to the Distribution Equivalent Plan an amount proportionate to such paid distribution based on the number of awards granted under the Distribution Equivalent Plan. After receipt from the Company, the trustee will use such payment to purchase Stapled Units through the Toronto Stock Exchange for the trust. When a participant exercises vested awards under the Distribution Equivalent Plan at the time of exercise of the corresponding options, the trustee will release the applicable number of Stapled Units held in trust to that participant in accordance to the terms of the Distribution Equivalent Plan.

Senior Management Stapled Unit Incentive Plan

On October 28, 1997, the Board of Directors approved the Stapled Unit Incentive Plan as a long-term incentive plan for the Company's senior management. The Committee administers the Stapled Unit Incentive Plan. As part of the review of the executive long-term incentive programs of the Company, the Board obtained the advice of a nationally recognized compensation consulting firm and decided in October 2001 to phase out the Stapled Unit Incentive Plan.

As part of the phase-out of the Stapled Unit Incentive Plan, all participants under the plan (other than those whose participation was terminated in the ordinary course pursuant to the plan) entered into agreements with the Company to terminate their participation under the plan. As part of these agreements, all Stapled Units held in each participant's account vested immediately and the trustee under the plan sold (in the case of employees, to the Company, or in the case of non-employees, through the Toronto Stock Exchange) sufficient Stapled Units to repay in full the loan owed by such participant under the plan. The balance of the Stapled Units were released to the participants. The Stapled Unit Incentive Plan was completely terminated by March 11, 2002.

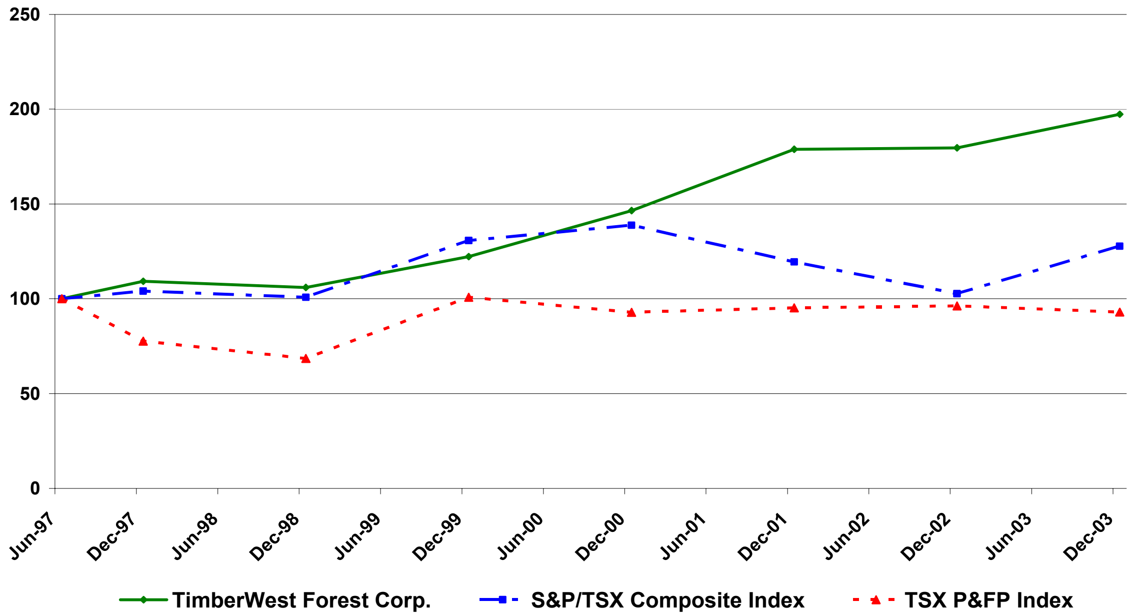
In addition, options were granted at the end of 2001 pursuant to the Company's Stapled Unit Option Plan to the participants who agreed to terminate their participation under the Stapled Unit Incentive Plan (in aggregate, 58,340 for directors and 650,300 for officers and employees). These options are exercisable at exercise prices equal to the applicable current market price, expire on the fifth anniversary of the applicable grant date and vest pursuant to a vesting schedule based on the Stapled Unit Incentive Plan. These participants were also granted distribution equivalent awards under the Company's Distribution Equivalent Plan. These grants were designed to replace future benefits of the participants under the Stapled Unit Incentive Plan.

Submitted by the Governance and Human Resources Committee

A.J. Petrina, Chairman
V. E. Daughney
R.W. Murdoch
K.A. Shields

STAPLED UNIT PERFORMANCE

The following line graph and succeeding table compare the return on the Stapled Units, assuming an initial investment of $100, with the cumulative total return, assuming a corresponding investment with all dividends reinvested, in respect of the S&P/TSX Composite Index (formerly the TSE 300 Composite Index) and the Toronto Stock Exchange Paper and Forest Products Index (the "TSX P&FP Index") compiled by the Toronto Stock Exchange, from the commencement of trading of the Trust Units of TimberWest Timber Trust (which were subsequently exchanged on a one for one basis for Stapled Units) on the Toronto Stock Exchange on June 23, 1997, to December 31, 2003. The S&P/TSX Composite Index and the TSX P&FP Index are total return indices, including dividends reinvested.



	6/23/1997	12/31/1997	12/31/1998	12/31/1999	12/31/2000	12/31/2001	12/31/2002	12/31/2003
TimberWest Forest Corp.	$100	$109	$106	$122	$147	$179	$180	$180
S&P/TSX Composite Index	$100	$104	$101	$131	$139	$119	$103	$103
TSX P&FP Index	$100	$78	$69	$101	$93	$95	$96	$96

CORPORATE GOVERNANCE

The Toronto Stock Exchange requires a listed company to annually disclose its approach to corporate governance with specific reference to a series of guidelines for effective corporate governance (the "TSX Guidelines"). The TSX Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members.

The Company's Board of Directors and senior management consider good corporate governance to be central to the effective, efficient and prudent operation of the Company. During the past year, both management and the Board have monitored and, where appropriate, responded to regulatory developments aimed at improving corporate governance practices, increasing corporate accountability and enhancing the transparency of public company disclosure and will continue to monitor the developments in corporate governance practices. In November 2002, the Toronto Stock Exchange Joint Commission on Corporate Governance proposed amendments to the TSX Guidelines. The Company's approach to corporate governance is described below, with reference to the TSX Guidelines, including the proposed amendments to the TSX Guidelines.

Composition of the Board

The TSX Guidelines recommend that a board of directors should be constituted with a majority of individuals who qualify as "unrelated directors". The TSX Guidelines define an unrelated director as a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the corporation, other than interests and relationships arising from shareholding. The TSX Guidelines also make an informal distinction between "inside" and "outside" directors. The TSX Guidelines and related rules consider an inside director of a corporation to be a director who is an officer or employee of the corporation or any of its subsidiaries.

The directors of the Company have examined the relevant definitions in the TSX Guidelines and have individually considered their respective interests in and relationships with the Company. As a consequence, the Board has determined that on a rigorous application of these definitions, six of the Company's seven directors are both unrelated and outside directors. Mr. McElligott (the President and CEO of the Company) is the only director who is a related director. Mr. McElligott is also an inside director.

The TSX Guidelines also recommend that in circumstances where a corporation has a "significant shareholder" (that is, a shareholder with the ability to exercise the majority of the votes for the election of the directors of the corporation) the board of directors should include a number of directors who do not have interests in or relationships with either the corporation or the significant shareholder and should fairly reflect the investment in the corporation by shareholders other than the significant shareholder. The Company does not have a significant shareholder.

The TSX Guidelines recommend that a board of directors should have in place appropriate structures and procedures to enable the board to function independently of management. The TSX Guidelines provide that the independence of a board is most simply assured by appointing a chair who is not a member of management. The Chairman of the Board of the Company, Mr. Daughney, is not an employee of the Company and is not regularly involved in the day-to-day management of the Company. In addition, the Board holds sessions at each Board meeting without management present.

The TSX Guidelines provide that a board of directors should examine its size having regard to its effectiveness and, where appropriate, consider reducing the number of directors to facilitate more effective decision-making. The Board considers its size of seven directors to be appropriate at the current time.

Committees of the Board

The TSX Guidelines recommend that the committees of a board of directors should generally be composed of outside directors, a majority of whom are unrelated directors. The Board has established three standing committees, the Audit Committee, the Environment, Health and Safety Committee, and the Governance and Human Resources Committee. During 2003, the Board formed a Pension Committee to oversee activities related to pension and post retirement plans, a function previously performed by the Audit Committee. Each of these committees is composed entirely of outside and unrelated directors. The Company does not have an Executive Committee of the Board.

Audit Committee

In addition to its statutory duties, as recommended in the TSX Guidelines, the Audit Committee assists the Board in its oversight of the integrity of the Company's financial statements, the external auditors qualifications, independence and objectivity, the performance of the internal auditors and of the external auditors, the adequacy and effectiveness of internal controls and compliance with legal and regulatory matters. The Board, through the Committee, identifies principle risks in the business and ensures that those risks are appropriately managed. The Committee also reviews management policies and procedures for appropriateness and effectiveness.

All members of the Committee are financially literate. "Financial literacy" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to raised by the Company's financial statements. None of the members of the Committee receives, directly or indirectly, any compensation from the Company other than compensation described in this information circular (see "Compensation of Directors").

Subject to the powers of the Unitholders under the Company Act to appoint and revoke the appointment of the external auditors, the Audit Committee has the authority and responsibility to recommend the appointment and revocation of appointment of the external auditors and to fix their remuneration. The Committee is directly responsible for the oversight of the work of the external auditors, including reviewing relationships between the external auditors and the Company and resolution of disagreements between management and the external auditors regarding financial reporting. The Committee has the sole authority to approve all audit engagement fees and terms as well as the provision of any legally permissible non-audit services provided by the external auditors. The Committee is also charged with reviewing with the external auditors any audit problems or difficulties and management's response.

The Audit Committee, which has oversight responsibility for management reporting on internal controls, requires that management implement and maintain appropriate internal control procedures. The Committee meets with the internal auditors and with management to assess the adequacy and effectiveness of these systems of internal control. The Committee also reviews reports from the internal auditors on the Company's control environment and internal controls implemented to ensure any weaknesses identified have been remedied. The internal audit function at TimberWest is provided by PricewaterhouseCoopers. The chairman of the Committee has direct access to the partner in charge of this engagement.

The Audit Committee terms of reference provide that the Committee will meet separately with the external auditors, the internal auditors and senior management on a periodic basis to discuss and review specific issues as appropriate.

Among other things, the Audit Committee reviews:

- Quarterly Interim Financial Statements, the Annual Report, including Management's Discussion and Analysis and the Consolidated Financial Statements, the Annual Information Form and this Information Circular;
- prospectuses relating to the issuance of securities by the Company; and
- any significant issues reported to management by the internal audit function and management's responses to any such reports.

Report on the Audit Committee Mandate

The Audit Committee has met all of the requirements of its mandate. In particular, the Audit Committee is comprised of four independent, unrelated directors all of whom are financially literate.

In addition, during 2003, the external auditors and the internal auditors attended the four quarterly Audit Committee meetings and in-camera meetings were held with the external and internal auditors. In particular, the Committee reviewed the independence criteria for external auditors and was satisfied the independence criteria have been met. The Chair of the Audit Committee met separately with the engagement partners from both the external and internal audit firms during the year independently of the Committee and management. The Audit Committee met seven times in total during the year.

During 2003, the Audit Committee encouraged adherence to and continuous improvements of the Company's policies, procedures and practices at all levels. In particular, the Committee established that the Chair of the Audit Committee is the person to receive complaints regarding accounting, internal accounting controls, or auditing matters and for the confidential, anonymous submission by employees of concerns regarding such matters (whistle-blowing).

Environment, Health and Safety Committee

The Environment, Health and Safety Committee has specific authority to review, approve and revise the environmental and safety policy of the Company, to monitor the Company's environmental management system, including results of internal and external audits of these policies and systems, to provide direction to management on the frequency and focus of external independent environmental audits and to investigate any activity of the Company that relates to environmental and safety matters. The Committee also monitors the status of TimberWest's compliance with ISO and SFI® certifications to ensure certification standards are being met. The Committee also monitors safety statistics such as the Medical Index Rate and Severity Index to ensure the Company is working to achieve or exceed high safety standards.

Governance and Human Resources Committee

The Governance and Human Resources Committee has responsibility to review and recommend for approval by the Board all remuneration and pensions of the officers of the Company. As recommended in the TSX Guidelines, the Governance and Human Resources Committee reviews the amount and the form of compensation of directors. In making recommendations to the Board for appropriate adjustments, the Committee considers the time commitment, risks and responsibilities of directors, as well as comparative data derived from a survey of board compensation at other companies, which has been analyzed by an independent outside consultant.

The Governance and Human Resources Committee is also responsible for identifying, evaluating and recommending nominees to the Board of Directors and its committees, in consultation with the Chairman and the President and CEO. The Committee determines what competencies, skills and personal qualities it should seek in new board members to add value to the Company. In certain circumstances the Committee may retain outside consultants to conduct searches for appropriate nominees.

Ensuring the effectiveness of the Board is an ongoing process. A formal system for evaluation of individual directors and the Board as a whole has been established and is performed annually.

The Governance and Human Resources Committee assists the Board in applying governance principles and practices, and tracks developments in corporate governance, adapting best practices to the needs and circumstances of the Company. In particular, the Committee has reviewed the proposed regulatory changes prescribed by the Sarbanes-Oxley Act of 2002 for the United States, and changes proposed by the TSX and securities regulators for Canada. The Committee will modify its practices and the practices of the Board and its other Committees as necessary to maintain a high standard of governance.

Pension Committee

The Pension Committee has responsibility to oversee the TimberWest Forest Corp. Retirement Plan for Salaried Employees, the TimberWest Forest Corp. Retirement Plan "B", the TimberWest Forest Corp. Supplemental Retirement Plan for Senior Management, the TimberWest Forest Corp. Supplementary Retirement Plan and the Pacific Forest Products Limited Supplementary Retirement Benefit Plan (collectively, the "Plans").

The Pension Committee has the responsibility to approve any changes to the Plans and oversee and monitor the administration of the Plans by the Retirement Plan Committees for each of the Plans. The Pension Committee recommends to the Board a Statement of Investment Policies and Procedures for each of the Plans, in collaboration with the Retirement Plan Committees, which consist of TimberWest employees and retirees, and reviews and monitors investment fund managers, appointment of actuaries, pension counsel and other pension advisors for each of the Plans, and makes recommendations to the Board. The Pension Committee oversees and monitors the actuarial status, including funded status, annual contribution to and expense levels of the Plans.

Mandate and Responsibilities of the Board

The TSX Guidelines provide that a board of directors should explicitly assume responsibility for the stewardship of a corporation. The Board's terms of reference provide that the Board act in a supervisory role and that any responsibilities not delegated to management remain with the Board. In this regard, the Board approves the corporate objectives which management is responsible for meeting and assesses management against these objectives. The Chairman of the Board is not a member of management.

The scope of the Board's supervisory role expressly includes such matters as the strategic planning process, identification and management of risks, internal controls, communications policy, succession planning and governance. To support it in its supervisory role, the Board expects management, among other things, to:

- undertake an ongoing review of the Company's strategies and their implementation in light of evolving conditions, and to present a comprehensive annual operating plan and report regularly on the Company's performance and results relative to that plan, as well as on the Company's business and other affairs, with a focus on matters of material consequence for the Company and its Unitholders;
- implement systems to identify, monitor and manage the principal risks of the Company's businesses;
- implement and maintain appropriate systems of internal controls and management information systems; and
- implement and maintain effective communications practices, ensuring timely and accurate reporting to investors and the capital markets.

The TSX Guidelines recommend that a board of directors should assume responsibility for the adoption of a strategic planning process. Long-term goals and strategies for the Company are developed as part of an annual strategic planning process with the Board. In 2001, the Company developed a long-term strategic plan. The strategic planning process also includes the preparation of a detailed one-year operating plan. Through this process, led by the CEO and senior management of the Company, the Board adopts the operating plan for the coming financial year and monitors senior management's relative progress through a regular reporting and review process. The Board reviews, on a quarterly basis, the extent to which the Company has met the current year's operating plan.

The TSX Guidelines recommend that a board of directors should identify a corporation's principal business risks and ensure implementation of appropriate risk management systems. The Board has identified the principal risks of the Company's business and monitors, through established systems and procedures, the efficiency and use of forestry resources, processing facilities and monetary resources as well as compliance with regulatory standards and ISO 14001 standards and certification under the American Forest & Paper Associations Sustainable Forestry Initiative (SFI®) Program. The primary regulatory compliance risk relates to adherence to the Forest Practices Code of British Columbia, the Private Land Forest Practices Regulation of British Columbia and environmental standards. The Environment, Health and Safety Committee of the Board is responsible for establishing policy, practice and control mechanisms and for conducting regular reviews of issues and audits.

The TSX Guidelines recommend that a board of directors should assume responsibility for the integrity of a corporation's internal control and management information systems. The Board, through its Audit Committee, meets with the Company's external auditors to discuss the results of the annual audit, which includes, in accordance with Canadian generally accepted auditing standards, and consideration of internal controls in planning the audit. The Audit Committee also reviews the Company's internal control and management information systems with management annually as part of its financial risk assessment.

The Company's Board has also adopted a Code of Business Conduct and Ethics, which applies to all directors, officers and employees of the Company and a Code of Ethics for the Chief Executive Officer and Senior Financial Officers. These codes (see Appendix 1) will be implemented by the Company during the first half of 2004.

The TSX Guidelines recommend that a board of directors should assume responsibility for a corporation's communications policy. The Company's Board reviews and approves the contents of major disclosure documents, including the Annual Report containing the Management's Discussion and Analysis and the Consolidated Financial Statements, the Quarterly Interim Reports, the Annual Information Form and this Information Circular.

The Company's communications practices for communication with analysts and the public are designed to avoid selective disclosure. In this regard:

- quarterly earnings conference calls are broadcast live over the internet and are accessible on a live and recorded basis;
- procedures are in place to provide timely information to investors and potential investors and to respond to investor inquiries and concerns;
- the CEO, the CFO and other senior executives meet periodically with financial analysts and institutional investors regarding the Company's results of operations;
- staff are also available to Unitholders by telephone and fax and the Company maintains comprehensive investor relations communications on its web site at http://www.timberwest.com; and
- presentations made by senior management at investor conferences are webcast and promptly made available on the internet.

In addition, the Company conducts an active Unitholder relations program, under the direction of the Chief Financial Officer of the Company. The program involves meeting with a broad spectrum of investors, including open briefing sessions for analysts, investment fund managers and others with respect to reported financial results and other announcements by the Company. The Chief Financial Officer reports regularly to the Board with respect to these matters.

The TSX Guidelines recommend that a board of directors should assume responsibility for succession planning, including appointing, training and monitoring senior management. Through its Governance and Human Resources Committee, the Board reviews all appointments of officers. The Governance and Human Resources Committee also has responsibility for assessing the requirements and performance, on an overall basis, of the CEO and officers in order to recommend salaries and incentive awards for performance. The CEO has in place a process whereby senior managers develop objectives, review them with the CEO and are measured against them. In addition, position descriptions have been developed for the Board, its committees, the Chairman and the President and CEO. Delegations of authority have been implemented by the Board to define the limits of management's authority and responsibilities.

Decisions Requiring Prior Approval by the Board

The Board of Directors has delegated to the CEO and senior management the responsibility for day-to-day management of the business of the Company, subject to compliance with the plans approved from time to time by the Board. In addition to those matters which must by law or by the Articles of the Company be approved by the Board, the Board has specified limits to management's responsibility as recommended in the TSX Guidelines, and retains responsibility for significant changes in the Company's affairs such as approval of major capital expenditures, debt and equity financing arrangements and significant acquisitions and divestitures.

Expectations of Senior Management

As part of its annual strategic planning process, the Board's expectations of senior management over the next financial year, and in the context of the longer-term strategic plan, are specified. As recommended in the TSX Guidelines, the Board also reviews and approves the annual corporate performance objectives for which the CEO is responsible. The CEO and other members of the senior management team review the Company's progress at Board and committee meetings, normally held every quarter. The reviews report on strategic, operational and financial issues facing the Company.

Directors' and Officers' Liability Insurance

The Company has purchased, at its expense, Directors' and Officers' Liability Insurance, which is split into two separate coverages in the insuring agreement. The first coverage relates to protection provided for directors and officers against liability incurred by them in their capacities as directors and officers of the Company and its subsidiaries. This section has a policy limit of $50,000,000 for each claim, subject to an aggregate limit of $50,000,000 for the 12 months ending July 1, 2004. There is no deductible under this coverage that applies in circumstances where indemnification is not provided by the Company.

When the Company provides an indemnity to a director or officer, the second coverage applies and provides payment on behalf of the Company under the indemnity, subject to a deductible of $100,000. This section has a policy limit of $50,000,000 for the 12 months ending July 1, 2004.

Other

The TSX Guidelines recommend that a corporation should provide an orientation and education program for new directors. In addition to having extensive discussions with the Chairman of the Board and the CEO with respect to the business and operations of the Company, a new director receives an orientation package, which includes a record of public and other information concerning the Company and prior minutes of meetings of the Board of Directors and applicable Committees. In addition, the Board tours the Company's operations on a periodic basis in order to assist the directors in better understanding the Company's business. At the conclusion of each Board meeting, there is an in-camera session of independent directors in which any concerns may be freely expressed.

The TSX Guidelines recommend that a board of directors should implement a system that enables an individual director to engage an outside advisor at the expense of the corporation in appropriate circumstances. Individual directors of the Company may engage outside advisors at any time at the Company's expense, subject to the approval of the Chairman of the Board, to provide advice with respect to a corporate decision or action.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed in this Information Circular, none of the directors or senior officers of the Company, no management nominee for election as a director of the Company, none of the persons who have been directors or senior officers of the Company since the beginning of the Company's last completed financial year and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, in any matter to be acted upon at the Meeting other than the election of directors.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Since the commencement of the most recently completed financial year of the Company, no insider of the Company, nor any person proposed to be elected as a director of the Company, nor any associate or affiliate of such persons, has had any material interest in any transaction involving the Company.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No director, executive officer or senior officer of the Company, no proposed nominee for election as a director of the Company, and no associate of any such director, officer or proposed nominee, at any time during the most recently completed financial year has been indebted to the Company or any of its subsidiaries or had indebtedness to another entity which is, or has been, the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries, other than, in each case, "routine indebtedness" (as defined under applicable securities laws) or which was entirely repaid before the date hereof.

None of the persons described above, nor any other officer or employee or former officer, director or employee of the Company or any of its subsidiaries has been indebted to the Company or otherwise incurred indebtedness described above in connection with the purchase of securities of the Company or any of its subsidiaries.

ADDITIONAL INFORMATION

The Company will provide to any person or company, upon request to the Secretary of the Company, copies of the Company's Annual Information Form (together with a copy of any document, or the pertinent pages of any document, incorporated therein by reference), the Company's comparative consolidated financial statements for its most recently completed financial year together with the accompanying report of the auditor, any interim financial statements of the Company that have been filed for any period subsequent to the financial statements for the Company's most recently completed financial year and the Company's information circular in respect of its most recent annual meeting of Unitholders. The Company may require the payment of a reasonable charge if the request for information is made by a person who is not a holder of the Company's securities.

EFFECTIVE DATE

Except as otherwise specified, the information set forth in this Information Circular is provided as of March 31, 2004.

APPROVAL OF THE BOARD

The contents of this Information Circular have been approved and its mailing has been authorized by the Board of Directors of the Company.

DATED as of the 31st day of March 2004.

BY ORDER OF THE BOARD OF DIRECTORS

Brenda G. Blue
Secretary

APPENDIX 1

CODE OF BUSINESS CONDUCT AND ETHICS

1. 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 employees. The Code applies to all directors, officers and employees of TimberWest Forest Corp. 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.

2. 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 Vice President Human Resources, the CEO or the Board Chair.

3. 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 Vice President Human Resources.

4. 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 Section 19 of this Code.

5. 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 Vice President Human Resources 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.

6. 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.

7. 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.

8. 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 Vice President Human Resources 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 Vice President Human Resources.

(g) Full and immediate disclosure to TimberWest management of borderline cases will always be taken as good-faith compliance with this Code.

9. 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.

10. 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.

11. 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.

12. NON-PROFIT AND PROFESSIONAL ASSOCATIONS

(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 Vice President Human Resources 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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, and directors to the Board Chair. All disclosures made by staff and officers will be reported to and recorded by the Vice President Human Resources. 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.

20. 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.

21. 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 Vice President Human Resources and have the approval of the CEO. Requests and approvals for officers and directors must be cleared by the Vice President Human Resources 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 Vice President Human Resources 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.

22. CLARIFICATION

(a) Employees who require advice on a particular Code item or suspect improper activities should seek clarification of the Code from their manager, the Vice President Human Resources or the Board Chair.

(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 Vice President Human Resources.

(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.

23. 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 annually and file it with the Vice President Human Resources. Staff are required to sign the Code when they are engaged or when the Code is introduced.

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 A*ssociated 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.

CODE OF ETHICS FOR THE CHIEF EXECUTIVE OFFICER AND SENIOR FINANCIAL OFFICERS

1. INTRODUCTION

(a) TimberWest Forest Corp. (the "Company") is committed to conducting its business in compliance with the law and the highest ethical standards.

(e) This Code of Ethics for the Chief Executive Officer and Senior Financial Officers (the "Code") summarizes the standards that must guide the actions of TimberWest's Chief Executive Officer, Chief Financial Officer, Controller, and any other designated senior financial executive (collectively, the "Senior Financial Officers").

(f) While covering a wide range of business practices and procedures, this Code cannot and does not cover every issue that may arise, or every situation in which ethical decisions must be made, but rather sets forth key guiding principles of business conduct that TimberWest expects of its Senior Financial Officers.

(g) This Code should be read in conjunction with TimberWest's other corporate polices and procedures, including the TimberWest Code of Business Conduct and Ethics.

2. COMPLIANCE WITH LAWS, RULES, AND REGULATIONS

(a) TimberWest is strongly committed to conducting its business affairs with honesty and integrity and in full compliance with all applicable laws, rules, and regulations.

(b) No Senior Financial Officer may commit an illegal or unethical act, or instruct or authorize others to do so, for any reason, in connection with any act, decision or activity that is, or may appear to be, related to his or her employment by or position with TimberWest.

3. CONFLICTS OF INTEREST

(a) All Senior Financial Officers have an obligation to act in the best interest of the Company and should avoid any situation that presents an actual or potential conflict between their personal interests and the interests of TimberWest.

(b) A Senior Financial Officer has a conflict of interest when his or her personal interests, relationships or activities, or those of a member of his or her immediate family, interfere or conflict, or even appear to interfere or conflict, with TimberWest's interests. A conflict of interest can arise when a Senior Financial Officer takes an action or has a personal interest that may adversely influence his or her objectivity or the exercise of sound, ethical business judgment. Conflicts of interest can also arise when a Senior Financial Officer, or a member of his or her immediate family, receives improper personal benefits as a result of his or her position at TimberWest.

(c) No Senior Financial Officer should improperly benefit, directly or indirectly, from his or her status as an officer of the Company, or from any decision or action by TimberWest that he or she is in a position to influence. By way of example, a conflict of interest may arise if a Senior Financial Officer:

i) Has a personal interest in a transaction involving TimberWest (other than routine investments in publicly traded companies);

ii) Accepts a gift, service, payment or other benefit (other than exchanges common to established business relationships and which create no sense of obligation) from a competitor, supplier, or customer of TimberWest, or any entity or organization with which TimberWest does business or seeks or expects to do business;

iii) Lends to, borrows from, or has a material interest in a competitor, supplier, or customer of TimberWest, or any entity or organization with which TimberWest does business or seeks or expects to do business;

iv) Knowingly competes with TimberWest or diverts a business opportunity from TimberWest;

v) Uses TimberWest assets for other business or personal endeavors;

vi) Obtains or seeks to obtain any personal benefit from the use or disclosure of information that is confidential or proprietary to TimberWest, or from the use or disclosure of confidential or proprietary information about another entity acquired as a result of or in the course of his or her employment with TimberWest;

vii) Serves as a officer, director, employee, consultant, or in any management capacity, in an entity or organization with which TimberWest does business or seeks or expects to do business (other than routine business involving immaterial amounts, in which the Senior Financial Officer has no decision making or other role);

viii) Has a material interest in an entity or organization with which TimberWest does business or seeks or expects to do business;

ix) Knowingly acquires, or seeks to acquire an interest in property (such as real estate, patent rights, securities, or other properties) where TimberWest has, or might have, an interest; or

x) Participates in a venture in which TimberWest has expressed an interest.

(d) Each Senior Financial Officer is expected to use common sense and good judgment in deciding whether a potential conflict of interest may exist. Any potential conflict should be disclosed to the Vice President Human Resources and Audit Committee Chair.

4. QUALITY OF PUBLIC DISCLOSURE

(a) TimberWest is committed to providing information about the Company to the public in a manner that is consistent with all applicable legal and regulatory requirements and that promotes investor confidence by facilitating fair, orderly, and efficient behavior.

(b) TimberWest's reports and documents filed with or submitted to securities regulators, and TimberWest's other public communications, must include full, fair, accurate, timely, and understandable disclosure. All employees who are involved in the Company's disclosure process, including the Senior Financial Officers, are responsible for ensuring that TimberWest endeavours to meet such requirements.

(c) Senior Financial Officers are prohibited from knowingly misrepresenting, omitting, or causing others to misrepresent or omit material information about the Company to others, including the Company's independent auditors.

5. COMPLIANCE WITH THIS CODE AND REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOR

(a) Senior Financial Officers are expected to comply with all of the provisions of this Code. This Code will be strictly enforced and violations will be dealt with immediately, including subjecting Senior Financial Officers to corrective and/or disciplinary action such as dismissal or removal from office. Violations of this Code that involve unlawful conduct will be reported to the appropriate authorities.

(b) Situations that may involve a violation of ethics, laws, or this Code may not always be clear and may require difficult judgment. Senior Financial Officers who have concerns or questions about violations of laws, rules or regulations, or of this Code, should report them to the Vice President Human Resources.

(c) The Vice President Human Resources will have primary authority and responsibility for the enforcement of this Code, subject to the supervision of the Audit Committee of the Board of Directors, and shall notify the Audit Committee of any violation of the Code.

(d) TimberWest encourages all directors, officers, and employees to report promptly any suspected violation of this Code to the Vice President Human Resources or Audit Committee Chair.

(e) The Company will tolerate no retaliation for reports or complaints regarding suspected violations of this Code that were made in good faith. Open communication of issues and concerns without fear of retribution or retaliation is vital to the successful implementation of this Code.

(f) The Company will take such disciplinary or preventive action as it deems appropriate to address any violations of this Code that are brought to its attention.

6. WAIVERS AND AMENDMENTS

The Board of Directors shall consider any request for a waiver of this Code and any amendments to this Code, and all such waivers or amendments shall be disclosed promptly as required by law.