

IN THE MATTER OF THE SECURITIES LEGISLATION
OF THE PROVINCES OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, NEWFOUNDLAND AND NOVA SCOTIA

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF CANFOR CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland and Nova Scotia (the "Jurisdictions") has received an application from Canfor Corporation for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation for an insider of a reporting issuer to file insider reports (the "Insider Reporting Requirement") shall not apply to the senior officers of Canfor (the "Senior Officers") with respect to their acquisition of common shares of Canfor under the Canfor Share Purchase Plan (the "Plan");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the British Columbia Securities Commission is the principal regulator for this application;

AND WHEREAS Canfor has represented to the Decision Makers that:

1. Canfor is incorporated under the British Columbia *Company Act*, is a reporting issuer or the equivalent in each of the Jurisdictions and is not in default of any of the requirements of the Legislation;
2. the head office of Canfor is located in Vancouver, British Columbia;
3. the authorized capital of Canfor consists of 510,000,000 shares divided into 10,000,000 Preferred Shares with a par value of \$25.00 each and 500,000 Common Shares without par value (the "Shares"), of which 58,351,174 Shares are issued and outstanding as at September 30, 1999;
4. the Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE") and the Vancouver Stock Exchange (the "VSE");
5. under the Plan:

(a) all regular full and part time employees of Canfor, including Senior Officers, are eligible to participate after they have been employed for one year;

(b) participants are permitted to contribute up to 10% of their regular monthly earnings toward purchases under the Plan by Way of payroll deduction;

(c) Canfor will contribute an amount equal to 30% of the first 5% of the participant's regular monthly earnings contributed every month, plus an amount equal to the cost of brokerage fees and commissions on the sale and purchase of Shares;

(d) at least 7 days will elapse between the date a Senior Officer makes a decision to enrol in the Plan, change the percentage of monthly contributions, suspend contributions or terminate participation in the Plan and the date such a decision will become effective;

(e) a Trustee appointed by Canfor will administer the operations of the Plan, maintain accounts for each participant, and send out statements of account to participants at least four times a year;

(f) upon receipt of funds from Canfor, the Trustee will purchase Shares in economical lots on a monthly basis;

(g) at the direction of Cantor, the Trustee will purchase Shares on a stock exchange in Canada, from any other holder of Shares, or from an investment firm of Canfor's choice, except that priority shall be given to purchases from other Plan participants in order to reduce commissions; the individual who directs the Trustee where to purchase shares will be an employee of Canfor's human resources department who is not an insider; no Insiders will be involved in directing the Trustee where to make purchases, nor will insiders know when other participants have given instructions to sell Shares under the Plan;

(h) Shares will be purchased at the following prices:

(i) for purchases on the open market, at the market price at the time the purchase is made;

(ii) for purchases from a Plan participant, at the closing market price on the TSE on the last business day of the month in which the trade occurs, or in certain circumstances, the subsequent month;

(iii) for purchases from other shareholders, at the closing market price on the TSE on the day the purchase is made;

6. the Trustee will use the services of a registrant for all trades under the Plan, including trades between Plan participants;

7. the Trustee will not purchase any Shares for the Plan from the treasury of Canfor, so TSE and VSE approval of the Plan is not required; and

8. the number of Shares that may be purchased under the Plan is only limited by the salaries of participants, but will be *de minimis* in relation to the total number of Shares outstanding;

AND WHEREAS under the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

The Decision of the Decision Makers under the Legislation is that the Insider Reporting Requirement shall not apply to the acquisition by a Senior Officer of Shares under the Plan, provided that:

1. the Senior Officer files, in the form prescribed for the Insider Reporting Requirement, a report disclosing all acquisitions of Common Shares under the Plan that have not previously been reported by or on behalf of the Senior Officer:

(a) if any Common Shares acquired under the Plan are disposed of or transferred during a financial year of Canfor, within the time required by the Legislation for reporting the disposition or transfer; and

(b) if any Common Shares acquired under the Plan, either during a financial year of Canfor or following the last disposition or transfer in a financial year, are not disposed of or transferred, within 90 days of the end of the financial year of Canfor; and

2. the Senior Officer does not beneficially own, directly or indirectly, voting securities of Canfor, or exercise control or direction over voting securities of Canfor, or a combination of both, that carry more than 10 percent of the voting rights attaching to all outstanding voting securities of Canfor.

DATED "November 4", 1999.

Margaret Sheehy
Director

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - - insider reporting relief for acquisitions under an automatic securities purchase plan.

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 87, 91