

07-31-2001



19

To the Honorable Commissioner of P:

Attached original documents or copy thereof.

1. Name of conveying party(ies):

address of receiving party(ies)

101792581

539613 Ontario, Inc., a subsidiary of MacMillan Bloedel Limited

Weyerhaeuser Company Limited

- Individual(s)
- General Partnership
- Corporation-State corporation existing under the laws of Canada
- Other

Internal Address:  
Street Address: 925 W. Georgia Street, 2nd Floor Cathedral Place

City: Vancouver, British Columbia, Canada V6C 3L2

Additional name(s) of conveying party(ies) attached?  Yes  No

- Individual(s) citizenship
- Association
- General Partnership
- Limited Partnership
- Corporation-State Canada Business Corporation Act
- Other

3. Nature of conveyance:

If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

(Designations must be a separate document from assignment)  
Additional name(s) & address(es) attached?  Yes  No

Execution Date: November 1, 1999

4. Application number(s) or patent number(s):

A. Trademark Application No.(s)

B. Trademark Registraton No.(s)

1,161,929

Additional numbers attached?  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:

6. Total number of applications and registrations involved 1

Name: Teresa J. Wiant, Weyerhaeuser Company

7. Total fee (37 CFR 3.41) \$40

Internal Address: Patent Department, CH 2J29

Enclosed

Street Address: PO Box 9777

Authorized to deposit account

City: Federal Way State: WA ZIP: 98063-9777

8. Deposit Account number:

23-1480

(Attach duplicate copy of this page if paying by deposit account)

07/31/2001 LNUELLER 00000046 231480 1161929

01 FC:481 40.00 CH

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and nay attached copy is a true copy the original document.

Teresa J. Wiant, Reg. No. 36,967

Name of Person Signing

[Signature]  
Signature

July 19, 2001  
Date

Total number of pages including cover sheet, attachments, and document:

46

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231

TRADEMARK  
REEL: 002337 FRAME: 0204

COMMISSIONER OF PATENTS AND TRADEMARKS

Box Responses

Washington DC 20231

*DESIGNATION OF DOMESTIC REPRESENTATIVE*

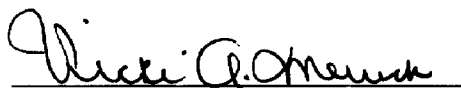
OWNER: Weyerhaeuser Company Limited,  
Successor in Interest to MacMillan Bloedel  
Limited  
MARK: STORMWOOD  
REGISTRATION NO.: 1,161,929

Sir:

Weyerhaeuser Company, Patent Department whose postal address is CH 2J29, P.O. Box 9777, Federal Way, WA 98063-9777 is hereby designated applicant's domestic representative upon whom notice or process in proceedings affecting this mark may be served.

Signed this 19<sup>th</sup> day of July, 2001 at Federal Way, Washington.

Weyerhaeuser Company Limited



VICKI A. MERRICK  
ASSISTANT SECRETARY



Certificate  
of Amalgamation

Certificat  
de fusion

Canada Business  
Corporations Act

Loi canadienne sur  
les sociétés par actions

WEYERHAEUSER COMPANY LIMITED

367561-1

Name of corporation-Dénomination de la société

Corporation number-Numéro de la société

I hereby certify that the above-named corporation resulted from an amalgamation, under section 185 of the *Canada Business Corporations Act*, of the corporations set out in the attached articles of amalgamation.

Je certifie que la société susmentionnée est issue d'une fusion, en vertu de l'article 185 de la *Loi canadienne sur les sociétés par actions*, des sociétés dont les dénominations apparaissent dans les statuts de fusion ci-joints.

Director - Directeur

November 1, 1999 / 1<sup>er</sup> novembre 1999

Date of Amalgamation - Date de fusion

1 -- Name of amalgamated corporation / Dénomination de la société issue de la fusion  
**WEYERHAEUSER COMPANY LIMITED**

2 -- The place in Canada where the registered office is to be situated / Lieu au Canada où doit être situé le siège social  
**Greater Vancouver Regional District,  
 Province of British Columbia**

3 -- The classes and any maximum number of shares that the corporation is authorized to issue / Catégories et tout nombre maximal d'actions que la société est autorisée à émettre  
**An unlimited number of shares designated as "Common Shares", 100 shares designated as "Preference Shares" and an unlimited number of shares designated as "Exchangeable Shares".  
 The rights, privileges, restrictions and conditions attaching to each class of shares are set out in the annexed Schedule 1 which is incorporated in this form.**

4 -- Restrictions, if any, on share transfers / Restrictions sur le transfert des actions, s'il y a lieu  
**None.**

5 -- Number (or minimum and maximum number) of directors / Nombre (ou nombre minimal et maximal) d'administrateurs  
**A minimum of three directors and a maximum of fifteen directors**

6 -- Restrictions, if any, on business the corporation may carry on / Limites imposées à l'activité commerciale de la société, s'il y a lieu  
**None.**

7 -- Other provisions, if any / Autres dispositions, s'il y a lieu  
**Authorization to Appoint Additional Directors**  
**The directors may, within the maximum number permitted by the articles, appoint one or more directors, who shall hold office for a term expiring not later than the close of the next annual meeting of the shareholders, but the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual meeting of shareholders.**

8 -- The amalgamation has been approved pursuant to that section or subsection of the Act which is indicated as follows: / La fusion a été approuvée en accord avec l'article ou le paragraphe de la Loi indiqué ci-après.  
 183  
 184(1)  
 184(2)

9 -- Name of the amalgamating corporations / Dénomination des sociétés fusionnantes	Corporation No. / N° de la société	Signature	Date	Title / Titre
Weyerhaeuser Company Limited	367560-2	<i>Aly C. Bloedel</i>	Nov 1/99	DIRECTOR
MacMillan Bloedel Limited	3487504	<i>Aly C. Bloedel</i>	Nov 1/99	DIRECTOR

November 2, 1999

Graig C. Thorburn  
Direct Dial: (416) 863-2965  
E-mail: [cct@blakes.ca](mailto:cct@blakes.ca)

VIA FACSIMILE

Reference: 57832/00002

Mr. Sandy D. McDade  
Weyerhaeuser Company  
33063 Weyerhaeuser Way S  
Federal Way, WA 98003

Dear Sandy:

Re: Closing Documents

As requested, I enclose the following principal closing documents to indicate to interested third parties that the closing has now been completed:

- The Order of the Supreme Court of British Columbia dated October 29, 1999 granting final approval of the Plan of Arrangement (I have not included the Plan of Arrangement attached to the Order as Schedule "A", since it also appears in the following item, the Certificate of Arrangement).
- A copy of the Certificate of Arrangement of MacMillan Bloedel Limited evidencing the completion of the Plan of Arrangement. Appended to and forming part of the Certificate of Arrangement are the Articles of Arrangement and Plan of Arrangement, the latter of which includes as Appendix 1 and 2 the terms of the Exchangeable Shares and the Preference Shares.
- A copy of the Certificate of Amalgamation evidencing the amalgamation of MacMillan Bloedel Limited and Weyerhaeuser Company Limited to form Weyerhaeuser Company Limited. This Certificate attaches the Articles of Amalgamation; since, as noted above, the Certificate of Arrangement includes the terms of the Exchangeable Shares and Preference Shares, I have not included the share terms again with the Articles of Amalgamation.

Yours very truly,

  
Graig C. Thorburn

cc:76  
Encl.  
of: Alan Bell  
Carlos Cerqueira  
Ronop Dogra

15874151



attached as Schedule "A" to this Order, is fair and reasonable and is hereby approved pursuant to section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c.C-44, as amended (the "Act");

AND THIS COURT FURTHER ORDERS that if the Petitioner has not filed Articles of Arrangement under section 192(6) of the Act on or before February 15, 2000, this Order shall be of no force or effect;

AND THIS COURT FURTHER ORDERS that the Petitioner be at liberty to apply for such further order or orders as may be appropriate.

BY THE COURT  
*[Signature]*

*APPROVED AS TO FORM  
10/18/99  
FOR THE COURT*

APPROVED AS TO FORM

Registrar  
ENTERED  
OCT 18 1999  
VANCOUVER  
REGISTRY  
108551 FOL 86

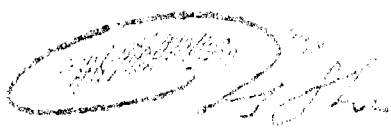
\_\_\_\_\_  
Counsel for the Petitioner

Certificate of Arrangement

Certificat d'arrangement

Canada Business Corporations Act

Loi canadienne sur les sociétés par actions

MacMillan Bloedel Limited	348751-4
MacMillan Bloedel Limited	
Name of CBCA corporation(s) involved - Dénomination (s) de la (des) société(s) I.C.S.A. concerné(s)	Corporation number - Numéro de la société
I hereby certify that the arrangement set out in the attached articles of arrangement, involving the above-referenced corporation(s), has been effected under section 192 of the Canada Business Corporations Act.	Je certifie que l'arrangement mentionné dans les clauses d'arrangement annexées, concernant la (les) société(e) susmentionnée(s), a pris effet en vertu de l'article 192 de la Loi canadienne sur les sociétés par actions.
	November 01, 1997 / le 01 novembre 1997
Director - Directeur	Date of Arrangement - Date de l'arrangement

Canada





Industry Canada  
Canada Business  
Corporations Act

Industrie Canada  
Loi canadienne sur les  
sociétés par actions

FORM 101  
ARTICLE OF ARRANGEMENT  
(SECTION 186)

FORMULE 101  
CLAUSES D'ARRANGEMENT  
(ARTICLE 186)

1 - Name of applicant corporation(s) - Dénomination de la(des) société(s)  MCMILLAN BLOEDEL LIMITED	2 - Corporation No(s) - No(s) de la(des) société(s)  348750-4
3 - Name of the corporation(s) the articles of which are amended, if applicable Dénomination de la(des) société(s) dont les statuts sont modifiés, le cas échéant	4 - Corporation No(s) - No(s) de la(des) société(s)
5 - Name of the corporation(s) created by amalgamation, if applicable Dénomination de la(des) société(s) créée(s) de fusion, le cas échéant	6 - Corporation No(s) - No(s) de la(des) société(s)
7 - Name of the dissolved corporation(s), if applicable Dénomination de la(des) société(s) dissoute(s) le cas échéant	8 - Corporation No(s) - No(s) de la(des) société(s)
9 - Name of other bodies corporate involved, if applicable Dénomination de toutes autres personnes morales en cause, le cas échéant  SEE ATTACHED PAGE 2	10 - Corporation No(s), or jurisdiction of incorporation - No(s) de la(des) société(s) ou la société régime de laquelle a été constituée  SEE ATTACHED PAGE 2
11 - In accordance with the order approving the arrangement, Conformément aux termes de l'ordonnance approuvant	
(a) the articles of the above-named corporation(s) are amended in accordance with the attached plan of arrangement <input type="checkbox"/>	(a) les statuts de la(des) société(s) mentionnée(s) sont modifiés en <input type="checkbox"/>
(b) the following bodies corporate are amalgamated in accordance with <input type="checkbox"/>	(b) les personnes morales suivantes sont fusionnées conformément à <input type="checkbox"/>
(c) the above-named corporation(s) is/are liquidated in accordance with the attached plan of arrangement <input type="checkbox"/>	(c) la/les société(s) susmentionnée(s) est/est(s) liquidée et/est(s) dissoute(s) conformément au plan d'arrangement déposé <input type="checkbox"/>
(d) a plan of arrangement attached hereto, involving the above-named body, is/are approved in Part 2 of the Act <input checked="" type="checkbox"/>	(d) un plan d'arrangement déposé, portant sur la(des) personne(s) morale(s) susmentionnée(s), prend effet <input checked="" type="checkbox"/>

Date: November 1, 1999  
Signature:   
MCMILLAN BLOEDEL LIMITED

Title: Titres  
Corporate Secretary and Associate General Counsel  
CORPORATE SECRETARY ONLY - À L'USAGE DU MARIÉRIE SEULEMENT  
CORPORATE SECRETAIRE  
NOV 1 1999

Name of other bodies corporate involved, if applicable

- (a) Weyerhaeuser Company
- (b) Weyerhaeuser Company Limited
- (c) Weyerhaeuser Holdings Limited

Corporation No(a), or jurisdiction of incorporation

- (a) Washington
- (b) British Columbia
- (c) British Columbia



Industry Canada

Industrie Canada

Certificate  
of Amalgamation

Certificat  
de fusion

Canada Business  
Corporations Act

Loi canadienne sur  
les sociétés par actions

WEYERHAEUSER COMPANY LIMITED

36756111

Name of corporation - Dénomination de la société

Corporation number - Numéro de la société

I hereby certify that the above named corporation resulted from an amalgamation, under section 185 of the *Canada Business Corporations Act*, of the corporations set out in the attached articles of amalgamation.

Je certifie que la société susmentionnée est issue d'une fusion, en vertu de l'article 185 de la *Loi canadienne sur les sociétés par actions*, des sociétés dont les dénominations apparaissent dans les statuts de fusion joints.

Director - Directeur

November 1, 1989 / le 1 novembre 1989

Date of Amalgamation - Date de fusion

Canada

1 - Name of amalgamated corporation / Dénomination de la société issue de la fusion  
**WEYERRAEUSER COMPANY LIMITED**

2 - The place in Canada where the registered office is to be situated / Lieu au Canada où doit être situé le siège social  
**Greater Vancouver Regional District, Province of British Columbia**

3 - The classes and any maximum number of shares that the corporation is authorized to issue / Catégories et tout nombre maximal d'actions que la société est autorisée à émettre  
**An unlimited number of shares designated as "Common Shares", 100 shares designated as "Preference Shares" and an unlimited number of shares designated as "Exchangeable Shares". The rights, privileges, restrictions and conditions attaching to each class of shares are set out in the annexed Schedule 1 which is incorporated in this form.**

4 - Restrictions, if any, on share transfers / Restrictions sur le transfert des actions, s'il y a lieu  
**None.**

5 - Number (or minimum and maximum number) of directors / Nombre (ou nombre minimal et maximal) d'administrateurs  
**A minimum of three directors and a maximum of fifteen directors**

6 - Restrictions, if any, on business the corporation may carry on / Limites imposées à l'activité commerciale de la société, s'il y a lieu  
**None.**

7 - Other provisions, if any / Autres dispositions, s'il y a lieu  
Authorization to Appoint Additional Directors  
**The directors may, within the maximum number permitted by the articles, appoint one or more directors, who shall hold office for a term expiring not later than the close of the next annual meeting of the shareholders, but the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual meeting of shareholders.**

8 - The amalgamation has been approved pursuant to the provisions of subsection 185(1) of the Act which is indicated as follows: / La fusion a été approuvée en accord avec l'article 185 de la Loi indiquée ci-dessous.  
 185(1)  
 184(1)  
 184(2)

Name of the amalgamating corporation / Dénomination de la société fusionnante	Corporation No. / No de la société	Signature	Date	T.D. / T.D.
Weyerhaeuser Company Limited	357860	<i>[Signature]</i>	Nov 1 1999	Director
Manninen Wooded Limited	1445304	<i>[Signature]</i>	Nov 1 1999	Director

9 - The amalgamation has been approved pursuant to the provisions of subsection 185(2) of the Act which is indicated as follows: / La fusion a été approuvée en accord avec l'article 185 de la Loi indiquée ci-dessous.  
 185(2)  
 184(1)  
 184(2)

10 - The amalgamation has been approved pursuant to the provisions of subsection 185(3) of the Act which is indicated as follows: / La fusion a été approuvée en accord avec l'article 185 de la Loi indiquée ci-dessous.  
 185(3)  
 184(1)  
 184(2)

PLAN OF ARRANGEMENT INCLUDING  
EXCHANGEABLE SHARE PROVISIONS  
AND PREFERENCE SHARE PROVISIONS

PLAN OF ARRANGEMENT  
UNDER SECTION 192  
OF THE CANADA BUSINESS CORPORATIONS ACT

ARTICLE 1

INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"Arrangement" means an arrangement under section 192 of the CBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with section 8.1 of the Merger Agreement or Article 6 or made at the direction of the Court in the Final Order;

"Arrangement Resolution" means the special resolution of the MB Securityholders, to be substantially in the form and content of Schedule C annexed to the Merger Agreement;

"Articles of Arrangement" means the articles of arrangement of MB in respect of the Arrangement that are required by the CBCA to be sent to the Director after the Final Order is made;

"Business Day" means any day on which commercial banks are generally open for business in Seattle, Washington and Vancouver, British Columbia, other than a Saturday, a Sunday or a day observed as a holiday in Seattle, Washington under the laws of the State of Washington or the federal laws of the United States of America or in Vancouver, British Columbia under the laws of the Province of British Columbia or the federal laws of Canada;

"Canadian Resident" means a resident of Canada for purposes of the ITA;

"CBCA" means the *Canada Business Corporations Act*, as amended;

"Certificate" means the certificate of arrangement giving effect to the Arrangement, issued pursuant to subsection 192(7) of the CBCA after the Articles of Arrangement have been filed;

"Circular" means the notice of the MB Meeting and accompanying management information circular, including all appendices thereto, to be sent to holders of MB Common Shares and MB Options in connection with the MB Meeting;

"Court" means the Supreme Court of British Columbia;

"Current Market Price" has the meaning ascribed thereto in the Exchangeable Share Provisions;

"Depositary" means CIBC Mellon Trust Company at its offices set out in the Letter of Transmittal and Election Form;

"Director" means the Director appointed pursuant to section 260 of the CBCA;

"Dissent Rights" has the meaning ascribed thereto in section 3.1;

"Dissenting Shareholder" means a holder of MB Common Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Rights;

"Dividend Amount" means an amount equal to and in satisfaction of all declared and unpaid dividends on an Exchangeable Share held by a holder on any dividend record date which occurred prior to the date of purchase of such share by Waystar Investment Fund and such holder;

"Drop Dead Date" means February 15, 2000, or such later date as may be mutually agreed by the parties to the Merger Agreement;

"Effective Date" means the date shown on the Certificate, provided that such date occurs on or prior to the Drop Dead Date;

"Effective Time" means 12:01 a.m. (Vancouver time) on the Effective Date;

"Election Deadline" means 5:00 p.m. (local time) at the place of deposit on the date which is two Business Days prior to the date of the MB Meeting;

"Exchange Ratio" means 0.33, subject to adjustment, if any, as provided herein;

"Exchangeable Elected Shares" means any MB Common Share (other than an MB Common Share held by Weyerhaeuser or any affiliate thereof) held by a Canadian Resident that the holder thereof shall have elected, in a duly completed Letter of Transmittal and Election Form deposited with the Depositary no later than the Election Deadline, to transfer to Weyerhaeuser Exchangeco under the Arrangement for a fraction of an Exchangeable Share equal to the Exchange Ratio or that is deemed to be an Exchangeable Elected Share pursuant to section 5.1(a);

"Exchangeable Shares" means the non-voting exchangeable shares in the capital of Weyerhaeuser Exchangeco, having substantially the rights, privileges, restrictions and conditions set out in the Exchangeable Share Provisions;

"Exchangeable Share Provisions" means the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares, which rights, privileges, restrictions and conditions shall be substantially as set out in Appendix I hereto;

"Final Order" means the final order of the Court approving the Arrangement as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed;

"Government Entity" means any (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (b) any subdivision, agent, commission, board, or authority of any of the foregoing, or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"Holder" means, when used with reference to the MB Common Shares, the holders of MB Common Shares shown from time to time in the register maintained by or on behalf of MB in respect of the MB Common Shares and, when used with reference to the Exchangeable Shares, means the holders of Exchangeable Shares shown from time to time in the register maintained by or on behalf of Weyerhaeuser Exchangeco in respect of the Exchangeable Shares;

"Interim Order" means the interim order of the Court, as the same may be amended, in respect of the Arrangement, as contemplated by section 2(b) of the Merger Agreement;

"ITA" means the Income Tax Act (Canada), as amended;

"Letter of Transmittal and Election Form" means the letter of transmittal and election form for use by holders of MB Common Shares, in the form accompanying the Circular;

"Liquidation Amount" has the meaning ascribed thereto in the Exchangeable Share Provisions;

"Liquidation Call Purchase Price" has the meaning ascribed thereto in section 5.1(d);

"Liquidation Call Right" has the meaning ascribed thereto in section 5.1(a);

"Liquidation Date" has the meaning ascribed thereto in the Exchangeable Share Provisions;

"MB" means MacMillan Bloedel Limited, a corporation existing under the laws of Canada;

"MB Common Shares" means the master list common shares in the capital of MB;

"MB Meeting" means the special meeting of MB Securityholders, including any adjournment thereof, to be called and held in accordance with the interim Order to consider the Arrangement;

"MB Options" means the MB Common Share purchase options granted under the MB Stock Option Plan as amended, and under separate agreements with three senior officers of MB, and being outstanding and unexercised on the Effective Date;

"MB Securityholders" means the holders of MB Common Shares, MB Options and MB Warrants collectively;

"MB Stock Option Plan" means MB's Senior Management Stock Option Plan instituted February 19, 1997;

"MB Warrants" means the outstanding bearer warrants of MB exercisable for MB Common Shares;

"Meeting Date" means the date of the MB Meeting;

"Merger Agreement" means the amended and restated agreement made as of the 30<sup>th</sup> day of June, 1999 among Weyerhaeuser, Weyerhaeuser Exchangeco and MB, as amended, supplemented and/or restated in accordance therewith prior to the Effective Date, providing for, among other things, the Arrangement;

"NYSE" means the New York Stock Exchange, Inc.;

"Person" includes any individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal person or representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;

"Preference Shares" means the 10% preference shares in the capital of Weyerhaeuser Exchangeco having substantially the rights, privileges, restrictions and conditions set forth in Appendix 2 hereto;

"Redemption Call Purchase Price" has the meaning ascribed therein in section 5.2(a);

"Redemption Call Right" has the meaning ascribed therein in section 5.2(a);

"Redemption Date" has the meaning ascribed therein in the Exchangeable Share Provisions;

"Replacement Option" has the meaning ascribed therein in section 2.1(f);

"Special Voting Shares" means the shares of Weyerhaeuser Special Voting Preferred Stock having substantially the rights, privileges, restrictions and conditions described in the Voting and Exchange Trust Agreement;

"Transfer Agent" has the meaning ascribed therein in section 5.1(e);

"Trustee" means the trustee to be chosen by Weyerhaeuser and MB, acting reasonably, to act as trustee under the Voting and Exchange Trust Agreement, being a corporation organized and existing under the laws of Canada and authorized to carry on the business of a trust company in all the provinces of Canada, and any successor trustee appointed under the Voting and Exchange Trust Agreement;

"Voting and Exchange Trust Agreement" means an agreement to be made between Weyerhaeuser, Weyerhaeuser Exchangeco and the Trustee in connection with the Plan of Arrangement substantially in the form and content of Schedule 1 annexed to the Merger Agreement, with such changes thereto as the parties to the Merger Agreement, acting reasonably, may agree;

"Weyerhaeuser" means Weyerhaeuser Company, a corporation existing under the laws of the State of Washington;

"Weyerhaeuser Common Shares" means the shares of common stock in the capital of Weyerhaeuser;

"Weyerhaeuser Control Transaction" has the meaning ascribed therein in the Exchangeable Share Provisions;

"Weyerhaeuser Elected Share" means any MB Common Share (other than an MB Common Share held by Weyerhaeuser or any affiliate thereof) held by a Canadian Resident that the holder thereof shall have placed, in a duly completed Letter of Transmittal and Election Form deposited with the Secretary no later than the Election Deadline, to transfer to Weyerhaeuser Exchangeco under the Arrangement for a



fraction of a Weyerhaeuser Common Share equal to the Exchange Ratio, or that is deemed to be a Weyerhaeuser Elected Share pursuant to sections 2.2(i) or 2.3(a);

"Weyerhaeuser Exchangeco" means Weyerhaeuser Company Limited, a company existing under the laws of the Province of British Columbia, and being a subsidiary of Weyerhaeuser Holdings;

"Weyerhaeuser Holdings" means Weyerhaeuser Holdings Limited, a company existing under the laws of the Province of British Columbia which, at the time of the consummation of the Arrangement, will be an indirect wholly-owned subsidiary of Weyerhaeuser; and

"Weyerhaeuser Trading Price" means the average of the closing prices of Weyerhaeuser Common Shares on the NYSE during a period of twenty consecutive trading days ending on the Business Day immediately preceding the Effective Date.

## 1.2 Sections and Headings

The division of this Plan of Arrangement into sections and the insertion of headings are for reference purposes only and shall not affect the interpretation of this Plan of Arrangement. Unless otherwise indicated, any reference in this Plan of Arrangement to a section or an exhibit refers to the specified section of or exhibit to this Plan of Arrangement.

## 1.3 Number, Gender and Persons

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular number include the plural and vice versa and words importing any gender include all genders.

# ARTICLE 2 ARRANGEMENT

## 2.1 Binding Effect

This Plan of Arrangement will become effective at, and be binding at and after, the Effective Time on (i) MB, (ii) Weyerhaeuser, Weyerhaeuser Holdings and Weyerhaeuser Exchangeco, (iii) all holders and all beneficial holders of MB Common Shares, (iv) all holders and all beneficial holders of Exchangeable Shares and (v) all holders of MB Warrants and MB Options.

## 2.2 Arrangement

Commencing at the Effective Time, the following shall occur and shall be deemed to occur in the following order without any further act or formality:

- (a) each Weyerhaeuser Elected Share will be transferred by the holder thereof, without any act or formality on its part, to Weyerhaeuser Exchangeco in exchange for that number of fully paid and non-assessable Weyerhaeuser Common Shares equal to the Exchange Ratio, and the name of each such holder will be removed from the register of holders of MB Common Shares and added to the register of holders of Weyerhaeuser Common Shares and Weyerhaeuser Exchangeco will be recorded as the registered holder of such MB Common Shares so exchanged and will be deemed to be the legal and beneficial owner thereof;
- (b) each Exchangeable Elected Share will be transferred by the holder thereof, without any act or formality on its part, to Weyerhaeuser Exchangeco in exchange for that number of fully paid and non-assessable Exchangeable Shares equal to the Exchange Ratio, and the name of each such holder will be removed from the register of holders of MB Common Shares and added to the register of holders of Exchangeable Shares and Weyerhaeuser Exchangeco will be recorded as the registered holder of such MB Common Shares so exchanged and will be deemed to be the legal and beneficial owner of such MB Common Shares;
- (c) each MB Common Share in respect of which a duly completed Letter of Transmittal and Election Form has not been deposited with the Depository on or prior to the Election Deadline (other than

(i) MB Common Shares held by Dissenting Shareholders who are ultimately entitled to be paid the fair value of the MB Common Shares held by them, and (ii) MB Common Shares held by Weyerhaeuser or any affiliate thereof which shall not be exchanged under this Arrangement and shall remain outstanding as MB Common Shares held by Weyerhaeuser or any affiliate thereof.

(i) In the case of a holder of MB Common Shares whose address as shown in the register of MB Common Shares is of the class of business (Vancouver str.) on the day preceding the Effective Date is in Canada will be deemed to be an Exchangeable Elected Share and will be transferred by the holder thereof, without any act or formality on its part, to Weyerhaeuser Exchangeco in exchange for that number of fully paid and non-assessable Exchangeable Shares equal to the Exchange Ratio, and the name of each such holder of MB Common Shares will be removed from the register of holders of MB Common Shares and added to the register of holders of Exchangeable Shares and Weyerhaeuser Exchangeco will be deemed to be the registered holder of such MB Common Shares as exchanged and will be deemed to be the legal and beneficial owner of such MB Common Shares, and (ii) in the case of a holder of MB Common Shares whose address as shown in the register of MB Common Shares is of the class of business (Vancouver str.) on the day preceding the Effective Date is not in Canada will be deemed to be a Weyerhaeuser Elected Share and will be transferred by the holder thereof, without any act or formality on its part, to Weyerhaeuser Exchangeco in exchange for that number of fully paid and non-assessable Weyerhaeuser Common Shares equal to the Exchange Ratio, and the name of each such holder will be removed from the register of holders of MB Common Shares and added to the register of holders of Weyerhaeuser Common Shares and Weyerhaeuser Exchangeco will be deemed to be the registered holder of such MB Common Shares as exchanged and will be deemed to be the legal and beneficial owner thereof.

) each MB Warrant shall be transferred by the holder thereof, without any act or formality on its part, to Weyerhaeuser Exchangeco in exchange for that number of fully paid and non-assessable Exchangeable Shares equal to the Exchange Ratio, each such holder will be deemed to have elected to receive such Exchangeable Shares and Weyerhaeuser Exchangeco will be deemed to be the legal and beneficial owner of each MB Warrant;

) each MB Option shall be exchanged for an option ("Replacement Option") to purchase a number of Weyerhaeuser Common Shares equal to the product of the Exchange Ratio multiplied by the number of MB Common Shares subject to such MB Option. Such Replacement Option shall provide for an exercise price per Weyerhaeuser Common Share equal to the exercise price per share of such MB Option immediately prior to the Effective Date divided by the Exchange Ratio. If the foregoing calculation results in a Replacement Option being exercisable for a fraction of a Weyerhaeuser Common Share, then the number of Weyerhaeuser Common Shares subject to such Replacement Option shall be rounded down to the next whole number of Weyerhaeuser Common Shares and the total exercise price for the Replacement Option will be reduced by the exercise price of the fractional Weyerhaeuser Common Share. Subject to Appendix 3 hereto, the terms to apply, conditions to and manner of exercise, vesting schedule, and all other terms and conditions of such Replacement Option will otherwise be unchanged, and any document or agreement previously evidencing an MB Option shall thereafter evidence and be deemed to evidence such Replacement Option; and

Weyerhaeuser shall take to and deposit with the Trustee the Special Voting Share, in consideration of the payment to Weyerhaeuser of US \$1, to be thereafter held of record by the Trustee as trustee for and on behalf of, and for the use and benefit of, the holders of the Exchangeable Shares in accordance with the Voting and Exchange Trust Agreement.

#### elections

Each Person who, at or prior to the Election Deadline, is a holder of record of MB Common Shares will be entitled, with respect to one or a portion of such shares, to make an election at or prior to the Election Deadline to receive Exchangeable Shares or Weyerhaeuser Common Shares, or a combination thereof, in exchange for such holder's MB Common Shares on the basis set forth herein and in the Letter of Transmittal and Election Form, provided that, notwithstanding anything to the

contrary herein, a holder of MB Common Shares who is not a Canadian Resident will not be entitled to elect to receive Exchangeable Shares and any such election otherwise made by any such holder shall be and be deemed to be an election to receive a Weyerhaeuser Elected Share.

- (b) Holders of MB Common Shares who are Canadian Residents, other than any such holder who is exempt from tax under the ITA, and who have elected (or who are deemed to have elected) to receive Exchangeable Shares shall be entitled to make an income tax election pursuant to subsection 85(1) of the ITA or, if the holder is a partnership, subsection 85(2) of the ITA (and in each case, where applicable, the analogous provision of provincial income tax law) with respect to the transfer of their MB Common Shares to Weyerhaeuser Exchangeco by providing two signed copies of the necessary prescribed election forms to the Depository within 90 days following the Effective Date, duly completed with the details of the number of MB Common Shares transferred and the applicable agreed amount for the purposes of such elections. Thereafter, subject to the election forms being correct and complete and complying with the provisions of the ITA (or applicable provincial income tax law), the forms will be signed by Weyerhaeuser Exchangeco and returned to such holder of MB Common Shares within 30 days after the receipt thereof by the Depository for filing with Revenue Canada (or the applicable provincial taxing authority). Weyerhaeuser Exchangeco will not be responsible for the proper completion of any election form and, except for Weyerhaeuser Exchangeco's obligation to return duly completed election forms which are received by the Depository within 30 days of the Effective Date, within 30 days after the receipt thereof by the Depository, Weyerhaeuser Exchangeco will not be responsible for any taxes, interest or penalties resulting from the failure by a holder of MB Common Shares to properly complete or file the election forms in the form and manner and within the time prescribed by the ITA (or any applicable provincial legislation). In its sole discretion, Weyerhaeuser Exchangeco may choose to sign and return an election form received more than 90 days following the Effective Date, but Weyerhaeuser Exchangeco will have no obligation to do so.

## 2.1 Adjustments to Exchange Ratio

The Exchange Ratio shall be adjusted to reflect fully the effect of any stock split, reverse split, stock dividend (including any dividend or distribution of securities convertible into Weyerhaeuser Common Shares or MB Common Shares other than stock dividends paid in lieu of ordinary course dividends), reorganization, recapitalization or other like change with respect to Weyerhaeuser Common Shares or MB Common Shares occurring after the date of the Merger Agreement and prior to the Effective Time.

## ARTICLE 3

### RIGHTS OF DISSENT

#### 3.1 Rights of Dissent

Holders of MB Common Shares may exercise rights of dissent with respect to such shares pursuant to and in the manner set forth in section 190 of the CBCA and this section 3.1 (the "Dissent Rights") in connection with the Arrangement; provided that, notwithstanding subsection 190(5) of the CBCA, the written objection to the Arrangement Resolution referred to in subsection 190(3) of the CBCA must be received by MB not later than 5:00 p.m. (Vancouver time) on the Business Day preceding the MB Meeting. Holders of MB Common Shares who duly exercise such rights of dissent and who:

- (a) are ultimately determined to be entitled to be paid fair value for their MB Common Shares shall be deemed to have transferred such MB Common Shares to Weyerhaeuser Exchangeco, to the extent the fair value therefor is paid by Weyerhaeuser Exchangeco, and to MB, to the extent the fair value therefor is paid by MB; and, in the case of MB Common Shares so transferred to MB such shares shall be cancelled as of the Effective Date; or
- (b) are ultimately determined not to be entitled, for any reason, to be paid fair value for their MB Common Shares shall be deemed to have participated in the Arrangement on the same basis as a

non-disending holder of MB Common Shares and shall receive Exchangeable Shares or Weyerhaeuser Common Shares on the basis determined in accordance with section 2.3(c).

but in no case shall Weyerhaeuser, Weyerhaeuser Exchangeco, Weyerhaeuser Holdings, MB or any other Person be required to recognize such holders as holders of MB Common Shares after the Effective Time, and the names of such holders of MB Common Shares shall be deleted from the registers of holders of MB Common Shares at the Effective Time.

#### ARTICLE 4

### CERTIFICATES AND FRACTIONAL SHARES

#### 4.1 Issuance of Certificates Representing Exchangeable Shares

At or promptly after the Effective Time, Weyerhaeuser Exchangeco shall deposit with the Depository, for the benefit of the holders of MB Common Shares or MB Warrants who will receive Exchangeable Shares in connection with the Arrangement, certificates representing that number of whole Exchangeable Shares to be delivered pursuant to section 2.3 upon the exchange of MB Common Shares or MB Warrants. Upon surrender to the Depository for cancellation of a certificate which immediately prior to the Effective Time represented MB Common Shares or MB Warrants, as the case may be, that were exchanged for Exchangeable Shares under the Arrangement, together with such other documents and instruments as would have been required to effect the transfer of the shares or warrants formerly represented by such certificate under the CBCA and the by-laws of MB and such additional documents and instruments as the Depository may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depository shall deliver to such holder, a certificate representing that number (rounded down to the nearest whole number) of Exchangeable Shares which such holder has the right to receive (together with any dividends or distributions with respect thereto pursuant to section 4.3 and any cash in lieu of fractional Exchangeable Shares pursuant to section 4.4, less any amounts withheld pursuant to section 4.7 hereof), and the certificate so surrendered shall forthwith be cancelled. In the event of a transfer of ownership of MB Common Shares that is not registered in the transfer records of MB, a certificate representing the proper number of Exchangeable Shares may be issued to the transferee if the certificate representing such MB Common Shares is presented to the Depository, accompanied by all documents required to evidence and effect such transfer. Until surrendered as contemplated by this section 4.1, such certificate which immediately prior to the Effective Time represented MB Common Shares or MB Warrants, as the case may be, that were exchanged for Exchangeable Shares shall be deemed at all times after the Effective Time to represent only the right to receive upon such surrender (i) the certificate representing Exchangeable Shares as contemplated by this section 4.1, (ii) a cash payment in lieu of any fractional Exchangeable Shares as contemplated by section 4.4 and (iii) any dividends or distributions with a record date after the Effective Time to become paid or payable with respect to Exchangeable Shares as contemplated by section 4.3.

#### 4.2 Exchange of Certificates for Weyerhaeuser Common Shares

At or promptly after the Effective Time, Weyerhaeuser Exchangeco shall deposit with the Depository, for the benefit of the holders of MB Common Shares who will receive Weyerhaeuser Common Shares in connection with the Arrangement, certificates representing that whole number of Weyerhaeuser Common Shares to be delivered pursuant to section 2.2 upon the exchange of MB Common Shares. Upon surrender to the Depository for cancellation of a certificate which immediately prior to the Effective Time represented outstanding MB Common Shares that were exchanged for Weyerhaeuser Common Shares under the Arrangement, together with such other documents and instruments as would have been required to effect the transfer of the shares formerly represented by such certificate under the CBCA and the by-laws of MB and such additional documents and instruments as the Depository may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depository shall deliver to such holder, a certificate representing that number (rounded down to the nearest whole number) of Weyerhaeuser Common Shares which such holder has the right to receive (together with any dividends or distributions with respect thereto pursuant to section 4.3 and any cash in lieu of fractional Weyerhaeuser Common Shares pursuant to section 4.6), and the certificate so surrendered shall forthwith be cancelled. In the event of a transfer of ownership of MB

Common Shares which is not registered in the transfer records of MB, a certificate representing the proper number of Weyerhaeuser Common Shares may be issued to the transferee if the certificate representing such MB Common Shares is presented to the Depository, accompanied by all documents required to evidence and effect such transfer. Until surrendered as contemplated by this section 4.2, such certificate which immediately prior to the Effective Time represented one or more outstanding MB Common Shares that were exchanged for Weyerhaeuser Common Shares shall be deemed at all times after the Effective Time to represent only the right to receive upon such surrender (i) the certificate representing Weyerhaeuser Common Shares as contemplated by this section 4.2, (ii) a cash payment in lieu of any fractional Weyerhaeuser Common Shares as contemplated by section 4.4 and (iii) any dividends or distributions with a record date after the Effective Time there before paid or payable with respect to Weyerhaeuser Common Shares as contemplated by section 4.3.

#### 4.3 Distributions with Respect to Unsurrendered Certificates

No dividends or other distributions declared or made after the Effective Time with respect to Exchangeable Shares or Weyerhaeuser Common Shares with a record date after the Effective Time shall be paid to the holder of any unsurrendered certificate which immediately prior to the Effective Time represented outstanding MB Common Shares or MB Warrants that were exchanged pursuant to section 2.2, and no cash payment in lieu of fractional shares shall be paid to any such holder pursuant to section 4.4 and no interest shall be earned or payable on these proceeds, unless and until the holder of such certificate shall surrender such certificate in accordance with section 4.1 or 4.2. Subject to applicable law, at the time of such surrender of any such certificate (or, in the case of clause (iii) below, at the appropriate payment date), there shall be paid to the holder of the certificates representing MB Common Shares or MB Warrants, as the case may be, without interest, (i) the amount of any cash payable in lieu of a fractional Exchangeable Share or Weyerhaeuser Common Share to which such holder is entitled pursuant to section 4.4, (ii) the amount of dividends or other distributions with a record date after the Effective Time there before paid with respect to the Exchangeable Shares or Weyerhaeuser Common Shares, as the case may be, to which such holder is entitled pursuant hereto and (iii) on the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to a payment and a payment date subsequent to surrender payable with respect to such Exchangeable Shares or Weyerhaeuser Common Shares, as the case may be.

#### 4.4 No Fractional Shares

No certificates representing fractional Exchangeable Shares or fractional Weyerhaeuser Common Shares shall be issued upon the surrender for exchange of certificates pursuant to section 4.1 or 4.2 and no dividend, stock split or other change in the capital structure of Weyerhaeuser Exchangeco shall relate to any such fractional security and such fractional interests shall not entitle the owner thereof to exercise any rights as a security holder of Weyerhaeuser Exchangeco. In lieu of any such fractional securities, each Person otherwise entitled to a fractional interest in an Exchangeable Share or to a fractional interest in a Weyerhaeuser Common Share will receive a cash payment from the Depository equal to the product of such fractional interest and the Weyerhaeuser Trading Price. Weyerhaeuser Exchangeco shall from time to time as necessary provide the Depository with funds sufficient to satisfy these obligations. On the date of the notice referred to in section 2.2 of the Exchangeable Share provisions, the aggregate number of Exchangeable Shares and the aggregate number of Weyerhaeuser Common Shares for which no certificates were issued as a result of the foregoing provisions of this section 4.4 shall be deemed to have been surrendered by the Depository for no consideration to Weyerhaeuser Exchangeco or Weyerhaeuser, as the case may be.

#### 4.5 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding MB Common Shares or MB Warrants that were exchanged pursuant to section 2.2 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depository will issue in exchange for such lost, stolen or destroyed certificate, any cash pursuant to section 4.4 and the one or more certificates representing one or more Exchangeable Shares or Weyerhaeuser Common Shares (and any dividends or distributions with respect thereto) deliverable in accordance with such holder's Letter of Transmittal and Election Form. When authorizing such payment in

exchange for any lost, stolen or destroyed certificate, the Person to whom certificates representing Exchangeable Shares or Weyerhaeuser Common Shares are to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to Weyerhaeuser Exchangeco, Weyerhaeuser and their respective transfer agents in such sum as Weyerhaeuser Exchangeco or Weyerhaeuser may direct or otherwise indemnify Weyerhaeuser Exchangeco and Weyerhaeuser in a manner satisfactory to Weyerhaeuser Exchangeco and Weyerhaeuser against any claim that may be made against Weyerhaeuser Exchangeco or Weyerhaeuser with respect to the certificate alleged to have been lost, stolen or destroyed.

#### 4.8 Extinction of Rights

Any certificate which immediately prior to the Effective Time represented outstanding MB Common Shares or MB Warrants that were exchanged pursuant to section 2.3 that is not deposited with all other instruments required by section 4.1 or 4.2 on or prior to the date of the notice referred to in section 7.2 of the Exchangeable Share Provisions shall cease to represent a claim or interest of any kind or nature as a shareholder of Weyerhaeuser Exchangeco or Weyerhaeuser. On such date, the Exchangeable Shares or Weyerhaeuser Common Shares (or cash in lieu of fractional interests therein, as provided in section 4.4) to which the former holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered for no consideration to Weyerhaeuser Exchangeco or Weyerhaeuser, as the case may be, together with all entitlements to dividends, distributions and interest in respect thereof held for such former holder. None of Weyerhaeuser, Weyerhaeuser Exchangeco, Weyerhaeuser Holdings or the Depositary shall be liable to any person in respect of any Weyerhaeuser Common Shares or Exchangeable Shares (or dividends, distributions and interest in respect thereof) declared to a public official pursuant to any applicable abandoned property, escheat or similar law.

#### 4.7 Withholding Rights

Weyerhaeuser Exchangeco, Weyerhaeuser Holdings, Weyerhaeuser and the Depositary shall be entitled to deduct and withhold from any dividend or consideration otherwise payable to any holder of MB Common Shares, MB Warrants, Weyerhaeuser Common Shares or Exchangeable Shares such amounts as Weyerhaeuser Exchangeco, Weyerhaeuser Holdings, Weyerhaeuser or the Depositary is required to deduct and withhold with respect to such payment under the TIA, the United States *Internal Revenue Code of 1938* or any provision of provincial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually credited to the appropriate taxing authority. To the extent that the amount so required to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, Weyerhaeuser Exchangeco, Weyerhaeuser Holdings, Weyerhaeuser and the Depositary are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to Weyerhaeuser Exchangeco, Weyerhaeuser Holdings, Weyerhaeuser or the Depositary, as the case may be, to comply with such deduction or withholding requirement and Weyerhaeuser Exchangeco, Weyerhaeuser Holdings, Weyerhaeuser or the Depositary shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale.

### ARTICLE 5

#### CERTAIN RIGHTS OF WEYERHAEUSER HOLDINGS TO ACQUIRE EXCHANGEABLE SHARES

##### 5.1 Weyerhaeuser Holdings Liquidation Call Right

- (a) Weyerhaeuser Holdings shall have the overriding right (the "Liquidation Call Right"), in the event of and notwithstanding its proposed liquidation, dissolution or winding-up of Weyerhaeuser Exchangeco pursuant to Article 5 of the Exchangeable Share Provisions, to purchase from all but not less than all of the holders of Exchangeable Shares (other than any holder of Exchangeable Shares which is an affiliate of Weyerhaeuser) on the Liquidation Date all but not less than all of the Exchangeable Shares and by a check, certificate or payment by Weyerhaeuser Holdings of an amount

per share (the "Liquidation Call Purchase Price") equal to the Current Market Price of a Weyerhaeuser Common Share on the last Business Day prior to the Liquidation Date, which shall be satisfied in full by Weyerhaeuser Holdings causing to be delivered to such holder one Weyerhaeuser Common Share, plus any Dividend Amount. In the event of the exercise of the Liquidation Call Right by Weyerhaeuser Holdings, each holder shall be obligated to sell all the Exchangeable Shares held by the holder to Weyerhaeuser Holdings on the Liquidation Date on payment by Weyerhaeuser Holdings to the holder of the Liquidation Call Purchase Price for each such share, and Weyerhaeuser Exchangeco shall have no obligation to pay any Liquidation Amount to the holders of such shares so purchased by Weyerhaeuser Holdings.

) To exercise the Liquidation Call Right, Weyerhaeuser Holdings must notify Weyerhaeuser Exchangeco's transfer agent (the "Transfer Agent"), as agent for the holders of Exchangeable Shares, and Weyerhaeuser Exchangeco of Weyerhaeuser Holdings's intention to exercise such right at least 45 days before the Liquidation Date in the case of a voluntary liquidation, dissolution or winding-up of Weyerhaeuser Exchangeco and at least five Business Days before the Liquidation Date in the case of an involuntary liquidation, dissolution or winding-up of Weyerhaeuser Exchangeco. The Transfer Agent will notify the holders of Exchangeable Shares as to whether or not Weyerhaeuser Holdings has exercised the Liquidation Call Right forthwith after the expiry of the period during which the same may be exercised by Weyerhaeuser Holdings. If Weyerhaeuser Holdings exercises the Liquidation Call Right, then on the Liquidation Date Weyerhaeuser Holdings will purchase and the holders will sell all of the Exchangeable Shares then outstanding for a price per share equal to the Liquidation Call Purchase Price.

) For the purposes of completing the purchase of the Exchangeable Shares pursuant to the Liquidation Call Right, Weyerhaeuser Holdings shall deposit with the Transfer Agent, on or before the Liquidation Date, certificates representing the aggregate number of Weyerhaeuser Common Shares deliverable by Weyerhaeuser Holdings and a cheque or cheques of Weyerhaeuser Holdings payable at par at any branch of the bankers of Weyerhaeuser Holdings representing the aggregate Dividend Amount, if any, in payment of the total Liquidation Call Purchase Price, less any amounts withheld pursuant to section 47 hereof. Provided that Weyerhaeuser Holdings has complied with the immediately preceding sentence, on and after the Liquidation Date the rights of each holder of Exchangeable Shares will be limited to receiving each holder's proportionate part of the total Liquidation Call Purchase Price payable by Weyerhaeuser Holdings upon presentation and surrender by the holder of certificates representing the Exchangeable Shares held by such holder and the holder shall on and after the Liquidation Date be considered and deemed for all purposes to be the holder of the Weyerhaeuser Common Shares to which it is entitled. Upon surrender to the Transfer Agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the governing corporate statute and the bylaws of Weyerhaeuser Exchangeco and such additional documents and instruments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of Weyerhaeuser Holdings shall deliver to such holder, certificates representing the Weyerhaeuser Common Shares to which the holder is entitled and a cheque or cheques of Weyerhaeuser Holdings payable at par at any branch of the bankers of Weyerhaeuser Holdings in payment of the remaining portion, if any, of the total Liquidation Call Purchase Price, less any amounts withheld pursuant to section 47 hereof. If Weyerhaeuser Holdings does not exercise the Liquidation Call Right in the manner described above, on the Liquidation Date the holders of the Exchangeable Shares will be entitled to receive in exchange therefor the Liquidation Amount otherwise payable by Weyerhaeuser Exchangeco in connection with the liquidation, dissolution or winding-up of Weyerhaeuser Exchangeco pursuant to Article 5 of the Exchangeable Share Prospectus.

In addition to Weyerhaeuser Holdings's rights contained in the Exchangeable Share Provisions, including, without limitation, the Retraction Call Right (as defined in the Exchangeable Share Provisions), Weyerhaeuser Holdings shall have the following rights in respect of the Exchangeable Shares:

- (a) Weyerhaeuser Holdings shall have the overriding right (the "Redemption Call Right"), notwithstanding the proposed redemption of the Exchangeable Shares by Weyerhaeuser Exchangeco pursuant to Article 7 of the Exchangeable Share Provisions, to purchase from all but not less than all of the holders of Exchangeable Shares (other than any holder of Exchangeable Shares which is an affiliate of Weyerhaeuser) on the Redemption Date all but not less than all of the Exchangeable Shares held by such such holder on payment by Weyerhaeuser to each holder of an amount per Exchangeable Share (the "Redemption Call Purchase Price") equal to the Current Market Price of a Weyerhaeuser Common Share on the last Business Day prior to the Redemption Date, which shall be satisfied in full by Weyerhaeuser Holdings causing to be delivered to such holder one Weyerhaeuser Common Share, plus any Dividend Amount. In the event of the exercise of the Redemption Call Right by Weyerhaeuser Holdings, each holder shall be obligated to call all the Exchangeable Shares held by the holder to Weyerhaeuser Holdings on the Redemption Date on payment by Weyerhaeuser Holdings to the holder of the Redemption Call Purchase Price for each such share, and Weyerhaeuser Exchangeco shall have no obligation to redeem, or to pay any Dividend Amount in respect of such shares so purchased by Weyerhaeuser Holdings.
- (b) To exercise the Redemption Call Right, Weyerhaeuser Holdings must notify the Transfer Agent, as agent for the holder of Exchangeable Shares, and Weyerhaeuser Exchangeco of Weyerhaeuser Holdings's intention to exercise such right at least 50 days before the Redemption Date, except in the case of a redemption occurring as a result of a Weyerhaeuser Control Transaction, an Exchangeable Share Voting Event or an Exempt Exchangeable Share Voting Event (each as defined in the Exchangeable Share Provisions), in which case Weyerhaeuser Holdings shall so notify the Transfer Agent and Weyerhaeuser Exchangeco on or before the Redemption Date. The Transfer Agent will notify the holders of the Exchangeable Shares as to whether or not Weyerhaeuser Holdings has exercised the Redemption Call Right forthwith after the expiry of the period during which the same may be exercised by Weyerhaeuser Holdings. If Weyerhaeuser Holdings exercises the Redemption Call Right, on the Redemption Date Weyerhaeuser Holdings will purchase and the holders will sell all of the Exchangeable Shares then outstanding for a price per share equal to the Redemption Call Purchase Price.
- (c) For the purposes of completing the purchase of the Exchangeable Shares pursuant to the Redemption Call Right, Weyerhaeuser Holdings shall deposit with the Transfer Agent, on or before the Redemption Date, certificates representing the aggregate number of Weyerhaeuser Common Shares deliverable by Weyerhaeuser Holdings and a cheque or cheques of Weyerhaeuser Holdings payable at par at any branch of the banks of Weyerhaeuser Holdings representing the aggregate Dividend Amount, if any, in payment of the total Redemption Call Purchase Price, less any amounts withheld pursuant to section 17(9)(c). Provided that Weyerhaeuser Holdings has complied with the immediately preceding sentence, on and after the Redemption Date the rights of each holder of Exchangeable Shares will be limited to receiving such holder's proportionate part of the total Redemption Call Purchase Price payable by Weyerhaeuser Holdings upon presentation and surrender by the holder of certificates representing the Exchangeable Shares held by such holder and the holder shall on and after the Redemption Date be considered and deemed for all purposes to be the holder of the Weyerhaeuser Common Shares to which it is entitled. Upon surrender to the Transfer Agent of a certificate or certificates representing Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the governing corporate statute and the by-laws of Weyerhaeuser Exchangeco and such additional documents and instruments as the Transfer Agent may reasonably require, the holder of such surrendered certificate or certificates shall be entitled to receive in exchange therefor, and the Transfer Agent on behalf of Weyerhaeuser Holdings shall deliver to such holder, certificates representing the Weyerhaeuser Common Shares to which the holder is entitled and a cheque or



cheques of Weyerhaeuser Holdings payable at par at any branch of the bankers of Weyerhaeuser Holdings in payment of the remaining portion, if any, of the total Redemption Call Purchase Price, less any amounts withheld pursuant to section 4.7 hereof. If Weyerhaeuser Holdings does not exercise the Redemption Call Right in the manner described above, on the Redemption Date the holders of the Exchangeable Shares will be entitled to receive in exchange therefor the redemption price otherwise payable by Weyerhaeuser Exchangeco in connection with the redemption of the Exchangeable Shares pursuant to Article 7 of the Exchangeable Share Provisions.

#### ARTICLE 6 AMENDMENTS

##### 6.1 Amendments to Plan of Arrangement

MB reserves the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be (i) set out in writing, (ii) approved by Weyerhaeuser, (iii) filed with the Court and, if made following the MB Meeting, approved by the Court and (iv) communicated to holders of MB Common Shares, MB Options and MB Warrants if and as required by the Court.

Any amendment, modification or supplement to this Plan of Arrangement may be proposed by MS at any time prior to the MB Meeting (provided that Weyerhaeuser shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the MB Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the MB Meeting shall be effective only if (i) it is consented to by each of MB and Weyerhaeuser and (ii) if required by the Court, it is consented to by holders of the MB Common Shares, MB Options or MB Warrants voting in the manner directed by the Court.

Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by Weyerhaeuser, provided that it concerns a matter which, in the reasonable opinion of Weyerhaeuser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any holder of MB Common Shares, MB Options or MB Warrants.

#### ARTICLE 7 FURTHER ASSURANCES

7.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Merger Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein.

APPENDIX 1  
TO THE PLAN OF ARRANGEMENT  
PROVISIONS ATTACHING TO THE  
EXCHANGEABLE SHARES OF  
WEYERHAEUSER COMPANY LIMITED

The Exchangeable Shares shall have the following rights, privileges, restrictions and conditions:

ARTICLE 1  
INTERPRETATION

For the purposes of these share provisions:

"Act" means the *Company Act* (British Columbia), as amended;

"Affiliate" has the meaning ascribed thereto in the Securities Act;

"Arrangement" means an arrangement under section 192 of the CBCA on the terms and subject to the conditions set out in the Plan of Arrangement, to which plan these share provisions are attached as Appendix 1 and which Plan of Arrangement (other than Appendix 1 thereto) is attached to these share provisions as Exhibit A, subject to any amendments or variations thereto made in accordance with Article 6 of the Plan of Arrangement or made at the direction of the Court in the Final Order;

"Board of Directors" means the Board of Directors of the Company;

"Business Day" means any day on which commercial banks are generally open for business in Seattle, Washington and Vancouver, British Columbia, other than a Saturday, a Sunday or a day observed as a holiday in Seattle, Washington under the laws of the State of Washington or the federal laws of the United States of America or in Vancouver, British Columbia under the laws of the Province of British Columbia or the federal laws of Canada;

"CBCA" means *Canada Business Corporations Act*, as amended;

"Canadian Dollar Equivalent" means in respect of an amount expressed in a currency other than Canadian dollars (the "Foreign Currency Amount") at any date the product obtained by multiplying:

- (a) the Foreign Currency Amount by;
- (b) the noon spot exchange rate on such date for such foreign currency expressed in Canadian dollars as reported by the Bank of Canada or, in the event such spot exchange rate is not available, such spot exchange rate on such date for such foreign currency expressed in Canadian dollars as may be deemed by the Board of Directors to be appropriate for such purpose;

"Common Shares" means the common shares in the capital of the Company;

"Company" means *Weyerhaeuser Company Limited*, a company existing under the Act;

"Current Market Price" means, in respect of a Weyerhaeuser Common Share on any date, the Canadian Dollar Equivalent of the average of the closing bid and asked prices of Weyerhaeuser Common Shares during a period of 20 consecutive trading days ending not more than three trading days before such date on the NYSE, or, if the Weyerhaeuser Common Shares are not then listed on the NYSE, on such other stock exchange or automated quotation system on which the Weyerhaeuser Common Shares are listed or quoted, as the case may be, as may be selected by the Board of Directors for such purpose; provided, however, that if in the opinion of the Board of Directors the public distribution or trading activity of Weyerhaeuser Common Shares during such period does not create a market which reflects the fair market value of a Weyerhaeuser Common Share, then the Current Market Price of a Weyerhaeuser Common Share shall be determined by the Board of Directors, in good faith and in its sole discretion, and provided further that any such selection, opinion or determination by the Board of Directors shall be conclusive and binding;

"Dividend Amount" means an amount equal to and in satisfaction of all declared and unpaid dividends on an Exchangeable Share held by a holder on any dividend record date which occurred prior to the date of purchase of such shares by Weyerhaeuser Holdings from such holder;

"Director" means the Director appointed pursuant to section 250 of the CBCA;

"Drop Dead Date" means February 15, 2000, or such later date as may be mutually agreed by the parties to the Merger Agreement;

"Effective Date" means the date shown on the certificate of arrangement to be issued by the Director under the CBCA giving effect to the Arrangement provided that such date occurs on or prior to the Drop Dead Date;

"Exchangeable Shares" mean the non-voting exchangeable shares in the capital of the Company, having the rights, privileges, restrictions and conditions set forth herein;

"Exchangeable Share Voting Event" means any matter in respect of which holders of Exchangeable Shares are entitled to vote as members of the Company, other than an Exempt Exchangeable Share Voting Event, and, for greater certainty, excluding any matter in respect of which holders of Exchangeable Shares are entitled to vote (or instruct the Trustee to vote) in their capacity as Beneficiaries under (and as that term is defined in) the Voting and Exchange Trust Agreement;

"Exempt Exchangeable Share Voting Event" means any matter in respect of which holders of Exchangeable Shares are entitled to vote as members of the Company in order to approve or disapprove, as applicable, any change to, or in the rights of the holders of, the Exchangeable Shares, where the approval or disapproval, as applicable, of such change would be required to maintain the equivalence of the Exchangeable Shares and the Weyerhaeuser Common Shares;

"Governmental Entity" means any (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (b) any subdivision, agent, commission, board, or authority of any of the foregoing, or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"Holder" means, when used with reference to the Exchangeable Shares, the holders of Exchangeable Shares shown from time to time in the register maintained by or on behalf of the Company in respect of the Exchangeable Shares;

"Liquidation Amount" has the meaning ascribed thereto in section 5.1 of these share provisions;

"Liquidation Call Right" has the meaning ascribed thereto in the Plan of Arrangement;

"Liquidation Date" has the meaning ascribed thereto in section 5.1 of these share provisions;

"Merger Agreement" means the amended and restated agreement made as of the 20<sup>th</sup> day of June, 1999 among Weyerhaeuser, the Company and Marvillan Blondel Limited, as amended, supplemented and/or restated in accordance therewith prior to the Effective Date, providing for, among other things, the Arrangement;

"NYSE" means the New York Stock Exchange, Inc.;

"Person" includes any individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;

"Plan of Arrangement" means the plan of arrangement substantially in the form and content of Schedule D annexed to the Merger Agreement and any amendments or variations thereto made in accordance with section 6.1 of the Merger Agreement or Article 6 of the Plan of Arrangement or made at the direction of the Court in the Final Order;

"Preference Shares" means the 100 preference shares in the capital of the Company;

"Purchase Price" has the meaning ascribed thereto in section 6.3 of these share provisions;

"Redemption Call Purchase Price" has the meaning ascribed thereto in the Plan of Arrangement;

"Redemption Call Right" has the meaning ascribed thereto in the Plan of Arrangement;

"Redemption Date" means the date, if any, established by the Board of Directors for the redemption by the Company of all but not less than all of the outstanding Exchangeable Shares pursuant to Article 7 of these share provisions, which date shall be no earlier than December 31, 2007, unless:

- (a) there are fewer than 1,000,000 Exchangeable Shares outstanding (other than Exchangeable Shares held by Weyerhaeuser and its affiliates, and as such number of shares may be adjusted as deemed appropriate by the Board of Directors to give effect to any subdivision or consolidation of or stock dividend on the Exchangeable Shares, any issue or distribution of rights to acquire Exchangeable Shares or securities exchangeable for or convertible into Exchangeable Shares, any issue or distribution of other securities or rights or evidences of indebtedness or assets, or any other capital reorganization or other transaction affecting the Exchangeable Shares), in which case the Board of Directors may accelerate such redemption date to such date prior to December 31, 2007 as they may determine, upon at least 60 days' prior written notice to the registered holders of the Exchangeable Shares and the Trustee;
- (b) a Weyerhaeuser Control Transaction occurs, in which case, provided that the Board of Directors determines, in good faith and in its sole discretion, that it is not reasonably practicable to substantially replicate the terms and conditions of the Exchangeable Shares in connection with such Weyerhaeuser Control Transaction and that the redemption of all but not less than all of the outstanding Exchangeable Shares is necessary to enable the completion of such Weyerhaeuser Control Transaction in accordance with its terms, the Board of Directors may accelerate such redemption date to such date prior to December 31, 2007 as they may determine, upon such number of days' prior written notice to the registered holders of the Exchangeable Shares and the Trustee as the Board of Directors may determine to be reasonably practicable in such circumstances;
- (c) an Exchangeable Share Voting Event is proposed, in which case, provided that the Board of Directors has determined, in good faith and in its sole discretion, that it is not reasonably practicable to accomplish the business purpose intended by the Exchangeable Share Voting Event, which business purpose must be *bona fide* and not for the primary purpose of causing the occurrence of a Redemption Date, in any other commercially reasonable manner that does not result in an Exchangeable Share Voting Event, the redemption date shall be the Business Day prior to the record date for any meeting or vote of the holder of the Exchangeable Shares to consider the Exchangeable Share Voting Event and the Board of Directors shall give such number of days' prior written notice of such redemption to the registered holders of the Exchangeable Shares and the Trustee as the Board of Directors may determine to be reasonably practicable in such circumstances; or
- (d) an Exempt Exchangeable Share Voting Event is proposed and the holders of the Exchangeable Shares fail to take the necessary action at a meeting or other vote of holders of Exchangeable Shares, to approve or disapprove, as applicable, the Exempt Exchangeable Share Voting Event, in which case the redemption date shall be the Business Day following the day on which the holders of the Exchangeable Shares failed to take such action.

provided, however, that the accidental failure or omission to give any notice of redemption under clauses (a), (b), (c) or (d) above to less than 10% of such holders of Exchangeable Shares shall not affect the validity of any such redemption;

"Redemption Price" has the meaning ascribed thereto in section 7.1 of these share provisions;

"Retracted Shares" has the meaning ascribed thereto in section 8.1(a) of these share provisions;

"Retraction Call Right" has the meaning ascribed thereto in section 8.1(c) of these share provisions;

"Retraction Date" has the meaning ascribed thereto in section 8.1(b) of these share provisions;

"Retraction Price" has the meaning ascribed thereto in section 6.1 of these share provisions;

"Retraction Request" has the meaning ascribed thereto in section 6.1 of these share provisions;

"Securities Act" means the Securities Act (Ontario) and the rules, regulations and policies made thereunder, as now in effect and as they may be amended from time to time prior to the Effective Date;

"Support Agreement" means the agreement made between Weyerhaeuser, Weyerhaeuser Holdings and the Company substantially in the form and content of Schedule E annexed to the Merger Agreement, with such changes thereto as the parties to the Support Agreement, acting reasonably, may agree, a copy of which is available at the record's office of the Company;

"Transfer Agent" means CIBC Mellon Trust Company or such other Person as may from time to time be appointed by the Company as the registrar and transfer agent for the Exchangeable Shares;

"Trustee" means the trustee chosen by Weyerhaeuser and MB, acting reasonably, to act as trustee under the Voting and Exchange Trust Agreement, being a corporation organized and existing under the laws of Canada and authorized to carry on the business of a trust company in all the provinces of Canada, and any successor trustee appointed under the Voting and Exchange Trust Agreement;

"Voting and Exchange Trust Agreement" means the agreement made between Weyerhaeuser, the Company and the Trustee in connection with the Plan of Arrangement substantially in the form and content of Schedule F annexed to the Merger Agreement with such changes thereto as the parties to the Merger Agreement, acting reasonably, may agree;

"Weyerhaeuser" means Weyerhaeuser Company, a corporation existing under the laws of the State of Washington;

"Weyerhaeuser Common Shares" mean the shares of common stock in the capital of Weyerhaeuser and any other securities into which such shares may be changed;

"Weyerhaeuser Control Transaction" means any merger, amalgamation, tender offer, material sale of shares or rights or interests therein or thereto or similar transactions involving Weyerhaeuser, or any proposal to do so;

"Weyerhaeuser Dividend Declaration Date" means the date on which the Board of Directors of Weyerhaeuser declares any dividend on the Weyerhaeuser Common Shares;

"Weyerhaeuser Holdings" means Weyerhaeuser Holdings Limited, a company existing under the Company Act which, at the time of the consummation of the Arrangement, will be an indirect wholly-owned subsidiary of Weyerhaeuser; and

"Weyerhaeuser Holdings Call Notice" has the meaning ascribed thereto in section 6.3 of these share provisions.

#### ARTICLE 7

##### RANKING OF EXCHANGEABLE SHARES

2.1 The Exchangeable Shares shall be entitled to a preference over the Common Shares and any other shares ranking junior to the Exchangeable Shares, but shall rank junior to the Preference Shares, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company, among its members for the purpose of winding up its affairs.

## ARTICLE 3

### DIVIDENDS

3.1 A holder of an Exchangeable Share shall be entitled to receive and the Board of Directors shall, subject to applicable law, on each Weyerhaeuser Dividend Declaration Date, declare a dividend on each Exchangeable Share:

- (a) in the case of a cash dividend declared on the Weyerhaeuser Common Shares, in an amount in cash for each Exchangeable Share in U.S. dollars, or the Canadian Dollar Equivalent thereof on the Weyerhaeuser Dividend Declaration Date, in each case, corresponding to the cash dividend declared on each Weyerhaeuser Common Share;
- (b) in the case of a stock dividend declared on the Weyerhaeuser Common Shares to be paid in Weyerhaeuser Common Shares by the issue or transfer by the Company of such number of Exchangeable Shares for each Exchangeable Share as is equal to the number of Weyerhaeuser Common Shares to be paid on each Weyerhaeuser Common Share; or
- (c) in the case of a dividend declared on the Weyerhaeuser Common Shares in property other than cash or Weyerhaeuser Common Shares, in such type and amount of property for each Exchangeable Share as is the same as or economically equivalent to (to be determined by the Board of Directors as contemplated by section 3.5 hereof) the type and amount of property declared as a dividend on each Weyerhaeuser Common Share.

Such dividends shall be paid out of money, assets or property of the Company properly applicable to the payment of dividends, or out of authorized but unissued shares of the Company, as applicable.

3.2 Cheques of the Company payable at par at any branch of the bankers of the Company shall be issued in respect of any cash dividends contemplated by section 3.1 (a) hereof and the sending of such a cheque to each holder of an Exchangeable Share shall satisfy the cash dividend represented thereby unless the cheque is not paid on presentation. Certificates registered in the name of the registered holder of Exchangeable Shares shall be issued or transferred in respect of any stock dividends contemplated by section 3.1 (b) hereof and the sending of such a certificate to each holder of an Exchangeable Share shall satisfy the stock dividend represented thereby. Such other type and amount of property in respect of any dividends contemplated by section 3.1 (c) hereof shall be issued, distributed or transferred by the Company in such manner as it shall determine and the issuance, distribution or transfer thereof by the Company to each holder of an Exchangeable Share shall satisfy the dividend represented thereby. No holder of an Exchangeable Share shall be entitled to recover by action or other legal process against the Company any dividend that is represented by a cheque that has not been duly presented to the Company's bankers for payment or that otherwise remains unclaimed for a period of six years from the date on which such dividend was payable.

3.3 The record date for the determination of the holders of Exchangeable Shares entitled to receive payment on and the payment date for any dividend declared on the Exchangeable Shares under section 3.1 hereof shall be the same dates as the record date and payment date, respectively, for the corresponding dividend declared on the Weyerhaeuser Common Shares.

3.4 If on any payment date for any dividends declared on the Exchangeable Shares under section 3.1 hereof the dividends are not paid in full on all of the Exchangeable Shares then outstanding, any such dividends that remain unpaid shall be paid on a subsequent date or dates determined by the Board of Directors on which the Company shall have sufficient moneys, assets or property properly applicable to the payment of such dividends.

3.5 The Board of Directors shall determine, in good faith and in its sole discretion, economic equivalence for the purposes of section 3.1 hereof, and such such determination shall be conclusive and binding on the Company and its members. In making such such determination the following factors shall, without excluding other factors determined by the Board of Directors to be relevant, be considered by the Board of Directors:

- (i) in the case of any stock dividend or other distribution payable in Weyerhaeuser Common Shares, the number of such shares issued in proportion to the number of Weyerhaeuser Common Shares previously outstanding;

- (b) In the case of the issuance or distribution of any rights, options or warrants to subscribe for or purchase Weyerhaeuser Common Shares (or securities exchangeable for or convertible into or carrying rights to acquire Weyerhaeuser Common Shares), the relationship between the exercise price of each such right, option or warrant and the Current Market Price;
- (c) In the case of the issuance or distribution of any other form of property (including without limitation any shares or securities of Weyerhaeuser of any class other than Weyerhaeuser Common Shares, any rights, options or warrants other than those referred to in section 3.5(b) above, any evidences of indebtedness of Weyerhaeuser or any assets of Weyerhaeuser) the relationship between the fair market value (as determined by the Board of Directors in the manner above contemplated) of such property to be issued or distributed with respect to each outstanding Weyerhaeuser Common Share and the Current Market Price; and
- (d) In all such cases, the general taxation consequences of the relevant event to holders of Exchangeable Shares to the extent that such consequences may differ from the taxation consequences to holders of Weyerhaeuser Common Shares as a result of differences between taxation laws of Canada and the United States (except for any differing consequences arising as a result of differing marginal taxation rates and without regard to the individual circumstances of holders of Exchangeable Shares).

#### ARTICLE 4 CERTAIN RESTRICTIONS

4.1 So long as any of the Exchangeable Shares are outstanding, the Company shall not at any time without, but may at any time with, the approval of the holders of the Exchangeable Shares given as specified in section 10.2 of these share provisions:

- (a) pay any dividends on the Common Shares or any other shares ranking junior to the Exchangeable Shares, other than stock dividends payable in Common Shares or any such other shares ranking junior to the Exchangeable Shares, as the case may be;
- (b) redeem or purchase or make any capital distribution in respect of Common Shares or any other shares ranking junior to the Exchangeable Shares;
- (c) redeem or purchase any other shares of the Company ranking equally with the Exchangeable Shares with respect to the payment of dividends or on any liquidation distribution; or
- (d) issue any Exchangeable Shares or any other shares of the Company ranking equally with, or superior to, the Exchangeable Shares other than by way of stock dividends to the holders of such Exchangeable Shares.

The restrictions in sections 4.1(a), (b), (c) and (d) above shall not apply if all dividends on the outstanding Exchangeable Shares corresponding to dividends declared and paid to date on the Weyerhaeuser Common Shares shall have been declared and paid on the Exchangeable Shares.

#### ARTICLE 5 DISTRIBUTION ON LIQUIDATION

5.1 In the event of the liquidation, dissolution or winding-up of the Company or any other distribution of the assets of the Company among its members for the purpose of winding up its affairs, a holder of Exchangeable Shares shall be entitled, subject to applicable law, to receive from the assets of the Company in respect of such Exchangeable Share held by such holder, on the effective date (the "Liquidation Date") of such liquidation, dissolution or winding-up, before any distribution of any part of the assets of the Company among the holders of the Common Shares or any other shares ranking junior to the Exchangeable Shares, an amount per share (the "Liquidation Amount") equal to the Current Market Price of a Weyerhaeuser Common Share on the last Business Day prior to the Liquidation Date, which shall be satisfied in full by the Company causing to be delivered to such holder one Weyerhaeuser Common Share, plus an amount equal to all declared and unpaid dividends on each

such Exchangeable Share held by such holder on any dividend record date which occurred prior to the Liquidation Date.

5.2 On or promptly after the Liquidation Date, and subject to the exercise by Weyerhaeuser Holdings of the Liquidation Call Right, the Company shall cause to be delivered to the holders of the Exchangeable Shares the Liquidation Amount for each such Exchangeable Share upon presentation and surrender of the certificates representing such Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the Act and the Articles of the Company and such additional documents and instruments as the Transfer Agent and the Company may reasonably require, at the registered office of the Company or at any office of the Transfer Agent as may be specified by the Company by notice to the holders of the Exchangeable Shares. Payment of the total Liquidation Amount for such Exchangeable Shares shall be made by delivery to such holder, at the address of the holder recorded in the register of members of the Company for the Exchangeable Shares or by holding for pick-up by the holder at the registered office of the Company or at any office of the Transfer Agent as may be specified by the Company by notice to the holders of Exchangeable Shares, on behalf of the Company of certificates representing Weyerhaeuser Common Shares (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance) and a cheque of the Company payable at par at any branch of the bankers of the Company in respect of the remaining portion, if any, of the total Liquidation Amount (in each case less any amounts withheld on account of tax required to be deducted and withheld therefrom). On and after the Liquidation Date, the holders of the Exchangeable Shares shall cease to be holders of such Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Liquidation Amount, unless payment of the total Liquidation Amount for such Exchangeable Shares shall not be made upon presentation and surrender of share certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected until the total Liquidation Amount has been paid in the manner hereinbefore provided. The Company shall have the right at any time after the Liquidation Date to deposit or cause to be deposited the total Liquidation Amount in respect of the Exchangeable Shares represented by certificates that have not at the Liquidation Date been surrendered by the holders thereof in a custodial account with any chartered bank or trust company in Canada. Upon such deposit being made, the rights of the holders of Exchangeable Shares after such deposit shall be limited to receiving their proportionate part of the total Liquidation Amount (in each case less any amounts withheld on account of tax required to be deducted and withheld therefrom) for such Exchangeable Shares so deposited, against presentation and surrender of the said certificates held by them, respectively, in accordance with the foregoing provisions. Upon such payment or deposit of the total Liquidation Amount, the holders of the Exchangeable Shares shall thereafter be considered and deemed for all purposes to be holders of the Weyerhaeuser Common Shares delivered to them or the custodian on their behalf.

5.3 After the Company has satisfied its obligations to pay the holders of the Exchangeable Shares the Liquidation Amount per Exchangeable Share pursuant to section 5.1 of these share provisions, such holders shall not be entitled to share in any further distribution of the assets of the Company.

#### ARTICLE 6

##### RETRACTION OF EXCHANGEABLE SHARES BY HOLDER

6.1 A holder of Exchangeable Shares shall be entitled at any time, subject to the exercise by Weyerhaeuser Holdings of the Retraction Call Right and otherwise upon compliance with the provisions of this Article 6, to require the Company to redeem any or all of the Exchangeable Shares registered in the name of such holder for an amount per share equal to the Current Market Price of a Weyerhaeuser Common Share on the last Business Day prior to the Retraction Date (the "Redemption Price"), which shall be satisfied in full by the Company causing to be delivered to such holder one Weyerhaeuser Common Share for each Exchangeable Share presented and surrendered by the holder. To effect such redemption, the holder shall present and surrender at the registered office of the Company or at any office of the Transfer Agent as may be specified by the Company by notice to the holders of Exchangeable Shares the certificates or certificates representing the Exchangeable Shares which the holder desires to have the Company redeem, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the Act and the Articles of the Company and such additional documents and instruments to the Transfer Agent and the Company may



reasonably require, and together with a duly executed statement (the "Retraction Request") in the form of Schedule A hereto or in such other form as may be acceptable to the Company:

- (a) specifying that the holder desires to have all or any number specified therein of the Exchangeable Shares represented by such certificate or certificates (the "Retracted Shares") redeemed by the Company;
- (b) stating the Business Day on which the holder desires to have the Company redeem the Retracted Shares (the "Retraction Date"), provided that the Retraction Date shall be not less than 10 Business Days nor more than 15 Business Days after the date on which the Retraction Request is received by the Company and further provided that, in the event that no such Business Day is specified by the holder in the Retraction Request, the Retraction Date shall be deemed to be the 15th Business Day after the date on which the Retraction Request is received by the Company; and
- (c) acknowledging the overriding right (the "Retraction Call Right") of Weyerhaeuser Holdings to purchase all but not less than all the Retracted Shares directly from the holder and that the Retraction Request shall be deemed to be a revocable offer by the holder to sell the Retracted Shares to Weyerhaeuser Holdings in accordance with the Retraction Call Right on the terms and conditions set out in section 6.3 below.

6.2 Subject to the exercise by Weyerhaeuser Holdings of the Retraction Call Right, upon receipt by the Company or the Transfer Agent in the manner specified in section 6.1 hereof of a certificate or certificates representing the number of Retracted Shares, together with a Retraction Request, and provided that the Retraction Request is not revoked by the holder in the manner specified in section 6.7, the Company shall redeem the Retracted Shares effective at the close of business on the Retraction Date and shall cause to be delivered to such holder the total Retraction Price. If only a part of the Exchangeable Shares represented by any certificate is redeemed (or purchased by Weyerhaeuser Holdings pursuant to the Retraction Call Right), a new certificate for the balance of such Exchangeable Shares shall be issued to the holder at the expense of the Company.

6.3 Upon receipt by the Company of a Retraction Request, the Company shall immediately notify Weyerhaeuser Holdings thereof and shall provide to Weyerhaeuser Holdings a copy of the Retraction Request. In order to exercise the Retraction Call Right, Weyerhaeuser Holdings must notify the Company of its determination to do so (the "Weyerhaeuser Holdings Call Notice") within five Business Days of notification to Weyerhaeuser Holdings by the Company of the receipt by the Company of the Retraction Request. If Weyerhaeuser Holdings does not so notify the Company within such five Business Day period, the Company will notify the holder as soon as possible thereafter that Weyerhaeuser Holdings will not exercise the Retraction Call Right. If Weyerhaeuser Holdings delivers the Weyerhaeuser Holdings Call Notice within such five Business Day period, and provided that the Retraction Request is not revoked by the holder in the manner specified in section 6.7, the Retraction Request shall thereupon be considered only to be an offer by the holder to sell the Retracted Shares to Weyerhaeuser Holdings in accordance with the Retraction Call Right. In such event, the Company shall not redeem the Retracted Shares and Weyerhaeuser Holdings shall purchase from such holder and such holder shall sell to Weyerhaeuser Holdings on the Retraction Date the Retracted Shares for a purchase price (the "Purchase Price") per share equal to the Retraction Price per share, plus on the designated payment date therefor, to the extent not paid by the Company on the designated payment date therefor, any Dividend Amount. To the extent that Weyerhaeuser Holdings pays the Dividend Amount in respect of the Retracted Shares, the Company shall no longer be obligated to pay any declared and unpaid dividends on such Retracted Shares. Provided that Weyerhaeuser Holdings has complied with section 6.4, the closing of the purchase and sale of the Retracted Shares pursuant to the Retraction Call Right shall be deemed to have occurred as at the close of business on the Retraction Date and, for greater certainty, no redemption by the Company of such Retracted Shares shall take place on the Retraction Date. In the event that Weyerhaeuser Holdings does not deliver a Weyerhaeuser Holdings Call Notice within such five Business Day period, and provided that the Retraction Request is not revoked by the holder in the manner specified in section 6.7, the Company shall redeem the Retracted Shares on the Retraction Date and in the manner otherwise contemplated in this Article 6.

6.4 The Company or Weyerhaeuser Holdings, as the case may be, shall deliver or cause the Transfer Agent to deliver to the relevant holder, at the address of the holder recorded in the register of members of the Company

for the Exchangeable Shares or at the address specified in the holder's Retraction Request or by holding for pick-up by the holder at the registered office of the Company or at any office of the Transfer Agent as may be specified by the Company by notice to the holders of Exchangeable Shares, certificates representing the Weyerhaeuser Common Shares (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance) registered in the name of the holder or in such other name as the holder may request, and, if applicable and on or before the payment date therefor, a cheque payable at par at any branch of the bankers of the Company or Weyerhaeuser Holdings, as applicable, representing the aggregate Dividend Amount, in payment of the total Retraction Price or the total Purchase Price, as the case may be, in each case, less any amounts withheld on account of tax required to be deducted and withheld therefrom, and such delivery of such certificates and cheques on behalf of the Company or by Weyerhaeuser Holdings, as the case may be, or by the Transfer Agent shall be deemed to be payment of and shall satisfy and discharge all liability for the total Retraction Price or total Purchase Price, as the case may be, to the extent that the same is represented by such share certificates and cheques (plus any tax deducted and withheld therefrom and remitted to the proper tax authority).

6.5 On and after the close of business on the Retraction Date, the holder of the Retracted Shares shall cease to be a holder of such Retracted Shares and shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive his proportionate part of the total Retraction Price or total Purchase Price, as the case may be, unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the total Retraction Price or the total Purchase Price, as the case may be, shall not be made as provided in section 6.4, in which case the rights of such holder shall remain unaffected until the total Retraction Price or the total Purchase Price, as the case may be, has been paid in the manner hereinbefore provided. On and after the close of business on the Retraction Date, provided that presentation and surrender of certificates and payment of the total Retraction Price or the total Purchase Price, as the case may be, has been made in accordance with the foregoing provisions, the holder of the Retracted Shares so redeemed by the Company or purchased by Weyerhaeuser Holdings shall thereafter be considered and deemed for all purposes to be a holder of the Weyerhaeuser Common Shares delivered to it.

6.6 Notwithstanding any other provision of this Article 6, the Company shall not be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent that such redemption of Retracted Shares would be contrary to solvency requirements or other provisions of applicable law. If the Company believes that on any Retraction Date it would not be permitted by any of such provisions to redeem the Retracted Shares tendered for redemption on such date, and provided that Weyerhaeuser Holdings shall not have exercised the Retraction Call Right with respect to the Retracted Shares, the Company shall only be obligated to redeem Retracted Shares specified by a holder in a Retraction Request to the extent of the maximum number that may be so redeemed (rounded down to a whole number of shares) as would not be contrary to such provisions and shall notify the holder and the Trustee at least two Business Days prior to the Retraction Date as to the number of Retracted Shares which will not be redeemed by the Company. In any case in which the redemption by the Company of Retracted Shares would be contrary to solvency requirements or other provisions of applicable law, the Company shall redeem Retracted Shares in accordance with section 6.2 of these share provisions on a *pro rata* basis and shall issue to each holder of Retracted Shares a new certificate, at the expense of the Company, representing the Retracted Shares not redeemed by the Company pursuant to section 6.2 hereof. Provided that the Retraction Request is not revoked by the holder in the manner specified in section 6.7, the holder of any such Retracted Shares not redeemed by the Company pursuant to section 6.2 of these share provisions as a result of solvency requirements or other provisions of applicable law shall be deemed by giving the Retraction Request to require Weyerhaeuser to purchase such Retracted Shares from such holder on the Retraction Date or as soon as practicable thereafter on payment by Weyerhaeuser to such holder of the Purchase Price for each such Retracted Share and as more specifically provided in the Voting and Exchange Trust Agreement.

6.7 A holder of Retracted Shares may, by notice in writing given by the holder to the Company before the close of business on the Business Day immediately preceding the Retraction Date, withdraw his Retraction Request, in which event such Retraction Request shall be null and void and, for greater certainty, the revocable offer constituted by the Retraction Request to sell the Retracted Shares to Weyerhaeuser Holdings shall be deemed to have been revoked.

## ARTICLE 7

### REDEMPTION OF EXCHANGEABLE SHARES BY THE COMPANY

7.1 Subject to applicable law, and provided Weyerhaeuser Holdings has not exercised the Redemption Call Right, the Company shall on the Redemption Date redeem all but not less than all of the then outstanding Exchangeable Shares for an amount per share equal to the Current Market Price of a Weyerhaeuser Common Share on the last Business Day prior to the Redemption Date (the "Redemption Price"), which shall be satisfied in full by the Company causing to be delivered to each holder of Exchangeable Shares one Weyerhaeuser Common Share for each Exchangeable Share held by such holder, together with the full amount of all declared and unpaid dividends on each such Exchangeable Share held by such holder on any dividend record date which occurred prior to the Redemption Date.

7.2 In any case of a redemption of Exchangeable Shares under this Article 7, the Company shall, at least 45 days before the Redemption Date (other than a Redemption Date established in connection with a Weyerhaeuser Control Transaction, an Exchangeable Share Voting Event or an Exempt Exchangeable Share Voting Event), send or cause to be sent to each holder of Exchangeable Shares a notice in writing of the redemption by the Company or the purchase by Weyerhaeuser Holdings under the Redemption Call Right, as the case may be, of the Exchangeable Shares held by such holder. In the case of a Redemption Date established in connection with a Weyerhaeuser Control Transaction, an Exchangeable Share Voting Event and an Exempt Exchangeable Share Voting Event, the written notice of redemption by the Company or the purchase by Weyerhaeuser Holdings under the Redemption Call Right will be sent on or before the Redemption Date, or as many days prior written notice as may be determined by the Board of Directors of the Company to be reasonably practicable in the circumstances. In any such case, such notice shall set out the formula for determining the Redemption Price or the Redemption Call Purchase Price, as the case may be, the Redemption Date and, if applicable, particulars of the Redemption Call Right.

7.3 On or after the Redemption Date and subject to the exercise by Weyerhaeuser Holdings of the Redemption Call Right, the Company shall cause to be delivered to the holders of the Exchangeable Shares to be redeemed the Redemption Price for each such Exchangeable Share, together with the full amount of all declared and unpaid dividends on each such Exchangeable Share held by such holder on any dividend record date which occurred prior to the Redemption Date, upon presentation and surrender at the registered office of the Company or at any office of the Transfer Agent as may be specified by the Company in such notice of the certificates representing such Exchangeable Shares, together with such other documents and instruments as may be required to effect a transfer of Exchangeable Shares under the Act and the Articles of the Company and such additional documents and instruments as the Transfer Agent and the Company may reasonably require. Payment of the total Redemption Price for such Exchangeable Shares, together with payment of such dividends, shall be made by delivery to each holder, at the address of the holder recorded in the register of members of the Company or by holding for pick-up by the holder at the registered office of the Company or at any office of the Transfer Agent as may be specified by the Company in such notice, on behalf of the Company of certificates representing Weyerhaeuser Common Shares (which shares shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim or encumbrance) and, if applicable, a cheque of the Company payable at par at any branch of the bankers of the Company in payment of any such dividends, in each case, less any amounts withheld on account of tax required to be deducted and withheld therefrom. On and after the Redemption Date, the holders of the Exchangeable Shares called for redemption shall cease to be holders of such Exchangeable Shares and shall not be entitled to exercise any of the rights of holders in respect thereof, other than the right to receive their proportionate part of the total Redemption Price and any such dividends, unless payment of the total Redemption Price and any such dividends for such Exchangeable Shares shall not be made upon presentation and surrender of certificates in accordance with the foregoing provisions, in which case the rights of the holder shall remain unaffected until the total Redemption Price and any such dividends have been paid in the manner hereinbefore provided. The Company shall have the right at any time after the sending of notice of its intention to redeem the Exchangeable Shares as aforesaid to deposit or cause to be deposited the total Redemption Price for and the full amount of such dividends on (except as otherwise provided in this section 7.3) the Exchangeable Shares so called for redemption, or of such of the said Exchangeable Shares represented by certificates that have not at the date of such deposit been surrendered by the holder thereof in connection with such redemption, in a substantial amount with any chartered bank or trust company in Canada

named in such notice, less any amount withheld on account of tax required to be deducted and withheld therefrom. Upon the later of such deposit being made and the Redemption Date, the Exchangeable Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or Redemption Date as the case may be, shall be limited to receiving their proportionate part of the total Redemption Price and such dividends for such Exchangeable Shares so deposited, against presentation and surrender of the said certificates held by them, respectively, in accordance with the foregoing provisions. Upon such payment or deposit of the total Redemption Price and the full amount of such dividends, the holders of the Exchangeable Shares shall thereafter be considered and deemed for all purposes to be holders of the Weyerhaeuser Common Shares delivered to them or the custodian on their behalf.

#### ARTICLE 8

##### PURCHASE FOR CANCELLATION

8.1 Subject to applicable law and notwithstanding section 3.2, the Company may at any time and from time to time purchase for cancellation all or any part of the Exchangeable Shares by private agreement with any holder of Exchangeable Shares for consideration consisting of Common Shares.

8.2 Subject to applicable law, the Company may at any time and from time to time purchase for cancellation all or any part of the outstanding Exchangeable Shares at any price by tender to all the holders of record of Exchangeable Shares then outstanding or through the facilities of any stock exchange on which the Exchangeable Shares are listed or quoted at any price per share. If in response to an invitation for tenders under the provisions of this section 8.2, more Exchangeable Shares are tendered at a price or prices acceptable to the Company than the Company is prepared to purchase, the Exchangeable Shares to be purchased by the Company shall be purchased as nearly as may be pro rata according to the number of shares tendered by each holder who submits a tender to the Company, provided that when shares are tendered at different prices, the pro rating shall be effected (disregarding fractions) only with respect to the shares tendered at the price or which more shares were tendered than the Company is prepared to purchase after the Company has purchased all the shares tendered at lower prices. If part only of the Exchangeable Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued at the expense of the Company.

#### ARTICLE 9

##### VOTING RIGHTS

9.1 Except as required by applicable law and by Article 10 hereof, the holders of the Exchangeable Shares shall not be entitled as such to receive notice of or to attend any meeting of the members of the Company or to vote at any such meeting.

#### ARTICLE 10

##### AMENDMENT AND APPROVAL

10.1 The rights, privileges, restrictions and conditions attaching to the Exchangeable Shares may be added to, changed or removed but only with the approval of the holders of the Exchangeable Shares given as hereinafter specified.

10.2 Any approval given by the holders of the Exchangeable Shares to add to, change or remove any right, privilege, restriction or condition attaching to the Exchangeable Shares or any other matter requiring the approval or consent of the holders of the Exchangeable Shares shall be deemed to have been sufficiently given if it shall have been given in accordance with applicable law subject to a minimum requirement that such approval be evidenced by resolution passed by not less than three-fourths of the votes cast on such resolution at a meeting of holders of Exchangeable Shares duly called and held at which the holders of at least 25% of the outstanding Exchangeable Shares or that time are present or represented by proxy; provided that if at any such meeting the holders of at least 25% of the outstanding Exchangeable Shares at that time are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than five days thereafter and to such time and place as may be designated by the Chairman of such meeting. At such adjourned meeting the holders of Exchangeable Shares present or represented by proxy

thereat may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than three-fourths of the votes cast on such resolution at such meeting shall constitute the approval or consent of the holders of the Exchangeable Shares.

## ARTICLE II

### RECIPROCAL CHANGES, ETC. IN RESPECT OF WEYERHAEUSER COMMON SHARES

11.1 Each holder of an Exchangeable Share acknowledges that the Support Agreement provides, in part, that Weyerhaeuser will not without the prior approval of the Company and the prior approval of the holders of the Exchangeable Shares given in accordance with section 10.2 of these share provisions:

- (a) Issue or distribute Weyerhaeuser Common Shares (or securities exchangeable for or convertible into or carrying rights to acquire Weyerhaeuser Common Shares) to the holders of all or substantially all of the then outstanding Weyerhaeuser Common Shares by way of stock dividend or other distribution, other than an issue of Weyerhaeuser Common Shares (or securities exchangeable for or convertible into or carrying rights to acquire Weyerhaeuser Common Shares) to holders of Weyerhaeuser Common Shares who exercise an option to receive dividends in Weyerhaeuser Common Shares (or securities exchangeable for or convertible into or carrying rights to acquire Weyerhaeuser Common Shares) in lieu of receiving cash dividends;
- (b) Issue or distribute rights, options or warrants to the holders of all or substantially all of the then outstanding Weyerhaeuser Common Shares entitling them to subscribe for or to purchase Weyerhaeuser Common Shares (or securities exchangeable for or convertible into or carrying rights to acquire Weyerhaeuser Common Shares); or
- (c) Issue or distribute to the holders of all or substantially all of the then outstanding Weyerhaeuser Common Shares:
  - (i) shares or securities of Weyerhaeuser of any class other than Weyerhaeuser Common Shares (other than shares convertible into or exchangeable for or carrying rights to acquire Weyerhaeuser Common Shares);
  - (ii) rights, options or warrants other than those referred to in section 11.1(b) above;
  - (iii) evidences of indebtedness of Weyerhaeuser; or
  - (iv) assets of Weyerhaeuser.

unless the economic equivalent on a per share basis of such rights, options, securities, shares, evidences of indebtedness or other assets is issued or distributed simultaneously to holders of the Exchangeable Shares.

11.2 Each holder of an Exchangeable Share acknowledges that the Support Agreement further provides, in part, that Weyerhaeuser will not without the prior approval of the Company and the prior approval of the holders of the Exchangeable Shares given in accordance with section 10.2 of these share provisions:

- (a) subdivide, redivide or change the then outstanding Weyerhaeuser Common Shares into a greater number of Weyerhaeuser Common Shares;
- (b) reduce, combine, consolidate or change the then outstanding Weyerhaeuser Common Shares into a lesser number of Weyerhaeuser Common Shares; or
- (c) reclassify or otherwise change the Weyerhaeuser Common Shares or effect an amalgamation, merger, reorganization or other transaction affecting the Weyerhaeuser Common Shares,

unless the same or an economically equivalent change shall simultaneously be made to, or in, the rights of the holders of the Exchangeable Shares. The Support Agreement further provides, in part, that the aforesaid provisions of the Support Agreement shall not be changed without the approval of the holders of the Exchangeable Shares given in accordance with section 10.2 of these share provisions.

## ARTICLE 12

### ACTIONS BY THE COMPANY UNDER SUPPORT AGREEMENT

12.1 The Company will take all such actions and do all such things as shall be necessary or advisable to perform and comply with and to ensure performance and compliance by Weyerhaeuser, Weyerhaeuser Holdings and the Company with all provisions of the Support Agreement applicable to Weyerhaeuser, Weyerhaeuser Holdings and the Company, respectively. In accordance with the terms thereof including, without limitation, taking all such actions and doing all such things as shall be necessary or advisable to enforce to the fullest extent possible for the direct benefit of the Company all rights and benefits in favour of the Company under or pursuant to such agreement.

12.2 The Company shall not propose, agree to or otherwise give effect to any amendment to, or waiver or forgiveness of its rights or obligations under, the Support Agreement without the approval of the holders of the Exchangeable Shares given in accordance with section 10.2 of these share provisions other than such amendments, waivers and/or forgiveness as may be necessary or advisable for the purposes of:

- (a) adding to the covenants of the other parties to such agreement for the protection of the Company or the holders of the Exchangeable Shares thereunder;
- (b) making such provisions or modifications not inconsistent with such agreement as may be necessary or desirable with respect to matters or questions arising thereunder which, in the good faith opinion of the Board of Directors, it may be expedient to make, provided that the Board of Directors shall be of the good faith opinion, after consultation with counsel, that such provisions and modifications will not be prejudicial to the interests of the holders of the Exchangeable Shares; or
- (c) making such changes in or corrections to such agreement which, on the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error contained therein, provided that the Board of Directors shall be of the good faith opinion, after consultation with counsel, that such changes or corrections will not be prejudicial to the interests of the holders of the Exchangeable Shares.

## ARTICLE 13

### LEGEND; CALL RIGHTS; WITHHOLDING RIGHTS

13.1 The certificates evidencing the Exchangeable Shares shall contain or have affixed thereto a legend in form and on terms approved by the Board of Directors, with respect to the Support Agreement, the provisions of the Plan of Arrangement relating to the Liquidation Call Right and the Redemption Call Right, and the Voting and Exchange Trust Agreement (including the provisions with respect to the voting rights, exchange right and automatic exchange thereunder).

13.2 Each holder of an Exchangeable Share, whether of record or beneficial, by virtue of becoming and being such a holder shall be deemed to acknowledge each of the Liquidation Call Right, the Retraction Call Right and the Redemption Call Right, in each case, in favour of Weyerhaeuser Holdings, and the overriding nature thereof in connection with the liquidation, dissolution or winding-up of the Company or the retraction or redemption of Exchangeable Shares, as the case may be, and to be bound thereby in favour of Weyerhaeuser Holdings as therein provided.

13.3 The Company, Weyerhaeuser Holdings, Weyerhaeuser and the Transfer Agent shall be entitled to deduct and withhold from any dividend or consideration otherwise payable to any holder of Exchangeable Shares such amounts as the Company, Weyerhaeuser Holdings, Weyerhaeuser or the Transfer Agent is required to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada), the *United States Internal Revenue Code of 1986* or any provision of provincial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the Exchangeable Shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that the amount so required or permitted to be deducted or withheld from any payment to a holder

exceeds the cash portion of the consideration otherwise payable to the holder, the Company, Weyerhaeuser Holdings, Weyerhaeuser and the Transfer Agent are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to the Company, Weyerhaeuser Holdings, Weyerhaeuser or the Transfer Agent, as the case may be, to enable it to comply with such deduction or withholding requirement and the Company, Weyerhaeuser Holdings, Weyerhaeuser or the Transfer Agent shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale.

#### ARTICLE 14

#### NOTICES

14.1 Any notice, request or other communication to be given to the Company by a holder of Exchangeable Shares shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by telecopy or by delivery to the registered office of the Company and addressed to the attention of the President of the Company. Any such notice, request or other communication, if given by mail, telecopy or delivery, shall only be deemed to have been given and received upon actual receipt thereof by the Company.

14.2 Any presentation and surrender by a holder of Exchangeable Shares to the Company or the Transfer Agent of certificates representing Exchangeable Shares in connection with the liquidation, dissolution or winding-up of the Company or the retraction or redemption of Exchangeable Shares shall be made by registered mail (postage prepaid) or by delivery to the registered office of the Company or to such office of the Transfer Agent as may be specified by the Company, in each case, addressed to the attention of the President of the Company. Any such presentation and surrender of certificates shall only be deemed to have been made and to be effective upon actual receipt thereof by the Company or the Transfer Agent, as the case may be. Any such presentation and surrender of certificates made by registered mail shall be at the sole risk of the holder mailing the same.

14.3 Any notice, request or other communication to be given to a holder of Exchangeable Shares by or on behalf of the Company shall be in writing and shall be valid and effective if given by mail (postage prepaid) or by delivery to the address of the holder recorded in the register of members of the Company or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder. Any such notice, request or other communication, if given by mail, shall be deemed to have been given and received on the third Business Day following the date of mailing and, if given by delivery, shall be deemed to have been given and received on the date of delivery. Accidental failure or omission to give any notice, request or other communication to one or more holders of Exchangeable Shares shall not invalidate or otherwise alter or affect any action or proceeding to be taken by the Company pursuant thereto.

SCHEDULE A  
RETRACTION REQUEST

[TO BE PRINTED ON EXCHANGEABLE SHARE CERTIFICATES]

To Weyerhaeuser Company Limited and Weyerhaeuser Holdings Limited ("Weyerhaeuser Holdings")

This notice is given pursuant to Article 8 of the provisions (the "Share Provisions") attaching to the Exchangeable Shares of Weyerhaeuser Company Limited represented by this certificate and all capitalized words and expressions used in this notice that are defined in the Share Provisions have the meanings ascribed to such words and expressions in such Share Provisions.

The undersigned hereby notifies Weyerhaeuser Company Limited that, subject to the Retraction Call Right referred to below, the undersigned desires to have Weyerhaeuser Company Limited redeem in accordance with Article 8 of the Share Provisions:

- all share(s) represented by this certificate; or  
 \_\_\_\_\_ share(s) only represented by this certificate.

The undersigned hereby notifies Weyerhaeuser Company Limited that the Retraction Date shall be \_\_\_\_\_.

NOTE: The Retraction Date must be a Business Day and must not be less than 10 Business Days nor more than 15 Business Days after the date upon which this notice is received by Weyerhaeuser Company Limited. If no such Business Day is specified above, the Retraction Date shall be deemed to be the 15<sup>th</sup> Business Day after the date on which this notice is received by Weyerhaeuser Company Limited.

The undersigned acknowledges the overriding Retraction Call Right of Weyerhaeuser Holdings to purchase all but not less than all the Restricted Shares from the undersigned and that this notice is and shall be deemed to be a revocable offer by the undersigned to sell the Restricted Shares to Weyerhaeuser Holdings in accordance with the Retraction Call Right on the Retraction Date for the Purchase Price and on the other terms and conditions set out in section 8.3 of the Share Provisions. This Retraction Request, and this offer to sell the Restricted Shares to Weyerhaeuser Holdings, may be revoked and withdrawn by the undersigned only by notice in writing given to Weyerhaeuser Company Limited at any time before the close of business on the Business Day immediately preceding the Retraction Date.

The undersigned acknowledges that if, as a result of solvency provisions of applicable law, Weyerhaeuser Company Limited is unable to redeem all Redeemed Shares, the undersigned will be deemed to have exercised the Exchange Right (as defined in the Voting and Exchange Trust Agreement) so as to require Weyerhaeuser Company to purchase the unredeemed Restricted Shares.

The undersigned hereby represents and warrants to Weyerhaeuser Holdings and Weyerhaeuser Company Limited that the undersigned:

- is \_\_\_\_\_  
(select one)  
 is not

a non-resident of Canada for purposes of the *Income Tax Act* (Canada). The undersigned acknowledges that in the absence of an indication that the undersigned is not a non-resident of Canada, withholding on account of Canadian tax may be made from amounts payable to the undersigned on the redemption or purchase of the Restricted Shares.

The undersigned hereby represents and warrants to Weyerhaeuser Holdings and Weyerhaeuser Company Limited that the undersigned has good title to, and owns, the share(s) represented by this certificate to be



acquired by Weyerhaeuser Holdings or Weyerhaeuser Company Limited, as the case may be, free and clear of all liens, claims and encumbrances.

(Date)	(Signature of Shareholder)	(Guarantee of Signature)
<input type="checkbox"/>	Please check box if the securities and any cheque(s) resulting from the retraction or purchase of the Retracted Shares are to be held for pick-up by the shareholder from the Transfer Agent, failing which the securities and any cheque(s) will be mailed to the last address of the shareholder as it appears on the register.	

NOTE: This panel must be completed and this certificate, together with such additional documents as the Transfer Agent may require must be deposited with the Transfer Agent. The securities and any cheque(s) resulting from the retraction or purchase of the Retracted Shares will be issued and registered in, and made payable to, respectively, the name of the shareholder as it appears on the register of Weyerhaeuser Company Limited and the securities and any cheque(s) resulting from such retraction or purchase will be delivered to such shareholder as indicated above, unless the form appearing immediately below is duly completed.

Date: \_\_\_\_\_

Name of Person in Whose Name Securities or Cheque(s) Are to be Registered, Issued or Delivered (please print): \_\_\_\_\_

Street Address or P.O. Box: \_\_\_\_\_

Signature of Shareholder: \_\_\_\_\_

City, Province and Postal Code: \_\_\_\_\_

Signature Guaranteed by: \_\_\_\_\_

NOTE: If this Retraction Request is for less than all of the shares represented by this certificate, a certificate representing the remaining share(s) of Weyerhaeuser Company Limited represented by this certificate will be issued and registered in the name of the shareholder as it appears on the register of Weyerhaeuser Company Limited unless the Share Transfer Power on the share certificate is duly completed in respect of such share(s).

APPENDIX 2 TO THE PLAN OF ARRANGEMENT  
PROVISIONS ATTACHING TO THE PREFERENCE SHARES  
OF WEYERHAEUSER COMPANY LIMITED

The Preference Shares shall have the following rights, privileges, restrictions and conditions:

ARTICLE ONE  
INTERPRETATION

1.1 For the purposes of these share provisions:

"Act" means the *Company Act* (British Columbia), as amended;

"Board of Directors" means the Board of Directors of the Company;

"Business day" means any day on which commercial banks are generally open for business in Vancouver, British Columbia, other than a Saturday, a Sunday or a day observed as a holiday in Vancouver, British Columbia under the laws of the Province of British Columbia or the federal laws of Canada;

"Common Shares" means the common shares in the capital of the Company;

"Company" means Weyerhaeuser Company Limited, a company existing under the Act;

"Dividend Payment Date" means the first day of November in each year;

"Exchangeable Shares" means the non-voting exchangeable shares in the capital of the Company;

"holder" means, when used with reference to the Preference Shares, the holders of Preference Shares shown from time to time in the register maintained by or on behalf of the Company in respect of the Preference Shares;

"Preference Shares" means the 100 preference shares in the capital of the Company;

"Redemption Date" means the third business day after the 3<sup>rd</sup> anniversary of the issuance of the Preference Shares by the Company; and

"Redemption Price" with respect to each Preference Share means the amount of \$1,000.00 per share together with the full amount of all accrued and unpaid dividends (less any tax required to be withheld by the Company), which for such purpose shall be treated as accruing from day to day up to but not including the Redemption Date.

1.2 The expressions "article", "section", "subsection" or "paragraph" followed by a number mean and refer to the specified article, section, subsection or paragraph of these provisions.

ARTICLE TWO  
RANKING OF PREFERENCE SHARES

2.1 The Preference Shares shall rank in preference over the Common Shares, the Exchangeable Shares and any other shares ranking junior to the Preference Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its members for the purpose of winding up its affairs.

ARTICLE THREE  
APPROVAL OF PREFERENCE SHARES

3.1 The approval of the holders of the Preference Shares as to any matters referred to in these provisions may be given:

(a) in writing signed by all the holders of the Preference Shares; or

- (b) by resolution passed by a majority of not less than two-thirds of the votes cast by holders of Preference Shares in respect of such resolution either at a special meeting of the holders of the Preference Shares or as a separate vote at a special meeting of the members of the Company, in either case called to consider such resolution.

At any special meeting of, or upon any separate vote at a special meeting of the members of the Company by the holders of the Preference Shares each holder shall be entitled to one vote for each Preference Share held by such holder. The provisions of the articles of the Company governing the giving to members of notice of the quorum required to legally constitute, voting by proxy at, the conduct of, and the procedure at, special meetings of members shall apply, mutatis mutandis, to the like matters with respect to any special meeting of the holders of the Preference Shares.

#### ARTICLE FOUR

##### SHARE CAPITAL AND DIVIDENDS

4.1 The holders of the Preference Shares shall have the right to receive, and the Company shall pay thereon as and when declared by the Board of Directors out of moneys of the Company properly applicable to the payment of dividends, fixed cumulative preferential cash dividends at the rate of \$92.50 (less any tax required to be withheld by the Company) per share per annum payable on the Dividend Payment Date.

4.2 Dividends on the Preference Shares shall accrue from and including the date of issue thereof or from and including the last Dividend Payment Date in respect of which dividends have been paid or made available for payment, whichever is the later.

4.3 Cheques of the Company drawn on a Canadian chartered bank and payable at par at any branch in Canada of such bank shall be issued in respect of such dividends to the holders of the Preference Shares entitled thereto. The sending of such cheques shall satisfy and discharge all liability for such dividends to the extent of the amounts represented thereby (plus any tax required to be and deducted or withheld therefrom) unless such cheques are not paid on due presentation.

4.4 If on any Dividend Payment Date dividends payable on such date are not paid in full on all the Preference Shares then outstanding, such dividends or the unpaid part thereof shall be paid on subsequent date or dates as determined by the Board of Directors on which the Company shall have sufficient moneys properly applicable to the payment of same.

4.5 The holders of the Preference Shares shall not be entitled to any dividends other than or in excess of the cash dividends herein provided for. A dividend which is represented by a cheque which has not been presented for payment within six years after it was issued or that otherwise remains unclaimed for a period of six years from the date on which it was declared to be payable and set apart for payment shall be forfeited to the Company.

4.6 So long as any Preference Shares are outstanding:

- (a) the Company will not declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Company ranking junior to the Preference Shares) on any shares of the Company ranking junior to the Preference Shares; or
- (b) the Company will not purchase any shares ranking junior to the Preference Shares (except out of the net cash proceeds of a substantially concurrent issue of shares of the Company ranking junior to the Preference Shares);

unless, in each such case, either (i) all dividends accrued on the outstanding Preference Shares up to and including the dividend payable on the last preceding Dividend Payment Date shall have been declared and paid or set apart for payment, or (ii) approval of such action has been given by the holders of the Preference Shares in accordance with Article 3.

## ARTICLE FIVE

### DISTRIBUTION ON LIQUIDATION

5.1 On the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or other distribution of assets of the Company among its members for the purpose of winding-up its affairs, the holders of the Preference Shares shall be entitled to receive in lawful money of Canada an amount equal to \$1,000.00 per share plus all accrued and unpaid dividends thereon (less any tax required to be withheld by the Company), which for such purpose shall be treated as accruing from day to day up to but not including the date of the distribution, before any amount shall be paid or any assets or property of the Company distributed to the holders of any shares of the Company ranking junior to the Preference Shares.

5.2 After payment to the holders of Preference Shares of the amounts so payable to them as provided in Section 5.1, they shall not be entitled to share in any further distribution of assets or property of the Company.

## ARTICLE SIX

### VOTING AND AMENDMENTS

6.1 Except as otherwise provided in these provisions or by the provisions of applicable law, the holders of Preference Shares shall not be entitled as such to receive notice of or to attend or to vote at any meeting of members of the Company.

6.2 The rights, privileges, restrictions and conditions attaching to the Preference Shares may be added to, changed or removed but only with the approval of the holders of the Preference Shares as provided in Article 3.

## ARTICLE SEVEN

### MANDATORY REDEMPTION

7.1 The Company may not redeem, and may not be compelled to redeem, any Preference Shares prior to the Redemption Date. Subject to the provisions of applicable law and subject to the articles of the Company, the Company shall, on the Redemption Date, redeem all of the Preference Shares then outstanding on payment for each share to be redeemed of the Redemption Price.

7.2 The procedure for the redemption of the Preference Shares shall be as follows:

- (a) Notice of redemption of Preference Shares shall be given by the Company not less than three (3) days and not more than thirty (30) days prior to the Redemption Date to each holder of Preference Shares. Such notice shall set out the Redemption Price, the Redemption Date and the place or places of redemption.
- (b) The Company shall, at any time on or after the date of mailing of the notice of redemption, deposit the Redemption Price for each Preference Share to be redeemed in a specified amount for the holders of such shares in any Canadian chartered bank or trust company in Canada, specified in the notice of redemption or in a subsequent notice to the holders of the Preference Shares, and upon such deposit being made or upon the Redemption Date, whichever is the later, the Preference Shares in respect of which such deposit shall have been made shall be deemed to be redeemed and the rights of each holder thereof after such deposit or such Redemption Date, as the case may be, shall be limited to receiving, without interest, their proportionate part of the total Redemption Price so deposited upon presentation and surrender of the certificates representing their shares so redeemed. Any interest on such deposit shall belong to the Company.

7.3 Redemption moneys that are represented by a cheque which has not been presented to the Company's bankers for payment or that otherwise remain unclaimed (including moneys held on deposit to a special account as provided for in Section 7.2) for a period of six years from the date specified for redemption shall be forfeited to the Company.

## ARTICLE EIGHT

### NOTICES

8.1 Subject to section 8.2, any notice, cheque or other communication from the Company herein provided for shall be sufficiently given if delivered or if sent by ordinary unregistered mail, postage prepaid, or, in the case of a notice of redemption, by prepaid registered mail, to the holders of the Preference Shares at their respective addresses appearing on the books of the Company or, in the event of the address of any of such holders not so appearing, then at the last address of such holder known to the Company. Accidental failure to give any such notice or other communication to one or more holders of the Preference Shares shall not affect the validity of the notices or other communications properly given or any action taken pursuant to such notice or other communications but, upon such failure being discovered, the notice or other communication, as the case may be, shall be sent forthwith to such holder or holders.

8.2 If there exists any actual or apprehended disruption of mail services in any province in which there are holders of Preference Shares whose addresses appear on the books of the Company to be in such province, notice may (but need not) be given to the holders in such province by means of delivery by courier at the addresses of holders of Preference Shares as appearing on the books of the Company or by means of publication in each of two successive weeks in a newspaper of general circulation published in the capital city of such province, or if the Company maintains a register of transfers for the Preference Shares in such province, then in the city in such province where the register of transfers is maintained. Notice given as aforesaid shall be deemed for all purposes to be proper notice.

8.3 Notice given by mail or courier shall be deemed to be given on the day upon which it is mailed or sent by courier, as the case may be, and notice given by publication shall be deemed to be given on the day on which the first publication is completed in any city in which notice is published.

## OPTIONS

**Vesting Schedule**

If the vesting schedule for an MB Option that has not vested on or prior to the Effective Time is a function of the closing price of MB Common Shares on The Toronto Stock Exchange, the vesting schedule for the Replacement Option in respect thereof shall be a function of the closing price of the Weyerhaeuser Common Shares on the NYSE and each specified dollar amount per share referred to in the vesting schedule for such MB Option shall be changed to an amount equal to such specified dollar amount divided by the Exchange Ratio and multiplied by the noon spot exchange rate on the Effective Date for Canadian dollars expressed in United States dollars as reported by the Bank of Canada or, in the event such spot exchange rate is not available, such spot exchange rate on such date for Canadian dollars expressed in United States dollars as may be deemed by the Board of Directors to be appropriate for such purpose.

**Stock Appreciation Rights**

If an MB Option has a stock appreciation right granted pursuant to MB's Senior Management Phantom Stock Plan connected to it, each Replacement Option shall have a stock appreciation right connected to it, which shall entitle the holder thereof to receive cash in an amount equal to the excess of (i) the closing price of the Weyerhaeuser Common Shares on the NYSE on the trading day immediately preceding the date of the exercise of the stock appreciation right, multiplied by the noon spot exchange rate on such date for United States dollars expressed in Canadian dollars as reported by the Bank of Canada or, in the event such spot exchange rate is not available, such spot exchange rate on such date for United States dollars expressed in Canadian dollars as may be deemed by the Board of Directors to be appropriate for such purpose, over (ii) the option price provided in the related Replacement Option.