

## **Norbord's UK Tax Strategy<sup>1</sup>**

Norbord UK represents the European Operating Division of the West Fraser Group. The tax strategy of Norbord UK is consistent with West Fraser's overall global tax strategy and covers all UK entities consolidated in Norbord's/West Fraser's financial statements prepared under International Accounting Standards. West Fraser regards the publication of the information set out below as compliance with the duty under *Finance Act 2016*, Schedule 19, paragraph 19 to publish a tax strategy and applies for accounting periods ending within the 2021 calendar year.

West Fraser and Norbord UK is committed to full compliance with all statutory obligations and full disclosure to tax authorities. The West Fraser Group's tax affairs are managed in a way which considers the corporate reputation in line with West Fraser's overall high standards of governance.

### **Risk Management and Governance**

West Fraser's Audit Committee (AC), which is comprised of members of West Fraser's Board of Directors, has oversight for risk management for the West Fraser Group, including those risks related to taxation. The AC approves West Fraser's tax risk internal control framework and reviews material tax risks quarterly. The AC reports relevant tax matters to the Board of Directors if appropriate. UK tax risks are managed centrally as part of the overall internal control framework applicable to West Fraser's financial reporting obligations. The Chief Financial Officer and Tax Director have oversight of tax risks across the organization and are authorized to manage the tax risks and approve tax positions, tax settlements and payments, in accordance with the Policy.

### **Tax Planning**

West Fraser seeks to comply with tax laws and filing deadlines in the jurisdictions in which all of its companies operate having regard to the legal and administrative practices in each jurisdiction. West Fraser may utilize available tax incentives, reliefs and exemptions provided these are aligned with the associated tax legislation. We employ the services of professional tax advisors from reputable accounting and legal firms when prudent. Their assistance is towards ensuring West Fraser meets its tax obligations when consulting on business decisions, for example acquisitions or the application of tax law.

### **Managing Tax Risk**

West Fraser actively seeks to identify, evaluate, monitor and manage tax risks to ensure that they are consistent with West Fraser's objectives. In reviewing the tax risks associated with the business operations, West Fraser considers the following:

- legal duties of directors and employees;
- compliance with internal policies and procedures;
- impact on West Fraser's relationships with tax authorities; and

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<sup>1</sup> On February 1, 2021 — West Fraser Timber Co. Ltd. ("West Fraser") (TSX and NYSE: WFG) and Norbord Inc. ("Norbord") jointly announce that they completed the transaction whereby West Fraser acquired all of the issued and outstanding common shares of public company Norbord. Under the terms of the transaction, holders of Norbord Shares received 0.675 of a common share of West Fraser for each Norbord Share held. The legal entity structure of Norbord UK did not change with the transaction, i.e. Norbord UK is owned directly and indirectly by the same entities in the Norbord Group as prior to completion of the transaction. The ultimate beneficial ownership of Norbord UK changed at the public company level. Furthermore the subsidiary group comprising of Norbord UK remained unchanged.

- maintenance of West Fraser's reputation as a world class diversified wood products company.

In situations where tax law is unclear or subject to interpretation or West Fraser does not have the internal expertise to assess a particular tax position, tax advice is obtained from external advisors who have the appropriate technical expertise.

**Relationship with Her Majesty's Revenue and Customs (HMRC)**

West Fraser and Norbord UK are committed to maintaining a cooperative, transparent and open working relationship with HMRC and ensuring that any tax audits are efficiently and effectively managed. West Fraser seeks to make fair, accurate and timely disclosures in correspondence and tax returns and respond to queries in a timely manner.

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