

CORPORATE POLICIES

C-103 – External Communications Policy

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1.0 Purpose and Policy

Canexus Corporation (the “**Corporation**”) is the sole shareholder of Canexus Limited and is responsible to administer the Corporation’s direct and indirect subsidiaries (collectively, “**Canexus**”). This External Communications Policy (the “**Policy**”) has been developed and is maintained in conjunction with Canexus’ disclosure controls and procedures, the purpose of which is to ensure that the information contained in all external communications is consistent, accurate, fair and timely. To meet this objective, Canexus:

- will **comply with all laws and regulations** regarding public disclosure of “material information”¹, including, without limitation, the following:

National Policy 51-201 Disclosure Standards;
National Instrument 51-102 Continuous Disclosure Obligations;
National Policy 58-201 Corporate Governance Guidelines;
National Instrument 58-101 Disclosure of Corporate Governance Practices;
National Instrument 62-103 The Early Warning System and Related Take-Over bid and Insider Reporting Issues; and
Toronto Stock Exchange (“**TSX**”) Company Manual, Staff Notices and TSX Policy Statement on Timely Disclosure

- is **committed to non-selective, fair disclosure** of information about Canexus without advantage or disadvantage to any participant in the financial marketplace;
- may **voluntarily disclose** any non-material information determined by senior management to be in the interest of shareholders, the investment community and the public which is not the subject of a confidentiality agreement or prevented from being disclosed by applicable privacy laws;
- will communicate all **disclosure to the media** by the CEO, the CFO, or their designate(s), except in the event of a crisis as outlined in Schedule B (Guidelines for Interacting with Media during a Crisis/Emergency);
- will communicate all **disclosure to the financial community**, including investment analysts, brokers and current or potential investors, by the CEO, CFO or their designate(s); and
- require that all of the Corporation’s media releases, information prepared for the financial community, and all other Corporation-related information for public disclosure shall follow the procedures for review and approval outlined in Schedule A.

¹ Material Information is any information relating to the business and affairs of the Corporation that results in or would reasonably be expected to result in a significant change in the market price or value of any of the Corporation’s listed securities. Material information includes both material facts and material changes.

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2.0 Definitions

Audit Committee

The Audit Committee of the Board of Directors.

Board of Directors

The board of directors of the Corporation.

Canexus

The Corporation and its subsidiaries, collectively, including without limitation Canexus Limited, general partner of Canexus Limited Partnership.

Chair

The Chair of the Board of Directors of the Corporation.

CEO

The President and Chief Executive Officer of the Corporation.

CFO

The Senior Vice President, Finance and Chief Financial Officer of the Corporation.

Disclosure Review Committee

The Disclosure Review Committee consists of the CEO, the CFO and the General Counsel (or their respective designates).

General Counsel

The Vice President, General Counsel and Corporate Secretary of the Corporation.

Representatives

The term "Representative" includes all employees, senior and executive officers and other employees of Canexus.

3.0 Scope and Responsibilities

3.1 This Policy applies to all Representatives of Canexus, the Board of Directors and to those authorized to speak on behalf of Canexus. It covers both:

3.1.1 communications and documents required to be filed with applicable regulatory authorities under securities, corporate or other applicable laws or with any stock exchange or quotation and trade reporting system under the policies, by-laws or rules of that system; and

3.1.2 other communications, the content of which could be reasonably expected to affect the market price or value of the Corporation's shares.

3.2 These communications and documents include, but are not limited to:

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- 3.2.1 prospectuses, take-over bid or directors' circulars, rights offering circulars, management's discussion and analysis ("MD&A"), annual information forms, information or proxy circulars, annual or interim financial statements, material change reports and business acquisition reports;
- 3.2.2 press releases, announcements, web-site postings, brochures, marketing materials, general communications with customers, suppliers, Representatives or others, email transmissions intended for general disclosure and other similar documents and communications; and
- 3.2.3 any and all oral statements relating to the business and affairs of Canexus made in circumstances in which a reasonable person would believe that information contained in the statement will become generally disclosed. These may include speeches, presentations, media interviews, press conferences, conference calls, announcements and, in certain circumstances, non-confidential discussions with external parties that would be reasonably expected to become generally disclosed (eg. discussions with analysts or investors).

3.3 The Disclosure Review Committee will set benchmarks for a preliminary assessment of materiality and collectively will determine when developments justify public disclosure. All external teleconferences, news conferences and briefings must be approved by any one of the CEO, the CFO or the General Counsel. The CFO and General Counsel will review and update, as necessary, this Policy on an annual basis or as needed to ensure compliance with changing regulatory requirements.

3.4 Questions of interpretation should be directed to the CFO or General Counsel. Clarification of disclosure guidelines and procedures for preparation, review and approval of external communications are set out in Schedule A.

3.5 This Policy will be posted on Canexus' website.

4.0 Disclosure Controls and Procedures

4.1 The CEO and CFO are responsible for Canexus' "disclosure controls and procedures".²

² Disclosure controls and procedures are those controls and other procedures that are designed to provide reasonable assurance that information required to be disclosed in annual filings, interim filings or other reports filed or submitted under provincial and territorial securities legislation is recorded, processed, summarized and reported within the time periods specified in the provincial and territorial securities legislation and include, without limitation, controls and procedures designed to ensure that information required to be disclosed in annual filings, interim filings or other reports filed or submitted under provincial and territorial securities legislation is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

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4.2 In complying with requirements to disclose forthwith all material information under applicable laws and stock exchange rules, Canexus shall adhere to the following basic disclosure principles:

- Material information will be publicly disclosed immediately via news release or will immediately be reported by way of a Confidential Material Change Report to be filed with the applicable securities regulators until it is appropriate to publicly disclose. If filed confidentially, Canexus will periodically (at least every 10 days) review its decision to keep the information confidential and advise the applicable securities regulators whether Canexus still believes the report should remain confidential.
- Canexus shall comply with regulatory requirements to ensure that all material information about Canexus is disseminated to the financial marketplace without preference to any particular market participant, whether analyst or investor or otherwise. Proper stewardship of the best interests of Canexus and its voting interest holders requires disclosure of its strategies, business plans and opportunities in a manner which builds investor confidence and respect for Canexus.
- Undisclosed material information should not be disclosed to selected individuals or to a selective audience, except in the “necessary course of business”.³ If undisclosed material information has been inadvertently disclosed improperly, such material information shall be broadly disclosed immediately to the public by a news release.

4.3 Canexus’ CEO and CFO are ultimately responsible for the content and accuracy of Canexus’ disclosure documents, and discharge those responsibilities by ensuring that Canexus’ disclosure controls and procedures and internal controls over financial reporting have been designed and implemented appropriately. In connection with those responsibilities, they are required to file a certificate with each annual filing and interim filing in the form and within the timelines prescribed by securities law. In order for the CEO and CFO to be in a position to provide those certificates, they must be satisfied, among other things, that the disclosure controls and procedures provide reasonable assurance that material information relating to Canexus is made known to them by others within Canexus. To do so, this Policy, as a component of those disclosure controls and procedures, requires that relevant disclosure documents be prepared with input from responsible officers of Canexus with appropriate judgments made regarding disclosure.

³ Although no single interpretation of the phrase “necessary course of business” exists, the exception is designed to permit disclosures that are necessary to enable the issuer to conduct its ordinary business activities and therefore include, for example, communications with: (a) vendors, suppliers or strategic partners on relevant topics; (b) representatives, officers and board members; (c) lenders, legal counsel, auditors, underwriters and other financial and professional advisors; (d) parties to negotiations; (e) labour unions; (f) government agencies and non-governmental regulators (such as the TSX); and (g) credit rating agencies. **The foregoing is not intended to be an exhaustive list. To the extent any person to whom this Policy applies has any specific questions in respect of the application of the “necessary course of business” exception, they should speak with the CFO or General Counsel immediately and prior to making any disclosure.**

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4.4 Draft disclosure documents will be disseminated internally to the Canexus management team and the heads of relevant business areas. These individuals will be given sufficient time to make comments on these documents. Draft disclosure documents will be available for review by the CEO and CFO in advance of a reporting deadline, with sufficient time to review the disclosure documents and, if necessary, to discuss them with Canexus' internal and external auditors, legal advisors and other key officers and Representatives. Disclosure documents to be approved by the Board of Directors, or a committee of the Board of Directors must have been reviewed by at least two members of the Disclosure Review Committee.

Drafts of those disclosure documents that contain, directly or by reference, financial information (including without limitation financial statements, MD&A and annual information forms), will also be disseminated externally to Canexus' external auditors. Canexus' auditors will be given sufficient time to make comments on these documents.

4.5 Canexus' CEO and CFO will review at least annually its disclosure practices, which review will involve the General Counsel.

4.6 Canexus' CEO and CFO will review and evaluate the effectiveness of Canexus' disclosure controls and procedures at least annually and disclose or cause to be disclosed in Canexus' annual MD&A their conclusions in respect thereof in accordance with applicable law.

5.0 News Releases

5.1 Once Canexus has determined to disclose material information, it will prepare a news release. If the TSX (upon which shares and other securities of the Corporation are listed) is open for trading (including after-hours markets) at the time of the proposed announcement, prior notice of a news release announcing material information must be provided to the market surveillance department of the TSX. If a news release announcing material information is issued outside of trading hours, market surveillance must be notified before the market re-opens.

5.2 All news releases, except those of an administrative or local nature, must be prepared in consultation with the CEO or CFO, reviewed by the General Counsel (or his or her designate), and approved by the Disclosure Review Committee. All periodic securities filings related to financial or earnings information, including, without limitation all quarterly and annual news releases, shall be reviewed by the Audit Committee, and recommended by the Audit Committee to the Board of Directors, and approved by the Board of Directors prior to filing or any public announcements of the period covered.

5.3 All news releases shall be distributed by the CEO or the CFO or their respective designate.

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6.0 Conference Calls

- 6.1 Canexus will hold quarterly investor conference calls open to the public and media (in listen-only mode), and will provide public notice about the quarterly conference call through a press release and via Canexus' website. At the beginning of the call, a Canexus spokesperson will provide appropriate cautionary statements concerning forward-looking information.
- 6.2 Canexus will provide advance notice of a conference call and webcast by issuing a news release announcing the date and time and providing information on how interested parties may access the call or webcast. Canexus may also invite analysts, institutional investors and other interested parties to participate.
- 6.3 A play-back of the conference call will be provided on Canexus' website after the conference call until the end of each calendar year.
- 6.4 Any updates to quarterly conference calls will be pre-announced through press release and be made available for wide dissemination as would any quarterly conference call.

7.0 Forward-Looking Information

- 7.1 Should Canexus elect to disclose forward-looking information, including FOFI or a financial outlook,⁴ in continuous disclosure documents or other written communications, including publications, seminar and presentation materials, such information will be broadly disseminated, if deemed material, via news release in accordance with this Policy, accompanied by reasonable cautionary statements. Such cautionary statements shall identify material factors that could cause results to differ materially from a conclusion, forecast or projection in the forward-looking information, and the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information. Such cautionary statements will also include a statement that the forward-looking information is given only as at the date of the disclosure document, with no obligation or intent to update such information except as required by applicable law.
- 7.2 Prior to any oral disclosure of forward-looking information, including speeches and conference calls, an authorized Canexus spokesperson shall make a cautionary statement that the oral statement contains forward-looking information, state that the actual results could differ materially and certain material factors or assumptions were applied, and state that additional information about the material factors that could cause actual results to differ and the material factors or assumptions that were applied in the forward-looking information is set out in another identified cross-referenced Canexus continuous disclosure document. Such cautionary statements will also include a

⁴ FOFI means forward-looking information about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action and presented in the format of a historical balance sheet, income statement or cash flow statement, while a financial outlook is similar information presented in any other format.

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statement that the forward-looking information is given only as at the date of the disclosure, with no obligation or intent to update such information except as required by applicable law.

8.0 Contacts with Investors, the Media and Analysts

8.1 Canexus acknowledges that meetings with significant investors and analysts are an important part of Canexus' investor relations program. If Canexus intends to discuss material information at an analyst or shareholder meeting or a press conference, the announcement shall be preceded by a news release containing all relevant material information. If it is determined that material non-public information has been disclosed, appropriate public disclosure will be made promptly after any such inadvertent disclosure.

8.2 Canexus shall refrain from commenting on analysts' models, draft research reports or earnings estimates, but may review draft research reports to identify publicly disclosed factual information that may identify inaccuracies or omissions with respect to publicly available information about Canexus.

8.3 Absent a separate duty to disclose arising as a result of a material change or a material fact, or a stock exchange inquiry or request, Canexus will respond "no comment" to hypothetical questions or rumours about Canexus. Prior to so responding, Canexus will investigate and endeavour to ensure that Canexus, knowingly or not, is not the source of any such rumours.

8.4 Canexus' Representatives will not post comments on any stock chat sites, blogs, social networking sites or other discussion forums that discuss or speculate on any aspect of Canexus or its operations.

8.5 Canexus limits the number of people who are authorized to communicate with the media, analysts, and investors on behalf of Canexus. The CEO and CFO are responsible for communications with the media (other than local site communications), shareholders and analysts. The General Counsel is responsible for communications with securities officials. The local Plant Manager is responsible for communications with the media in respect to each specific plant site. The purpose of limiting the number of authorized spokespersons is to ensure the accuracy of statements and to reduce the possibility of inconsistent information or unauthorized disclosures. Representatives who are not authorized spokespersons should not make statements on behalf of Canexus to the media, investors, and analysts. All queries are to be referred to the appropriate authorized above-noted spokespersons to ensure the dissemination of consistent and balanced information.

8.6 Canexus spokespersons will observe a "quiet period" from the end of each quarter until public release of the quarterly earnings. During the quiet period, spokespersons will not comment on Canexus' expected results for the quarter to analysts, investors, or any other market professionals. The purpose is to reduce the risk of selective disclosure

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before public disclosure has taken place. During the “quiet period”, spokespersons may communicate regarding publicly available or non-material information.

9.0 Information Posted to Website

- 9.1. Canexus makes available all of the current disclosure documents prepared by Canexus and filed with the Canadian securities regulatory authorities through Canexus’ website. Non-material supplemental information released to the media by Canexus shall also be posted to the website. Finally, slides of investor presentations, fact sheets, transcripts of management investor relations speeches and materials distributed at investor presentations will generally be posted to the website.
- 9.2. All material posted to Canexus’ website must be pre-cleared with one of the members of the Disclosure Review Committee prior to posting to the website. The Disclosure Review Committee will designate a person responsible for posting and maintaining information on the website.
- 9.3. Information posted to the website must be accurate and must not be misleading (i.e., out of date, incomplete, incorrect or omit a fact so as to make another statement misleading). Once posted to the website, the individual responsible for posting information will ensure that there is a regular review and, if necessary, an update or correction to such information. Each document posted to the website shall be dated to assist investors in determining the timing of such information.
- 9.4. Generally, documents will be posted in their entirety. If this is impractical for a particular document, care will be taken to ensure that an excerpt is not misleading when read on its own.
- 9.5. Canexus will not distribute a material news release on the website or distribute it by email or otherwise on the Internet before it has been disseminated on a news wire service.
- 9.6. Any links from Canexus’ website to a third party website will only be permitted with the approval of the Disclosure Review Committee. Any such links should include a notice that advises the reader that he or she is leaving Canexus’ website and that Canexus is not responsible for the contents of the linked site.
- 9.7. The Disclosure Review Committee will perform a website legal review on a periodic basis with a view to ensuring that the website complies with the latest regulatory developments.

10.0 Disciplinary Procedures

Canexus Representatives are encouraged to discuss any suspected violations of this Policy with their supervisors, the Human Resources or Legal departments. Canexus will immediately investigate and report any violations to the CEO and the Disclosure Review Committee.

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Retaliation against a Representative who has made a good-faith report of a suspected violation is prohibited and may result in termination. If violation of the Policy is found to have occurred, proper disciplinary action will be taken by Canexus. This may include termination of contract and dismissal in appropriate circumstances.

11.0 Further Information

All inquiries regarding this Policy should be addressed to the CFO or the General Counsel.

12.0 Policy History

Approved: August 9, 2005

Revised and Approved: December 8, 2006; October 30, 2007; October 21, 2008; October 22, 2009; November 3, 2010; July 8, 2011

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Schedule A

Disclosure Guidelines Clarifications and Procedures

Compulsory Disclosure

To ensure compliance with National Policy 51-201, Canexus adopts the following practices:

1. The persons authorized to communicate on behalf of Canexus to exchange analysts, securities market professionals and shareholders of the Corporation are limited to the Chair, the CEO or CFO or their designate(s), and the General Counsel.
2. Other officers or Representatives of Canexus designated by the Chair, the CEO or CFO may communicate with analysts and investors as part of Canexus' investor relations program. No employee is authorized to communicate business or financial information about the Corporation that is non-public, material information, except through sanctioned public disclosure.
3. All inquiries as to the performance or status of Canexus' business operations are to be directed to the CEO or CFO or their designate(s). All technical inquiries related to the ownership of voting interests are to be directed to the General Counsel.
4. Appropriate training will be provided to each authorized representative on compliance with this Policy, review of public statements regarding material information and procedures for disclosing non-public information.

Voluntary Disclosure

Canexus may disclose any non-material information determined by senior management, in consultation with the Disclosure Review Committee, to be in the interest of stakeholders, voting interest holders, the investment community and the public (which is not the subject of a confidentiality agreement). All written reports properly labeled "Solicitor-Client Privileged Communication", or similarly, may be released only on the advice of counsel.

Exceptions to Selective Disclosure Restrictions

Canexus is permitted to disclose material non-public information to advisors and certain other persons subject to duties to hold such information in confidence subject to a written or oral agreement, and not to disclose the information or to make use of it. In these circumstances, disclosure may be made, subject to appropriate confidentiality covenants, including but not limited to disclosures to legal counsel, investment bankers, lenders, accountants, government departments and credit rating agencies.

Media Inquiries and Requests

All media inquiries or requests for interviews, statements or information must be forwarded to the CEO, CFO or their designate(s) for action. In the event an initial statement to the media is required from Canexus' personnel responding to an emergency or crisis event, this statement will be provided by the designated on-site Media Spokesperson and will be immediately reported by telephone to the CEO or CFO.

Local Responses

Local responses for areas other than corporate head office will be immediately referred to the Plant Manager or the most senior employee in such office, who will then contact either the CEO or CFO to obtain approval before speaking to the media.

Media Preparedness and Training

For any event which involves media coverage, Canexus personnel will assist the CEO or CFO to develop and review key messages and questions and answers to ensure consistency in information reported, consideration is given to both local and head office issues and compliance with public disclosure requirements. The CEO, CFO or their designate(s) will work with outside consultants to develop, coordinate, schedule and provide media response training to ensure that program content is consistent, designated Media Spokespersons are trained to effectively represent Canexus to the media, and Media Spokespersons will attend refresher courses every three years.

Publications, Seminars or Presentations

The CEO, CFO or their respective designate(s) shall be responsible for pre-clearing all publications, seminars or presentations, and will consider the following factors:

- The potential for controversy or significant publicity
- The likelihood it may contain financial and operating information not previously disclosed to the public
- The breadth of circulation (internal or external audiences).

Public Use of Name / Logo

All requests involving the use of Canexus' name or logo (or the logos of any Canexus subsidiaries) shall be pre-approved by one of the CEO, CFO or General Counsel, or their respective designate(s).

Schedule B
Guidelines for Interacting with Media during a Crisis/Emergency

A trained Media Spokesperson will be available on site at each major facility during normal business hours and by telephone during non-business hours.

Media inquiries or requests during a crisis or emergency shall be responded to only by the on-site trained Media Spokesperson.

Regardless of whether the media has been involved, the CEO or CFO must be contacted by a site representative and informed of details as soon as possible after activation of a Local Emergency Plan.

During an incident, contact must be maintained with the CEO or CFO. This will allow the CEO or CFO to prepare statements or briefings, respond to any follow up calls and provide support for Representatives on scene.