

# **LONGVIEW FIBRE COMPANY**

## **Corporate Governance Guidelines**

### **Governance Principles**

The following principles have been approved by the Board of Directors ("the Board") and, along with the charters and key practices of the Board committees, provide the framework for the governance of Longview Fibre Company ("the Company"). The Board recognizes that public attention has been focused on the accuracy and integrity of corporate financial reports and corporate governance practices, and it will review these principles and other aspects of the Company's governance annually or more often if deemed necessary.

### **Role of the Board and Management**

Management of the Company's business is the responsibility of the Chief Executive Officer (CEO), corporate officers, managers and employees. The Board is elected by the shareholders to oversee management and to assure that the long-term interests of the shareholders are being served. Both the Board and management recognize that the long-term interests of shareholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties including employees, customers, suppliers, communities where the Company has operations, government officials and the public at large.

In addition to its general oversight of management, the Board also performs a number of specific functions, including:

- Approving Directors to be appointed to the Board and recommend to the shareholders candidates to the Board to be elected at the next annual meeting of shareholders, with the assistance of the Nominating and Corporate Governance Committee, and considering the selection criteria identified from time to time by the Nominating and Corporate Governance Committee;
- Selecting and, with the assistance of the Compensation Committee, evaluating and compensating the CEO and overseeing, with the assistance of the Nominating and Corporate Governance Committee, CEO succession planning;
- Providing counsel and oversight, with the assistance of appropriate committees of the Board, on the selection, evaluation, development and compensation of senior management;
- Reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;
- Assessing, with the assistance of the Audit Committee, major risks facing the Company and reviewing options for their mitigation;
- Reviewing and approving material transactions not in the ordinary course of business;

- Ensuring that, with the assistance of the Audit Committee, processes are in place for maintaining the integrity of the Company --- the integrity of the financial statements, the integrity of compliance with law and ethics, the integrity of relationships with customers and suppliers and the integrity of relationships with other stakeholders;
- Reviewing and determining from time to time, with the assistance of the Nominating and Corporate Governance Committee, the Corporate Governance Guidelines applicable to the Board;
- Determining, with the assistance of the Compensation Committee, reasonable compensation to be received for services as a non-employee Director, consistent with the work required in a company of Longview Fibre's size and complexity.
- Periodically evaluating the overall performance of the Board with the assistance of the Nominating and Corporate Governance Committee, and reviewing the performance of Board committees; and
- Holding periodic executive sessions of the non-management Directors without management's presence. The non-management Directors shall select from their numbers a Chair to conduct the executive sessions of the non-management Directors and will be responsible for reporting to management any comments or concerns of the Directors.

## **Board Organization and Composition**

### **Size and Composition of the Board**

The ByLaws of the Company provide that the Board of Directors must consist of not fewer than nine (9) and not more than fifteen (15) directors with the exact number to be fixed by resolution adopted by majority of the Directors. The Board will determine from time to time the number and qualification of Directors appropriate for effective operations of the Board. The Board should encompass a range of skill and expertise sufficient to provide sound and prudent guidance with respect to the Company's operations and interests. At all times following the Company's 2005 Annual Meeting of Shareholders, a majority of the Board must be "independent Directors" as defined from time to time by law, the listing requirements of the New York Stock Exchange and any specific requirements established by the Board.

### **Terms of Office**

The Board is comprised of three (3) classes of directors, with approximately one-third of the directors assigned to each class. The members of each class are elected for three-year terms. The Board currently believes it is not necessary to institute term limits for Directors. The Board's evaluation of its performance will be important in determining Board tenure.

### **Chairman of the Board**

The Board has no policy with respect to the separation of the office of Chairman and Chief Executive Officer. The Board believes that it is in the best interests of the Company for the Board to make such a determination in light of factors and considerations prevailing at a given time as to whether the Chief Executive Officer should also serve as Chairman.

## **Committees**

The Board may establish committees to assist in the execution of the Board's responsibilities and, with the assistance of the Nominating and Corporate Governance Committee, approve the charter and scope of responsibilities delegated to each committee and appoint the members and chairpersons of each committee. Committees may be standing committees or ad hoc. Standing committees of the Board will include an Executive Committee, Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and such other committees as the Board determines are necessary and appropriate from time to time. Committee composition must be in compliance with all laws and listing requirements of the New York Stock Exchange as well as requirements established by the Board in the committee charter. Each committee will report to the Board with respect to its activities. Committees will have the power and authority to retain the services of advisors, consultants, and experts as necessary or appropriate with respect to matters within the scope of responsibility of the committee.

## **Board Meetings**

The Board has a number of scheduled meetings each year at which it reviews and discusses reports by management on the performance of the Company, its plans and prospects, as well as immediate issues facing the Company. In addition to regularly scheduled meetings, unscheduled Board meetings may be called upon appropriate notice at any time to address specific needs of the Company.

## **Meeting Agendas**

The Chairman will establish the agenda for each Board meeting. Directors are encouraged to suggest items for inclusion on the agenda or request the presence of, or a report by, members of the Company's senior management and may, at any Board meeting, raise subjects that are not on the agenda for consideration at that meeting.

## **General Standards**

Each Director is expected to exhibit high standards of integrity, commitment and independence of thought and judgment; to use his or her skills and experiences to provide independent oversight to the business of the Company; and to represent the long-term interests of all the shareholders of the Company. Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively. Directors must be committed to devoting the time and effort necessary to learn the business of the Company and the Board.

## **Orientation and Continuing Education**

The Company will assist the Board by providing appropriate orientation programs for new Directors, which will be designed to give the Director an understanding of the Company's businesses and key challenges. The Company will also assist Directors in developing and maintaining skills necessary or appropriate for the performance of their responsibilities and will provide periodic visits to Company facilities to assist the Directors in understanding the Company's business.

## **Meeting Information**

The Board is periodically provided with presentations by outside advisors regarding current issues and trends, including accounting and legal, affecting the Company's business affairs and

industry. Directors also routinely receive materials from the Company relating to its business affairs and industry, such as financial reports, press releases and analyst reports. Directors are responsible for reviewing these materials and generally staying current with the Company's business affairs and industry. Directors are expected to attend, be prepared for and actively participate in Board and committee meetings. Directors are encouraged to keep themselves informed with respect to the Company's affairs between Board meetings.

### **Director's Ethics**

The Board expects Directors as well as the Company's officers and employees to act ethically at all times and to adhere to the policies and principles set out in the Company's Code of Business Conduct and Ethics. If any actual or potential conflict of interest arises for a Director, the Director should promptly inform the Chairman. If a significant conflict exists and cannot be resolved, the Director should resign from the Board. All Directors will excuse themselves from any decision affecting their personal, business or professional interests and may participate in discussions of such matters where appropriate only after fully informing the other Directors of the nature of the interest of the matter.

### **Institutional Investors, Customers and the Press**

The CEO, in general, is responsible for establishing communications with the Company's stakeholder groups such as shareholders, customers, communities, suppliers, governments and the media. The independent Directors have also established procedures pursuant to which Shareholders may address concerns to the Board. The Board endorses the current practice that the Directors not communicate directly with outside constituencies unless requested to do so by the Board or the CEO.

### **Reporting of Concerns to Non-Employee Directors or the Audit Committee**

Anyone who has a concern about the Company's conduct, or about the Company's accounting, internal accounting controls or auditing matters, may communicate that concern directly to the Company's General Counsel. Such communications, if made by the Company's employees, may be confidential and anonymous, and may be e-mailed, submitted in writing, or reported by phone to special addresses and a toll free phone number that are provided to the Company employees. Concerns relating to accounting, internal controls, auditing or officer conduct will be forwarded to the Audit Committee and will be simultaneously reviewed and addressed by the Company's General Counsel in the same manner that other concerns are addressed by the Company. The status of all such outstanding concerns will be reported to the Chairman of the Board and the Chair of the Audit Committee on no less than a quarterly basis. The Audit Committee or the General Counsel may direct that certain matters be presented to the full Board and may direct special treatment, including the retention of outside advisors or counsel, for any concern addressed to them. The Company's Code of Business Conduct and Ethics prohibits any employee from retaliating or taking any adverse action against anyone for raising or helping to resolve an integrity concern.