POPE & TALBOT, INC.
CORPORATE GOVERNANCE GUIDELINES

I. DIRECTOR QUALIFICATIONS AND NOMINATIONS

The Board of Directors (the "Board") of Pope & Talbot, Inc. (including its subsidiaries, the "Company") will have a majority of directors who meet the criteria for independence as and when required by the New York Stock Exchange (the "NYSE") discussed below. Under the Company's bylaws, the Board has between six (6) and twelve (12) members, as determined from time to time by the Board, and the Board believes this to be an appropriate number of members. However, the Board would be willing to go to a somewhat larger or smaller size in order to accommodate the availability of an outstanding candidate or to facilitate a change in Board membership.

The Board does not believe it should establish a limit on the number of times that a director may stand for election to the Board. As an alternative to term limits, during the year in which a director is being considered for re-nomination for election to the Board, the Corporate Governance Committee will discuss with each director his or her continuation on the Board. This will, among other things, allow the Corporate Governance Committee an opportunity to consider a potential nominee's qualifications and will allow each director the opportunity to conveniently confirm his or her desire to continue as a member of the Board.

The Corporate Governance Committee is responsible for nominating individuals to serve on the Board in accordance with the policies and principles in the Corporate Governance Committee's charter and the qualifications and criteria set forth in these Guidelines. The Corporate Governance Committee will review, on an annual basis, the requisite skills and characteristics of potential nominees as well as the composition of the Board as a whole. This assessment will include individuals' qualification as independent, as well as consideration of diversity, age, skills, and experience in the context of the needs of the Board and the best interests of the Company. At a minimum, nominees must have a track record in business, experience at the policy-making level, special expertise in an area that is relevant to the Company's business or its management, the ability to devote the time required to Board service, qualifications that support development and implementation of the Company's strategy and a willingness to serve.

In performing its role as the nominating committee, the Corporate Governance Committee will consider in good faith director candidates who meet the minimum qualifications and who are recommended by shareholders. To be considered for nomination by the Corporate Governance Committee for election at the next annual meeting of shareholders, the committee's Chairman must receive shareholder recommendations at least 120 calendar days before the anniversary date of the Company's proxy statement for the previous year's annual meeting. The invitation to be a nominee should be extended by the Chairman of the Board based on the recommendation of the Corporate Governance Committee.

Unless special circumstances warrant waiver of this policy, it is the policy of the Company that members of the Board of Directors retire effective as of the first annual meeting of shareholders after the member's seventy-second birthday.

II. DIRECTOR INDEPENDENCE REQUIREMENT

For a director to be "independent" within the meaning of the NYSE rules, the Board must affirmatively determine that the director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). The Board will consider the issue of independence not merely from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation. Material relationships include, among others, commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships. The Board will consider that directors' independence may be jeopardized if, for example, (i) director compensation and perquisites exceed customary levels, (ii) the Company makes substantial charitable contributions to organizations with which a director is affiliated, or (iii) the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated. A director shall provide prompt notice to the Board if his or her relationship to the Company changes in such a way that his or her independence may be adversely affected.

To the extent required, the Board will disclose its determination that a director is independent in the Company's annual proxy statement. The Board will presume that a director is not independent if:

(i) the director is, or has been within the last three years, an employee of the Company, or an immediate family member is, or has been within the last three years, an executive officer, of the Company;

(ii) the director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than $100,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

(iii) (A) the director or an immediate family member is a current partner of a firm that is the Company's internal or external auditor; (B) the director is a current employee of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (D) the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Company's audit within that time;

(iv) the director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee; or

(v) the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million, or 2% of such other company's consolidated gross revenues.

When applying the above presumptions, the Board may consider factors discussed in the commentary to the NYSE listing standards and applicable SEC rules. Specifically, the Board need not consider individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated. (An "immediate family member" includes a person's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone (other than domestic employees) who shares that person's home.) In addition, compensation received by an immediate family member for service as a non-executive employee of the Company need not be considered in determining independence.

In addition, the Board shall determine the independence of the members of the Audit Committee in light of Rule 10A-3 and any other applicable rule or standard.

III. DIRECTOR RESPONSIBILITIES

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The directors shall also be entitled to (i) have the Company purchase reasonable directors' and officers' liability insurance on their behalf, (ii) the benefits of indemnification to the fullest extent permitted by law and the Company's charter, by-laws and any indemnification agreements, and (iii) exculpation as provided by state law and the Company's charter.

Directors are expected to attend Board meetings and meetings of committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting.

The Board has no policy with respect to the separation of the offices of Chairman and the CEO. The Board believes that this issue is part of the succession planning process and that it is in the best interests of the Company for the Board to make a determination when it elects a new CEO.

The Chairman will establish the agenda for each Board meeting. At the beginning of the year the Chairman will establish, or cause to be established, a schedule of agenda subjects to be discussed during the year (to the degree this can be foreseen). Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's longterm strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

The non-management directors will meet in executive session after regularly scheduled meetings of the Board and, in any event, at least quarterly. The director who presides at these meetings will be chosen by the non-management directors, and his or her name will be disclosed in the annual proxy statement. In addition, the independent, non-management directors will hold at least one executive session of the Board each year.

A director who accepts a directorship on another company's board of directors (or any equivalent position with another profit or nonprofit organization) should promptly advise the Board that he or she has accepted such position. If the CEO, or an active Chairman of the Board, is offered a directorship on another company's board of directors (or any equivalent position with another profit or nonprofit organization), he or she should discuss the offer with, and seek and obtain the approval of, the Board prior to agreeing to accept such position.

The Board believes that the management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. It is expected that Board members would do this with the knowledge of the management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

IV. BOARD COMMITTEES

The Board will have at all times an Audit Committee, a Compensation Committee and a Corporate Governance Committee. Committee members will be appointed by the Board upon recommendation of the Corporate Governance Committee with consideration of the desires of individual directors.

As and when required, (i) all of the members of these committees will be independent directors under the criteria established by the NYSE and, in the case of members of the Audit Committee, under Rule 10A-3(b)(1), (ii) each member of the Audit Committee will meet the financial literacy requirements of the NYSE, and (iii) at least one member will be a financial expert, as that term is defined by the NYSE and the Securities and Exchange Commission. Additionally, no member of the Audit Committee may simultaneously serve on the audit committee of more than three public company boards of directors unless the Board affirmatively determines that such simultaneous service will not impair the ability of that member to effectively serve on the Audit Committee and includes such determination in the Company's annual proxy statement.

Each committee will have its own charter. Each charter will (i) set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board; (ii) provide for regular committee meetings, reports and the keeping of meeting minutes either by a member of each committee or by an employee of the Company appointed to serve as secretary at such meeting or by outside legal counsel to the Company; and (iii) provide that each committee will annually evaluate its performance.

The Chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. In light of its duties, each committee will establish a twelve-month schedule of agenda subjects to be discussed in the following twelve months (to the degree these can be foreseen). The schedule for each committee will be furnished to all directors.

To ensure effectiveness and independence, it is the general policy of the Company that only committee members attend meetings of the committee of which they are members. Waivers of this policy may be granted by the Chairman of each committee.

The Board and each committee have the power to hire independent legal, financial or other advisors as they may deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

V. DIRECTOR ACCESS TO OFFICERS AND EMPLOYEES

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged directly by the director or through the Secretary or the CEO. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the CEO on any written communications between a director and an officer or employee of the Company.

The Board welcomes regular attendance at each Board meeting of senior officers of the Company. If the CEO wishes to have additional Company personnel attend on a regular basis, this suggestion should be brought to the Board for approval.

VI. DIRECTOR COMPENSATION

Not less frequently than every two years, the form and amount of director compensation will be determined by the Compensation Committee in accordance with the policies and principles set forth in its charter and consistent with rules promulgated by the NYSE, including without limitation those relating to director independence and to compensation of Audit Committee members. The Compensation Committee will conduct a biennial review of director compensation and report its findings to the Board.

VII. DIRECTOR ORIENTATION AND CONTINUING EDUCATION

All new directors must participate in the Company's Orientation Program, which should be conducted within two months of the annual meeting at which new directors are elected or the date on which new directors are appointed, as applicable. This orientation will include presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors. In addition, the Orientation Program will include visits to Company headquarters and, to the extent practical, certain of the Company's significant facilities. All other directors are also invited to attend the Orientation Program.

The Board encourages all directors to attend both formal and informal seminars, presentations and work sessions in which a variety of business and legal issues relating to the Company's business are discussed. Along these lines, the various committees of the Board and senior members of management are encouraged to foster and promote an environment in which directors and management can become better educated about the Company and its business practices.

VIII. DIRECTOR HANDBOOK

The Corporate Governance Committee will develop a handbook for Board members that addresses or includes, among other appropriate topics, directors' fiduciary duties, meeting schedules and agendas, committee charters and other corporate governance documents. The Corporate Governance Committee will review and, as necessary or desirable, update that handbook at least annually.

IX. CEO EVALUATION AND MANAGEMENT SUCCESSION

The Compensation Committee will conduct an annual review of the CEO's performance, as set forth in its charter. The Board of Directors will review the Compensation Committee's report in order to ensure that the CEO is providing the best leadership for the Company in the long- and short-term.

The Compensation Committee shall review annually the Company's succession planning for senior management positions. The CEO should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

X. ANNUAL PERFORMANCE EVALUATION

In addition to the evaluations to be performed by each of the Audit Committee, the Compensation Committee and the Corporate Governance Committee, the Board of Directors will conduct an annual evaluation to determine whether it and its committees are functioning effectively. The Corporate Governance Committee will receive comments from all directors and report annually to the Board with an assessment of the Board's performance. This will be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.

XI. REVIEW AND PUBLICATION OF THESE GUIDELINES

The Corporate Governance Committee will review these Guidelines at least annually and will recommend to the Board amendments to these Guidelines as it deems appropriate.

These Guidelines will be posted on the Company's website and, as will be stated in the Company's annual report on Form 10-K, made available to any Company shareholder upon written request.