



**INTERFOR CORPORATION, INTERFOR U.S. INC. AND INTERFOR SALES & MARKETING LTD.
TERMS AND CONDITIONS OF SALE FOR LUMBER PRODUCTS (NORTH AMERICA AND EXPORT)**

1. ENTIRE AGREEMENT. These Terms and Conditions of Sale for Lumber Products (North America and Export) ("**Terms and Conditions**", available for download at www.interfor.com/terms-conditions) are incorporated into and form an integral part of each Acceptance of Offer and Contract of Sale ("**Contract of Sale**") entered into by Interfor U.S. Inc., Interfor Sales & Marketing Ltd., Interfor Japan Ltd. or Interfor Corporation (each such seller is referred to in these Terms and Conditions as "**Interfor**") providing for the sale of lumber products described in such Contract of Sale ("**Lumber Products**") by Interfor to the person indicated in the Contract of Sale as the person to whom the Lumber Products are "Sold To" (referred to in these Terms and Conditions as "**Customer**"). The Contract of Sale and the version of these Terms and Conditions in effect on the date of the Contract of Sale (together, the "**Agreement**"), constitute the entire agreement between Interfor and Customer regarding the sale of the Lumber Products by Interfor to Customer, and supersede all previous agreements, purchase orders, representations or understandings, whether oral or written, express or implied, statutory or otherwise, between Customer and Interfor with respect to the sale of such Lumber Products. These Terms and Conditions may be amended by Interfor at any time and from time to time, but a Contract of Sale may not be amended except by written document signed by Customer and Interfor. No supplier, sales representative or agent is authorized to waive any of the terms of the Agreement without the express written agreement of an authorized signatory of Interfor. Where Customer's quotation, order acknowledgement or other correspondence contains terms or conditions contrary to or in addition to the terms and conditions of the Agreement, those contrary or additional terms or conditions are hereby refused and rejected by Interfor without any requirement for further notice of the refusal and rejection, and neither the delivery by Interfor of nor the acceptance by Interfor of payment for any of the Lumber Products, shall constitute a waiver by Interfor of any of the terms and conditions contained in the Agreement or an assent by Interfor to any other terms or conditions.

2. DISCLOSURE OF SALES FUNCTION. The following is hereby disclosed to and acknowledged by Customer: (a) Interfor U.S. Inc. solicits orders from prospective Customers for Lumber Products sold by Interfor Sales & Marketing Ltd. in North America; (b) Interfor Sales & Marketing Ltd. solicits orders from prospective Customers for Lumber Products sold by Interfor U.S. Inc. outside of North America. In each case, the entity soliciting the orders has no authority (express or implied) to bind the entity selling the Lumber Products. The entity soliciting the order makes no representation that any order will be accepted by the entity selling the Lumber Products. No contract shall arise unless and until the entity selling the Lumber Products accepts the order and delivers an Acceptance of Offer and Contract of Sale to Customer.

3. PRICE AND PAYMENT. Customer will pay the total amount (the "**Price**") for the Lumber Products based on the "Unit Price" set forth in the Contract of Sale. The Price does not include any applicable sales, use or value added tax, customs duty, or any other taxes, charges, tariffs or duties of any sort levied or which may be levied by any governmental or taxing agency or authority upon the purchase, import, delivery, consumption or use of the Lumber Products ("**Taxes**"), except for sales by Interfor of Lumber Products manufactured in Canada to Customers in the US, in which event the Price includes brokerage, freight, discount after freight, and export duties. Interfor has the right to charge, and Customer shall pay, any Taxes, unless Customer provides to Interfor's satisfaction, a valid reseller certificate or other exemption for such Taxes in the State/s in which Lumber Products are delivered to Customer. If Interfor does not charge Taxes, Customer will be fully responsible for such Taxes. Interfor may pay any Taxes directly to the appropriate governmental agency or authority, in which event Customer will reimburse Interfor for the amount of the Taxes so paid by Interfor. Unless otherwise specified in the Contract of Sale, Customer will pay the Price and any other amounts payable under the Agreement as set out in each invoice within ten (10) days after the date on which Interfor invoice is issued. Payments by Customer to Interfor will be in the currency set forth in the Contract of Sale. Customer will not hold back, offset or set-off any amounts owed to Interfor in satisfaction of any claims asserted by Customer against Interfor.

4. COSTS. Customer will be liable and responsible for: (a) all costs associated with Customer's failure to make timely payment for the Lumber Products, (b) all costs and charges relating to the Lumber Products from the time the Lumber Products have been delivered by Interfor in accordance with section 5, (c) unloading costs, including, without limitation, demurrage costs for any waiting time incurred by a carrier or vessel, lighterage and wharfage charges, storage costs or other similar costs associated with Customer's failure to unload the Lumber Products at the Final Destination (as defined in section 5), and (d) for Lumber Products to be exported to countries other than the U.S. or Canada, all customs clearance and other requirements and Taxes payable to have the Lumber Products exported from Canada and imported into the country where the Final Destination is located. Customer will indemnify, defend and hold harmless Interfor for any costs and expenses that Customer's responsibility under this section.

5. DELIVERY AND TRANSPORTATION. If the Contract of Sale provides for "Shipment Terms" or "Price Basis" that is: (a) "FOB" or "Free on Board" at a specified location (the "**Delivery Point**"), Interfor will deliver the Lumber Products to Customer by loading them onto the truck, railcar or vessel of the transportation carrier taking delivery of the Lumber Products at the Delivery Point and Customer will, at its cost, arrange such transportation carrier unless the "Shipment Terms" in the Contract of Sale provides for "Freight Prepaid", in

which case Interfor will, at its cost, arrange the transportation carrier that will take delivery of the Lumber Products at the Delivery Point and deliver them to the "Ship To" address provided in the Contract of Sale (the "**Final Destination**"); or (b) "Cost, Insurance and Freight" or "CIF", Interfor will, at its cost, arrange the transportation carrier, and deliver the Lumber Products by loading them onto the carrier's vessel at any North American port (the "**Delivery Point**"), for delivery to the port located at the "Destination" indicated in the Contract of Sale (the "**Port of Destination**"), or (c) "Carriage and Insurance Paid" or "CIP", Interfor will, at its cost, deliver the Lumber Products to the rail yard (the "**Delivery Point**", delivery shall be complete upon arrival of the Lumber Products at such rail yard) and arrange for both rail transportation to the port at which the Lumber Products will be loaded onto a vessel, and shipment to the port located at the "Destination" indicated in the Contract of Sale (the "**Port of Destination**").

6. TITLE AND RISK. Title in and risk of loss of the Lumber Products shall transfer from Interfor to Customer upon completion of delivery of the Lumber Products at the Delivery Point under section 5. Customer and the transportation carrier are responsible for ensuring that every load of Lumber Products is properly secured before the transportation carrier departs from the Delivery Point, notwithstanding that Interfor may load the Lumber Products onto the carrier's truck, railcar or vessel. Interfor reserves the right to refuse to load Lumber Products onto an unsafe truck, railcar or vessel. Customer is responsible for unloading the Lumber Products at the Final Destination or Port of Destination.

7. INSURANCE. If the Contract of Sale provides for "Shipment Terms" or "Price Basis" that is: (a) "FOB", "Free on Board", Customer will, at its cost, arrange any insurance it requires over the Lumber Products after delivered at the Delivery Point, or (b) "Cost, Insurance and Freight", "CIF", "Carriage and Insurance Paid" or "CIP", Interfor will at its cost, insure the Lumber Products against Customer's risk of loss or damage until they are delivered at the Port of Destination.

8. DELIVERY SCHEDULES. Any delivery schedules included in the Contract of Sale represent Interfor's estimates only, and partial deliveries of Lumber Products are permissible. Interfor will use commercially reasonable efforts to meet any delivery schedules included in the Contract of Sale. Interfor may suspend or delay deliveries at any time pending receipt of assurances satisfactory to Interfor of Customer's ability to pay any amounts payable to Interfor under this Agreement or any other agreement between Customer and Interfor, or if Customer fails to pay any such amount as and when payable. If Customer fails to promptly provide such assurance or make any such payment, Interfor may cancel all or a portion of this Agreement or any other agreement or order without further liability or obligation to Customer.

9. LUMBER PRODUCT SIZES. Customer acknowledges and understands that the Lumber Product descriptions in the Contract of Sale and any invoices, may reflect the nominal sizes of Lumber Products. The nominal sizes may not reflect the dressed, or actual, sizes of the Lumber Products. Lumber Products are manufactured in accordance with applicable grading rules and standards that specify actual sizes at the time of manufacture, corresponding to the nominal sizes and seasoning of the Lumber Products.

10. INSPECTION, ACCEPTANCE, REJECTION. Customer, at its cost, will inspect the Lumber Products when they have been delivered to the Final Destination or Port of Destination. Customer may reject the Lumber Products only if: (a) the Lumber Products fail to conform to the: (i) number and description set forth in the Contract of Sale; (ii) actual dimensions on labels affixed to the Lumber Products; or (iii) grading specifications established by the American Lumber Standards and in effect on the date the Lumber Products are delivered to Customer (collectively the "**Specifications**"), and (b) Customer notifies Interfor in writing of any non-conforming Lumber Products within 7 days of delivery of the Lumber Products to the Final Destination or Port of Destination. Any Lumber Products not timely notified by Customer as non-conforming, shall be deemed to be accepted by Customer. Customer's rejection of any Lumber Products will not relieve Customer of its obligation to pay for any other Lumber Products or otherwise perform under the Agreement.

11. COMPLIANCE WITH LAW. Interfor and Customer will comply with the provisions of all applicable federal, state, provincial, municipal, local and other applicable laws, rules and regulations in the performance of their respective obligations under the Agreement.

12. CALIFORNIA PROPOSITION 65. You are advised that inhalation of wood dust from Lumber Products may result in consumer exposure to a chemical known by the State of California to cause cancer. If Customer is a California retailer or intends to incorporate Lumber Products into commerce in California, Customer will display the following warning:

⚠ WARNING: Drilling, sawing, sanding or machining wood products can expose you to wood dust, a substance known to the State of California to cause cancer. Avoid inhaling wood dust or use a dust mask or other safeguards for personal protection. For more information go to www.P65Warnings.ca.gov.

Customer will provide such warning in accordance with the requirements of California Proposition 65 and: (a) for in-store sales, displayed at the point of sale or at the Lumber Product display in a manner likely to be seen by purchasers, in a notice no smaller than 8½ by 11 inches and printed in no smaller than 20-point type; or (b) for online sales: (i) provided on the product display page or

through a clearly marked hyperlink using the word "WARNING" on the product display page; and (ii) provided either on the label of the product or through an automatic pop-up to the purchaser before the purchase is completed.

13. SECURITY INTEREST. All payment terms in the Contract of Sale are subject to credit approval and may be changed by Interfor without prior notice to Customer. Any overdue payment will accrue interest at the rate equal to the lesser of eighteen percent (18%) per annum, or the maximum rate allowable by applicable law, from the payment's due date until it is fully paid. Interfor may hold back, offset or set off any amounts owed by Interfor to Customer under any agreements between Customer and Interfor against any amounts owed by Customer to Interfor. As security for the proper and timely payment of any invoice and any other amounts payable by Customer under the Agreement, Customer hereby grants to Interfor a security interest in the Lumber Products and all proceeds from the sale thereof as defined in the *Personal Property Security Act* or the *Uniform Commercial Code* (or any equivalent legislation) of the jurisdiction where Customer is located (collectively, "**Collateral**"). Customer acknowledges and agrees that the security interest created hereby constitutes and is intended to create a purchase money security interest in the Collateral. Customer hereby authorizes Interfor and its lenders to file any financing statements and other documents that they may consider necessary or advisable and Customer hereby waives its right to receive a copy of any such documents.

14. CREDIT AND FINANCIAL DISCLOSURE. Customer hereby consents to Interfor conducting from time to time a credit investigation of Customer, and shall deliver to Interfor such financial statements, information, instruments, security or assurances as may be reasonably requested by Interfor. Where Interfor, acting reasonably, identifies material changes in the financial status of Customer, Interfor reserves the right to accelerate the payment terms to two days after the date of the invoice, and the amount unpaid on or following the date or dates of the acceleration shall become immediately due and payable.

15. WARRANTIES. Interfor warrants that: (a) it has good title to all Lumber Products sold to Customer under the Agreement, free and clear of all liens or other encumbrances; and that (b) the Lumber Products delivered to Customer under the Agreement will conform to the Specifications. THE WARRANTIES SPECIFIED IN THIS SECTION WILL BE IN LIEU OF ALL OTHER REPRESENTATIONS AND WARRANTIES REGARDING THE LUMBER PRODUCTS, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE. The above warranties run only to Customer and are not intended to, and do not, run to any subsequent buyer, nor may they be transferred or assigned to any other person.

16. EXCLUSIVE REMEDY FOR REJECTION OF LUMBER PRODUCTS OR WARRANTY CLAIMS. If all or any portion of the Lumber Products delivered to Customer are properly rejected by Customer under section 10, or in the event of a warranty claim, Interfor will, AS THE EXCLUSIVE REMEDY AVAILABLE TO CUSTOMER, do one of the following, in Interfor's sole discretion: (a) replace the applicable portion of the Lumber Products; or (b) cancel the Agreement as it applies to the applicable portion of the Lumber Products and refund to Customer any amounts paid in connection with that such portion of the Lumber Products.

17. LIMITATION OF LIABILITY. INTERFOR WILL NOT BE LIABLE TO CUSTOMER, ITS CUSTOMERS OR ANY OTHER THIRD PARTY FOR ANY INJURY OR DAMAGE TO PERSONS OR PROPERTY UNLESS CAUSED BY INTERFOR'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, OR FOR ANY LOSS OF OR INJURY TO BUSINESS, EARNINGS, PROFITS OR GOODWILL SUFFERED BY ANY PERSON, INCLUDING CUSTOMER AND ITS CUSTOMERS, CAUSED DIRECTLY OR INDIRECTLY BY OR RELATED TO ANY OF THE LUMBER PRODUCTS SOLD PURSUANT TO THE TERMS OF THE AGREEMENT, AND IN NO EVENT WILL INTERFOR BE LIABLE FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES SUFFERED BY CUSTOMER, ITS CUSTOMERS OR ANY OTHER THIRD PARTY, EVEN IF INTERFOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH.

18. FORCE MAJEURE. If the performance of the Agreement or any obligation under the Agreement, except the making of payments, is prevented or restricted by reason of adverse weather conditions, fire, flood, earthquake, explosion or other casualty or accident, strikes or labour dispute, inability to procure transportation, supplies or power, any act of war, terrorism or other violence, any law, order, proclamation, regulation, ordinance, demand or requirement of any government agency or authority, or any other act or condition whatsoever beyond the reasonable control of the affected party, the party so affected, upon giving notice to the other party, will be excused from such performance to the extent of such prevention or restriction; *provided, however,* that the party so affected will take all reasonable steps to avoid or remove such causes of non-performance (which will not require a party to settle any strike or labour dispute on terms that are not acceptable to that party in its sole and absolute discretion) and will resume performance under the Agreement whenever such causes are removed; *provided, further,* that in no event will Interfor be obligated to purchase Lumber Products from a third party to enable Interfor to deliver Lumber Products to Customer.

19. ASSIGNMENT. Customer shall not assign or transfer the Agreement without the prior written consent of Interfor. Any attempted assignment or transfer without such consent shall be null and void and Interfor shall have no obligation to deliver any Lumber Products to any other person pursuant to such a purported assignment or transfer. The Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties to the Agreement.

20. TERMINATION AND DEFAULT. Interfor may terminate the Agreement on ten (10) days written notice to Customer. Interfor may terminate

the Agreement immediately in whole or in part without liability if: (a) Customer fails to comply with the terms and conditions of the Agreement, including a failure to take delivery of or pay for any Lumber Products, (b) Customer or its general partner or its direct or indirect parent company (as applicable) becomes or is deemed to be insolvent or bankrupt, or makes an assignment for the benefit of creditors, or has a receiver or trustee appointed, or (c) the primary, or all, business activities of Customer are suspended permanently or for at least 45 days.

21. INDEMNITY. Customer will indemnify, defend and hold harmless Interfor and its directors, officers, employees, agents and contractors from and against any and all losses, damages, liabilities, injuries to persons or property, claims, proceedings, judgments and expenses (including, without limitation, legal fees) incurred or sustained directly or indirectly as a result of: (a) any breach by or default of Customer under any of the provisions of the Agreement (including but not limited to section 12); or (b) any act or omission of Customer or any of its directors, officers, employees, agents and contractors, including, but without limitation: (i) any warranty Customer makes to any other person with respect to any Lumber Products, (ii) Customer's or any other person's improper use of any Lumber Products, or (iii) the transportation, receipt, handling or storage of any of the Lumber Products by Customer or its agents. The provisions of this section 21 shall survive the termination of the Agreement, and shall be in addition to any other right or remedy that Interfor may have, whether at law or in equity.

22. CONFIDENTIALITY. Neither of the parties, without the consent of the other party, will disclose or communicate to any person other than for the purposes of the Agreement, any information disclosed to it by the other party, the terms of the Agreement or any information obtained or produced in relation to the Agreement ("**Confidential Information**"). The foregoing prohibition does not prevent the disclosure of Confidential Information by a party: (a) to its officers, employees and advisors who require access to the information for the purposes of the Agreement and who are made aware of the confidential nature of the Confidential Information; (b) that is ordered or required by any applicable law, court order or governmental authority; (c) known to it on a non-confidential basis; (d) in the public domain through no fault of it; or (e) lawfully acquired by it from a third party that is not known to be or would not after reasonable inquiry be expected to be known to be under an obligation of confidentiality to the other party. Each party agrees that it shall take any and all steps as may be reasonably necessary to protect and prevent the disclosure of the other party's Confidential Information to any unauthorized person by such party or its affiliates, directors, officers, employees, agents, advisors or representatives.

23. INDEPENDENT PARTIES. The parties to the Agreement are independent and nothing in the Agreement constitutes Customer as a partner or agent of Interfor and Customer has no authority to represent, bind, act for, undertake or create any obligation or responsibility on behalf of, or in the name of, Interfor or represent that it is the agent of Interfor.

24. WAIVER AND CONSENT. No consent or waiver by a party, express or implied, to or of any default by the other party of any of its obligations under the Agreement: will be valid unless it is in writing, will be relied on as a consent to or waiver of any other default of the same or any other obligation, will constitute a general waiver, or will eliminate or modify the need for a specific consent or waiver pursuant to this section in any other instance.

25. NOTICE. Except for invoices delivered electronically to the location identified by Customer as the location to which the invoices may be sent (which will be deemed to have been received when so delivered), any notice given under or in connection with the Agreement shall be in writing and delivered by fax, email, hand or courier, or sent by registered or certified mail with postage prepaid to the addresses or fax numbers indicated on the first page of the Contract of Sale or to such other addresses or fax numbers as Customer or Interfor may hereafter designate by notice in writing, provided that in event of a postal strike or other labour dispute or interruption, all notices shall be faxed, emailed or delivered by hand or courier. Any such notice delivered by fax, email, hand or courier shall be deemed to have been received when delivered, and any mailed notice shall be deemed to have been received five (5) business days after mailing.

26. CONSTRUCTION. The Agreement is for the exclusive benefit of Customer and Interfor and not for the benefit of any third party. The division of the Agreement into sections and the insertion of headings are for convenience of reference only and are not to affect the construction or interpretation of the Agreement. A reference in these Terms and Conditions to the word "section" refers to a section of these Terms and Conditions unless otherwise indicated.

27. GOVERNING LAW. The Agreement shall be governed by the laws of: (a) the Province of British Columbia if the Lumber Products sold hereunder are manufactured in Canada; (b) the State of Washington if the Lumber Products sold hereunder are manufactured in the States of Washington or Oregon; or (c) the State of Georgia if the Lumber Products sold hereunder are manufactured in any other states within the U.S.A., in any case, without reference to the applicable jurisdiction's conflict of law rules. Each of the parties irrevocably agrees that any legal action or proceeding arising out of or relating to the Agreement or the transactions contemplated herein ("**Legal Action**"), may only be brought and determined: (i) in the courts of British Columbia sitting in Vancouver, if the Agreement is governed by the laws of the Province of British Columbia; (ii) in a federal or state court in Seattle, if the Agreement is governed by the laws of the State of Washington; or (iii) in a federal or state court in Atlanta, if the Agreement is governed by the laws of the State of Georgia (or any other court hearing appeals from such courts), and each of the parties hereby irrevocably submits to the exclusive jurisdiction of the applicable court. Each

party waives its right to require a jury trial and agrees that Legal Actions will be tried by a judge without a jury.

28. SITUS OF AGREEMENT. The Agreement shall be deemed to have been made: (a) in the Province of British Columbia if the Lumber Products sold hereunder are manufactured in Canada; (b) in the State of Washington if the Lumber Products sold hereunder are manufactured in the States of Washington or Oregon; or (c) in the State of Georgia if the Lumber Products sold hereunder are manufactured in any other states within the U.S.A.