

INTERFOR TERMS AND CONDITIONS FOR THE PURCHASE OF GOODS AND SERVICES

1. ENTIRE AGREEMENT. These Terms and Conditions for the Purchase of Goods and Services ("**Terms and Conditions**") are incorporated into and form an integral part of each Purchase Order entered into by Interfor Corporation, Interfor East Ltd., EACOM Timber Corporation, Interfor U.S. Inc., Chaleur Forest Products Limited Partnership and Chaleur Forest Products Inc. (each, "**Interfor**") and the supplier identified in the Purchase Order ("**Supplier**"), for the performance by Supplier of services ("**Services**") and/or the delivery by Supplier to Interfor of goods, materials, equipment or deliverables that are the product of Services (collectively, "**Goods**" and, together with Services, the "**Goods/Services**"). The Purchase Order and the version of these Terms and Conditions that is in effect at the time of Supplier's acceptance or deemed acceptance of the Purchase Order (together, the "**Agreement**") constitute the entire agreement between Interfor and Supplier regarding the delivery or performance by Supplier to Interfor of the Goods/Services described in the Purchase Order, and supersede all previous quotations, proposals, agreements, communications, expectations, negotiations, representations or understandings, whether oral or written, express or implied, statutory or otherwise, regarding such Goods/Services. These Terms and Conditions are available on Interfor's website (www.interfor.com/terms-and-conditions) and may be amended by Interfor at any time and from time to time by making such amendments available on Interfor's website. A Purchase Order may not be amended except by written document signed by Supplier and Interfor. Except to the extent of specifying the nature or description of the Goods/Services to be supplied and only to the extent that such are consistent with the terms of the Agreement, the terms and conditions of Supplier's quotation, proposal or other correspondence are hereby refused and rejected by Interfor without any requirement for further notice of such refusal and rejection, and neither the acceptance by Interfor of Goods/Services nor the payment by Interfor therefor, 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. SUPPLIER CODE OF CONDUCT. These Terms and Conditions incorporate Interfor's Supplier Code of Conduct, available for download at <https://interfor.com/terms-and-conditions/> (the "**Supplier Code of Conduct**"). It is Supplier's responsibility to ensure that it obtains a full copy of the Supplier Code of Conduct by downloading it from Interfor's website or requesting a copy in writing, and any failure by Supplier to do so, shall not prevent the incorporation of the Supplier Code of Conduct into this Purchase Order or limit its application or enforceability.

3. PRICE, INVOICE AND PAYMENT. Interfor shall pay Supplier the price or at the rates set out in the Agreement. All references to currency in the Agreement shall mean the lawful currency of Canada where Goods/Services are supplied to Interfor Corporation, Interfor East Ltd., EACOM Timber Corporation or Chaleur Forest Products Limited Partnership or Chaleur Forest Products Inc., and the U.S. where Goods/Services are supplied to Interfor U.S. Inc. Supplier's prices shall include any and all taxes, brokerage costs, rates, duties, assessments and license fees that may be payable by Supplier under applicable law or levied, rated, charged or assessed by any governmental, public, judicial or quasi-judicial authority or self-regulatory organization (collectively "**Governmental Authority**") in respect of the sale, ownership, storage, delivery, transportation, exportation or importation of the Goods and provision of the Services. Taxes, if any, shall be stated separately on any invoice. Unless otherwise specified in the Purchase Order, payments shall be made within 30 days of receipt of an invoice. At Interfor's option, payment may be conditioned upon receipt of lien and claim releases from Supplier.

4. TAXES. Interfor will not be liable for any taxes with respect to a Purchase Order, except for sales, use, excise, ad valorem, value added, or consumption taxes imposed by any Governmental Authority that Supplier is required by applicable law to collect from Interfor; and provided that Supplier issues an invoice in a manner that enables Interfor to claim an input tax credit or refund in accordance with applicable law. Supplier shall not collect or remit, and Interfor shall not be liable for, any taxes in respect of which Interfor has provided Supplier with a tax exemption certificate. If Interfor is required by the law of any jurisdiction to withhold any taxes, duties, fees, levies or charges ("**Withholding Taxes**") from any fees, expenses or other charges paid to Supplier, Interfor will be entitled to deduct the amount of such Withholding Taxes from the amount of such fees, expenses or other charges. If Supplier is either exempt from withholding or entitled to a reduced rate of withholding pursuant to a tax treaty or other applicable law, and provides documentation satisfactory to Interfor of such exemption from, or reduced rate of, withholding, Interfor will be entitled to withhold such Withholding Taxes from which Supplier is not exempt.

5. LIENS. Supplier will keep Interfor's real and personal property free from all liens or other charges arising out of or related to the delivery or performance of the Goods/Services. Supplier will promptly pay all charges, assessments and claims against Supplier or any of its subcontractors in respect of labour, materials, equipment and services used or contracted for by Supplier in the delivery or performance of the Goods/Services or which might result in a lien or other charge on any real or personal property of Interfor. If there is an actual or threatened lien or other charge on Interfor's property as a result of the delivery or performance of Goods/Services, Supplier shall make all payments, including but not limited to the provision of security or payment into court, necessary to: (a) have the lien removed within five (5) days after Interfor has given Supplier notice of the lien, or (b) avoid such lien or other charge on Interfor's property; provided that Interfor may in its discretion make all or any portion of such payments on Supplier's behalf and the amount of any such payments made by Interfor shall be a debt due and payable by Supplier to Interfor. Interfor may in its discretion deduct an amount equal to all or any part of such debt from any payment that may be or become due and owing by Interfor to Supplier under this Agreement or otherwise.

6. PERFORMANCE OF SERVICES. Supplier shall perform the Services at the locations specified in the Purchase Order. Supplier shall perform all Services in a competent and professional manner and to the highest commercial standard of care, skill and diligence maintained by persons providing similar services. Supplier shall rectify at its expense any defects or deficiencies in the Services relating to labour and material that become apparent within 12 months after completion of the provision of Services hereunder. Supplier is qualified to perform the Services enumerated herein and shall maintain all valid licenses, permits and registrations required by law to perform the Services. Supplier shall, and shall ensure that any Supplier employees or subcontractors, arrive physically fit and able to perform the Services.

7. HEALTH AND SAFETY. Supplier shall have sole responsibility for the safety of Supplier's directors, officers, employees, contractors, subcontractors, or agents (collectively "**Representatives**") while on any Interfor site, and Supplier shall ensure that Supplier's Representatives are fully trained with respect to, and fully comply with, all health, safety and security laws, rules, regulations, policies and instructions specified by Interfor from time to time. In any circumstance where Interfor is of the view that any work, installation or services performed by Supplier and/or Supplier's Representatives are not in accordance with a Purchase Order or pose any unacceptable risks to the health and safety of any individual, Interfor may, without incurring any liability to Supplier, immediately suspend, in whole or in part, performance of further work, installation or services on written notice to Supplier for such period of time as Interfor may determine.

8. PRIME CONTRACTOR. Without limiting the foregoing, if the Goods/Services are delivered in British Columbia, Supplier will be the "prime contractor" for the purposes of Part 3 of the *Workers Compensation Act* (British Columbia) at the work site or other locations used as a "Workplace" (as defined in the Act) for performing Services. The Supplier shall coordinate a safety program for all employers operating at the Workplace and shall ensure that the Supplier and its employees, agents, and subcontractors and all other employers take part in and comply in all respects with the safety program. The Supplier shall further perform the Work and maintain any "Workplace" associated with its performance of the Work in a manner that will ensure that Interfor is in compliance with its obligations under Part 3 of the *Workers Compensation Act* as an "owner" and is in compliance with its obligations under Part 3 of the Act as an "employer".

9. SUPPLIER REPRESENTATIVES PERFORMING SERVICES. Supplier is solely responsible to ensure that all Supplier Representatives (including without limitation employees and subcontractors) who perform Services, are competent to perform them and perform them in full compliance with the terms and conditions of this Agreement. Interfor may require the Supplier to replace any of its Representatives where Interfor reasonably objects to their performance, qualifications, or suitability. Supplier Representatives are not employees of Interfor. Supplier shall be solely responsible for the acts and omissions of its Representatives in performing the Services or while on any Interfor site.

10. COMPLIANCE WITH LAW AND POLICIES. Supplier will comply, and will ensure that all of Supplier's Representatives comply, with: (a) the provisions of all applicable laws, rules, regulations, and government policies; and (b) all Interfor policies applicable to Interfor's suppliers and contractors and either provided to Supplier, or made available on Interfor's website (www.interfor.com), including but not limited to Interfor's Code of Conduct & Ethics. If Supplier provides Services at any Interfor site, Supplier shall institute and enforce a drug and alcohol policy that meets or exceeds Interfor's requirements, or Supplier shall ensure that Supplier's Representatives comply with the requirements of Interfor's Drug & Alcohol Policy.

11. TOOLS AND SUPPLIES. Supplier shall at its own risk and cost, furnish, repair, and maintain all equipment, tools, and supplies necessary to perform the Services, except as otherwise specified in this Agreement.

12. RECORDS. Supplier shall keep and maintain sufficient records to evidence the Services performed and shall make such records available to Interfor for inspection upon Interfor's request.

13. INTERFOR PROPERTY. Supplier agrees that all property of Interfor including any documents containing confidential information of Interfor is to remain on Interfor's premises unless otherwise agreed to by an authorized representative of Interfor. At Interfor's request or on the termination of this Agreement, Supplier will immediately return all Interfor property to Interfor.

14. CO-ORDINATION OF ACTIVITIES. Supplier acknowledges and agrees that it may be required to proceed with its work simultaneously with others at the place of work and will cooperate with such others to obtain maximum efficiency and orderly and timely completion of the Services. Supplier agrees that it will not be entitled to any additional compensation by reason of the fact that it is required to perform the Services at the same time as others.

15. PRIVACY AND CONSENT. Supplier acknowledges that the Services are subject to, and that it will comply with, privacy laws in all jurisdictions in which Interfor is located and in which the Services are provided. Supplier covenants that no Confidential Information shall be transmitted to, or stored in, any jurisdictions other than the United States of America or Canada. Supplier hereby consents to the recording of its image, video, audio and location when in a public area of any of Interfor's offices or operations, or when traveling in or operating vehicles or equipment that are driven or operated in relation to any Interfor operation or owned/leased by Interfor ("**Consent to Recording**"). Supplier is required to obtain a written Consent to Recording from each of its employees, consultants and subcontractors who are on site at any Interfor office or operation, or who travel in

or operate any vehicles or equipment that are driven or operated in relation to any Interfor operation, or owned/leased by Interfor.

16. DELIVERY OF GOODS. Unless otherwise provided in the Agreement, Supplier shall deliver the Goods DDP (Delivered Duty Paid) the delivery address or destination stated in the Purchase Order (the "**Delivery Point**"). Delivery of the Goods must be made free and clear of all liens, charges, encumbrances and security interests within the time and in the manner stated in the Agreement. Supplier shall not deliver any Goods/Services later than, or substantially in advance of, a scheduled delivery date. If Supplier does not adhere to the delivery schedule, Interfor may, at its sole option, agree to revise the delivery schedule or terminate the Agreement without liability to Interfor.

17. TITLE AND RISK. Ownership of and title to the Goods, or any part thereof, shall pass to Interfor upon delivery of the Goods or such part thereof to the Delivery Point, provided that title to any items which have been paid for by Interfor in advance of delivery shall be vested in Interfor from the time of such payment. Supplier will bear the risk of loss of the Goods until they are delivered to Interfor.

18. PACKAGING. All Goods shall be suitably packaged for shipment by Supplier at its expense.

19. INSPECTION. All Goods supplied under the Agreement will be subject to Interfor's inspection and acceptance or rejection, after receipt and installation of the Goods. Interfor will notify Supplier within a reasonable period of time of its rejection of any Goods that are damaged or are not in accordance with the terms and conditions of the Agreement. Interfor reserves the right to: (a) hold rejected Goods at Supplier's risk; (b) return rejected Goods at Supplier's expense; or (c) require Supplier, at Supplier's expense, to correct any deficiencies in, or replace, the rejected Goods at a location specified by Interfor.

20. CANCELLATION. Interfor may by written notice at any time without cause and for any reason cancel this Purchase Order with respect to Goods, in whole or in part, which, as of the date of cancellation, have not been shipped. In such event Interfor will pay all reasonable costs Supplier has incurred or has irrevocably committed to incur with respect to the Goods that are cancelled. Such payment will in no event exceed the total purchase price for the cancelled Goods, and will be reduced by any refunds or salvage available to Supplier, plus the aggregate amount, if any, previously paid by Interfor for the cancelled Goods.

21. WARRANTIES. Supplier warrants and represents that the Goods/Services will: (a) comply with all applicable laws, regulations, standards, codes and other requirements of any Governmental Authority, and standards and codes customarily applicable at the places where Interfor will receive or use the Goods/Services; (b) conform in all respects to the terms and conditions of the Agreement and all applicable samples, specifications, drawings or other descriptions provided to Interfor; (c) be fit, suitable and perform satisfactorily for the purposes and under the conditions reasonably inferable, or made known by Interfor, to Supplier; and (d) not infringe or violate the intellectual property or other rights of any person. Supplier warrants and represents that it has good title to all Goods sold to Interfor under the Agreement and that the Goods will: (i) be free and clear of all liens or other encumbrances; (ii) conform to all specifications therefor in the Purchase Order; (iii) be free from defects in design, materials, workmanship; and (iv) be of merchantable quality.

22. MANUFACTURER'S WARRANTIES. Supplier hereby assigns to Interfor the benefit of all Suppliers' manufacturers' or other third parties' warranties and any indemnities with respect to the Goods/Services and agrees on request by Interfor to execute and deliver any further instruments that may be reasonably necessary to enable Interfor to obtain all warranty service and indemnity protection provided by a Manufacturer. To the extent that any warranties and indemnities are not assignable to Interfor, Supplier will exercise its reasonable efforts at Interfor's request to enforce those claims or rights on behalf of Interfor. Notwithstanding the foregoing, Supplier will remain liable under its warranty and support obligations hereunder.

23. INDEMNITY. Supplier will indemnify, defend and hold harmless Interfor, its affiliates, and each of their directors, officers, employees, agents and contractors ("**Indemnitees**") from and against any and all losses, damages, liabilities, penalties, fines, injuries to persons or property, claims, actions, proceedings, lawsuits, judgments and expenses (including but not limited to reasonable legal fees and costs) incurred, sustained or brought against the Indemnitees or any of them, related to or arising out of: (a) any breach by Supplier of, or default by Supplier under, any of the provisions of the Agreement; (b) any negligence or willful misconduct of Supplier or any of Supplier's Representatives; (c) injury to or death of any of Supplier's Representatives, or damage to or destruction of property belonging to Supplier or Supplier's Representatives, in Supplier's possession or under Supplier's control, except to the extent that such injury, death, damage or destruction arises from the gross negligence or willful misconduct of such Indemnitee; and (d) any claim that any Goods/Services infringe or violate the intellectual property or other rights of any person. The provisions of this section shall survive the expiry or earlier 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.

24. RIGHT OF SET-OFF. Interfor will be entitled to set-off against and deduct from any payment owed to Supplier, the amount of any indemnity claim that has arisen, or is reasonably likely to arise, under the Agreement.

25. LIMITATION OF LIABILITY. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY REMOTE, SPECULATIVE OR PUNITIVE DAMAGES SUFFERED BY THE OTHER PARTY, ITS CUSTOMERS OR ANY OTHER THIRD PARTY, EVEN IF THE FIRSTMENTIONED PARTY HAS BEEN ADVISED OF THE POSSIBILITY THEREOF;

except to the extent such claim arises from Supplier's indemnity obligations under section 23 with respect to a third party claim, or either party's fraud, willful misconduct or willful omission.

26. INSURANCE. If Supplier and/or any Supplier's Representatives will be at any of Interfor's sites, then for the duration of the term of the Agreement, Supplier will obtain and maintain: (a) commercial general liability insurance with an insurer acceptable to Interfor with a minimum limit of \$2,000,000 per occurrence covering all bodily injury and property damage; (b) motor vehicle liability insurance with a minimum limit of \$2,000,000 per occurrence covering all Supplier's licensed vehicles (owned, leased, rented or borrowed) used in the performance of the Agreement; (c) if applicable to the Services, errors and omissions insurance in an amount not less than \$2,000,000 insuring Supplier's liability resulting from errors and omissions in the performance of professional services; and (d) property coverage against all risks of physical loss or damage, for the full replacement value of all machinery and equipment of, or under the care, custody and control of, Supplier and used in the performance of its obligations under the Agreement. Each insurance policy under (a) above will include Interfor and its directors, officers, employees, agents and other contractors as an additional insured (the "**Additional Insureds**") and a waiver of the subrogation rights of the insurer for any claims it might otherwise have against the Additional Insureds. Each insurance policy under (d) above shall include Interfor as a loss payee. All such insurance coverage required hereunder will be primary and not in excess over any other insurance or self-insurance carried by Interfor. Supplier will be responsible for all deductibles. No provisions in this section or the insurance policies will in any way reduce, limit or change Supplier's indemnity obligations under the Agreement. Before providing any Goods/Services under the Agreement, Supplier will provide a valid certificate of insurance and copies of appropriate endorsements to Interfor.

27. INDEPENDENT CONTRACTOR. Unless expressly stated otherwise in the Purchase Order, Supplier is at all times an independent contractor and none of Supplier, its employees or sub-contractors (if any) shall be considered to be employees, servants or agents of Interfor or any of its affiliates. Supplier will retain control and direction of the manner and method of performance of the Services under this Agreement, will control and direct all Services in Supplier's own name and not in the name of, or as agent of, Interfor or any affiliate of Interfor. No relationship of exclusivity shall be construed from the Agreement and Supplier is free to provide services to third parties. If applicable, Supplier shall not engage, directly or indirectly, in activities or accept employment or remuneration for services rendered, that may create a conflict of interest with Interfor or any parent, subsidiary or affiliate of Interfor, without the prior written consent of Interfor.

28. PAYROLL FUNCTION. Supplier will observe and comply with all applicable employment, labour and human rights rules, laws, ordinances, codes and regulations. Supplier agrees to remit and will be responsible for all withholding taxes; income taxes; applicable pension plan, social services or similar contributions; employment or unemployment insurance deductions; workers compensation assessments and penalties; taxes and any other deductions required by applicable laws for Supplier and any of Supplier's Representatives. Supplier is solely responsible for and will file all returns required under all applicable laws, including but not limited to any applicable income tax legislation, pension plan, social services or similar legislation and employment or unemployment insurance legislation.

29. WORKERS' COMPENSATION. Supplier shall comply with all applicable worker's compensation and occupational health and safety legislation statutes and regulations, and shall obtain and maintain in full force and effect, without interruption during the term of the Agreement, at its own expense, worker's compensation and occupational health and safety coverage for Supplier and its employees sufficient to provide coverage for every province, state or jurisdiction in which Supplier was hired by Interfor, Supplier hired its employees, and in which Supplier or its employees perform services for Interfor. Supplier shall provide Interfor with a clearance letter or proof of workers' compensation insurance coverage from the applicable workers' compensation authorities, and shall immediately notify Interfor of any lapse in coverage.

30. EQUAL OPPORTUNITY. Supplier and its subcontractors shall not discriminate against qualified individuals based on their status as protected veterans or individuals with disabilities, and shall not discriminate against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Any Supplier of Goods/Services to Interfor U.S. Inc., and such Supplier's subcontractors, shall abide by the 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a) requirements to not discriminate and to take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.

31. FORCE MAJEURE. If the performance of 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 act of God beyond the reasonable control of the affected party, the party so affected, upon giving prompt notice to the other party, will be excused from such performance to the extent and for the duration of such prevention or restriction; provided that the party so affected will take all reasonable steps to avoid or remove such causes of non-performance and will resume performance under the Agreement whenever such causes are removed. Lack of funds is not a cause beyond the control of a party.

32. TERMINATION AND DEFAULT. Interfor may, at any time without cause and for any reason, by delivering at least ten (10) days' written notice of termination to Supplier, terminate the Agreement with respect to all or any part

of the Goods/Services that, as of the date of delivery of such notice to Supplier, have not been specially ordered by Supplier, shipped or commenced. Interfor, immediately upon written notice, may terminate the Agreement in whole or in part, without liability, and with the right to reimbursement of its costs of procurement of alternative Goods/Services, if: (a) Supplier fails to cure any breach of its obligations under the Agreement after receiving at least 2 business days' notice thereof; (b) Supplier or, if applicable, its general partner, direct or indirect parent entity, or ultimate beneficial owner becomes or is deemed to be insolvent, bankrupt or makes an assignment for the benefit of creditors, or a receiver, trustee, monitor or equivalent is appointed for Supplier or, if applicable, its general partner, direct or indirect parent company or ultimate beneficial owner; or (c) the primary, or all of the, business activities of Supplier are permanently suspended or suspended for at least 45 days.

33. CONFIDENTIALITY. Neither party, 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 Representatives 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 shall use its reasonable efforts to protect and prevent the disclosure of the other party's Confidential Information to any unauthorized person. Each party shall be responsible and liable for any breach by its Representatives of such party's obligations under this section.

34. SECURITY BREACHES. Supplier will notify Interfor immediately, in the event of a Supplier security breach involving Confidential Information or impacting any Interfor system. In such event, Supplier will take prompt corrective action to protect Interfor's Confidential Information and prevent adverse impacts on Interfor's systems. A Supplier security breach includes any event (including a cyber-security breach) involving a known, actual, or suspected compromise of the security, confidentiality or integrity of any Supplier system.

35. ASSIGNMENT AND SUBCONTRACTING. Supplier shall not assign, transfer, subcontract or otherwise dispose of the Agreement or any of Supplier's rights or obligations hereunder, without the prior written consent of Interfor. Any attempted assignment or transfer without Interfor's prior written consent shall be null and void and Interfor shall have no obligation to purchase any Goods or Services from any other person pursuant to an assignment or transfer of the Agreement without the prior written consent of Interfor. The Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties to the Agreement.

36. NOTICES. Except for invoices delivered electronically to the location identified by Supplier 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 email, fax, courier, or registered/certified mail with postage prepaid, to a party's address indicated on the first page of the Purchase Order or to such other address as such party may designate by notice in writing. Any notice so given, will be deemed to have been validly delivered when it is delivered by registered mail or courier to the recipient party's address for notices, or when a fax or email confirmation of delivery is received by the sender, provided that such delivery is made or confirmation of delivery is received before 5:00 p.m. on a business day in the recipient's jurisdiction. Otherwise, such notice, request, demand or direction will be deemed to have been given and received on the next such business day. Any demand or notice actually received by the recipient party shall be deemed to have been validly given hereunder.

37. TIME OF ESSENCE. Time is of the essence of the Agreement.

38. NO THIRD PARTY BENEFICIARIES. Nothing in this Agreement will entitle any person other than the Parties to any claim, cause of action, remedy or other rights of any kind in respect of the subject-matter hereof.

39. INDEPENDENT ADVICE. Supplier represents that it has: (a) read and understood the contents, terms and effect of this Agreement and voluntarily agrees thereto; (b) had the opportunity and sufficient time to seek independent advice from its legal, financial and tax advisors prior to entering into this Agreement; and (c) has exercised its own independent judgment and has not been improperly influenced by any representations, statements or conduct of any description whatsoever on the part of Interfor or any other party.

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

41. SEVERABILITY. Any invalidity, illegality or unenforceability of any provision of the Agreement in any jurisdiction, will not affect its validity, legality in any other jurisdiction, or the validity of any other provision of the Agreement.

42. CONSTRUCTION. The Agreement is for the exclusive benefit of Supplier 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. Any rule of construction that, in the event of ambiguity, the agreement shall be interpreted against the party responsible for the drafting or preparation of the agreement, shall not apply.

43. GOVERNING LAW. The Agreement shall be governed by and construed in accordance with the laws of: (a) the Province of Quebec in the case where any Goods/Services are provided to Interfor East Ltd. or EACOM Timber Corporation in Quebec; (b) the Province of Ontario in the case where any Goods/Services are provided to Interfor East Ltd. or EACOM Timber Corporation in Ontario; (c) the Province of British Columbia in the case where any Goods/ Services are provided to Interfor Corporation; (d) the State of Washington in the case where any Goods/Services are provided to Interfor U.S. Inc. locations in either Washington or Oregon; (e) the State of Georgia in all other cases where any Goods/Services are provided to Interfor U.S. Inc. and (f) the Province of New Brunswick in the case where any Goods/Services are provided to Chaleur Forest Products Limited Partnership or Chaleur Forest Products Inc., in each 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 in the Agreement ("**Legal Action**"), may only be brought and determined: (i) in the courts of Quebec sitting in Montreal in the case where the Agreement is governed by the laws of the Province of Quebec; in the courts of Ontario sitting in Toronto in the case where the Agreement is governed by the laws of the Province of Ontario; (iii) in the courts of British Columbia sitting in Vancouver in the case where the Agreement is governed by the laws of the Province of British Columbia; (iv) in a federal or state court in Seattle, Washington in the case where the Agreement is governed by the laws of the State of Washington; (v) in a federal or state court in Atlanta, Georgia in the case where the Agreement is governed by the laws of the State of Georgia (or any other court hearing appeals from such courts); and (vi) in the courts of New Brunswick sitting in Saint John, and each of the parties hereby irrevocably submits to the exclusive jurisdiction of the applicable court sitting in Montreal, Toronto, Vancouver, Seattle, Atlanta or Saint John, as the case may be. Each party hereby waives its right to insist on a jury trial and agrees that all actions will be tried before a judge without a jury.

44. SITUS OF AGREEMENT. The Agreement shall be deemed to have been made: (a) in the Province of Quebec in the case where the Goods/Services are provided to Interfor East Ltd. or EACOM Timber Corporation in Quebec; (b) in the Province of Ontario in the case where the Goods/Services are provided to Interfor East Ltd. or EACOM Timber Corporation in Ontario; (c) in the Province of British Columbia in the case where any Goods/Services are provided to Interfor Corporation; (d) in the State of Washington in the case where any Goods/Services are provided to Interfor U.S. Inc. locations in either Washington or Oregon; (e) in the State of Georgia in all other cases where any Goods/Services are provided to Interfor U.S. Inc.; and (g) in the Province of New Brunswick in the case where the Goods/Services are provided to Chaleur Forest Products Limited Partnership or Chaleur Forest Products Inc.