

## INTERFOR TERMS AND CONDITIONS FOR THE TRANSPORTATION OF LUMBER, I-JOISTS AND RESIDUAL PRODUCTS

**1. ENTIRE AGREEMENT.** These Terms and Conditions For The Transportation of Lumber, I-Joists and Residual Products ("**Terms and Conditions**"), available for download at [www.interfor.com/terms-and-conditions](http://www.interfor.com/terms-and-conditions) apply to every load of goods transported and delivered by the carrier ("**Carrier**"), and are incorporated into and form an integral part of each Load Confirmation and each Delivery Slip (each, a "**Delivery Slip**") issued by, Interfor U.S. Inc., Interfor Sales & Marketing Ltd., Interfor Japan Ltd., Interfor Corporation, Interfor East Ltd., EACOM Timber Corporation, Chaleur Forest Products Limited Partnership and Chaleur Forest Products Inc. (each such shipper, consignor or consignee, as the case may be, is referred to in these Terms and Conditions as "**Interfor**") and accepted by Carrier for the transportation and delivery of lumber or sawmill residual products ("**Products**") from the "Branch/Location" or "Ship From" address to the "Ship To" address noted on the Delivery Slip (the "**Services**"). The Delivery Slip and the version of these Terms and Conditions in effect on the date of the Delivery Slip (together, the "**Agreement**"), constitute the entire agreement between Interfor and Carrier regarding the Services, and supersede all previous agreements, delivery slips, bills of lading, representations or understandings, whether oral or written, express or implied, statutory or otherwise, between Carrier and Interfor with respect to the Services described in the Delivery Slip. These Terms and Conditions may be amended by Interfor at any time and from time to time, but a Delivery Slip may not be amended except by written document signed by Carrier and Interfor. Notwithstanding any other provision herein, if the Delivery Slip is marked for delivery or shipment to "Customer Pickup", "CPU", or "Customer Truck at Mill", then Interfor shall bear no liability for the load described therein or its delivery, have no consignor/shipper or consignee relationship to the load, and bear no liability to Carrier whatsoever for payment or otherwise.

**2. SUPPLIER CODE OF CONDUCT.** These Terms and Conditions incorporate Interfor's Supplier Code of Conduct, available for download at [www.interfor.com/terms-and-conditions](http://www.interfor.com/terms-and-conditions) (the "**Supplier Code of Conduct**"). It is Carrier'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 Carrier to do so, shall not prevent the incorporation of the Supplier Code of Conduct into this Delivery Slip or limit its application or enforceability.

**3. WAIVER AND EXCLUSION.** Where Carrier's quotation, bill of lading, 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 Carrier's issuance of its own bill of lading, its pickup or delivery of the Products, and Interfor's payment for the Services shall not 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. To the fullest extent permitted by law, all applicable statutes, duties and obligations that are capable of being waived are hereby expressly waived by each of Interfor and the Carrier to the extent they are in conflict with the terms of this Agreement. No rule, tariff, classification, or condition not expressly set forth in this Agreement or otherwise agreed to in writing by the parties shall modify or supersede the terms of this Agreement. THE PARTIES EXPRESSLY WAIVE ANY AND ALL RIGHTS AND REMEDIES UNDER THE ICC TERMINATION ACT FOR THE SERVICES PROVIDED HEREUNDER PURSUANT TO 49 U.S.C. § 14101(B)(1). THIS WAIVER CONTROLS OVER ANY CONTRARY PROVISIONS IN THIS AGREEMENT, SCHEDULE(S) AND/OR IN ANY BILL OF LADING.

**4. SERVICE STANDARDS.** The Carrier shall pick up and deliver the Products as and when directed in the Delivery Slip without any undue delay and within the pick-up and delivery times specified by Interfor. The Carrier will perform the Services in a timely, competent, workmanlike and professional manner and in accordance with the highest professional standards in the applicable area or areas of expertise required to perform such Services. The Carrier represents and warrants that it has, and will maintain, and that each employee, subcontractor and agent of the Carrier performing the Services will have, all the skills, qualifications, licenses, permits, certifications, and other authorizations necessary to perform the Services in all jurisdictions in which such Services may be performed from time to time.

**5. RATES.** Interfor shall communicate the rate applicable to the Services along with any applicable fuel surcharge adjustments ("**Rate**") to Carrier by email, text message, or other electronic means. Rates are exclusive of all applicable sales, use or excise taxes and shall be in the lawful currency of Canada where Services are performed in whole or in part in Canada or in the lawful currency of the United States where the Services are performed wholly in the United States. Carrier's pickup of the Products at the "Branch/Location" noted in the Delivery Slip or its signature on the Delivery Slip indicates Carrier's acceptance of the communicated Rate.

**6. PAYMENT.** Carrier shall invoice Interfor for the Services after completion thereof at the Rates communicated to and accepted by Carrier. Taxes, if any, shall be stated separately on any invoice. Carrier's invoice shall set forth in reasonable detail the Services and shall be accompanied by proof of delivery in the form of a fully signed Delivery Slip. Interfor shall pay the Carrier within thirty (30) days of receipt of Carrier's conforming invoice and proof of delivery. The Carrier may authorize Interfor to directly deposit payment to the Carrier's account through execution of Interfor's Electronic Funds Transfer Authorization form. Interfor shall have the right to deduct from or set off against any amount payable by Interfor under this Agreement, any amount owed by the Carrier to Interfor for any reason whatsoever, and to withhold from any payment to the Carrier any amount reasonably disputed by Interfor.

**7. TAXES.** Interfor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind, imposed by any federal, state or local governmental entity ("**Government Authority**") on any amounts payable by Interfor hereunder; provided, that, in no event shall Interfor pay or be responsible for any taxes imposed on, or regarding, the Carrier's income, revenues, gross receipts, personnel or real or personal property or other assets. Carrier shall not collect or remit, and Interfor shall not be liable for, any taxes in respect of which Interfor has provided Carrier 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 Carrier, Interfor will be entitled to deduct the amount of such Withholding Taxes from the amount of such fees, expenses or other charges. If Carrier 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 Carrier is not exempt.

**8. LOADING AND SAFETY.** Carrier shall have sole responsibility for the safety of its directors, officers, employees, contractors, subcontractors or agents (collectively, "**Representatives**") while on any Interfor site. Carrier shall adhere to all existing and future Interfor policies, rules and procedures relating to site security, fire and safety, and site orientation. Carrier shall be solely responsible for the safety of the Products during carriage regardless of who shall load the vehicle, and shall ensure that the Products have been properly loaded and are appropriately and safely secured prior to departing the location of origin. Carrier shall strictly comply with all specific "Restrictions" of loading and transport listed on the Delivery Slip, including, but not limited to, any requirement to tarp the Products or to arrange a delivery appointment at the delivery location. Where tarping is required, it must be completed at the Branch/Location or as soon as possible after leaving the Branch/Location.

**9. INDEMNITY.** Carrier 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 Carrier of, or default by Carrier under, any of the provisions of the Agreement; (b) any negligence or willful misconduct of Carrier or any of its Representatives; (c) any injury to or death of any of Carrier's Representatives, or damage to or destruction of property belonging to Carrier or its Representatives, in Carrier's possession or under Carrier's control, except to the extent that such injury, death, damage or destruction arises from the gross negligence or willful misconduct of such Indemnitee. The indemnification obligations contained in this section shall not be limited by any worker's compensation, benefit or disability laws, and Carrier hereby waives any immunity that it may have under industrial insurance or workers' compensation law or their equivalent, including the Washington State *Industrial Insurance Act*; provided that this waiver is for the exclusive benefit of the Indemnitees and is not intended, and shall not be construed, to be for the benefit of any employee of Carrier. 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.

**10. TITLE AND RISK OF LOSS OF PRODUCTS.** Title in and to the Products will at all times remain with Interfor or the relevant consignee, as the case may be. Risk of loss (including theft) or damage (including destruction) to the Products during carriage (which for greater certainty commences upon completion of loading and ends upon commencement of unloading) shall be the Carrier's. The Carrier shall promptly notify Interfor upon its discovery of any loss or damage to the Products. The determination of whether any damage to the Products that occurs while risk lies with the Carrier results in such Products being a complete loss and substantially worthless to Interfor, whether as a result of any act or failure to act by Carrier, Carrier's failure to comply with this Agreement, or otherwise, shall be determined by Interfor in its sole discretion. The measure of damages for lost or damaged Products shall be the commercial value of the Products as declared on the Delivery Slip; provided, however, that such damage calculation shall not limit Interfor's ability to recover other damages arising directly or indirectly from such lost or damaged Products under section 9. In addition to (and not in lieu of) any other remedies or rights available to Interfor, Interfor retains the right at its sole discretion to retain the Products in addition to all other remedies. Interfor shall not be obligated to mitigate its damages.

**11. EQUIPMENT AND AUTHORIZATIONS.** The Carrier shall provide, at its sole expense, all labor and supervision, vehicles, tools, equipment, materials, maintenance and repair necessary or desirable to perform the Services. All vehicles used to perform the Services shall be fully licensed, shall meet or exceed all applicable federal, state, provincial, and local laws, ordinances, rules, standards, specifications and regulations ("**Applicable Laws**") and shall be in a good and safe operating conditions at all times. Interfor shall have the right to inspect or examine the Carrier's vehicles and equipment and to suspend the Services if Interfor reasonably determines that any of the Carrier's vehicles or equipment pose a safety hazard to persons or property.

**12. CUSTOMS.** Carrier shall, where necessary, provide customs clearance services as required by Canadian and United States government border agencies.

**13. INSURANCE.** For the duration of the term of this Agreement, Carrier will obtain and maintain: (a) Commercial General Liability insurance with a minimum

limit of \$2,000,000 per occurrence covering all bodily injury, death and property damage; (b) Motor Carrier Cargo insurance with a minimum limit of \$100,000 covering all Carrier's licensed vehicles (owned, leased, rented or borrowed) used in the performance of the Agreement ("**Carrier Vehicles**"); (c) Commercial Auto Liability insurance with a minimum limit of \$2,000,000 per occurrence covering all Carrier Vehicles; (d) property coverage against all risks of physical loss or damage, for the full replacement value of all vehicles, machinery and equipment of, or under the care, custody and control of, Carrier and used in the performance of its obligations under the Agreement; and (e) Workers' Compensation as outlined in section 21. Each insurance policy under (a) and (c) above will include Interfor and its affiliates and its directors, officers, employees and agents as an additional insured (the "**Additional Insureds**"). All insurance policies required under this section 13 shall include a waiver of the insurer's rights of subrogation against Interfor and indemnities, to the extent permitted by law, Carrier hereby waives such rights of subrogation. All such insurance coverage required hereunder will be primary and not in excess over any other insurance or self-insurance carried by Interfor. Carrier will be responsible for payment of any and all deductibles or self-insured retentions under its insurance policies. The maintenance of insurance shall not in any way operate to limit the liability of Carrier or its insurers under these Terms and Conditions. By requiring insurance herein, Interfor does not represent that coverage and limits will necessarily be adequate to protect Carrier. Neither the approval, disapproval or failure to act by Interfor regarding any insurance supplied by Carrier, nor the bankruptcy, insolvency or denial of liability by any insurance company shall relieve Carrier or its insurers of full responsibility or liability for damages and accidents as set forth herein. Before providing any Services under this Agreement, and as needed to cover the duration of the term of this Agreement, Carrier will provide a valid certificate of insurance and copies of appropriate endorsements to Interfor. All Carrier's insurance will be issued in a form and by an insurance company with an A.M. Best Rating of A- or better with a financial size category of at least VII, or as deemed acceptable by Interfor. All insurance companies of Carrier shall be authorized to do business in the jurisdiction in which the Services are provided.

**14. SUBCONTRACTING.** In the event that the Carrier cannot supply its own vehicles and/or equipment, the Carrier will, subject to Interfor's prior written consent (which consent may be given or withheld in Interfor's sole discretion), be responsible for providing the Services through a subcontractor or third party agent, in which case the Carrier shall cause such subcontractor or third party agent to comply with the terms and conditions of this Agreement and the Carrier shall be responsible and liable to Interfor for the performance of the Services by such subcontractor or third party agent and any act or omission of such subcontractor or third party agent.

**15. 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 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 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.

**16. PRIVACY AND CONSENT.** Carrier 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. Carrier covenants that no Confidential Information shall be transmitted to, or stored in, any jurisdictions other than the United States of America or Canada. Carrier 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**"). Carrier 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.

**17. FORCE MAJEURE.** If either party is rendered unable, wholly or in part, by a Force Majeure Event to perform or comply with any obligations under this Agreement, such obligations shall be suspended during the continuance of the inability so caused, and such party shall be relieved of liability and shall suffer no prejudice for failure to perform the same during the duration of such Force Majeure Event. "Force Majeure Event" means an event beyond a party's reasonable control, including strikes, lockouts, labor disputes, civil commotion, rebellion, invasion, hostilities, war, sabotage, natural disaster and fire; provided, however, that in the case of Interfor, "Force Majeure Event" shall also include adverse conditions that result in Interfor's closure (temporarily or permanently) or curtailment of operations. A Force Majeure Event preventing the Carrier from performing any of its obligations shall not preclude, or restrict in any way, Interfor's right to make any other arrangement for the delivery of Products as Interfor may deem necessary during such Force Majeure Event.

**18. COMPLIANCE WITH LAW.** Carrier shall comply with all Applicable Laws, including but not limited to the National Safety Code, the *Commercial Transportation Act* (British Columbia), the *Commercial Transport Procedures Manual*, the *Transport Act* (Quebec), the *Motor Vehicle Transportation Act*

(Ontario), the *Motor Vehicle Act* (New Brunswick), the *Federal Highway Safety Act* (United States), the *ICC Termination Act* (United States) to the extent required by law (except that the parties expressly waive any and all rights and remedies under the ICC Termination Act for the Services provided hereunder pursuant to 49 U.S.C. § 14101(b)(1)), and all Applicable Laws and regulations affecting or regulating the operation of vehicles and the transportation of items upon the public roadways, whether issued by the British Columbia Ministry of Transportation and Infrastructure, the Quebec Ministry of Transportation, the Ontario Ministry of Transportation, the New Brunswick Ministry of Transportation, United States Surface Transportation Board, United States Federal Motor Carrier Safety Administration, the United States Department of Transportation, or any similar federal, state, provincial or local body.

**19. TERMINATION.** Interfor may terminate this Agreement immediately upon written notice to Carrier if: (i) the Carrier defaults in the performance of its obligations under this Agreement; or (ii) proceedings are taken to liquidate, dissolve or wind up or appoint a receiver in respect of the Carrier, the Carrier becomes insolvent or is unable to pay its debts as they become due, or any petition is filed with respect to the Carrier under the bankruptcy laws of any jurisdiction. Upon any termination of this Agreement, the Carrier shall, unless otherwise directed by Interfor, continue and complete the delivery of all Products that have already departed the "Branch/Location" noted on the Delivery Slip, such Services to be otherwise governed by the terms of this Agreement.

**20. PAYROLL FUNCTION.** Carrier will observe and comply with all applicable employment, labour and human rights rules, laws, ordinances, codes and regulations. Carrier 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 Carrier and any of Carrier's Representatives. Carrier 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.

**21. WORKERS' COMPENSATION.** Carrier 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 Carrier and its employees sufficient to provide coverage for every province, state or jurisdiction in which Carrier was hired by Interfor, Carrier hired its employees, and in which Carrier or its employees perform Services for Interfor. Carrier 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. Sole proprietors, officers, partners, owners or independent contractors are not excluded from the requirement to maintain workers' compensation insurance.

**22. INDEPENDENT PARTIES.** The parties to the Agreement are independent and nothing in the Agreement constitutes Carrier as a partner or agent of Interfor and Carrier 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.

**23. 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.

**24. CONSTRUCTION.** The Agreement is for the exclusive benefit of Carrier 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.

**25. 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.

**26. TIME OF ESSENCE.** Time is of the essence of the Agreement and the performance of Services.

**27. ATTORNEYS FEES.** In the event of any litigation or legal proceedings arising out of or related to this Agreement, the prevailing party shall be entitled to recover all litigation expenses, including attorneys' and experts' fees, that may be incurred at trial, on appeal, on review or in any bankruptcy proceeding.

**28. NOTICES.** Any notice given under or in connection with this Agreement shall be in writing if to Interfor and delivered by email, courier, or registered or certified mail with postage prepaid, to Interfor's address indicated on the first page of the Delivery Slip or to such other address as Interfor may designate by notice in writing. Any notice given to Carrier may be given electronically at the address to which the Rate was sent, unless the Carrier designates an alternate address 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.

**29. GOVERNING LAW.** The Agreement shall be governed by the laws of: (a) the Province of Quebec if the Branch/Location of pickup is in Quebec; (b) the Province of Ontario if the Branch/Location of pickup is in Ontario; (c) the Province of New Brunswick if the Branch/Location of pickup is in New Brunswick; (d) the Province of British Columbia if the Branch/Location of pickup is in any other provinces within Canada; (e) the State of Washington if the Branch/Location of pickup is in the States of Washington or Oregon; or (f) the State of Georgia if the Branch/Location of pickup is 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 Quebec sitting in Montreal, if the Agreement is governed by the laws of Quebec; (ii) in the courts of Ontario sitting in Toronto, if the Agreement is governed by the laws of Ontario; (iii) in the courts of New Brunswick sitting in Saint John, if the Agreement is governed by the laws of New Brunswick; (iv) in the courts of British Columbia sitting in Vancouver, if the Agreement is governed by the laws of the Province of British Columbia; (v) in a federal or state court in Seattle, if the Agreement is governed by the laws of the State of Washington; or (vi) 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.

**30. SITUS OF AGREEMENT.** The Agreement shall be deemed to have been made: (a) in the Province of Quebec if the Branch/Location of pickup is in Quebec; (b) in the Province of Ontario if the Branch/Location of pickup is in Ontario; (c) in the Province of New Brunswick if the Branch/Location of pickup is in New Brunswick; (d) in the Province of British Columbia if the Branch/Location of pickup is in any other province in Canada; (e) in the State of Washington if the Branch/Location of pickup is in the States of Washington or Oregon; and (f) in the State of Georgia if the Branch/Location of pickup is in any other states within the U.S.A..