



Western Forest Products Inc.

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GENERAL CONDITIONS OF SALE CANADA

1. ENTIRE AGREEMENT: Unless Western Forest Products Inc. (“WFP”) and Purchaser have agreed otherwise in writing, these terms of sale, together with all provisions appearing on the face hereof, shall be deemed to comprise the entire Agreement between WFP and Purchaser concerning the transaction for the purchase and sale of the products described on the face of this document (the “Products”), and supercede any and all prior communications and agreements including without limitation any terms and conditions as may be contained in Purchaser’s purchase order form. This Agreement may only be modified by the mutual agreement of the parties in writing.

2. WARRANTY AND LIMITATIONS: Products manufactured by WFP are warranted to be of merchantable quality and to conform to the specifications and tolerances provided in the applicable industry standards, or WFP’s published standards, or otherwise in this Agreement. Should any Product manufactured by WFP be found not to meet the foregoing warranty, WFP will furnish a replacement Product conforming to this warranty, or, at WFP’s election, make a fair allowance therefor. Written notice of any claim under this warranty must be given by Purchaser to WFP within 30 days after delivery and Purchaser must afford WFP a reasonable opportunity to inspect the Products in unaltered condition and evaluate the claim. THERE ARE NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, STATUTORY OR OTHERWISE, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, WHICH EXTEND BEYOND THE FOREGOING WARRANTY. THE LIABILITY OF WFP UNDER THE FOREGOING WARRANTY AND OTHERWISE UNDER THIS AGREEMENT SHALL BE LIMITED IN THE MANNER HEREIN PROVIDED, AND SHALL IN NO EVENT EXCEED THE TOTAL PRICE OF THE SHIPMENT INVOLVED. IN NO EVENT SHALL WFP BE LIABLE FOR CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES.

3. WARRANTY FOR PRODUCTS NOT MANUFACTURED BY WFP: The foregoing warranty does not apply to Products which are not manufactured by WFP. For all such Products, WFP makes no representations or warranties whatsoever, statutory or otherwise, express or implied, including any warranty of merchantability or fitness for any particular purpose. All such Products are sold “AS IS, WITH ALL FAULTS”. To the extent that the manufacturer of the Product provides a warranty and such warranty is transferable without consent, WFP will transfer such manufacturer’s warranty to Purchaser without WFP incurring any liability thereunder.

4. QUANTITY TOLERANCES: Unless exact-loading was specified by Purchaser at the time of ordering, or is the universal custom applicable to the described Product, Purchaser acknowledges WFP’s right to increase or decrease the quantity called for under the order by not more than 10%, if necessary to avoid waste, to avoid breaking customary shipping units, to meet minimum tariff requirements or size of equipment furnished, or to comply with governmental regulations.

5. TIME AND PLACE OF SHIPMENT: Purchaser acknowledges that the date of shipment is an approximation only and is not guaranteed.

6. TITLE AND RISK: Notwithstanding any other provision contained herein, title and risk of loss or damage shall pass to Purchaser upon delivery of the Products to any carrier, except a motor vehicle operated by WFP, at WFP's plant, yard or other shipping point. In the case of a shipment by motor vehicle operated by WFP, title and risk of loss or damage shall pass to Purchaser upon delivery and unloading of the Products at the Purchaser's mill, yard or job-site.

7. PAYMENT and SECURITY INTEREST: Purchaser agrees to pay WFP all invoice amounts when due, all legal fees and expenses incurred by WFP in collecting such amounts, and interest on all outstanding amounts from and after the payment due date at a rate of 1 $\frac{3}{4}$ % per month (21% per annum). Purchaser grants to WFP a security interest over all personal property described in this invoice securing payment of all indebtedness described in this invoice as well as performance of all of the obligations of Purchaser to WFP. Acceptance of the personal property described in this invoice by Purchaser shall be deemed to be conclusive evidence of Purchaser's acceptance of these terms of sale and granting of this security interest.

8. TAXES: Purchaser shall pay to WFP all taxes applicable to the sale of goods hereunder which must be collected and remitted by WFP.

9. LAW: The provisions of this Agreement shall be construed and interpreted in accordance with the laws of the province in which the Products are delivered or, in the case of a delivery to outside of Canada, the province from which the Products were shipped.