

TERMS AND CONDITIONS FOR PURCHASE ORDERS

The following terms and conditions are incorporated into the agreement (the “**Agreement**”) entered into between Western Forest Products Inc., Western Forest Products Engineered LLC, Western Forest Products US LLC, Tsawak-qin Forestry Inc. as general partner for and on behalf of Tsawak-qin Forestry Limited Partnership, La-kwa sa muqw Forestry Ltd. as general partner for and on behalf of La-kwa sa muqw Forestry Limited Partnership, or such other person indicated on the Purchase Order (each such buyer referred to in this Agreement as the “**Buyer**”) and the supplier (the “**Seller**”) identified in the Purchase Order (the “**PO**”) generated by the Buyer. The Agreement consists of the PO, these terms and conditions and, if applicable, the written Product Supply Agreement, Service Supply Agreement, or Master Service Agreement executed by both parties. Any conflicts between the document will be resolved in the following order of precedence: (i) the Product Supply, Service Supply Agreement or Master Service Agreement, (ii) the PO, and (iii) these terms and conditions. Seller’s acceptance of the PO is deemed sufficient to constitute Seller’s acceptance of the terms and conditions herein. ANY DIFFERENT OR ADDITIONAL TERMS WILL NOT BE BINDING UNLESS AGREED TO BY THE PARTIES IN WRITING.

1. Purchase and Sale. Seller will sell, and Buyer will purchase all items, materials or services (the “**Goods**” or “**Services**”) set out in the PO, free and clear of all encumbrances.

“Goods” or “Services”, as used in the Agreement, includes:

- (a) all products, materials, work, services, articles, equipment, supplies, drawings, data and documentation used or required in providing the Goods or Services;
- (b) all other services, including design, delivery, installation, inspection, testing and expediting that are necessary in providing the Goods or Services and;
- (c) any specific warranties, performance guarantees and other rights and related entitlements, specified in or required under the PO.

2. Price and Terms of Payment. Buyer will pay Seller the purchase price set out in the PO (the “**Price**”) within 30 days following the later of: (i) acceptance of the Goods and/or Services by Buyer at the site specified in the PO (the “**Site**”); or (ii) Buyer’s receipt of Seller’s invoice. The Price for the Goods and/or Services will be in the currency set forth in the Purchase Order.

3. Escalation. All Prices are final and not subject to escalation.

4. Taxes and Duties: All Prices are inclusive of all taxes, assessments, fees, duties, tariffs or charges which are or may be imposed or levied by any governmental authority on any amounts payable by Buyer hereunder (the “**Duties, Taxes and Tariffs**”). Any Duties, Taxes and

Tariffs, whether imposed prior or subsequent to delivery of the Goods to the Buyer, shall be the responsibility of the Seller. Any imposition of or increase in Duties, Tariffs and Taxes that becomes effective after the applicable PO has been executed, shall be the responsibility of the Seller. To the extent that the Buyer directly or indirectly incurs or pays any Duties, Tariffs and Taxes in connection with the Goods, the Seller will reimburse the Buyer the amount of the Duties, Tariffs and Taxes so incurred or paid by the Buyer.

5. Packing: All Prices are inclusive of all charges for packing, boxing, crating or cartage and loading. Seller must suitably pack and mark all Goods for shipment. Damages to any Goods resulting from improper packing will be charged to Seller’s account.

6. Buyer May Change. Buyer may, by written change order, make changes to the Goods or Services. If any such change alters the amount due or the time of performance, then Seller must notify Buyer in writing within seven days of receiving the change order and the parties will agree to an equitable adjustment to the Price or the time of the performance, as applicable.

7. Delivery and Performance. Time will be of the essence in the PO. Delivery will be made Delivery Duty Paid (DDP), Incoterms® 2020. Seller will deliver the Goods and/or perform the Services in accordance with any schedules or dates specified in the PO or, if there are no schedules or specified dates, within a reasonable time. Buyer may request status reports from time to time. Buyer may cancel the PO, without liability, in whole or in part, if deliveries are not made or Services are not performed in accordance with this Section 7. Buyer may also, as reasonably determined by Buyer and upon written notice to Seller, suspend the delivery of Goods and/or the performance of Services. In the case of suspension, the Seller will be entitled to payment of Goods delivered or Services performed prior to receiving the suspension notice.

Seller will suitably ship Goods in accordance with Buyer’s instructions and all applicable laws, and, if so instructed by Buyer, will meet the transportation requirements of common carriers to secure the lowest transportation costs. Seller will attain appropriate carrier insurance and will be liable for resulting damage to the Goods by reason of failure to comply with this Section 7. Seller will send Buyer, as soon as the Goods have been forwarded, a notice of shipment number, a car number (if any), and a brief description of the Goods; otherwise, Seller will be liable for any demurrage charges incurred. If the quantity ordered is sufficient, railcars and trailer units will be loaded to their maximum legal capacity; otherwise, Seller will pay the excess freight.

8. Performance of Services. All Services will be performed in accordance with the Agreement and any written instructions provided by Buyer (who will act reasonably in providing such instructions). Seller will ensure that all Services are performed in a competent and

professional manner by individuals possessing the training, skill, knowledge and expertise required to capably perform the Services. If any part of the Services is to be performed by a person required by law to possess a license, designation or certification, Seller will ensure that the person performing such Services is properly licensed, designated or certified. Seller is solely responsible to ensure that the Seller and its directors, officers, employees, agents, affiliates, consultants and contractors (including without limitation, its subcontractors) ("**Seller's Representatives**") who perform Services, are competent and comply with the terms and conditions of the Agreement. Buyer may require the Seller to replace any of the Seller's Representatives where Buyer reasonably objects to their performance, qualifications, or suitability. Seller shall be solely responsible for the acts and omissions of the Seller's Representatives in performing the Services or while on any of the Buyer's Sites. Seller 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 the Agreement. Seller shall rectify at its expense any defects or deficiencies in the Services relating to labour and material that become apparent within the Warranty Period.

9. Work Product. Any plans, models, designs, reports, specifications, manuals, drawings or other documents, or any concepts, products or processes prepared or produced by the Seller (the "**Work Product**") are prepared for and the property of the Buyer, including any intellectual property rights therein. On Buyer's request Seller will take such further actions, including execution and delivery of all appropriate instruments of conveyance, as may be necessary to assist Buyer to prosecute, register, perfect, record, or enforce Buyer's rights in any Work Product. All Work Product will be delivered to Buyer at the end of the term of the Agreement or on request of the Buyer.

10. Drawings and Manuals. Seller shall comply with Buyer's reasonable requests for Seller to submit, review or alter any drawings or other deliverables or provide any further information for review and approval, provided that the Buyer's review of drawings does not relieve Seller of responsibility for compliance with all Buyer's specifications, and all laws, codes or regulations. Seller agrees that Buyer will have exclusive ownership of all deliverables and all ideas, discoveries, inventions, formula, algorithms, techniques, processes, know-how, trade secrets and other intellectual property, including all expressions of such intellectual property in tangible form, that are specifically developed or created for Buyer's sole use under this Agreement and that all of the foregoing will be considered Work Product under the Agreement.

11. Protection of Property. Seller will take all necessary precautions against, and be responsible for the loss, theft, or damage of its equipment, materials and property unless such loss, theft or damage is a result of Buyer's negligence. Seller will be liable for any loss, theft or damage to Buyer's real or personal property in Seller's care or control or caused by Seller or Seller's employees, agents, contractors, subcontractors, workers or invitees (collectively, the "**Seller's personnel**").

12. Plastic. It is Buyer's policy to minimize the presence and quantity of plastic materials at Buyer's Sites. Seller will use best efforts to ship Goods without or with minimum plastic or Styrofoam packaging.

13. Inspection. Buyer may inspect Goods and/or Services prior to acceptance. Seller will provide Buyer with access at all reasonable times to inspect the Goods and/or Services. Goods and/or Services may be deemed unsatisfactory (including if the Goods and/or Services are damaged during delivery or performance or if Buyer has concerns with either the Goods or the workmanship in providing the Services) at the sole discretion of Buyer, acting reasonably. Neither inspection, nor failure to make inspection, nor acceptance of, nor payment for the Goods and/or Services releases Seller from any of the warranties or other provisions contained in the PO, nor impairs Buyer's rights under the Agreement.

14. Rejection by Buyer. If the Goods are not delivered or Services are not performed as set out in the Agreement, or if Buyer finds the Goods and/or Services to be unsatisfactory in accordance with Section 13, then Buyer may reject the Goods and/or Services ("**Rejected Goods and/or Services**") and may, in its sole discretion: (i) require Seller to provide replacement of such Goods and/or Services (the "**Replacement Goods and/or Services**"), in which case Seller will promptly deliver the Replacement Goods and/or Services to Buyer on the original terms and conditions, except that if the price for the Replacement Goods and/or Services at the time they are ordered is less than the Price, Buyer will have the benefit of the lower price; or (ii) terminate the Agreement, in whole or in part, in which case Buyer will have no obligations to Seller, other than for that part of the Price reasonably corresponding to those Goods and/or Services that were accepted by Buyer. Seller will be responsible for all delivery costs, both to and from the Site, for Rejected Goods and/or Services and Replacement Goods and/or Services.

If Services were performed, Seller will: (a) remove its machinery, equipment and supplies from the Site; and (b) if required by Buyer, remove or discontinue the Services performed. If the foregoing is not complete within seven business days then Buyer may complete such removal without liability and at Seller's expense.

15. Termination. The Agreement may be terminated:

- (a) by written mutual consent of the parties;
- (b) by Buyer on written notice to Seller (the "**Notice**") if the project, program or business unit that the Goods and/or the Services are ordered for is cancelled, substantially modified or delayed, and
 - (i) Buyer will have no further liability with regards to Goods not delivered or Services not performed prior to Seller's receipt of the Notice;
 - (ii) Buyer will pay Seller for (A) standard manufactured items delivered to or Services performed for Buyer prior to Seller's receipt

of the Notice or (B) reasonable costs in an amount up to the Price that are directly incurred by Seller in connection with the PO prior to Seller's receipt of the Notice; and

- (iii) Seller will stop all work on speciality manufactured Goods on receipt of Notice, unless otherwise directed by Buyer.
- (c) by Buyer immediately and without liability if Seller:
 - (i) defaults under or breaches the terms of the Agreement; or
 - (ii) becomes insolvent, a receiver is appointed, or is petitioned or assigned into bankruptcy or otherwise seeks protection under the bankruptcy laws; or
- (d) immediately and without liability to Buyer if the presence of Seller's personnel causes or threatens to cause labour unrest or disturbance at Buyer's premises.

If Buyer terminates the Agreement for any reason, Seller's sole and exclusive remedy is payment for the Goods received and accepted and Services accepted by Buyer prior to the termination.

In addition to the foregoing, Buyer will have such rights and remedies as provided by law.

16. Title, Encumbrances and Risk of Loss. Seller represents to Buyer that it has good and marketable title to the Goods and/or Services, free and clear of all liens, charges, security interests and any other encumbrances.

Seller will bear the risk of loss or damage to the Goods and/or Services until the Goods and/or Services are delivered to and accepted by Buyer at the Site, at which time title will pass to Buyer. Notwithstanding the foregoing, title to any Goods or portions of Goods that have been paid for by Buyer in advance of delivery will at all times be vested in Buyer. The risk of loss for such items will remain with Seller until delivery to Buyer.

17. Warranties. Seller warrants that the Goods and/or Services will:

- (a) comply with all specifications as set out in the PO;
- (b) conform to any samples provided to Buyer;
- (c) be free from all defects and faults in design, manufacture, workmanship and materials;
- (d) be new and of the best quality, unless otherwise specified in writing in the PO;
- (e) be of merchantable quality and fit and safe for use consistent with the particular purpose intended by Buyer;
- (f) be at least equal to nationally recognized standards or codes

- (g) not infringe upon, violate or misappropriate the intellectual property rights of any person; and
- (h) comply with all applicable laws.

Seller will assign to Buyer the benefit of all suppliers, manufacturers or third-party warranties and will ensure that all such warranties are assignable to Buyer without the consent of the supplier, manufacturer or third party. Any such assignment of warranties will not relieve Seller of any of its obligations under the Agreement.

In no circumstance will the warranty be less than the later of (i) one year from the date upon which the Goods and/or Services are put into use at the Site, or (ii) 18 months from the date the Goods and/or Services were received at the Site (collectively, the "**Warranty Period**").

If the Goods and/or Services or any part thereof do not conform to the warranties set forth herein, or if any defect develops under normal or proper operation as per Seller's instructions, Buyer may notify Seller within a reasonable time after such discovery, and, subject to any other remedies that may be available to Buyer, Seller will promptly repair, correct or replace the nonconforming or defective Goods and/or Services, all at Seller's sole cost and expense. Goods and/or Services used to correct nonconformities or defects will be similarly warranted for a period expiring 12 months after the date of completion of the repair, correction or replacement. This warranty survives any inspection, delivery or acceptance of, or payment by Buyer for the Goods and/or Services.

This general warranty is independent of and without prejudice to any specific warranty or service guarantee offered by Seller in connection with the Goods and/or Services. The warranties set forth herein are in addition to all warranties of Seller arising by operation of law, and nothing contained in the Agreement will be construed as limiting or restricting such warranties.

Seller's liability will extend to all reasonable damages caused by a breach of warranties by Seller, and Seller agrees to indemnify and save harmless the Indemnified Parties from any Losses based on or relating to Seller's breach thereof.

18. Expediting. If at any time it becomes apparent to Buyer that the Goods will not be delivered by the date(s) specified in the Agreement, then Buyer may require Seller to expedite the work (including by adding additional shifts and equipment or by subcontracting), and any additional costs will be borne by Seller.

19. Licence. To the extent that the Goods and/or Services use or incorporate any intellectual property, Seller grants Buyer a non-transferable, non-exclusive, sub-licensable, perpetual, fully paid up licence or sublicense, to use such firmware or software as part of the normal operation and maintenance of the Goods and/or Services.

20. Indemnity - General. Seller will indemnify and hold harmless Buyer, its affiliates and their directors, officers, employees, agents, and representatives (collectively, the "**Indemnified Parties**") from any liability, loss, damage,

claim, demand, action, proceeding, cost or expense, including legal fees on a solicitor and own client basis (collectively, "**Losses**") related to:

- (a) the Goods and/or Services;
- (b) Seller's breach of the Agreement; or
- (c) the negligence or any other act or omission of Seller,

to the extent that such Losses were not a result of the gross negligence or wilful misconduct of Buyer. Any limitation of Seller's obligation to indemnify Buyer, either by provisions of Seller's delivery slips or other instruments, is void.

21. Indemnity – Intellectual Property. Seller will indemnify and hold harmless the Indemnified Parties from and against any Losses resulting from any allegation or charge that any Goods, Services or Work Product, or the use thereof for the purpose that the Goods and/or Services are purchased by Buyer, constitutes an infringement of any patent, copyright, or other intellectual property right. Seller will assume the defence of Buyer against any such allegation or charge at Seller's expense. This indemnity will not apply to the extent Buyer provided the design and Seller is not otherwise negligent.

Buyer will promptly notify Seller of any infringement allegation or charge and will provide Seller, at Seller's request and Seller's expense, reasonable assistance. Buyer will have the right to be represented by counsel of Buyer's own selection at Buyer's own expense. Within 90 days after the final adjudication that such infringement exists Seller will, at Buyer's reasonable discretion and at no expense to Buyer:

- (a) alter the Goods and/or Services to make them non-infringing, provided that such altered nonconforming Goods and/or Services fulfill substantially the same function as they fulfilled prior to such alteration;
- (b) exchange the Goods and/or Services with non-infringing Goods and/or Services that fulfill substantially the same function for the infringing Goods and/or Services;
- (c) obtain a license permitting Buyer's use of the infringing Goods and/or Services;
- (d) remove and repurchase the infringing Goods and/or Services from Buyer at Buyer's straight-line depreciated costs plus the costs of transportation, installation and removal; or
- (e) any of the above, or any combination thereof, at Buyer's option.

22. Limits of Liability. In no event will Buyer be liable to Seller or anyone claiming through it, for:

- (a) special, indirect or consequential loss or damage;

- (b) loss of present or prospective profits, revenue, overhead, expenditures, investments, or commitments made in connection with the PO or because of any other reason or cause; or

- (c) loss of any contract or other work.

23. Builders' Liens. Seller will not, by reason of the Agreement or anything done by it or Seller's Representatives under the Agreement, acquire any rights, interest or title in Buyer's personal or real property. Seller will not permit, directly or indirectly, any liens to attach to Buyer's personal or real property. Any liens filed by anyone engaged by or through Seller in connection with the Agreement will be removed by Seller within five business days of receipt of notice to do so from Buyer. If Seller fails to do so, Buyer may, in its sole discretion: (a) pay the amount of the lien into court, plus such amount as the court may order for security for costs; or (b) negotiate and settle the lien claim with the lien claimant and pay the lien claimant directly, in which case the full amount paid into court or paid to the lien claimant, as applicable, together with all costs of Buyer associated therewith, are to be deducted from any amounts due from Buyer to Seller or, if such amounts exceed the amount due, then Seller on demand will immediately reimburse Buyer for such payment.

24. Insurance. Seller will obtain and maintain in full force and effect prior to and during the delivery of any Services or until the title to any Goods passes to Buyer, as applicable, the insurance coverages specified in the Agreement (the "**Insurance**"). In the event no insurance coverages are specified, then Seller will obtain and maintain comprehensive general liability insurance with limits not less than \$2,000,000 per occurrence (the "**Insurance**"). The Insurance must: (a) be issued by an insurance company reasonably acceptable to Buyer; (b) provide that such insurance carrier give Buyer at least 30 days' prior written notice of change, cancellation or non-renewal of policy coverage; (c) provide that such Insurance be primary insurance and any similar insurance in the name of and/or for the benefit of Buyer will be excess and non-contributory; (d) name Buyer, including all successors and permitted assigns, as additional insureds; and (e) waive any right of subrogation of the insurers against Buyer. Seller must provide Buyer with a certificate of insurance prior to commencement of the Services and any time thereafter on written request and acknowledges and agrees that it may also be required to participate in Buyer's insurance compliance programs. Buyer will ensure that any subcontractors obtain Insurance. This section will not be construed in any manner as waiving, restricting or limiting the liability of either party's obligations under the Agreement.

25. Workers' Compensation. Seller will, and will require Seller's personnel to, be registered and in good standing with all legislation governing workers' compensation. If requested by Buyer, Seller will provide evidence of such registration and standing for itself and for Seller's personnel.

26. Condition of Site. Seller acknowledges that Buyer has not made any representation or warranty as to the nature or condition of the Site and releases Buyer from all liability relating thereto. Access to the Site will be restricted to such persons as authorized by Buyer from time to time.

27. Health and Safety. Seller will:

- (a) register, and ensure that all Seller's Representatives are registered, under the *Workers Compensation Act* and all regulations thereunder ("**WCA**") and that all Workers' Compensation Board payments owed by Seller and Seller's Representatives are paid when due;
- (b) be responsible for the safety of Seller's Representatives and individuals engaged in completing the Services, and ensure that such persons have good and sufficient reason to attend the Site;
- (c) comply with and cause Seller's Representatives to comply with all applicable laws relating to employment standards, occupational health and safety and hazardous materials;
- (d) comply with and cause Seller's Representatives to comply with Buyer's rules, policies, plans, procedures, standards, directions, health and safety programs and environmental management systems, at Buyer's sites (including drug and alcohol abuse);
- (e) promptly report all injuries, accidents, property damage or other incidents to Buyer;
- (f) accept and undertake all duties and responsibilities of the prime contractor when so designated by Buyer; and
- (g) if not designated as the prime contractor, comply with all reasonable and lawful directions of Buyer or any other person designated as the prime contractor for any multi-employer workplaces in which work is performed under the Agreement.

28. Compliance with Laws. Seller will, and will require Seller's personnel to, comply with all applicable laws.

29. Equal Employment Opportunity Clauses. If the Buyer is Western Forest Products US LLC, the Seller and its subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors 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.

30. Notice of Employee Rights under the National Labor Relations Act. If the Buyer is Western Forest Products US LLC, the provisions of 29 CFR Part 471, Appendix A to Subpart A (relating to the obligation to post a notice of employee rights under the National Labor Relations Act and to notify covered subcontractors of their obligation to do so) are incorporated by reference in the Agreement.

31. Labour Unions. Labour agreements between the Buyer and labour unions may, from time to time, limit the ability of the Buyer to provide work to the Seller. If any provision of the Agreement violates any of the Buyer's labour agreements the Agreement may be terminated by the Buyer.

32. Modern Slavery. Seller represents and warrants that it (i) has investigated its labour practices, and those of its direct suppliers to ensure there is no "child labour" or "forced labour" (as such terms are defined in the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*) used in their business; (ii) has implemented all necessary processes, procedures, investigations and compliance system to ensure that the warranties made in this Section 32 continue to be the case at all times; and (iii) will take all necessary actions and investigations to validate the representations and warranties made in this Section 32.

33. Environmental. Seller will, and will require Seller's personnel to, comply with all environmental laws and Buyer's environmental programs at Buyer's sites. Seller will assume any environmental liabilities and perform any environmental obligations that result from the contravention of any environmental law by Seller or Seller's Representatives, including the cost of complying with any remediation order and any liability for clean-up of any substance or material that does not occur naturally in the environment or that falls within the definition of "contaminant", "pollutant", "waste", "special waste", "deleterious substance", "hazardous chemical", "hazardous waste", "dangerous good", "toxic substance", and variations of such terms or any terms of similar import in any environmental law (collectively, a "**Pollutant**"). Seller will immediately report to Buyer all inspections and investigations by governmental officials of any events of non-compliance or potential non-compliance with environmental laws.

34. Hazardous Substances. Seller will not, and will require Seller's Representatives to not, bring, install, keep, maintain or use in or on any facility or cause, authorize or permit any person to bring, install, keep, maintain or use any substances, materials, equipment or apparatus that is likely to: cause material damage to any facility; cause the generation, accumulation and/or migration of any Pollutant; or cause an adverse effect on the health or well-being of Buyer's employees, representatives agents and subcontractors.

Seller will not, and will require Seller's Representatives to not, bring, install, keep, maintain or use any Pollutant on Buyer's sites without the prior written consent of Buyer. Seller will ensure, and will cause Seller's Representatives

to ensure, that all Pollutants used or stored on Buyer's sites will be kept in accordance with all applicable laws, good industry practices and properly and securely labelled and stored under appropriate supervision and used only by the appropriately trained and competent staff. Seller will not allow the unlawful generation, accumulation, discharge, emission and/or migration of any Pollutant, whether at or from any facility or into any conducting media or device serving any facility.

Seller assumes full responsibility and will indemnify and hold harmless the Indemnified Parties from and against any Losses based on or relating to Seller's unloading, discharge, storage, handling, use in the performance of the Services or disposal of any Pollutant or container therefore, including the use of such Pollutant or container alone or in combination with other substances.

35. Electrical Safety. All electrical equipment provided by Seller in performance of the Agreement will be certified by an accredited certification organization and will comply with all applicable electrical code requirements. All equipment that is intended for use in hazardous locations will comply with all applicable code requirements.

36. Permits. Seller will, at its own cost, obtain and comply with all permits, licences, certificates and approvals required to supply the Goods and/or Services.

37. Withholding. Buyer will be entitled to deduct any taxes, duties, fees, levies or charges ("**Withholding Taxes**") it is required to withhold by law.

38. Confidentiality. Any information (whether written, oral, digital or photographic) relating to the operations, processes, products, techniques, procedures, business, strategies, pricing, personnel, customers or suppliers of Buyer (including its affiliates) is collectively the "**Proprietary Data**". Any Proprietary Data disclosed by Buyer to Seller may not be copied or reproduced without the express written authorization of Buyer. None of Buyer's ownership rights or title to any of the Proprietary Data is intended to be sold, transferred, licensed, or assigned to Seller under the Agreement and all Proprietary Data will at all times remain the property of Buyer.

Seller will keep all provisions of the Agreement and all Proprietary Data (collectively, the "**Confidential Information**") confidential, and will protect the Confidential Information from unauthorized use, access, disclosure and duplication, and agrees not to disclose any Confidential Information to third parties without Buyer's prior written consent, except to the extent that such information:

- (a) is or becomes generally available to the public, other than as a result of disclosure by Seller in violation of the Agreement;
- (b) was or becomes available to Seller from a third party, provided that such third party, to the best of Seller's knowledge after reasonable inquiry, was not and is not bound by a confidentiality agreement prohibiting it from disclosing such information; or

- (c) was known to Seller on a non-confidential basis before its disclosure by Buyer, and that not acquired by Seller directly or indirectly from Buyer or anyone under an obligation of confidentiality to Buyer.

If Seller is required by law to disclose Confidential Information, it will provide Buyer with written notice and cooperate with Buyer to obtain any protective order or other remedy that might be available.

Seller may disclose the Confidential Information only to the Seller's personnel who have a need to know such information and who have agreed to confidentiality obligations no less onerous than those set out herein. Seller will be responsible for any breach of this Section by Seller's personnel.

Upon termination of the Agreement, or at any time at the request of Buyer, Seller will return all Confidential Information to Buyer.

39. Publicity. Seller may not use Buyer's name, logo, product photographs or trademark without Buyer's prior written consent.

40. Set-off. Buyer will have the right to satisfy any amount from time to time owing by Seller to Buyer under the Agreement or pursuant to any other agreement or obligation existing between them by way of set-off against any amount from time to time owing by Buyer to Seller.

41. Rights and Remedies. Any rights and remedies of a party specified in the Agreement are in addition to, and not in substitution for, or in any manner limiting, the rights and remedies of that party available at law or in equity.

42. Surviving Obligation. The provisions of the Agreement that are intended to survive the termination of the Agreement, including, without limitation all expressed limitations of liability, indemnities, confidentiality, and warranties for the Goods and/or Services, will survive the termination of the Agreement and continue as valid and enforceable obligations of the parties.

43. Headings. The headings in these terms and conditions are for convenience only, are not a part of the terms and conditions and do not affect its interpretation.

44. Waiver. Any waiver or exception of any of the terms and conditions of the Agreement by Buyer must be made in writing to be valid and any waiver by Buyer of any term or provision of the Agreement will not prevent a subsequent enforcement of such term or any other term herein.

45. Force Majeure. Neither Buyer nor Seller will be deemed in breach of the Agreement if its failure to perform, or its delay in performing, any obligation hereunder is due to an act of god, fire, flood, earthquake, explosion, epidemic, pandemic, war, strike, lock-out, labour unrest, extraordinary breakdown or any other event that has not been caused by an act, omission or negligence of, and is beyond the reasonable control of, Buyer or Seller, as applicable (the "**Force Majeure Event**"). For greater

certainty, lack of funds is not considered a Force Majeure Event.

A party claiming to be relieved from its obligation under this Section will give prompt written notice to the other party (the “**Non-Force Majeure Party**”) and will, as soon as practicable, provide the Non-Force Majeure Party with an estimate of when the obligations will be performed. The parties will explore all reasonable alternatives to avoid or mitigate delays under this Section and the parties will each bear their own costs associated with such delays. Unless the parties otherwise agree, the time for performing the obligations will be extended for a reasonable period of time. If the Buyer is the Non-Force Majeure Party and the Force Majeure Event extends for a period of more than 90 days, then the Buyer may terminate the Agreement without liability.

46. No Relationship. It is the intent of Buyer and Seller that the relationship established between the parties pursuant to the Agreement is only that of seller and purchaser of the Goods and/or Services. Neither party will hold itself out to be the agent, employee, employer, joint venture or partner of the other party.

47. Independent Contractor. Seller is at all times an independent contractor and none of Seller or Seller's Representatives shall be considered to be employees, servants or agents of the Buyer or any of its affiliates. Seller will retain control and direction of the manner and method of performance of the Services under the Agreement, will control and direct all Services in Seller's own name and not in the name of, or as agent of, Buyer or any affiliate of Buyer. No relationship of exclusivity shall be construed from the Agreement and Seller is free to provide services to third parties.

48. Notice. The parties will deliver all notices required under the Agreement in writing by hand, facsimile, e-mail or prepaid courier to the party at the address, e-mail address set out in the Agreement, or at such other address or e-mail address as either party may stipulate by notice to the other party. Any notice delivered by hand or prepaid courier is deemed to be received on the date of actual delivery. Any notice sent by e-mail is deemed to be received upon sending if the sender requests and receives a delivery receipt or delivery is otherwise confirmed.

49. Entire Agreement. The Agreement, including these terms and conditions and any specification sheets and attachments consistent with the terms of the Agreement, constitute the entire agreement between the parties relating to the purchase and sale of Goods and/or Services. Seller's quotation is made a part of the PO only to the extent of specifying the nature and description of the Goods and/or Services ordered, and only to the extent that such descriptions are consistent with the Agreement. No other terms or conditions will be binding upon Buyer unless expressly accepted by it in writing.

50. Amendments. No provision of the Agreement may be amended, modified, waived or changed, unless made in writing and signed by the parties. Seller will not, without

prior written consent of Buyer, add or change any subsupplier, subcontractor or place of origin.

51. Enurement. The Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and successors.

52. Assignment. Seller will not assign, transfer or subcontract any rights or obligations under the Agreement without Buyer's prior written consent (which may be withheld at Buyer's sole discretion). Any assignee consented to by Buyer must deliver a binding undertaking in favour of Buyer, whereby it undertakes to comply with all provisions of the Agreement as if it were an original signatory thereto. The Buyer may assign or transfer its rights or obligations under the Agreement to any affiliate without the prior written consent of the Seller.

53. Severability. If any term of the Agreement is determined to be invalid or unenforceable, in whole or in part, the invalidity or unenforceability will attach only to that term or that part of the term, and the remaining part of the term and all other terms of the Agreement will continue in full force and effect.

54. Governing Law. The Agreement is exclusively governed by and construed in accordance with the laws of: (i) the Province of British Columbia or (ii) the State of Washington if the Buyer is Western Forest Products US LLC or Western Forest Products Engineered LLC, without giving effect to the applicable jurisdictions' choice or conflict of law provision or rule. The United Nations Convention on Contracts for the International Sale of Goods does not apply to the Agreement.