

## SCHEDULE A

### GENERAL TRADE TERMS AND CONDITIONS

This Agreement is subject to the terms and conditions set forth below.

1. **TITLE AND RISK OF LOSS:** Title to Product sold hereunder by Seller will pass from Seller to Buyer at the Delivery Point. Risk of loss will follow title, unless otherwise agreed between the parties in accordance with Incoterms.
2. **PAYMENT:** All payments are to be made to Seller in United States dollars (unless otherwise specified by Seller) at the address specified in the applicable invoice. Any overdue payment will accrue interest at the rate equal to the lesser of one and a half percent (1.5%) per month, or the maximum rate allowable by applicable law, from such payment's due date until fully paid. Buyer may not hold back, offset or set off any amounts owed to Seller in satisfaction of any claims asserted by Buyer against Seller. Taxes or other charges of any nature imposed by any governmental authority which become payable by reason of the sale of delivery of the Product hereunder shall be for the account of Buyer, and Seller may either invoice the same to Buyer separately or add the same to the price of the Product shipped hereunder.
3. **FORCE MAJEURE:** If the performance of the Agreement or any obligation hereunder, except the making of payments, is prevented or restricted by reason of fire, flood, earthquake, explosion or other casualty or accident, strikes or labor dispute, inability to procure transportation, supplies or power, any act of war, terrorism or other violence, any law, order, proclamation, regulation, ordinance, demand or requirement of any government agency, or any other act or condition whatsoever 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 of such prevention or restriction; *provided, however*, that the party so affected will take all reasonable steps to avoid or remove such causes of nonperformance and will resume performance hereunder whenever such causes are removed; *provided, further*, that in no event will Seller be obligated to purchase material or services from another person to enable Seller to perform its obligations under this Agreement. In case of a Force Majeure event, Buyer shall nevertheless accept and pay for any Product order already produced pursuant to an existing purchase order or in transit to Buyer as of the date Seller receives notice of such Force Majeure event.
4. **COMPLIANCE WITH LAWS:** Buyer and Seller agree to comply with the provisions of all applicable federal, provincial, local and other applicable laws, rules and regulations in related jurisdictions in the performance of this Agreement.
5. **MEASUREMENT OF QUANTITY:** Unless otherwise agreed in writing, all quantities shall be stated in Air Dried Metric Tons ("ADMT") and the word tonne or ton shall mean 1,000 kilograms or 2204.62 pounds air-dry mass including the usual packaging materials. As applied to wood pulp the term air-dry shall mean ninety percent (90%) oven dry pulp and ten percent (10%) water. The Product shall be packed in bales or rolls of declared uniform weight and air-dry content or rolls with dimensions as set out in Schedule B and Schedule C hereto. Each bale or roll shall bear a number or other identification mark to enable the manufacture time to be determined by Seller. For the convenience of shipping, a margin of ten percent (10%) more or less on the quantity of any contracted purchase is allowed. When two or more shipments are made under the same purchase contract, the margin for the total quantity contracted for may not exceed ten percent (10%) of what is due to be shipped with the last vessel to fulfill the purchase contract.
6. **CLAIMS:** All notices of claim in respect of air-dry content or quality of the Product delivered shall be supported by facts on which the claim is based. No claim as to quality can be made where less than eighty percent (80%) of the shipment in dispute is available for testing and/or return. All costs and expenses incidental to the above methods of dispute resolution shall be paid by the party in error. (i) *Air-Dry Content:* In the case of any dispute as to air-dry content, Buyer shall provide with its notice of claim results of a test showing a difference of more than one percent (1%) in the air-dry quantity of the Product together with the names of two competent and suitable analysts chosen from a valid list of analysts approved by the trade association of the parties. If such claim is not settled within seven (7) days of the notice of claim, Seller shall choose one of the analysts named by Buyer in its notice of claim and a retest in accordance with existing ISO recommendations for the grade in dispute (or, if such grade is not covered by such recommendations, a method agreed by the parties) shall be done. Seller shall have the right to be represented at the retest and the findings shall be final. If the variance is determined not to be in excess of one percent (1%) then the original invoice shall stand and if the variance is in excess of one percent (1%) then Seller shall reimburse the Buyer for the Product not delivered or an amount in recognition of the reduced value of the Product delivered; (ii) *Quality:* If a claim disputing quality of the Product is unresolved between the parties then the matter shall be referred to arbitration and the arbitrators' findings as to quality shall be binding. If the Product is found to be non-conforming to the relevant specifications set out in Schedule B hereto, but nevertheless useable by Buyer in its normal production, the arbitrators shall award an adequate allowance to Buyer. For all other findings of non-conforming Product the arbitrators shall award rejection and Seller shall replace the faulty Product at its own expense and reimburse the expenses that Buyer may have incurred in receiving, storing and reloading the faulty Product.
7. **SHIPMENTS:** Quantities ordered may be delivered in one or more shipments at the discretion of Seller, each shipment being considered a separate contract such that default of one or more shipments shall not invalidate the balance of the contract except as herein otherwise provided. Notwithstanding, if a time of shipment is stipulated in the purchase order, a delay in arrival of a shipment at the port of loading for a period of not exceeding twenty-one (21) days after the expiry of the time of shipment provided for, shall not be itself constitute a cause for refusing to ship or to take delivery of the relevant shipment. Buyer agrees that all delivery charges, including overtime, associated charges, cleaning or container/vessel damage, shall be for the account of Buyer. For delay caused by Buyer, Buyer shall pay any demurrage or detention charges at such rate as may be invoiced by Seller. If Seller causes failure or delay of Project delivery by the agreed Delivery Date in writing, any claim involving demurrage incurred by Buyer must be submitted by Buyer to Seller in writing within thirty (30) days of the date of delivery. Notwithstanding, Seller shall be responsible only for additional shipment or transportation charges agreed in writing between the parties.
8. **LIMITATION OF LIABILITY:** SELLER WILL NOT BE LIABLE TO BUYER, ITS CUSTOMERS OR ANY OTHER THIRD PARTY FOR ANY INJURY OR DAMAGE TO PERSONS OR PROPERTY UNLESS CAUSED BY SELLER'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, OR FOR ANY LOSS OF OR INJURY TO BUSINESS, EARNINGS, PROFITS OR GOODWILL SUFFERED BY ANY PERSON, INCLUDING BUYER AND ITS CUSTOMERS, CAUSED DIRECTLY OR INDIRECTLY BY THE PRODUCT SOLD OR THE SERVICES PROVIDED PURSUANT TO THIS AGREEMENT; AND IN NO EVENT WILL SELLER BE LIABLE FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES SUFFERED BY BUYER, ITS CUSTOMERS OR ANY OTHER THIRD PARTY, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH.
9. **WARRANTIES:** Seller warrants that (i) it has good title to the Product at the Delivery Point, free and clear of all liens, or other encumbrances; and that (ii) the Product conforms to the specifications set out in Schedule B hereto. THE WARRANTIES SPECIFIED HEREIN WILL BE IN LIEU OF ALL OTHER REPRESENTATIONS AND WARRANTIES REGARDING THE PRODUCT SOLD OR THE SERVICES PROVIDED PURSUANT TO THIS AGREEMENT, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE. The above warranties run only to Buyer and are not intended to, and do not, run to any subsequent buyer, nor may they be transferred to any other person. No director, officer, employee or agent of either party has any authority to make any representation, warranty or covenant not contained in this Agreement, and each party agrees that it has executed this Agreement without reliance upon any such representation or promise.

10. **EXCLUSIVE REMEDY FOR REJECTION OF THE PRODUCT OR WARRANTY CLAIMS:** If all or any portion of the Product delivered to Buyer are properly rejected or in the event of a warranty claim, Seller will, AS THE EXCLUSIVE REMEDY AVAILABLE TO BUYER, do one of the following, in Seller's sole discretion: (i) replace the applicable Product; or (ii) cancel in whole or in part the applicable order and refund to Buyer any amounts already paid in connection with the cancelled portion of the order. Notwithstanding, Seller's maximum liability to Buyer on any claim, loss, damage, cause of action, liability demand, or expense whatsoever (a "Loss") arising out of or in connection with, or resulting from this Agreement shall be limited to the Product purchase price with respect to which such matter arises or Loss relates. All other disputes arising in connection with this Agreement shall be settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the Rules.
11. **INDEMNIFICATION:** Buyer agrees to indemnify and to hold Seller harmless from all damages, losses, injury to persons or property, and expenses (including, without limitation, attorney fees), and to defend all claims, proceedings, lawsuits and judgments arising out of: (i) any warranty Buyer makes to another person with respect to any Product sold or services provided pursuant to this Agreement; or (ii) Buyer's or any other person's improper use of any Product sold or services provided pursuant to this Agreement; or (iii) the transportation, receipt or handling of the Product by Buyer or its agents.
12. **RECORDS AND CONFIDENTIALITY:** Seller and Buyer will each maintain detailed records of all measurements and tests it makes pursuant to the Agreement and will make such records available to the other party for inspection at all reasonable times. Except for information which: (i) is already known by a party; or (ii) is in the public domain; or (iii) is required to be disclosed by law or court order; or (iv) either party has authorized the other, in writing, to disclose; all information regarding the parties, their operations and this Agreement including its terms shall be kept strictly confidential. Buyer acknowledges consent, to the extent required by law, to the Seller's collection, use, storage and disclosure of Buyer's personal information. This provision shall survive the termination of the Agreement.
13. **DEFAULT AND TERMINATION.** This Agreement shall be terminated upon the earlier of the expiry of the Agreement or on the yearly anniversary of this Agreement's effective date if the parties are unable to renegotiate and agree on a Product price. Seller may terminate this Agreement: (i) upon three (3) days' written notice to Buyer if Buyer breaches any of its material obligations under this Agreement or under any other agreement between Seller and Buyer, including defaults in payment of any amount due hereunder or under any other agreement between Seller and Buyer, and such default is not cured prior to the expiry of such notice period, provided that Buyer may dispute the quantum of any fees charged pursuant to any invoice within seven (7) days of receipt thereof. Failure to pay any such invoiced amount disputed in good faith hereunder shall not trigger Seller's right to terminate this Agreement; (ii) immediately if Buyer or its general partner or its parent company becomes insolvent or makes an assignment for the benefit of creditors, or a receiver or trustee is appointed for Buyer or its general partner or its parent company; or (iii) the primary, or all of the, business activities of Buyer are permanently suspended, or suspended for at least forty-five (45) days.
14. **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.
15. **GENERAL:** The Agreement may not be amended except by written document signed by each party to the Agreement. The provisions in this Agreement are intended to be severable. The Agreement may not be assigned or otherwise transferred without Seller's prior written consent.
16. **NOTICE:** Any notice, request or communication hereunder shall, except where otherwise provided, be in writing and may be given by either party to

the other by fax at the address provided or such other address as may be substituted by written notice from either party to the other. Notices so given shall be deemed for all purposes hereof to have been reviewed by the party to whom addressed within two (2) days after the receipt thereof.

17. **GOVERNING LAW:** The Agreement shall be governed exclusively by and construed and enforced in accordance with the laws of the Province of British Columbia. The parties agree that the 1980 United Nations Convention on Contracts for the International Sale of Goods does not apply.