

**CANADIAN KRAFT PAPER INDUSTRIES LIMITED (“Seller”)
TERMS & CONDITIONS**

Terms and Conditions. The terms and conditions contained in the Seller Order Confirmation and the terms and conditions contained in the Sellers Invoice shall govern Buyer’s order between Buyer and the Seller. In the event of any conflict between these Terms and Conditions, the Seller’s Order Confirmation and the Seller’s Invoice, the terms and conditions that apply shall firstly be the Seller’s Order Confirmation, second the Seller’s Invoice and thirdly these Terms and Conditions. Any changes to the Seller’s Order Confirmation must be received in writing 10 days before production date.

Terms of Payment. Unless otherwise agreed in writing, payment of the purchase price shall be made in accordance with the terms contained on the Seller’s Invoice. Any balance owing after expiration of the due date shall bear interest at the rate of 1.5% per month (18% per annum).

Title and Risk Loss. Except as may be expressly set forth on the front of the Order Confirmation, title and risk of loss shall pass to Buyer on the Sellers delivery to the shipping point designated or to a designated Buyer’s facility per FOB terms, as specified on the Order Confirmation.

Prices. The Seller may increase prices at any time with reasonable notice. Buyer shall pay the price in effect at time of shipment. Buyer shall pay all present and future taxes imposed by any federal, state, foreign or local authority which the Seller may be required to pay or collect with reference to the sale or shipment of goods specified.

Product Warranty. The Seller warrants that the goods sold shall conform to industry standard. The Seller reserves the right to amend the specification sheet from time to time. The Seller makes no other warranty or representation of any kind, expressed or implied, in fact or in law, including, without limitation, the warranty of merchantability or fitness for a particular purpose, other than this warranty and the additional limited warranty set forth below.

Additional Limited Warranty. The Seller expressly warrants that upon delivery, all goods shall be free of any manufacturing defect in workmanship and materials. The Sellers liability for any cause of action arising out of the transaction and performance is expressly limited to (a) replacement of nonconforming goods; or (b) payment in an amount not to exceed the purchase price for the specific goods for which any damages are claimed, at the Seller’s option. For greater certainty, in no event will the Seller be liable to the buyer for any incidental, special, consequential, punitive or other similar damages, including without limitation, damaged machinery, lost sales or profits as a result of the supply of goods to the buyer.

Claims. All claims for shortages, damages or defective goods must be made in writing within 60 days of shipment. The Buyer shall hold intact the goods in respect of which the claim is made and properly protect them for a period of 30 days after the claim is delivered to the Seller, for inspection by the Seller or their authorized agent, at the Buyer’s expense. Buyer shall not be entitled to set off the amount of any claim against any other of the Seller’s invoices without the Seller’s written consent. In no event will any such claims entitle Buyer to relief if made after the goods have been used, processed or transferred by the Buyer. If the Buyer’s claim is based upon the grade or quality of such goods, or any portion thereof, Buyer shall accept delivery of and pay for such goods, in accordance with the terms of this agreement.

Delivery. Requested dates are estimates only and the Seller is not liable for delays or late delivery, whether caused by Force Majeure (as set out below) or otherwise.

Force Majeure. The Seller will have no liability for any failure of, or delay in, performance that is due wholly or partially to restrictions by government or competent authority, strikes, lockouts, equipment failure, failure in the Seller’s supplies of raw materials, market conditions, labor disputes, or to any cause whatsoever beyond the Seller’s control. If the Seller is prevented or hindered by any contingency described above from fulfilling all its contracts in full, the Seller will be entitled to distribute any product it has available among its contract customers in such proportions as the Seller may decide. The Seller shall not in these circumstances be liable for failure to fulfill any such individual contract.

Notices. Any notice shall be sufficiently given if delivered or faxed in written form.

Amendment. The Seller reserves the right to amend these Terms and Conditions from time to time, on written notice to the Buyer.

Consent. This agreement provides the Seller with the consent to use, collect and retain personal information.

Governing Law. The interpretation of these Terms and Conditions shall be governed by the laws in the Province of Manitoba. The parties expressly exclude the application of the United Nations Convention on Contracts for the International Sale of Goods.

Whole Agreement. These Terms and Conditions shall govern the agreement between the parties in relation to sale by the Seller and purchase by Buyer of the Seller’s products. The Seller is not bound by any terms contained in the Buyer’s purchase order or terms on Buyer’s documents, which are contrary or additional to these Terms and Conditions, Order Confirmation or the Seller’s Invoice. No representations, warranties or agreements made by either party or by any representative of either party, in the negotiations leading to the sale and purchase or otherwise, which are not expressed or expressly reserved in these Terms, shall be binding on that party.

The undersigned has read and understood these Terms and Conditions, has the authority to bind the Buyer and agrees that the Buyer is bound by these terms and conditions.

Date

Authorized Signature

Name of Customer