

## GENERAL TERMS OF SALE (DOMESTIC)

### 1. WARRANTY AND LIMITATIONS

Seller warrants that at the time of arrival at the delivery point specified in the applicable Shipping Term and/or Incoterm, the Goods: (i) will conform with the specifications published by Seller or attached hereto, and (ii) will be free of all liens and encumbrances of title. If Buyer gives written notice to Seller of any failure of Pulp to conform with the specifications within ninety (90) days after reaching the delivery point, and if such failure is established under procedures customary in the industry or otherwise established to Seller's satisfaction, then at Seller's option it will either make an allowance for such Goods, refund to Buyer its purchase price, or replace it with Goods meeting the foregoing warranty.

THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FOREGOING AND ALL OTHER WARRANTIES (WHETHER WRITTEN, ORAL OR IMPLIED) INCLUDING WARRANTY OF MERCHANTABILITY AND WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY DISCLAIMED. THE FOREGOING WARRANTY IS BUYER'S SOLE REMEDY FOR NON-CONFORMING GOODS UNDER THIS AGREEMENT. NEITHER BUYER NOR SELLER SHALL BE LIABLE FOR CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, OR FOR ANY AMOUNT IN EXCESS OF THE PRICE FOR THE SHIPMENT INVOLVED, UNDER THE FOREGOING WARRANTY OR ANY OTHER PART OF THIS AGREEMENT, AND NEITHER PARTY SHALL BE RESPONSIBLE FOR THE ACTS OR OMISSIONS OF CARRIERS. ANY LEGAL ACTION AGAINST BUYER OR SELLER FOR BREACH OF THIS AGREEMENT, INCLUDING ANY WARRANTIES HEREUNDER, MUST BE INSTITUTED WITHIN ONE YEAR AFTER DELIVERY.

### 2. TITLE AND RISK OF LOSS

Unless Seller specifies otherwise in writing, title and risk of loss for the Goods shall pass from Seller to Buyer at Seller's dock upon placing the Goods ready for shipment.

### 3. QUANTITY, ORDERS AND SHIPMENT

Buyer shall furnish Seller by the fifteenth (15<sup>th</sup>) day of each month advice as to quantity of Goods to be supplied during the succeeding month. The basis weight of the Goods must be designated in Buyer's purchase order. In the absence of such information, Seller may ship in accordance with information last received. Seller's obligation to fulfill Buyer's purchase order is conditioned upon Seller's written acknowledgement and quantities shipped by Seller within 5% of the basis weight specified shall constitute fulfillment of such obligation.

Widths and diameters of Goods ordered must be within the reasonable manufacturing limits and availability of Seller's active production equipment and shall not be less than 11" in width and 38" in diameter. If Buyer requests expedited shipping, Buyer shall pay the expedited freight charges unless it is due to Seller's late shipment, in which case Seller shall pay such charges except in cases of excused non-performance.

### 4. NO ADDITIONAL OR CONFLICTING TERMS; NOTICE; WAIVER.

These terms shall supersede and cancel any and all previous understandings, contracts and agreements, oral or written, which were in effect between the parties with respect to the sale of the Goods and Seller expressly rejects any other terms. No additional or conflicting terms contained in any request for quote or proposal, purchase order or other document shall be effective unless in writing signed by Buyer and Seller. Other than routine communications, which will likely be made by e-mail, telephone and in-person meetings, all notices must be in writing and shall be deemed complete upon personal service, delivery by a recognized international courier or by certified mail with return receipt, or delivery by fax with confirmation of receipt, at the notice address or fax number as a party may specify to the other. No right of either party shall be deemed to have been waived by any failure of such party to exercise any right in any prior instance or instances.

### 5. EXCUSED NON-PERFORMANCE (FORCE MAJEURE)

NORPAC will not be liable for any failure of or delay in the performance of this Agreement arising from any matter beyond its control, including without limitation (1) equipment failure or repairs, other than routine maintenance, or supply shortages; (2) acts of God such as flood, fire, earthquake, explosion, or pandemic; (3) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (4) governmental order, law or action; (5) embargoes or blockades; (6) national or regional emergency; (7) strikes or labor stoppages or slowdowns; and (8) shortage of adequate power or transportation facilities.

### 6. TERMS OF PAYMENT

Unless Seller specifies otherwise in writing, the terms of payment are net cash in United States dollars thirty (30) days from the date of invoice, subject to continued compliance with Seller's normal credit standards. A late payment charge of 1.75 percent per month (or the maximum amount allowed by law, if lower) on the unpaid balance will be made on all past due accounts. The Seller reserves the right at any time to curtail or suspend any credit extended to the Buyer by the Seller when in its sole opinion the financial condition of the Buyer warrants such change.

### 7. TERMINATION

Either party may terminate an agreement, order, acknowledgement or shipment if the other party fails to cure any default in the performance within thirty (30) days after written notice; provided, however, that no notice or opportunity to cure shall apply to Buyer's obligation to pay invoices within terms. An order or agreement will terminate immediately and automatically if either party files a voluntary petition in bankruptcy, or enters into an arrangement with its creditors, or applies for consents to the appointment, or suffers or permits the entry of an order adjudicating it to be bankrupt or insolvent.

### 8. TAXES

Any and all taxes or charges of any nature (other than taxes imposed on the gross or net income of Seller), imposed by any United States, state or local government authority, which shall become payable by reason of the sale, delivery and/or use of Goods hereunder shall be deemed for Buyer's account, and Seller may either bill the same to Buyer separately, or add the same to the price of Goods shipped hereunder. Seller will notify Buyer in writing of the nature of any such tax or charge and of the law imposing same.

### 9. GOVERNING LAW

The law of the State of Washington, including the Uniform Commercial Code as in force therein, shall govern all aspects of this Agreement including its validity, interpretation, performance, operation and enforcement without reference to conflict of law principles. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement or transactions hereunder.