



Lake Utopia Paper, a division of J. D. Irving, Limited

GENERAL TERMS AND CONDITIONS

1. **Acceptance of Terms.** These General Terms and Conditions (the “**Terms and Conditions**”) apply to each transaction in which **Lake Utopia Paper, a division of J. D. Irving, Limited** or one of its affiliates (“**Seller**”) sells one or more products (the “**Products**”) to a person or entity (the “**Buyer**”) pursuant to an order acknowledgment issued by Seller to Buyer (the “**Acknowledgment**”) (each such transaction, a “**Transaction**”). If, in addition to an Acknowledgment, the Transaction is the subject of a separate written contract between Seller and Buyer (the “**Primary Contract**”), the Transaction shall be governed by the terms and conditions of the Primary Contract, together with these Terms and Conditions unless they are expressly excluded.]

2. **Invoices and Payment.** Seller shall invoice Buyer for the prices at which the Products are sold and purchased hereunder (the “**Prices**”) upon shipment. Buyer shall pay the Seller’s invoices within 30 days after the date of the invoice, unless otherwise indicated in the Acknowledgment. Buyer shall pay Seller’s invoices in accordance with their terms to the location specified by Seller. A service charge equal to the lesser of 1.5% per month (18% per year) or the highest permissible rate under applicable law shall be assessed on any invoiced amount that is not paid when due.

3. **Pricing.** Notwithstanding the fact that the Price for the Products is set out in the Acknowledgment, the actual Price for the Products will be the greater of the Price in the Acknowledgment and the Price in effect at the time of delivery.

4. **Additional Charges.** In addition to the Prices, Seller may invoice and Buyer will pay the amounts of any tax, assessment or other charge imposed by any governmental authority with respect to the manufacture, sale, transportation, delivery, export, import and/or use of the Products and any appropriate freight, fuel and other charges.

5. **Creditworthiness.** If Buyer’s financial condition, its payment history or prospects, or any other indicator of Buyer’s ability or willingness to pay Seller’s invoices in full when due becomes unsatisfactory to Seller at any time and for any reason, Seller may require Buyer to pay its invoices in advance or to provide adequate security on subsequent shipments of Products without impairing the obligation of Buyer to take and pay for the quantities of Products ordered.

6. **Force Majeure.** If either party is unable to perform its contractual obligations, in whole or in part, as a result of an act of God, fire, extreme weather, flood, war, terrorism, civil unrest, protest, authorization of law, governmental action, labor shortage, strike or disturbance, elimination or curtailment of power, inability to obtain material, equipment or transportation, manufacturing failure or unplanned shutdown of Seller’s facility, accident, or any other cause or condition beyond its reasonable control (each a “**Force Majeure**”), the quantities of Products affected by the Force Majeure may be eliminated from the Transaction at the discretion of the party affected without any liability, but the Transaction otherwise shall remain unaffected. During any period when Seller is unable to perform its contractual obligations by reason of a Force Majeure, Seller has the right to allocate its available supply of products (including the Products) among Buyer and its other

customers in any manner that Seller determines to be commercially reasonable and appropriate.

7. **Title, Risk and Delivery.** The ownership and legal title to, benefit of possession and control over, and risk of damage to or loss of the Products shall pass from Seller to Buyer at Seller’s facility in New Brunswick. Delivery terms are EXW Seller’s facility (Incoterms 2010 rules), unless otherwise stated in the Acknowledgment.

8. **Warranties.** Seller warrants that the Products sold to Buyer will, at the time of shipment from Seller’s mill, be of Seller’s usual standard and quality. EXCEPT AS SET FORTH IN THE PRECEDING SENTENCE, SELLER SHALL NOT BE BOUND BY ANY EXPRESS OR IMPLIED REPRESENTATION, WARRANTY, PROMISE, GUARANTEE, INDUCEMENT OR OTHER STATEMENT OF ANY KIND OR NATURE REGARDING THE PRODUCTS. SELLER EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES RELATING TO THE PRODUCTS, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

9. **Defective Products.** All claims by Buyer relating to defective Products must be brought to the Seller’s attention within 30 days of the delivery of the Product. In the event of such notification, Buyer shall maintain the Product in Buyer’s in unaltered form pending examination by Seller. Buyer’s exclusive remedy for a defective Product and Seller’s sole liability therefor shall be, at Seller’s option, the replacement of the defective Product or the payment of an amount equal to the value of such defective Product, but in no event will such amount exceed the Price of the defective Product.

10. **Limitations on Liability.** Notwithstanding any statement to the contrary in the Transaction Documents (as defined below) or elsewhere, (a) Seller’s aggregate liability to Buyer and any person or entity claiming through Buyer under any theory of law (including, without limitation, negligence) for any claim arising from or in connection with the Transaction shall not exceed the Price of the Product to which such claim relates, and (b) to the maximum extent permitted by applicable law, in no event shall Seller be liable to Buyer or any person or entity claiming through Buyer under any theory of law (including, without limitation, negligence) for any incidental, consequential or other indirect damages, losses or expenses (including, without limitation, lost business, lost profits, loss of use, downtime, recall costs, or other indirect pecuniary losses) arising from or in connection with the Transaction, even if Seller has been advised of their possible existence, or for any special, exemplary or punitive damages relating thereto.

11. **Termination.** Seller may terminate the Transaction, by giving prior written notice to Buyer, in the event that Buyer fails to accept delivery of a shipment of Products in accordance with the terms specified in the Transaction Documents, fails to pay any invoice from Seller when it is due (under any Transaction), or commits any other material breach of its contractual obligations and does not cure the breach within 10 days after receipt of written notice thereof from Seller. In the event of the termination of the Transaction, Buyer shall pay to Seller the Prices of all Products produced (and shipped, if applicable) by Seller prior to



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the effective date of termination. The termination of the Transaction shall not limit, impair or otherwise affect Seller's right to recover damages from Buyer or to exercise any other legal, contractual or equitable right or remedy available to Seller on account of such breach.

12. Transaction Documents. The rights and obligations of Seller and Buyer with respect to the Transaction shall be as set forth in the Primary Contract (if any), the Acknowledgment, and these Terms and Conditions (collectively, the "Transaction Documents"). The Transaction Documents are a complete and exclusive statement of the entire agreement between the parties with respect to the Transaction and supersede any and all prior negotiations, promises, understandings, agreements, representations, warranties, and courses of conduct and dealing, whether written or oral, between the parties. No term or condition set forth in any purchase order or other material submitted by Buyer shall apply to the Transaction or be binding on the parties unless the term or condition is expressly set forth in a Transaction Documents.

13. Confidentiality. Buyer acknowledges that in the course of the Transaction, certain proprietary and/or confidential information may be disclosed to Buyer or may be observed and/or acquired by Buyer. Buyer shall hold all information in the strictest confidence, including the existence of this agreement and details of the Transaction, including Pricing, and shall ensure it is not disclosed, published or disseminated to any third party. Buyer shall ensure that its employees, agents, subcontractors and representatives assume the same obligation of confidentiality before communicating the information or know-how to that person. The confidential information will not be used by Buyer, except as is necessary to complete the Transaction.

14. Conflicts. In the event of any conflict or inconsistency between a provision of a Transaction Document and a provision of any other Transaction Document, the following order of precedence shall govern the resolution of the conflict or inconsistency: (1) the Primary Contract (if any); (2) the Acknowledgment; and (3) these Terms and Conditions.

15. Amendment. The Transaction Documents may not be amended, supplemented or modified except by a written agreement executed on behalf of all the parties by their authorized representatives. Notwithstanding the foregoing, (1) Seller may notify Buyer in writing of any change in the scheduled delivery date (or ship date, if applicable) set forth in the Acknowledgment, and (2) Seller may make future changes to these Terms and Conditions at any time without notice, with any such change being binding on the parties from and after its effective date. Current terms are available at <https://www.jdirving.com/ProductPage.aspx?id=813>.

16. Notices. All notices, consents, waivers and other communications required or permitted under the Transaction Documents shall be in writing and shall be deemed given to a party when (1) delivered by hand or a nationally recognized

delivery service, (2) sent by email or facsimile with confirmation of transaction, or (3) sent by certified mail, return receipt requested, and received or rejected by the addressee, in each case to the address, facsimile number or email address of the party set forth in the Primary Contract (if any) or the Acknowledgment or to such other address, facsimile number or email address as the party may designate by written notice previously given to the other party. Notices to Seller will be sent to P.O Box 5888, 300 Union Street, Saint John, New Brunswick, E2L 4L4, Attention: Secretary.

17. Rights and Remedies. No failure or delay by any party to exercise any right or remedy under the Transaction Documents shall operate as a waiver of such right or remedy. No exercise of any such right or remedy shall preclude any further exercise of such right or remedy or the exercise of any other right or remedy.

18. Waiver. No claim or right arising from the Transaction or under the Transaction Documents may be waived by a party unless such waiver is in writing and is signed by the waiving party. No waiver given by a party shall be applicable except in the specific instance for which it is given.

19. Assignment. Buyer may not assign the Transaction Documents or any of its rights and obligations thereunder without the prior consent of Seller. Seller may assign the Transaction Documents and its rights and obligations hereunder, without the consent of Buyer, to an affiliate of Seller.

20. Severability. If a court of competent jurisdiction holds that any provision of any Transaction Document is illegal, invalid or unenforceable, then such holding shall not affect the other provisions of the Transaction Document, and such provision shall be modified by the court to the extent necessary, in the court's opinion, to make it fully legal, valid and enforceable while preserving the parties' intent and agreement set forth in the Transaction Document to the fullest extent possible.

21. Governing Law. The parties expressly exclude the application of: (1) the United Nations Convention on Contracts for the International Sale of Goods is and (2) the *International Sale of Goods Contracts Convention Act* (Canada), and (3) the *International Sale of Goods Act* (New Brunswick); and all related acts of other jurisdictions. In all other respects the Transaction Documents and all matters between the parties arising out of the Transaction Documents will be interpreted and governed according to the laws of the Province of New Brunswick, Canada and the parties agree to submit to the exclusive jurisdiction of the courts of such province.

22. Entire Agreement. The Transaction Documents of which these Terms and Conditions form a part supersedes any prior offers, negotiations, and agreements and constitutes the entire agreement between the parties concerning the subject matter. The Transaction Documents will be binding on and enure to the benefit of the parties and their respective heirs, executors, administrators, successors and permitted assigns.

[End of document.]