

# West Fraser Purchasing Terms and Conditions

## 1. APPLICABILITY

These terms and conditions of purchase (these "**Terms**") govern the purchase by West Fraser Mills Ltd., West Fraser, Inc. (and/or one or more of their affiliates party to this Agreement, "**West Fraser**") of the goods ("**Goods**") and/or services ("**Services**") set out in the accompanying purchase order (the "**Purchase Order**") from the vendor named in the Purchase Order ("**Vendor**"). The Purchase Order (including any specifications, drawings, special instructions or any other additional information contained or referenced therein or submitted therewith), together with these Terms (collectively, the "**Agreement**"), comprise the entire agreement between the parties and supersede all prior or contemporaneous understandings, agreements, negotiations and communications, both written and oral. These Terms prevail over any of Vendor's general terms and conditions of sale regardless of whether or when Vendor has submitted such terms. Acknowledgment of the Purchase Order and/or fulfillment of any portion of the Purchase Order constitute Vendor's acceptance of these Terms. No waiver, alteration or modification of these Terms shall be binding upon West Fraser unless made in writing and signed by a duly authorized representative of West Fraser.

## 2. DELIVERY OF GOODS AND PERFORMANCE OF SERVICES

Vendor shall deliver the Goods in the quantities and on the date(s) specified in the Purchase Order or as otherwise agreed in writing by the parties (the "**Delivery Date**"). If no delivery date is specified, Vendor shall provide a delivery date in its acknowledgment of the Purchase Order and that delivery date, if and when accepted by West Fraser in writing, shall become the Delivery Date. Vendor shall deliver all Goods to the "Ship To" address, or other specified delivery location, as specified in the Purchase Order (the "**Delivery Point**") during West Fraser's normal business hours or as otherwise instructed by West Fraser. All Goods shall be properly boxed, crated or otherwise suitably prepared for shipping to ensure that no damage will be caused during transportation, handling and storage. If there are risks related to the handling and storage of Goods, those risks must be clearly indicated on the boxes or crates or other packaging. Any damaged Goods shall, at Vendor's option, be returned or destroyed at Vendor's cost and any amounts due and owing for such damaged Goods shall be deducted by West Fraser from any amounts owing to Vendor hereunder.

Vendor shall provide the Services to West Fraser in accordance with the Purchase Order and other terms and conditions set forth in this Agreement. If any Services are to be provided at West Fraser's work site, Vendor, including its officers, employees, servants, agents and contractors (the "**Vendor Personnel**") shall comply with all applicable laws with respect to the protection of the environment and the health and safety of workers as it relates to the Services ("**Environmental, Health and Safety Laws**") and other relevant policies and procedures, work practices, permits, licences, authorizations, emergency response procedures, any site specific policies, supplier code of conduct, procedures, instructions, rules, regulations and guidelines, as directed by West Fraser from time to time ("**Rules**"). Vendor shall be solely responsible for the safety of Vendor Personnel and Vendor's equipment on West Fraser's site.

## 3. TIME IS OF THE ESSENCE

Vendor acknowledges that time is of the essence with respect to Vendor's obligations hereunder (including all performance dates, timetables, project milestones and other requirements in this Agreement). Acceptance of any part of the Goods and Services which are late shall not constitute a waiver of any rights which West Fraser may have under the Agreement or at law or equity for damages for delay.

## 4. PRICE

The price of Goods and/or Services is as stated in the Purchase Order (the "**Price**"). The Price is all-inclusive and unless otherwise specified in the Purchase Order, includes all (a) packaging; and (ii) all taxes, duties, fees, levies and charges of any kind. No increase in the Price is effective, whether due to increased material, labour or transportation costs or otherwise, without the prior written consent of West Fraser.

West Fraser shall deduct withholding taxes of any nature imposed by any governmental authority. If West Fraser is required by law to make any such deduction or to withhold from any sum payable to Vendor by West Fraser, West Fraser shall remit the total of such deduction or withheld amount to the appropriate governmental authority and furnish Vendor with tax receipts, certificates or other documentation evidencing the payments of such amounts as required by the appropriate governmental authority, unless Vendor provides to West Fraser the appropriate documentation required by applicable law or regulation (or customarily used) to qualify for, or provide West Fraser with evidence of eligibility for, either a reduction in the rate of withholding, or an exemption from such deduction or withholding, as may be available under applicable law, any treaty or any convention. To the extent that amounts are so properly deducted or withheld by West Fraser, such deducted or withheld amounts shall be treated for all purposes of the Agreement as having been paid by West Fraser to Vendor, provided that such withheld amounts are remitted by West Fraser to the appropriate governmental authority.

## 5. PAYMENT TERMS

Vendor shall issue an invoice to West Fraser on completion of delivery or the Goods and/or performance of the Services and only in accordance with these Terms. West Fraser shall pay all properly invoiced amounts due to Vendor within the timelines provided for in this Agreement or as otherwise agreed to by the parties in writing, except for any amounts disputed by West Fraser in good faith. In the event of a dispute, the parties shall seek to resolve it expeditiously and in good faith and Vendor shall continue performing its obligations under this Agreement notwithstanding any such dispute. All payments hereunder shall be in the currency specified in the Purchase Order. Without prejudice to any other right or remedy it may have, West Fraser reserves the right to set-off at any time any amount owing to it by Vendor against any amount payable by West Fraser to Vendor under this Agreement.

## 6. SHIPPING TERMS

Delivery shall be made DDP West Fraser site (Incoterms 2020), unless otherwise specified in the Purchase Order or otherwise agreed to by the parties in writing. The Purchase Order number must appear on all shipping documents, shipping labels, bills of lading, air waybills, invoices, correspondence and any other documents pertaining to the Purchase Order.

## 7. TITLE AND RISK OF LOSS

Title and risk of loss passes to West Fraser upon delivery of the Goods at the Delivery Point. Vendor bears all risk of loss or damage to the Goods until delivery of the Goods to the Delivery Point.

## 8. INSPECTION AND REJECTION OF NON-CONFORMING GOODS

West Fraser may reject all or any portion of the Goods within seven (7) days of the delivery to the Delivery Point if it determines, after inspection of all or a sample of the Goods, that the Goods are non-conforming or defective. If West Fraser rejects any portion of the Goods then it may in its sole direction, provide written notice to Vendor, to: (a) accept the Goods at a reasonably reduced price agreed upon by the parties in writing; (b) require replacement of the rejected Goods; or (c) have any amounts due and owing for the rejected Goods deducted from any amounts owing from West Fraser to Vendor hereunder. If West Fraser requires replacement of the Goods, Vendor shall, at its expense, promptly replace the non-conforming or defective Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the non-conforming or defective Goods and the delivery of replacement Goods. If Vendor fails to timely deliver replacement Goods, West Fraser may (i) replace them with goods from a third party and, as the case may be, deduct the cost thereof from any amounts owing to Vendor or add the cost thereof to any amounts owing by Vendor, and (ii) terminate this

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## Agreement.

West Fraser will conduct quality assurance inspections on all Services supplied by Vendor at West Fraser's site(s). No Services are to be carried out at a West Fraser site unless West Fraser provides its prior consent. All Services performed by Vendor are subject to West Fraser's acceptance, at its sole discretion. If rejected, Vendor shall re-perform such Services at Vendor's expense.

## 9. VENDOR'S OBLIGATIONS

Vendor shall:

- (a) at all times during the term of this Agreement, maintain all necessary licenses and consents and comply with all relevant laws in the performance of its obligations hereunder;
- (b) if the Services are being performed on a West Fraser site:
  - (i) perform the Services in an environmentally safe, good and prudent manner and in compliance with the applicable (i) Environmental, Health and Safety Laws, Rules, plans, prescriptions, cutting permits or other permits and (ii) contracts, agreements or other obligations binding on West Fraser that West Fraser has disclosed to the Vendor,
  - (ii) provide adequate supervision and environmental, forestry and safety training for its employees, keep accurate records of such training and participate in any safety, environmental or Rules training arranged or required by West Fraser,
  - (iii) immediately notify West Fraser of any possible contravention of the Environmental, Health and Safety Laws or Rules arising from or related to the Services being provided under this Agreement,
  - (iv) immediately notify West Fraser of any communication with government authorities in respect of the Vendor's operations under this Agreement, including any inspections or investigations under the Environmental, Health and Safety Laws, and
  - (v) notify West Fraser of any charges or penalties levied against the Vendor under the Environmental, Health and Safety Laws.
- (c) facilitate access by authorized representatives of West Fraser to the facilities of Vendor and its subcontractors during manufacture for the purposes of inspecting any Goods (or parts or components of Goods) and obtaining information on the progress of any work being performed hereunder; and
- (d) during the term of this Agreement and for a period of three (3) years thereafter, maintain copies of all financial and related records pertaining to this Agreement, including, without limitation, accounting records, subcontract files, purchase orders, paid vouchers, invoices for reimbursement, work estimates and bank statements. At any time during the term of this Agreement and for three (3) years thereafter, West Fraser or its authorized representatives shall have the right, upon not less than five (5) days prior notice and during Vendor's normal business hours, to audit only those financial and related records necessary to ensure Vendor's compliance with this Agreement and applicable laws.

## 10. CHANGE ORDERS

West Fraser may, at any time, by written instructions and/or drawings issued to Vendor (each a "**Change Order**"), order changes to the Goods or Services. Vendor shall, within two (2) business days of receipt of a Change Order, submit to West Fraser a firm cost proposal for the Change Order. If West Fraser accepts such cost proposal, Vendor shall proceed with the changed Goods or Services subject to the cost proposal and the terms and conditions of this Agreement.

Under no circumstances shall Vendor, without the prior written authorization of West Fraser, substitute any other goods (including components or materials making up the Goods) or services for those ordered under the Purchase Order.

## 11. CONDITIONS AND WARRANTIES

Vendor covenants and warrants to West Fraser that, for the greater of (i) ninety (90) days from the date of completion of delivery, or (ii) such other time period set out in this Agreement, all Goods will:

- (a) conform to the drawings, the specifications or the samples (if applicable), or to any other description furnished or approved by West Fraser;
- (b) be in good condition and fit for their intended use, merchantable and free of material or manufacturing defects or defects in title;
- (c) be made of new materials unless otherwise specified in this Agreement;
- (d) be free and clear of all liens, security interests or other encumbrances; and
- (e) not infringe or misappropriate any third party's patent or other intellectual property rights.

Vendor shall use all reasonable efforts to secure from any third party manufacturer all available warranties and, to the extent permissible and at no cost to West Fraser, pass through or assign such warranties to West Fraser. This warranty does not limit in any way any other warranties stipulated in these documents or implied by law. Vendor shall repair, replace or re-work at its sole cost and expense (including shipping costs), any Goods that have become defective under normal and proper conditions of use during the warranty period.

Vendor represents and warrants that it will perform all Services in a professional, workmanlike manner, with the degree of skill and care that is employed by current, good and sound professional procedures of persons performing the same services as the Services. Vendor further represents, warrants and covenants that the Services will be completed in accordance with applicable specifications and will be correct and appropriate for the purposes contemplated by this Agreement. Vendor represents and warrants that the performance of Services under this Agreement do not, and will not, conflict with, or be prohibited in any way by, any other agreement or statutory restriction by which Vendor is bound.

## 12. INTELLECTUAL PROPERTY

All intellectual property rights, including copyrights, patents, patent disclosures and inventions (whether patentable or not), trade-marks, service marks, trade secrets, know-how and other confidential information, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith, derivative works and all other rights (collectively, "**Intellectual Property Rights**") in and to any custom Goods and work products that are delivered to West Fraser under this Agreement (collectively, the "**Deliverables**") shall be owned exclusively by West Fraser. Vendor hereby irrevocably assigns, and shall cause Vendor's Personnel to irrevocably assign to West Fraser, in each case without additional consideration, all right, title and interest throughout the world in and to the Deliverables, including all Intellectual Property Rights therein. Vendor shall cause Vendor Personnel to irrevocably waive, to the extent permitted by applicable law, any and all claims such Vendor Personnel may now or hereafter have in any jurisdiction to so-called "moral rights" with respect to the Deliverables.

## 13. INDEMNIFICATION

Vendor shall defend, indemnify and hold harmless West Fraser, its affiliates and its and their respective directors, officers, shareholders and employees (collectively, "**West Fraser Indemnitees**") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, and causes of action of every kind and nature whatsoever that may be asserted or brought against, or suffered or incurred by, the West Fraser Indemnitees for or in respect of, or arising in any way whatsoever (including reasonable legal fees and professional fees and costs

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and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers) in connection with (a) the fault, misconduct or negligence of, or the breach of the Agreement by Vendor; (b) Vendor's violation or alleged violation of any federal, provincial, state or local laws or regulation, including the laws and regulations governing product safety, labeling and packaging; (c) West Fraser's or any West Fraser Indemnitee's receipt, use or possession of any Goods, or their infringement or misappropriation of the intellectual property rights of any third party.

West Fraser shall defend, indemnify and hold harmless Vendor, its affiliates and its and their respective directors, officers, shareholders and employees against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable legal fees and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers, arising out of or occurring in connection with West Fraser's negligence or wilful misconduct in the performance of its obligations under this Agreement.

If West Fraser's use of the Goods is enjoined, threatened by injunction, or becomes the subject of any legal proceeding, Vendor will, at its sole cost and expense, either: (i) substitute fully equivalent non-infringing Goods; (ii) modify the Goods so that they no longer infringe but remain fully equivalent in functionality; (iii) obtain for West Fraser the right to continue using the Goods; or (iv) if none of the foregoing is possible, refund all amounts paid for the infringing Goods.

## 14. INSURANCE

Vendor shall, at its own expense, maintain and carry insurance in full force and effect as follows: (a) Commercial General Liability (including product liability) in a sum no less than \$5,000,000 inclusive of any one occurrence, with financially sound and reputable insurers, (b) Automobile Liability including coverage for owned, non-owned and hired automobiles for both bodily injury and property damage with a combined single limit of not less than \$2,000,000 each accident, (c) workers' compensation with per occurrence limits as prescribed by applicable laws; (d) Employer's Liability with a minimum of \$1,000,000 per occurrence. Until delivery to West Fraser, Vendor shall insure the Goods against risk of loss or damage for their full replacement value. Currency of such amounts in this Section 14 shall be based on the jurisdiction of the Vendor's incorporating jurisdiction.

## 15. TERMINATION

West Fraser may, at any time and for any reason, terminate this Agreement (or any Purchase Order hereunder in full or in part), by notifying Vendor in writing. Upon receipt of a termination notice, Vendor shall, unless such notice states otherwise, immediately cease work, cancel orders for material, equipment and supplies, and undertake all reasonable efforts required to cancel any order or contract. Vendor shall, consequently, only finish that work necessary to preserve and protect the work that has already been undertaken. In the event of a termination, it is agreed that Vendor's sole compensation shall be for reasonable direct costs incurred up to the date of termination and that West Fraser may retain or obtain (i) any Good (or component thereof) that is in the process of being completed for West Fraser hereunder, or (ii) any partially completed deliverable of any Service provided hereunder. In the event that West Fraser terminates this Agreement (or any Purchase Order hereunder in full or in part) due to a material breach of this Agreement by Vendor, then West Fraser may contract a third party to finish any partially completed Goods and/or Services and, as the case may be, deduct the cost thereof from any amounts owing to Vendor or add the cost thereof to any amounts owing by Vendor.

## 16. WAIVER

No waiver by West Fraser of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by West Fraser. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

## 17. CONFIDENTIAL INFORMATION

All non-public information of West Fraser, whether written, electronic or other form or media, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, equipment, processes or operator procedures, data, business operations, customer lists, pricing, discounts or rebates, that is disclosed by West Fraser to Vendor, whether disclosed orally or disclosed or accessed in and that is marked, designated or otherwise identified as "confidential" (or is of such a nature that a reasonable person receiving such information would deem it to be confidential), including this Agreement is "**Confidential Information**" and may not be disclosed except in accordance with this Agreement. The Vendor agrees not to, and shall cause Vendor Personnel not to, use the Confidential Information for its own benefit or allow it to be used by others for their own benefit. The Vendor agrees to exercise reasonable care to prevent disclosure of the Confidential Information to any third party. The Vendor agrees to, and shall cause its Personnel to, hold the Confidential Information in strictest confidence, not to make use thereof other than for the performance of any work or Services it is providing to West Fraser and/or while on a West Fraser site, and to release it only to Vendor Personnel who have a need to know and only where such Vendor Personnel have been advised of the confidential nature of such Confidential Information and have agreed to hold it in confidence in accordance with the terms of this Agreement as if they were a party to it, and not to release or disclose the Confidential Information to any other party. Upon West Fraser's request, Vendor shall promptly return all Confidential Information received from West Fraser. West Fraser shall be entitled to injunctive relief for any violation of this Section.

## 18. FORCE MAJEURE

Neither party shall be liable to the other for any delay or failure in performing its obligations under this Agreement to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, without such party's fault or negligence, and which by its nature could not reasonably have been foreseen by such party or, if it could reasonably have been foreseen, was unavoidable ("**Force Majeure Event**"). Force Majeure Events include, but are not limited to, acts of God or the public enemy, government restrictions, floods, fire, earthquakes, explosion, epidemic, plague, epidemics, pandemics, outbreaks of infectious diseases or any other public health crisis (including quarantine of other employee restrictions), war, invasion, hostilities, terrorist acts, riots, embargoes or industrial disturbances. Lock-outs, strikes, Vendor's economic hardship or changes in market conditions including unavailability of energy or supplies or inability to obtain carriers, fuel, energy, supplies, or raw materials are not considered Force Majeure Events. Vendor shall, at no additional cost to West Fraser, use all diligent efforts to end the failure or delay of its performance, to ensure that the effects of any Force Majeure Event are minimized, and to resume performance under this Agreement. The party claiming to be relieved shall give the other written notice at once, and periodically update the other as to the status of the delay. If the cause of delay continues for 30 days after notice from Vendor is delivered to West Fraser, West Fraser may, at its option and without liability hereunder, upon notice to Vendor, terminate the Agreement.

## 19. ASSIGNMENT

Vendor shall not assign, transfer, delegate or subcontract any of its rights or obligations under this Agreement without the prior written consent of West Fraser. No assignment or delegation shall relieve Vendor of any of its obligations hereunder. West Fraser may at any time assign or transfer any or all of its rights or obligations under this Agreement to any of West Fraser's affiliates without Vendor's consent.

## 20. RELATIONSHIP OF THE PARTIES

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The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. No relationship of exclusivity shall be construed from this Agreement.

## 21. ANTI-BRIBERY AND CORRUPTION

Vendor warrants and undertakes to West Fraser that:

- (a) it has not offered, promised, given or agreed to give and shall not during the term of this Agreement offer, promise, give or agree to give to any person any bribe on behalf of West Fraser or otherwise with the object of obtaining a business advantage for West Fraser or otherwise;
- (b) it will not engage in any activity or practice which would constitute an offence under any applicable anti-bribery and corruption laws, and that it shall not cause West Fraser to be in breach of any of said laws;
- (c) it has and during the term of this Agreement will maintain in place its own policies and procedures to ensure compliance with any applicable anti-bribery and corruption laws;
- (d) it will ensure that any person who performs or has performed services for or on its behalf ("**Associated Person**") in connection with this Agreement complies with this Section;
- (e) it will not enter into any agreement with any Associated Person in connection with this Agreement, unless such agreement contains undertakings on the same terms as contained in this Section;
- (f) it has and will maintain in place effective accounting procedures and internal controls necessary to record all expenditures in connection with this Agreement;
- (g) from time to time during the term of this Agreement, at the reasonable request of West Fraser, it will confirm in writing that it has complied with its undertakings under this Section;
- (h) it will report to West Fraser as soon as practicable any request or demand for any improper payments or other improper advantage of any kind received by Vendor from West Fraser or any other person in connection with the performance of this Agreement; and
- (i) it will notify West Fraser as soon as practicable of any breach of any of the undertakings contained in this Section of which it becomes aware.

All payments to Vendor shall be made, subject to receipt by West Fraser of appropriate invoices in reasonable detail, by electronic funds transfer or similar trackable payment method. Notwithstanding any other provisions of this Agreement, in the event that West Fraser has at any time during the term of this Agreement reasonable cause to believe that Vendor is in breach of any of the provisions of this Section, West Fraser may unilaterally suspend performance of or terminate this Agreement with immediate effect on written notice to Vendor and immediately suspend or cancel any further payments.

## 22. SANCTIONS

Vendor covenants and warrants that neither it nor any of its subsidiaries, nor, to its knowledge, any of its affiliates and their respective directors, managers, officers, employees or agents (i) is, or will become, or is owned or controlled by, a person subject to a sanctions program administered by the United States of America, Canada, the United Nations, the Norwegian State, the European Union, the United Kingdom or any other agency or subdivision thereof ("**Sanctions**"); (ii) is located, organized or resident in a country or territory that is, or whose government is, the subject or target of any Sanctions, or (iii) engages or will engage in any dealings or transactions, or is or will be otherwise associated, with any such person subject to Sanctions that would result in any violation of any Sanctions or any other similar applicable law.

## 23. GOVERNING LAW AND FORUM

**Governing Law (applicable only to Canada transactions).** The following provisions of this paragraph apply with respect to Goods and/or Services purchased by a West Fraser entity with its incorporating jurisdiction located in Canada:

All matters arising out of or relating to this Agreement are governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein without regard to its principles of conflicts of laws. Each of the parties hereto irrevocably and unconditionally submit to the exclusive jurisdiction of the courts of the Province of British Columbia. The parties further agree that a judgment or order of such courts may be enforced in any other jurisdiction in any manner permitted by law and to attorn to any such jurisdiction in which such judgment or order is sought to be enforced. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement.

**Governing Law and Binding Arbitration (applicable only to United States transactions).** The following provisions of this paragraph apply with respect to Goods and/or Services purchased by a West Fraser entity with its incorporating jurisdiction in the United States:

All matters arising out of or relating to this Agreement are governed by and construed in accordance with the laws of the State of Delaware, without regard to its principles of conflicts of laws. Each of the parties hereto irrevocably and unconditionally submit to the exclusive jurisdiction of the courts Shelby County, Tennessee and agree that all claims in respect of any such action, litigation, or proceeding against the other party may be heard and determined in such Shelby County, Tennessee court, to the fullest extent permitted by applicable law. The parties further agree that a judgment or order of such courts may be enforced in any other jurisdiction in any manner permitted by law and to attorn to any such jurisdiction in which such judgment or order is sought to be enforced. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement.

## 24. SEVERABILITY

If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

## 25. AMENDMENT AND MODIFICATION

These Terms may only be amended or modified in a writing stating specifically that it amends these Terms and is signed by an authorized representative of each party.