

Domtar Standard Terms of Sale

March 2017

A SALE TRANSACTION IS GOVERNED BY SELLER'S STANDARD TERMS AND CONDITIONS OF SALE, UNLESS OTHERWISE STATED IN A WRITTEN AGREEMENT BETWEEN THE PARTIES (either signed contract or an alternative agreement between the parties).

Order Acknowledgement

- ◆ All quotations and agreements are subject to Seller's written acknowledgment, which sets forth the order as Seller understands it and states the only obligations to which Seller is bound. Unless Buyer objects promptly upon its receipt, such acknowledgment will be an integration of and the final and entire agreement between the parties, superseding and merging all prior communications. No subsequent modification will be binding unless similarly acknowledged by Seller.

Non-Standard Application and End-Use Requests

- ◆ In the event that a customer requests a product for use in an application or end-use other than for which the product was designed, review and approval is required from Domtar prior to purchase. Pending the review, Domtar may either grant the approval and warranty the end-use, grant the approval at the end-user's own risk with no liability to Domtar, or deny the request in writing.

General Warranty and Limitations

- ◆ Domtar makes every effort to supply products of the highest quality. Domtar products are carefully manufactured to meet specific quality specifications. However, Domtar gives no warranty of any kind, either expressed or implied, with respect to merchantability or fitness for particular uses outside the expressly stated end-use. Should any product sold hereunder be found not to meet the foregoing warranty, Seller will furnish a replacement product conforming to this warranty, or, at its election, make a fair allowance therefor. However, written notice of any claim under this warranty must be given to Seller within 30 days after delivery, and Buyer must afford Seller a reasonable opportunity to inspect the products in unaltered condition and evaluate the claims in accordance with procedures customary in the industry.
- ◆ THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FOREGOING AND SELLER'S SOLE RESPONSIBILITY THEREUNDER IS AS STATED. UNLESS SELLER OTHERWISE EXPRESSLY AGREES, SELLER SHALL NOT BE LIABLE FOR CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES (INCLUDING

BUT NOT LIMITED TO LOSS OF PROFIT OR LOSS OF USE), OR FOR ANY AMOUNT IN EXCESS OF THE PRICE FOR THE SHIPMENT INVOLVED, UNDER THE FOREGOING GUARANTY OR ANY OTHER PART OF THIS AGREEMENT. ANY LEGAL ACTION AGAINST SELLER FOR BREACH OF THIS AGREEMENT, INCLUDING ANY WARRANTIES THEREUNDER MUST BE INSTITUTED WITHIN ONE YEAR AFTER DELIVERY.

Time and Place of Shipment

- ◆ Unless the indicated shipping date is expressly guaranteed, advance information as to date of shipment is an approximation only based upon Seller's best judgment at the time. When a mill or other shipping point is specified on the face hereof, or when an order is scheduled for shipment from such a place, it shall be the exclusive source of supply.

Quantity Tolerances

- ◆ Unless this order expressly requires the loading of exact quantities specified and agreed to by seller, Seller reserves the right to increase or decrease the quantity called for on this order by amounts not to exceed those allowed by applicable industry standards.

TITLE, RISK and COST of freight, TAXES:

- ◆ ***For all sales in US or Canada, unless agreed otherwise in writing;***
 - **Carriage and Risk of loss:** Cost of **carriage, and, risk** shall be governed by the designated INCOTERMS (pursuant to INCOTERMS 2010) unless otherwise specified (or agreed in writing).
 - All goods are sold **CPT (destination)**, where:
 - **Carriage** of the goods to the name place of destination is arranged by the Seller. Seller reserves the right to route all shipments.
 - **Risk** transfers from the Seller to the Buyer when the goods have been delivered to the first carrier.
 - Seller may assist Buyer in processing claims against carriers without incurring liability thereof.
 - **Title:** Irrespective of any provision concerning freight or price, **title** shall pass to Buyer upon delivery of goods to the first carrier at Seller's place of manufacture or business, or other Seller's shipping point.

- ◆ **For export sales outside of US and Canada, unless agreed otherwise in writing;**
 - **Carriage and Risk of loss:** Cost of **carriage, and, risk** shall be governed by the designated INCOTERMS (pursuant to INCOTERMS 2010) unless otherwise specified (or agreed in writing).
 - Buyer is the importer of record and responsible for customs clearance.
 - All goods are sold on one of the following incoterms;
 - ◆ CFR – Cost and Freight (*named port of destination*) or;
 - ◆ CPT – Carriage Paid To (*named terminal or port at destination*) or;
 - ◆ CIF* – Cost, Insurance and Freight (*named port of destination*) or;
 - ◆ CIP* - Carriage and Insurance Paid To (*agreed place of destination*)
- where:
- **Carriage** of the goods is arranged by the Seller. Seller reserves the right to route all shipments.
 - **Risk** transfers from the Seller to the Buyer when the goods have been delivered to the first carrier.
 - *Seller is responsible to obtain insurance in the name of the Buyer with minimum coverage.
 - Buyer is responsible for any claim with insurance.
- **Title:** Irrespective of any provision concerning freight or price, **title** shall pass to Buyer on sail date for marine transportation or at origin for all other mode of transportation.
- ◆ **Taxes:**
 - All duties, **taxes**, (including value added taxes), and other official charges due upon importation are Buyer’s responsibility.

Anti-diversion

- ◆ Buyer expressly acknowledges and agrees not to export, re-export, or provide Goods to any person, entity or destination prohibited under law, without obtaining prior Government authorization.

Transportation Costs and Shortages

- ◆ When prices include any costs of transportation from point of manufacture, any increase or decrease in such costs becoming effective after the applicable price is quoted or established by Seller, and any costs for services beyond those provided by the carrier at no charge other than the applicable freight rate or tariff, shall be for Buyer's account. Any extra costs of utilizing substitute methods of delivery, when the intended type of carrier, vehicle or loading or unloading facilities become unavailable, also shall be for Buyer's account.

Late Payment

- ◆ The buyer agrees to remit payment within the terms specified on each invoice.
- ◆ Should the account be placed in collection the buyer agrees to pay all costs and expenses incurred by the Seller in the collection of any past due amounts, including reasonable attorney's fees and expenses.

Attorneys' Fees

- ◆ In the event of legal action to enforce this agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and expenses from the other party.

Force Majeure

- ◆ Producer, Seller or Buyer, as the case may be, shall give prompt notice to the other parties of the cause, commencement and termination of any failure to supply, in the case of the Producer, or to take such Product, in the case of the Buyer. In the event of curtailment of Product in the plant(s) producing the Product sold hereunder, or in the event of curtailment or process change in the plant(s) consuming the Product or if, by reason of governmental or administrative prohibitions, strikes, labor difficulties, mill shutdowns, mill closure, acts of God, act of public enemies, fire, riot, accident, weather conditions, delivery interruptions or other causes beyond the control of the parties, either party shall be prevented from producing, furnishing, receiving, or shipping said Product affected and upon written notice to the other party, the affected party shall be released from its obligations hereunder, except for its payment obligations.

Governing Law

- ◆ This agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware.