

PwC Chain of Custody/ Controlled Wood/ SFI On- Product Rules: Fiber Sourcing Program

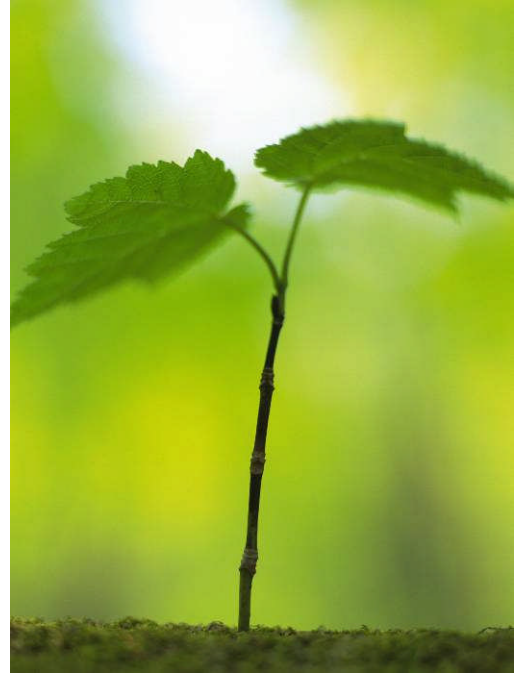
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Why PwC?

PricewaterhouseCoopers LLP (PwC) is a recognized industry leader in Chain of Custody (CoC), Sustainable Forest Management (SFM), Quality Management System (QMS), Occupational Health & Safety (OHS) and Environmental Management System (EMS) assessments and certification. This document provides a summary of our qualifications. Appendix A contains a description of our Certification Program.

The firms of the PwC network provide industry-focused assurance, tax and advisory services to enhance value for their clients in the forest products sector and other industries. More than 161,000 people in 154 countries in firms across the PwC network share their thinking, experience and solutions to develop fresh perspectives and practical advice. In Canada, PricewaterhouseCoopers LLP (www.pwc.com/ca) and its related entities have more than 5,700 partners and staff in offices across the country. Visit www.pwc.com/ca/fpp for more information on our Forest, Paper & Packaging practice.



Mission

In North America and around the world, PwC is dedicated to helping organizations solve complex business problems, and to monitoring and enhancing performance in an ever-changing world. We combine an extensive knowledge of business trends, industry expertise, and a creative approach to problem solving to develop solutions that measurably enhance our clients' ability to meet their objectives, manage risk, and improve performance.

System Assessment Philosophy

We pride ourselves in making our assessments valuable to your organization and informative to your staff. Industry specialization is at the heart of our commitment to exceptional client service. We bring experience, international industry best practices, and a wealth of specialized resources to help resolve virtually any business issue.

Sustainability, including environmental and occupational health and safety management, is now an integral component of the corporate agenda. We help organizations define their strategic vision for a sustainable future, improve their operational processes and sustainability management systems, and report on their sustainability performance. Our Sustainable Business Solutions practice draws on the combined experience of more than 400 sustainability specialists in 30 countries around the world.

PricewaterhouseCoopers conducts certification assessments to a variety of CoC Standards, including the Sustainable Forestry Initiative® (SFI) Chain of Custody, On-Product Label Rules: Fiber Sourcing, PEFC Annex 4, PwC ICoC™:2005 CoC, Forest Stewardship Council (FSC) Chain-of-Custody, FSC Controlled Wood, and FSC Sourcing of Reclaimed Material Standards. We also conduct SFI, CSA Z809, ISO 14001, ISO 9001, and OHSAS 18001 management system assessments. We have considerable experience working with integrated management system issues, and will provide practical input for your ongoing certification initiatives. By working with PwC you will benefit from our pragmatic approach to certification programs.

Our Experience

PricewaterhouseCoopers is recognized as an industry leader in the provision of certification services to the forest sector. We have been completing assessments to a range of management system standards in North America for over 20 years. Senior members of our staff contribute to various advisory groups that develop standards for environmental and sustainability systems. For example, members of our team have participated in the development of the ISO 14001 and CSA Sustainable Forest Management Standards, and have chaired the SFI Auditor's Forum. In addition, PwC staff are frequently asked to contribute articles and attend conferences that address sustainability issues. We also organize annual "Thought Leadership" conferences in the forest industry. Our 24th annual conference is scheduled for May 11th, 2011 in Vancouver (www.pwc.com/forestconf11).

In addition to the forest sector projects outlined above, we have conducted numerous ISO 14001, ISO 9001 and OHSAS 18001 single and multi-site registration engagements in other industry sectors.

Our Assessment Team

We have assembled a team of assessors with specific expertise and experience to assess your operations to the requirements of the applicable standards.

As the partner responsible for our management systems and product certification programs, Bruce McIntyre will have quality control responsibility for the project, including issuance of the final certification documents. Bruce Eaket leads our certification programs in the forest sector.

One of PwC's Lead Assessors will be responsible for planning and conducting your assessment, selecting assessment team members in discussion with you, and preparation of the internal assessment report and external certification documents. He or she will be supported by other PwC staff, as required. A description of the assessment team and experience appropriate to the scope of your project will be included in a proposal that is tailored to your needs.

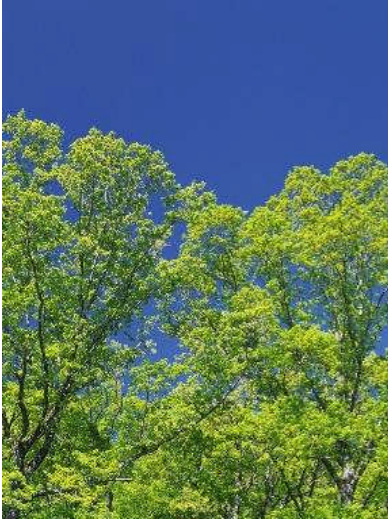
External Technical Specialists

PricewaterhouseCoopers has built an extensive network of technical specialists across North America who may be called upon to support our assessment teams.

PwC will ensure that that each assessor assigned to your certification file is independent and qualified for the engagement.



Appendix A – Program Description



The PricewaterhouseCoopers Certification Program consists of four stages:

- application/engagement
- certification assessment
- certification communication and logo use agreement; and
- surveillance assessment/monitoring

Each stage is summarized below.

Stage 1: Application/Engagement

Upon receiving a request from a potential certification client describing the standard(s) they wish to be certified to and the scope of the certification(s), PwC will complete an independence check before providing a proposal and fee quote (initial implementation assessment and subsequent surveillance assessment/monitoring), including a description of our certification Program. When the client indicates they are ready to proceed with the certification, we will initiate the engagement process, which includes our client acceptance process and the preparation of a formal engagement letter for signature. The engagement letter includes client rights and responsibilities relating to:

- Project scope;
- The types of reports that will be issued;
- PwC Responsibilities including assessment structure and limitations;
- Client Responsibilities including communications, available information/personnel, conformance with the PwC Chain of Custody Certification Program, etc.
- Confidentiality requirements for both parties
- Liability and Indemnification
- Team members;
- Timing, Fees and Invoicing; and,
- Other matters such as legal jurisdiction, etc.

PwC charges fees for the scope of certification services agreed to with each client. PwC may also collect fees on behalf of Standards bodies such as FSC, PEFC and SFI.

PwC shall only issue (or re-issue) a certificate to the FSC, SFI or PEFC Standards when the Company has:

- a) entered into and holds a valid License Agreement for the applicable Certification Scheme, which is not suspended;
- b) complied with the requirements of all applicable standards and normative documents;
- c) signed an Engagement Letter which shall include:

- i. agreement to comply with any conditions set by the certification body for the issue of a certificate;
- ii. agreement to inform PwC of changes in management circumstances and/or resource conditions that could materially impact the continued validity of the certification;
- iii. provisions to ensure the right of the certification and accreditation bodies to access their respective premises as well as access to all documentation and information deemed necessary by the certification body;
- iv. provisions that in case of reduction, suspension or withdrawal of the scope of certification body's (i.e. PwC) accreditation, the certificates of the affected clients will be suspended within six (6) months after the date of reduction, suspension or withdrawal of the respective scope of accreditation. ;
- v. [FSC] provisions ensuring the right to use information which is brought to the attention of the certification body to follow up on infringements of the FSC Trademarks and of the intellectual property rights held by FSC;
- vi. [FSC] provisions ensuring that the client acknowledges the title of the FSC's intellectual property rights and that FSC shall continue to retain full ownership of the intellectual property rights and that nothing shall be deemed to constitute a right for the Company to use or cause to be used any of the intellectual property rights.

In order for a client to maintain a valid certificate they shall:

- a. comply and continue to comply with all the certification body's conditions for maintaining and re-issuing of the certificate, including but not limited to the full implementation of any actions required to correct minor non-conformances that were identified prior to the issue of the certificate;
- b. comply with all of the requirements regarding claims, logos, certification marks or trademarks;
- c. correct any major non-conformances with the applicable standard(s) within the maximum period specified by PwC;
- d. continue to pay all specified fees and costs in a timely manner; and
- e. undergoes surveillance as determined by PwC.

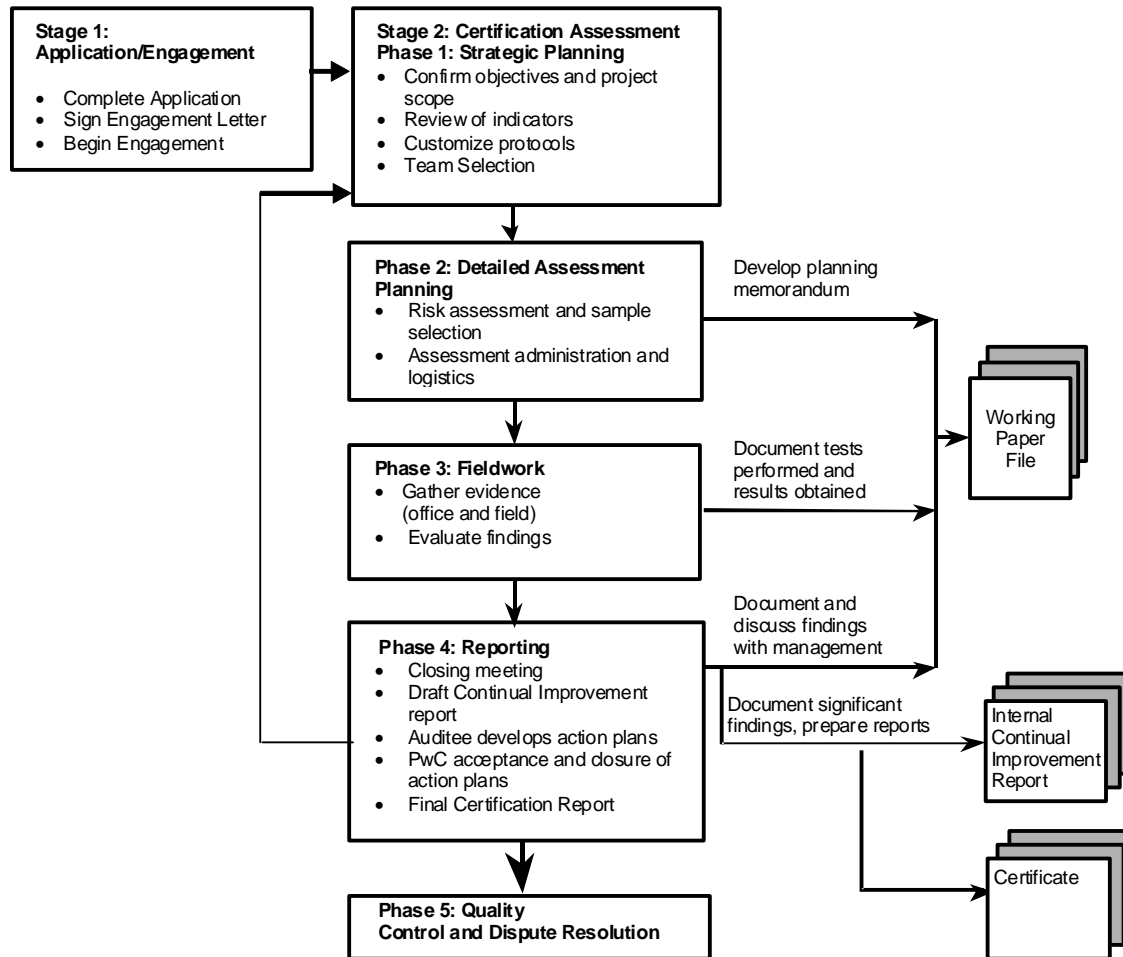
The conditions necessary for PwC to change the scope of a certificate shall include the following requirements:

- a. the change of scope shall not include or result in an extension of the certificate's expiry date beyond the time period for which it was originally issued;
- b. PwC reserves the right to inspect the site of the certified operations before deciding whether or not to grant a change to the scope of the certificate;
- c. if PwC considers that a change in scope is significant in terms of area, management or operational implications then PwC may request to inspect the site before the change of scope is granted;
- d. if PwC grants a change of scope, PwC will review the wording of the certificate previously issued and if necessary shall require that the old certificate be returned to PwC or destroyed by the client, and in that event a new certificate shall be issued with revised wording reflecting the change of scope.

Stage 2: Certification Assessment

The Certified Fiber Sourcing or CoC certification assessment process is depicted by the following flow chart and includes 5 phases: Strategic Assessment Planning; Detailed Planning; Fieldwork; Reporting, Continual Improvement; and Dispute Resolution. Each phase is described in more detail below.

PricewaterhouseCoopers Assessment Process



Assessment Phase 1: Strategic Assessment Planning

As part of our assessment process the PwC assessment team may request required documentation 2 to 3 weeks prior to the on-site assessment. Our planning process also includes assessment of the following information, with testing on a sample basis during the assessment

- The requirements of the Standard(s). We also review and discuss regional issues and regulatory requirements. We then customize the assessment protocols as appropriate.
- Management systems designed to ensure conformance to the Standards. For example, CoC data tracking systems and reporting.
- Either supplier assertions or supplier CoC claims relied upon by your organization.

The evaluation of conformance with these requirements involves an assessment of office and facility activities. As a final step in the strategic assessment planning phase, we confirm the members of the assessment team. Where we utilize external expertise we evaluate their technical experience, regional knowledge and assessment experience, conduct reference checks and confirm their independence from the operation to be assessed.

Assessment Phase 2: Detailed Assessment Planning

The key to success of any assessment is careful planning, including the assessment sample and logistics. A planning meeting conference call will be held to determine the final assessment details and itinerary and will occur 3 to 4 weeks before the on-site assessment occurs. The objectives of the detailed planning phase include

- Discussing documentation requirements
- Identifying and discussing any key operational issues
- Conducting a risk assessment
- Choosing the sample
- Addressing logistical and administrative requirements.

In order to meet the system assessment standards that govern our work, we select a representative sample of operations to review from both an office planning and field performance perspective. The process for developing the field assessment includes a risk assessment of operations conducted through discussions with the company and other sources, combined with an evaluation of relevant documents. Risk issues identified during the planning process may include:

- Fibre received from suppliers, both domestic and offshore
- Claims made by suppliers
- Internal assessment results

A planning memorandum is prepared after the planning process, which includes documentation of the assessment and logistics. A copy of a planning memo is provided to each operation included in the assessment.

Assessment Phase 3: Fieldwork

In this phase, CoC management systems are tested through a process of reviewing policies, data, and reports, including interviews with key staff.

In the field, the assessment team confirms operational compliance to the applicable requirements at manufacturing plants and other facilities, the company's programs designed to implement the process, and internal policies.

Assessment Phase 4: Reporting

The following reports will be produced by PricewaterhouseCoopers:

- A Chain of Custody Certificate to the applicable Standard(s)
- An internal Continual Improvement Report. The draft continual improvement report is sent to you for review and comments prior to being finalized.

Findings within the Continual Improvement Report are classified as shown in the following Table:

Issue	Nature of Assessment Evidence	Registrant Action Required
Conformity	Fully meets the requirements of the applicable Standard	None
Opportunities for Improvement	Identifies opportunities for improvement in the management system. An area of concern, a process, document or activity that is currently conforming but may, if not improved, result in a nonconforming system, product or service.	These issues do not indicate nonconformity with the applicable Standard, but could indicate potential for nonconformity in the future if not addressed. These issues may also be identified by PwC as opportunities to strengthen the management system. Although not required to complete the certification process, these issues could be addressed, as appropriate, in an action plan, which will be reviewed prior to completion of the certification process.
Minor Nonconformity	A minor nonconformity is any one or a combination of the following: a) one of the requirements of the applicable Standard has not been fully documented; or b) part of one of the requirements of the applicable Standard has not been effectively implemented or maintained. c) An isolated or sporadic lapse in the content or implementation of procedures or records which could reasonably lead to a systematic failure or significant deficiency of the system if not corrected. If	Client is allowed sixty (60) days from the closing meeting date to address the minor nonconformity. The client must provide an action plan to PwC indicating how the minor nonconformity has been corrected prior to completion of the certification process. A follow up site visit may be required. This will be determined on a case-by-case basis, depending on the nature of the minor nonconformity.

a pattern of minor NCs occurs over successive assessments, it may represent a systematic failure or significant deficiency of the system and a major NC shall be issued.

The certificate will be issued, subject to acceptance by PwC of the corrective action plan.

Major Nonconformity

A major nonconformity is any one or a combination of the following:

- a) one or more requirements of the applicable Standard has not been documented; or
- b) one or more requirements of the applicable Standard has not been effectively implemented or maintained; or
- c) the absence of one or more requirements of the applicable Standard; or
- d) several minor nonconformities exist that, taken together, lead the assessor to conclude that one or more of the requirements of the applicable Standard has not been effectively implemented or maintained;
- e) recurring evidence of ineffective corrective action of a previously issued minor nonconformity; or
- f) The absence of a valid 'License Agreement for the FSC Certification Scheme' shall be treated as a formal major nonconformity which has to be corrected in a period of maximum four (4) weeks. Failure to close this major nonconformity shall lead to the suspension of the certificate.

Client is allowed sixty (60) days from the closing meeting date to address the major nonconformity (except for clause f).

The client must provide sufficient evidence to PwC indicating how the major nonconformity has been corrected prior to completion of the certification process.

A follow up site visit is typically required to determine if the corrective action has been effectively implemented. The site visit would be a focussed assessment covering the issue(s) that resulted in the major nonconformity.

The certificate will be withheld, subject to confirmation that the major nonconformity has been adequately resolved

The occurrence of five or more major non-compliances in a surveillance assessment shall be considered as a breakdown of the company's Chain of Custody system and the certificate shall be suspended immediately.

A closing meeting will be held on the final day of the assessment, at which time a written or verbal draft of the Continual Improvement Report will be reviewed and discussed. The Continual Improvement Report is intended for the Company's internal use. The assessment reports will be finalized once the PwC internal Quality Review process has been completed.

Our responsibility includes delivery of reports and a Certificate. Responsibility for action plan development, implementation and follow-up in response to findings identified by the assessment team rests with the client. These issues will be reviewed during subsequent Surveillance Assessments and the Re-certification Assessment, as appropriate.

Assessment Phase 5: Quality Control Continual Improvement and Dispute Resolution

Our internal Quality Review Committee (QRC) is responsible for the ongoing management and continual improvement of the certification practice and has the responsibility of ensuring quality through the review of each certification assessment. Our firm's quality control policies and procedures are supported by our comprehensive Business Management System (BMS) that governs the delivery of all management system and certification assessment services. The BMS allows PricewaterhouseCoopers to ensure quality in all aspects of our services. All

members of our team (internal staff and external assessors) are aware of their operational and functional duties and services that pertain to ensuring quality.

Our working relationship with all of our clients is of paramount importance to PricewaterhouseCoopers. With regard to our process for dispute resolution, we believe that our client relationship and accountability begins with our assessment teams. Our assessment teams will de-brief with your local staff on a daily basis to ensure that if technical disagreements arise, they are discussed, reviewed, and investigated internally as necessary by PwC to achieve acceptable resolution at the operational level. The engagement partner is available for further discussion as necessary, and formal appeal procedures are available if necessary.

Stage 3: Certification Communication and Logo-Use Agreement

Upon successful certification, the client will receive the reports mentioned above and will be required to adhere to the certification communication requirements detailed in the engagement letter. If the client chooses to utilize the PwC logo or other Certification marks, or logos, we will provide you with a logo-use agreement for your signature, which includes detailed information on the use of the logo or mark. If you choose to utilize the FSC trademark or Certification Marks, approvals for each new application must be made to, and approved by PwC. If you choose to utilize the PEFC and/or SFI logos or Certification Marks, separate agreements must be made with those organizations.

FSC, PEFC and SFI maintain on-line directories of certified products and their suppliers and once the client is certified, PwC will work with you to ensure the required information is submitted to those directories.

Stage 4: Surveillance Assessment/Monitoring

All of the standards require an annual surveillance assessment to ensure the client is continuing to maintain their CoC system and processes in conformance to the standard. While conducting the surveillance assessment, the assessment team will also be monitoring the client's conformance to the other elements of the PwC Certification Program as outlined in the engagement letter and related agreements.

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