



MERCER INTERNATIONAL INC.

**AMENDED AND RESTATED
CORPORATE GOVERNANCE GUIDELINES**

Adopted on May 31, 2017

**MERCER INTERNATIONAL INC.
CORPORATE GOVERNANCE GUIDELINES**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	3
PART A <u>BOARD OF DIRECTORS</u>	4
PART B <u>AUDIT COMMITTEE</u>	9
PART C <u>GOVERNANCE AND NOMINATING COMMITTEE</u>	15
PART D <u>COMPENSATION AND HUMAN RESOURCES COMMITTEE</u>	19
PART E <u>ENVIRONMENTAL, HEALTH AND SAFETY COMMITTEE</u>	22
PART F <u>EXECUTIVE CHAIRMAN OF THE BOARD</u>	25
PART G <u>LEAD DIRECTOR</u>	26
PART H <u>CHIEF EXECUTIVE OFFICER</u>	29

APPENDICES

- A. Corporate Chart
- B. List of Directors
- C. List of Committee Members
- D. Code of Business Conduct and Ethics
- E. Securities Law Compliance Policy
- F. Bylaws

INTRODUCTION

Mercer International Inc. (the "Company") is a corporation amalgamated under the laws of the State of Washington in 2006. The Company's shares trade on the NASDAQ Stock Market's Global Market under the symbol "MERC" and the Toronto Stock Exchange under the symbol "MRI.U". The Company is in the NBSK pulp business with its current operations primarily located in Germany and Canada.

The board of directors (the "Board") of the Company is elected annually at the Company's Annual General Meeting. The directors of the Company are responsible to its shareholders to ensure that proper standards of good governance are adhered to by the Company. The purpose of the Corporate Governance Guidelines set forth below is to assist the directors in ensuring that the Company adheres to such standards and to set forth terms of reference for various Board committees and for various corporate officers.

TERMS OF REFERENCE FOR THE BOARD

1. PURPOSE

- 1.1 The directors are responsible for managing or supervising the management of the business and affairs of the Company. Directors do not conduct day-to-day management of the Company; that is the responsibility of the Executive Officers.
- 1.2 In discharging their responsibility, among other things, the directors should:
- (i) require management to develop and maintain a strategic planning process and to bring its strategic and operating plans to the Board for review and approval on an annual basis or such other basis as may be required by the Board;
 - (ii) approve all capital plans and establish priorities in the allocation of funds for major capital projects on an annual basis or such other basis as may be required by the Board;
 - (iii) require management to implement appropriate procedures and systems to attempt to identify the principal risks to the Company's business;
 - (iv) plan for senior management succession, including the appointment of and monitoring of senior management's performance;
 - (v) require senior management to develop and maintain a strategy to communicate effectively with its security holders, investment analysts and the public generally and to accommodate and address feedback from security holders;
 - (vi) require management to maintain internal control and management information systems and, through Board committees or otherwise, to monitor these systems as it considers fit;
 - (vii) require senior management to implement systems to ensure the Company operates within applicable laws and regulations;
 - (viii) review and approve and, as required, revise the environmental policies and compliance programs of the Company and monitor the Company's environmental management systems and results;
 - (ix) review actual results achieved by the Company against the objectives contained in the Company's plans and implement or cause to be implemented corrective action where indicated;

TERMS OF REFERENCE FOR THE BOARD

- (x) arrange for the operating results of the Company to be presented by management to the Board on a regular basis;
 - (xi) require that the Board be kept reasonably informed of the Company's activities and performance and take appropriate action to correct inadequate performance;
 - (xii) authorize the issuance of equity and debt securities of the Company;
 - (xiii) approve all public disclosure by the Company including press releases, financial results, management discussion and analysis, material change reports, registration statements, prospectuses and other public continuous disclosure documents other than: (a) interim quarterly financial statements and quarterly earnings releases, which may be approved by the Audit Committee; (b) press releases and public disclosure in the ordinary course of the Company's operations which do not include any earnings announcements, which may be approved by the Company's Chief Executive Officer and Chief Financial Officer, in consultation with the Company's legal counsel; and (c) press releases resulting from emergency or urgent situations which may be approved by the Company's Chief Executive Officer and Chief Financial Officer, in consultation with the Company's legal counsel; and
 - (xiv) review and consider all reports and recommendations of the Compensation and Human Resources Committee and approve all compensation of Executive Officers (including the Chief Executive Officer) and directors.
- 1.3 The Board will give direction and guidance to management and will also keep management informed of its evaluation of the performance of the Company and of its senior officers in achieving and carrying out the Board's established goals and policies, and in advising management of any remedial action or changes which it may consider to be necessary.

2. ORGANIZATION OF THE BOARD

- 2.1 The composition of the Board shall comply with applicable corporate and securities laws. In addition, it shall be comprised of a majority of directors who qualify as "independent directors" for the purposes of the listing standards of the Nasdaq Global Market and as "unrelated directors" for the purposes of the corporate governance guidelines established by the Toronto Stock Exchange.
- 2.2 Each year the Board shall review the relationship that each director has with the Company in order to satisfy themselves that the independence criteria have been met.

TERMS OF REFERENCE FOR THE BOARD

- 2.3 Directors are expected to exercise their business judgment to act in good faith, on an informed basis and in what they reasonably believe to be the best interest of the Company and its shareholders. Directors are expected to attend the meetings of the Board and the committees on which they serve and to review in advance materials distributed before the meeting.
- 2.4 The Board believes that director attendance at shareholder meetings is appropriate and can assist directors in carrying out their duties. When directors attend shareholder meetings, they are able to hear directly shareholder concerns regarding the Company. The Board expects that directors will attend annual shareholder meetings.
- 2.5 Directors shall become stockholders of the Company within sixty days after their election to the Board. Non-employee directors generally receive common stock when they are reelected. Non-employee directors are also able to defer Board compensation pursuant to a plan in which they receive common stock. These plans and incentives help align non-employee directors' interests with shareholders' interests. The Board believes that the number of shares of the Company's common stock owned by each director is a personal decision. The Board maintains a target share ownership guideline for non-employee directors equal to three times the amount of cash retainer for Board service, with three years as expected time to achieve the target.
- 2.6 Directors shall not serve on the board of more than four (4) public companies, including the Company, except with the prior approval of the Governance and Nominating Committee.
- 2.7 There is no limit on the number of terms a director may serve.
- 2.8 As part of every regularly scheduled quarterly meeting of the Board, the non-management directors shall meet in the absence of management. Such executive sessions shall be chaired by the Lead Director and may be held in person or by teleconference or other means of telecommunications acceptable to the non-management directors.
- 2.9 The Board will annually:
- (i) appoint an Audit Committee, a Governance and Nominating Committee, a Compensation and Human Resources Committee and an Environmental, Health and Safety Committee and establish the duties, powers and responsibilities of these committees;
 - (ii) appoint a chairman of the Board and prescribe his or her duties and responsibilities;

TERMS OF REFERENCE FOR THE BOARD

- (iii) appoint the Chief Executive Officer of the Company and prescribe his or her duties and responsibilities;
 - (iv) appoint a Lead Director, if the same person is appointed as Chairman and Chief Executive Officer or the Chairman is not "independent" under applicable law or the rules of any exchange or quotation system upon which the Company's securities are listed or quoted; and
 - (v) on the recommendation of the Chief Executive Officer, appoint the officers of the Company reporting directly to the Chief Executive Officer, approve all changes therein, and approve the senior management structure of the Company.
- 2.10 The Board shall meet at least 4 times during the each year on dates determined by the Board and also at any other time or times at the call of the Chairman or of any two members of the Board. Board meetings may be called on 48 hours' notice.
- 2.11 In the event of a change of the status or credentials underlying a director's appointment to the Board, the director so affected should, on his or her own initiative, discuss the change with the chairman of the Governance and Nominating Committee so that there is an opportunity for the Board through the Governance and Nominating Committee to review the continued appropriateness of Board membership under his or her new circumstances. Each case will be dealt with on its own merits, but as a rule a director is expected to tender his or her resignation if there is a change in his or her credentials and circumstances.
- 2.12 In an uncontested election, any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" such election (a "majority withheld vote") will promptly tender his or her resignation as a director. The Governance and Nominating Committee, without participation by any director so tendering his or her resignation, will consider the resignation offer and recommend to the Board whether to accept it. The Board, without participation by any director so tendering his or her resignation, will act on the Committee's recommendation within 90 days following certification of the shareholder vote. The Company will promptly disclose the Board's decision, and, if the Board rejects the resignation offer, the Board's reasons for that decision. If each member of the Governance and Nominating Committee received a majority withheld vote at the same election, then the independent Directors who did not receive a majority withheld vote will act as a committee to consider the resignation offers and recommend to the Board whether to accept them. This policy shall be disclosed in each proxy statement relating to the election of the Company's directors.

TERMS OF REFERENCE FOR THE BOARD

- 2.13 Unless specified otherwise, the following procedural rules apply to committees of the Board:
- (i) Each committee shall meet on the call of the chairman of the committee or of two members of the committee or of the chairman of the Board or the Chief Executive Officer;
 - (ii) The quorum for the conduct of business of a committee shall be a majority of the number of its members. The committee shall have full power and authority to act notwithstanding that there may be one or more vacancies in its membership;
 - (iii) Unless the Board shall have appointed a chairman of the committee, the members of that committee shall elect a chairman from amongst their number;
 - (iv) The chairman of a committee shall appoint a secretary to take minutes of meetings and otherwise record the proceedings of the committee. Failing such appointment, the chairman of the committee shall also act as its secretary;
 - (v) Notice of a committee meeting shall be given by the chairman or the secretary orally or in writing at least 48 hours before a meeting;
 - (vi) In the exercise of its absolute discretion the Board may remove or replace any member of any committee and may fill any vacancies. Any member of a committee who shall for any reason cease to be a director of the Company shall *ipso facto* cease to be a member of that committee;
 - (vii) Any committee may appoint sub-committees of one or more people, a majority of whom must be members of the committee; and
 - (viii) Except as otherwise prescribed by the Board, the Articles and Bylaws of the Company applicable to the conduct and meetings of the Board shall apply *mutatis mutandis* to all committees.

TERMS OF REFERENCE FOR THE BOARD

INDICATIVE SCHEDULE FOR BOARD MATTERS

<i>Agenda Items</i>	J	F	M	A	M	J	J	A	S	O	N	D
Review of Plans and Reports												
(i) Review strategic and operating plan					•					•		
(ii) Approve capital plans and establish priorities for allocating funds for major capital projects		•		•			•			•		
(iii) Review environmental policies and compliance programs recommended by the Health, Safety and Environmental Committee and all reports of such committee		•		•			•			•		
(iv) Review operating results		•		•			•			•		
(v) Review all reports of the Compensation Committee and approve compensation of Executive Officers and directors		•								•		
(vi) Review major proposed changes in labour relations policy, pricing policy or the operation of a facility (as needed)		•		•			•			•		
(vii) Review Code of Business Conduct and Ethics							•					
Appointment of Committees												
(i) Appoint Audit Committee, Governance and Nominating Committee, Compensation Committee, and Health, Safety and Environmental Committee and the Chairs thereof					•							
Appointment of Officers												
(i) Appoint the Chief Executive Officer, Chairman, Lead Director and other officers and establish powers and responsibilities					•							
(ii) Approve all changes to offices and approve the senior management structure of the Company (as needed)					•							

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE OF THE COMPANY

1. PURPOSE

The Audit Committee is appointed by the Board to assist the Board in monitoring: (1) the integrity of the financial statements of the Company; (2) the compliance by the Company with legal and regulatory requirements; and (3) the qualifications, appointment, independence and performance of the Company's external auditors and senior finance executives.

The Audit Committee shall consist of at least 3 directors as determined by the Board. The members of the Audit Committee shall meet the independence and experience requirements of any exchange or quotation system upon which the Company's securities are listed or quoted. In particular, the Chairman of the Audit Committee shall have accounting or related financial management expertise, and all members are to be independent as determined in accordance with applicable law, including the *Sarbanes-Oxley Act of 2002* and the rules and regulations of the Securities and Exchange Commission promulgated thereunder. At least one of the members (which may be the Chairman) shall be a financial expert as defined by applicable rules, regulations and statutes. The members of the Audit Committee shall be appointed by the Board.

The Audit Committee may request any officer or employee of the Company and its subsidiaries or the Company's outside counsel or independent auditor to attend meetings of the Committee or to meet with any members of, or consultants to, the Committee.

The Company shall provide funding to compensate: (i) any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; and (ii) any independent legal, accounting or other consultants employed by the Audit Committee. The Company shall also provide funding for the Audit Committee's ordinary administrative expenses that are necessary or appropriate in carrying out its duties.

The Audit Committee shall make regular reports to the Board.

The Audit Committee shall have the following authority and responsibilities:

1. To review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
2. To review the annual audited financial statements with management and the Company's independent auditor, including: (i) matters required to be reviewed under applicable legal and regulatory requirements; (ii) major issues regarding accounting and auditing principles and practices; and (iii) the adequacy of internal controls that could significantly affect the Company's financial statements.

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE OF THE COMPANY

3. To review an analysis prepared by management and the independent auditor of significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including an analysis of the effect of alternative GAAP methods on the Company's financial statements and a description of any transactions as to which management obtained Statement on Auditing Standards No. 50 letters.
4. To review with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures and variable interest entities on the Company's financial statements.
5. To review with management and the independent auditor the Company's quarterly financial statements prior to the filing of its Form 10-Q, including the results of the independent auditors' reviews of the quarterly financial statements.
6. To prepare the report required for the Company's annual proxy statement pursuant to the rules of the Securities and Exchange Commission.
7. To meet periodically with management to review the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
8. To discuss with management and the independent auditor, as appropriate, earnings press releases and approve, as required, all quarterly earnings press releases and financial information provided to rating agencies.
9. To review major changes to the Company's auditing and accounting principles and practices as suggested by the independent auditor, internal accounting or financial personnel or management.
10. The sole authority to select, evaluate, oversee and, if necessary, replace the Company's independent auditor or any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. Each independent auditor or registered public accounting firm engaged for the Company or the Audit Committee shall report directly to the Audit Committee.
11. The sole authority to approve all audit engagement terms and fees to be paid to the independent auditor for audit services.
12. The authority to engage independent counsel and other advisors as it deems necessary to carry out the duties and responsibilities of the Audit Committee.

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE OF THE COMPANY

13. To review the experience and qualifications of the senior members of the independent auditor team, the quality control procedures of the independent auditor and the rotation of the lead partner and reviewing partner of the independent auditor.
14. To review and discuss with the external auditors the scope of the annual audit and the results of the annual audit examination by the external auditors.
15. To pre-approve the retention of the independent auditor for all audit and any permitted non-audit services to be provided by any independent public accountants, including tax services, and the fees for such non-audit services.
16. To receive periodic reports from the independent auditor regarding the auditor's independence, discuss such reports with the auditor, consider whether the provision of non-audit services is compatible with maintaining the auditor's independence and, if so determined by the Audit Committee, recommend that the Board take appropriate action to satisfy itself of the independence of the auditor.
17. To evaluate the performance of the independent auditor and whether it is appropriate to adopt a policy of rotating independent auditors on a regular basis. If so determined by the Audit Committee, recommend that the Board replace the independent auditor.
18. To review and pre-approve any hiring by the Company of employees of the independent auditor who were engaged on the Company's account.
19. To review the appointment and replacement of the senior accounting and financial executives.
20. To review the significant reports to management prepared by the internal accounting and financial personnel and management's responses.
21. To obtain from the independent auditor assurance that Section 10A of the Securities Exchange Act of 1934 has not been implicated.
22. To obtain reports/confirmation from management, the Company's senior accounting and financial personnel and the independent auditor that the Company's subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's Code of Business Conduct and Ethics, including disclosures of insider and affiliated party transactions.
23. To discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 114 relating to the conduct of the audit.

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE OF THE COMPANY

24. To review with management and the independent auditor any correspondence with regulators or governmental agencies and any employee or anonymous complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
25. To review with the independent auditor any problems or difficulties the auditor may have encountered and any disagreements between the independent auditor and management of the Company and any management letter provided by the auditor and the Company's response to that letter. Such review should include:
 - (a) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information, and any disagreements with management;
 - (b) The internal accounting and financial responsibilities; and
 - (c) The investigation and implementation of the resolution of any disagreement between the independent auditor and the management of the Company.
26. To assist the Board with overseeing the Company's policies and procedures regarding compliance with applicable laws and regulations and to review the Company's Code of Business Conduct and Ethics to monitor compliance with such Code of Business Conduct and Ethics. The Audit Committee shall receive any corporate attorney's reports of evidence of a material violation of securities laws or breaches of fiduciary duty by the Company.
27. To meet at least quarterly with the chief financial officer and the independent auditor in separate executive sessions.
28. To review with management material matters relating to tax and insurance.
29. To review and consider transactions with related parties and/or affiliated transactions.
30. To review and approve or ratify, on at least an annual basis, summary expense reports and reimbursements of the Chairman, Chief Executive Officer and Chief Financial Officer.
31. To establish procedures for: (i) the receipt, retention, processing, treatment and resolution of complaints regarding accounting, internal controls or auditing matters; and (ii) the confidential, anonymous submission by the Company's employees of concerns regarding auditing or accounting matters.

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE OF THE COMPANY

32. To review and investigate any matters pertaining to the integrity of management, including conflicts of interest or adherence to standards of business conduct as required in the policies of the Company.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditor. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor or to assure compliance with laws and regulations and the Company's Code of Business Conduct and Ethics.

2. ACCOUNTABILITY

- 2.1 The minutes of all meetings of the Committee will be made available for review by any member of the Board on request to the Chairman of the Committee.

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE OF THE COMPANY

INDICATIVE SCHEDULE FOR THE AUDIT COMMITTEE MATTERS

<i>Agenda Items</i>	J	F	M	A	M	J	J	A	S	O	N	D
Review of Financials												
(i) Review and reassess the adequacy of the Audit Committee Charter							•					
(ii) Review the annual audited financial statements with management and the auditor		•										
(iii) Review analysis prepared by management and the auditor of significant financial reporting issues and judgments		•		•			•			•		
(iv) Review with management and the auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures and variable interest entities		•		•			•			•		
(v) Review with management and the auditor the Company's quarterly financials		•		•			•			•		
(vi) Prepare the report required for the Company's annual proxy statement				•								
Review of Personnel												
(i) Review qualifications of the senior members of the auditor team, quality control procedures and the rotation of partners							•					
(ii) Review and discuss with the auditors the scope of the annual audit and results		•					•					
(iii) Pre-approve the retention of the auditor for all audit and permitted non-audit services							•					
(iv) Review and pre-approve any hiring by the Company of employees of the auditor (as needed)		•		•			•			•		
(v) Review the appointment and replacement of the senior accounting and financial										•		

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE OF THE COMPANY

Agenda Items	J	F	M	A	M	J	J	A	S	O	N	D
executives (as needed)												
General Duties												
(i) Review the significant reports to management prepared by the internal accounting and financial personnel		•		•			•			•		
(ii) Obtain from the independent auditor assurance that Section 10A of the Securities Exchange Act of 1934 has not been implicated		•										
(iii) Obtain confirmation from management and the auditor re: compliance with legal requirements and the Code of Business Conduct and Ethics		•		•			•			•		
(iv) Discuss with the auditor the matters required to be discussed by Statement on Auditing Standards No. 61		•										
(v) Review with management and the auditor any correspondence with regulators or governmental agencies and any employee or anonymous complaints which raise material issues regarding the Company's financials and accounting policies		•		•			•			•		
(vi) Review with the auditor any problems and difficulties the auditor may have encountered and any disagreements with management		•		•			•			•		
(vii) Review and approve summary expense reports and reimbursement of the Chairman, Chief Executive Officer and Chief Financial Officer		•										
(viii) Review and investigate any matters pertaining to the integrity of management (as needed)		•		•			•			•		

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE OF THE COMPANY

<i>Agenda Items</i>	J	F	M	A	M	J	J	A	S	O	N	D
(ix) Review with management material matters relating to tax and insurance		•		•			•			•		
(x) Review and consider transactions with related parties as scheduled and otherwise as required		•		•			•			•		
(xi) Review Whistleblower Policy and all reports thereon as scheduled and otherwise as required		•		•			•			•		
(xii) Meet with management and review the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures		•					•					

TERMS OF REFERENCE FOR THE GOVERNANCE AND NOMINATING COMMITTEE OF THE COMPANY

1. PURPOSE

The Governance and Nominating Committee shall act in an advisory capacity only to the Board (i.e. "review/recommend" matters to the Board) with respect to governance and nominating matters. In this regard, the purpose of the Committee is to:

- (i) manage the corporate governance system for the Board;
- (ii) assist the Board to fulfill its duty to meet the applicable legal, regulatory and (self-regulatory) business principles and 'codes of best practice' of corporate behavior and conduct;
- (iii) assist in the creation of a corporate culture and environment of integrity and accountability;
- (iv) in conjunction with the Lead Director, monitor the quality of the relationship between the Board and management of the Company;
- (v) review the CEO's succession plan;
- (vi) recommend to the Board nominees for appointment to the Board;
- (vii) lead the Board's annual review of the Chief Executive Officer's performance; and
- (viii) annually review and set the Board Forward Agenda.

2. COMPOSITION AND ORGANIZATION

- 2.1 Annually, following the Annual General Meeting of the Company, the Board shall elect from its members not less than three directors to serve on the Committee. The members of the Committee shall meet the independence requirements of the applicable Nasdaq rules.
- 2.2 The Board shall appoint one of the directors on the Committee as the Committee Chair.
- 2.3 Each member shall hold office until the close of the next Annual General Meeting of the Company or until the member resigns or is replaced, whichever first occurs.
- 2.4 The Committee shall meet as required but at least four times per year. Additional meetings may be held as deemed necessary by the Committee Chair or as requested by any two members.

**TERMS OF REFERENCE FOR THE GOVERNANCE AND NOMINATING COMMITTEE
OF THE COMPANY**

- 2.5 The Vice-President, Finance and Chief Financial Officer shall act as management advisor to the Committee.
- 2.6 The Committee may invite such directors, officers and employees of the Company or other advisors as it may see fit from time to time to attend meetings and assist in the discussion and consideration of the business of the Committee.

3. DUTIES AND RESPONSIBILITIES

3.1 Governance

- (i) Develop and monitor the Company's overall approach to corporate governance issues and, subject to approval by the Board, implement and administer this process.
- (ii) Advise the Board or any of the committees of the Board of any corporate governance issues which the Committee determines ought to be considered by the Board or any such committees.
- (iii) Review with the Board, on a regular basis, but not less than annually, the terms of reference for the Board, each committee of the Board, the Chairman, the Chief Executive Officer and the Lead Director.
- (iv) Review with the Board, on a regular basis, the methods and processes by which the Board fulfils its duties and responsibilities, including without limitation:
 - (a) the size and composition of the Board;
 - (b) the number and content of meetings;
 - (c) the annual schedule of issues to be presented to the Board at its meetings or those of its committees;
 - (d) material which is to be provided to the directors generally and with respect to meetings of the Board or its committees;
 - (e) resources available to the directors; and
 - (f) the communication process between the Board and management.

**TERMS OF REFERENCE FOR THE GOVERNANCE AND NOMINATING COMMITTEE
OF THE COMPANY**

- (v) Review and, as necessary, authorize a committee or an individual director to engage separate independent counsel and/or advisors at the expense of the Company in appropriate circumstances.
- (vi) Make recommendations to the Board regarding changes or revisions to the Board's Corporate Governance Guidelines;
- (vii) Evaluate and make recommendations to the Board concerning the appointment of directors to the committees and the selection of Board committee chairs;
- (viii) Annually evaluate and report to the Board on the performance and effectiveness of the Board and its committees;
- (ix) Annually, in conjunction with the Chief Executive Officer, evaluate the performance of the Company's management (other than the Chief Executive Officer). Conduct an annual review of succession planning and report its findings and recommendations to the Board;
- (x) Evaluate and lead the Board's annual review of the Chief Executive Officer's performance; and
- (xi) Annually review and evaluate its performance.

3.2 Nominations

- (i) Annually, in consultation with the Chairman of the Board and the Chief Executive Officer, present to the Board a list of individuals recommended for election to the Board at the annual meeting of shareholders.
- (ii) Before recommending an incumbent, replacement or additional director, review his or her qualifications, availability to serve, conflicts of interest and other relevant factors.
- (iii) Review, monitor and make recommendations regarding new director orientation and the ongoing development of existing Board members.

4. ACCOUNTABILITY

- 4.1 The Committee shall report to the Board of Directors at its next regular meeting all deliberations and actions it has taken since the previous report.
- 4.2 The minutes of all meetings of the Committee will be made available for review by any member of the Board on request to the Chairman of the Committee.

**TERMS OF REFERENCE FOR THE GOVERNANCE AND NOMINATING COMMITTEE
OF THE COMPANY**

INDICATIVE SCHEDULE FOR THE GOVERNANCE AND NOMINATING COMMITTEE MATTERS

<i>Agenda Items</i>	J	F	M	A	M	J	J	A	S	O	N	D
General duties												
(i) Lead the Board's annual review of the Chief Executive Officer's performance		•										
(ii) Recommend nominees for appointment to the Board				•	•							
(iii) Review and set the Board Forward Agenda		•		•	•		•			•		
(iv) Review with the Board the terms of reference for the Board, each committee, the Chairman, the Chief Executive Officer and the Deputy Chairman (if any)							•					
(v) Make recommendations to the Board regarding the Corporate Governance Guidelines							•					
(vi) Evaluate and report to the Board on the performance and effectiveness of the Board and its committees		•										
(vii) Evaluate the performance of management		•										
(viii) Conduct a review of the Chief Executive Officer's succession plan and report findings to the Board		•		•			•			•		
(ix) Review and evaluate its own performance		•										

TERMS OF REFERENCE FOR THE COMPENSATION AND HUMAN RESOURCES COMMITTEE OF THE COMPANY

1. PURPOSE

The Compensation and Human Resources Committee is appointed by the Board to: (a) discharge the Board's responsibilities relating to compensation of the Company's directors and officers; and (b) oversee the performance and development of the Company's senior executives. The Committee has overall responsibility for approving and evaluating the director and officer compensation plans, policies and programs of the Company. The Committee is responsible for reviewing the performance of senior executives and approving succession planning. The Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company's proxy statement.

2. COMPOSITION AND ORGANIZATION

The Committee shall consist of no fewer than two Board members. The members of the Committee shall at all times meet the independence requirements of the NASDAQ Stock Market and shall be Non-Employee Directors as defined in Rule 16b-3 under the *Securities and Exchange Act of 1934*, as amended.

The members of the Committee shall be appointed by the Board. Committee members may be replaced by the Board, as the Board shall determine from time to time. There shall be a Chairman of the Committee, who shall be appointed by the Board.

3. TIMETABLE

The Committee shall meet as often as necessary to carry out its responsibilities but at least twice per year. Meetings can be called by any member of the Committee.

4. DUTIES AND RESPONSIBILITIES

- Chief Executive Officer Compensation. The Committee shall annually review, evaluate and approve corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer, evaluate the Chief Executive Officer's performance in light of those goals and objectives, and recommend to the Board the Chief Executive Officer's compensation level based on this evaluation.
- Executive Officer Compensation. The Committee shall review and recommend to the Board executive officer (including Chief Executive Officer) compensation, including salary, bonus and incentive compensation levels; deferred compensation; executive perquisites; equity compensation (including awards to induce employment); severance arrangement; change-in-control benefits and other forms of executive officer compensation. The Committee shall meet without the presence of executive officers when approving Chief Executive Officer compensation but may invite the

TERMS OF REFERENCE FOR THE COMPENSATION AND HUMAN RESOURCES COMMITTEE OF THE COMPANY

Chief Executive Officer to be present during approval of other executive officer compensation.

- Plan Recommendations and Approvals. The Committee shall periodically review and make recommendations to the Board with respect to incentive compensation plans and equity-based plans. The Committee shall review and approve: (a) all tax-qualified, nondiscriminatory employee benefit plans; and (b) all parallel non-qualified plans pursuant to which (in the case of plans referred to in each of clauses (a) and (b)) options or stock may be acquired by officers, directors, employees or consultants of the Company.
- Incentive Plan Administration. The Committee shall exercise all rights, authority and functions delegated to it under all of the Company's stock option, stock incentive, employee stock purchase and other equity-based plans (including the Company's long-term incentive plan established in February 2008 (the "LTIP")) or by the Board, including, without limitation, the authority to interpret the terms thereof, to grant options thereunder, to make stock awards thereunder and to determine the vesting of all awards; provided, however, that, except as otherwise expressly authorized to do so by a plan or resolution of the Board, the Committee shall not be authorized to amend any such plan. The Committee shall also review, semi-annually, projected pro forma vesting and awards under the LTIP and the Company's policies and practices for accounting for such awards. The results of such review are to be provided to the Audit Committee.
- Director Compensation. The Committee shall periodically review and make recommendations to the Board with respect to director compensation (including compensation for members of committees of the Board).
- Management Stock Ownership. The Committee may, from time to time, establish equity ownership commitments for senior management of the Company in order to align the long-term interests of employees with those of shareholders and review such commitments at least annually.
- Annual Performance Goals. The Committee will review annual written goals and objectives of the senior executives of the Company, including the Chief Executive Officer. This review will be conducted in the fall of each year and will cover goals to be achieved in the following calendar year. Further, each spring, the Committee will review actual performance against previous year's goals to evaluate individual performance and, in turn, compensation levels.
- Succession Planning. The Committee will review and approve management's succession plans for all key executives and managers of the Company. While

TERMS OF REFERENCE FOR THE COMPENSATION AND HUMAN RESOURCES COMMITTEE OF THE COMPANY

succession planning is viewed as an ongoing process, the Committee will review this area two times a year.

- Training Requirements. The Committee, as part of succession planning, will review individual specific training requirements, including timing, for key executives and managers of the Company.
- Committee Report on Executive Compensation. The Committee shall prepare an annual report on executive compensation for inclusion where necessary in the Company's proxy statement.
- Charter. The Committee shall periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
- Consulting Arrangements. The Committee shall have the authority to retain and terminate any compensation consultant to be used to assist in the evaluation of executive officer compensation and shall have authority to approve the consultant's fees and other retention terms.
- Additional Powers. The Committee shall take such other action with respect to compensation matters as may be delegated from time to time by the Board.

5. ACCOUNTABILITY

- 5.1 The Committee shall report to the Board at its next regular meeting all deliberations and actions it has taken since the previous report.
- 5.2 The minutes of all meetings of the Committee will be made available for review by any member of the Board on request to the Chairman of the Committee.

TERMS OF REFERENCE FOR THE COMPENSATION AND HUMAN RESOURCES COMMITTEE OF THE COMPANY

INDICATIVE SCHEDULE FOR THE COMPENSATION COMMITTEE MATTERS

<i>Agenda Items</i>	J	F	M	A	M	J	J	A	S	O	N	D
General duties												
(i) Review, evaluate and approve corporate goals and objectives relevant to the CEO's compensation and evaluate his performance and recommend compensation levels		•								•		
(ii) Assess the performance of and review and recommend compensation levels for executive officers		•										
(iii) Review and make recommendations to the Board concerning incentive compensation plans and equity based plans.		•										
(iv) Review and approve: (a) all tax-qualified, non-discriminatory employee benefit plans and (b) all parallel non-qualified plans pursuant to which options or stock may be acquired		•										
(v) Exercise rights under the incentive plans, as delegated to the committee, including granting options if applicable		•		•	•		•			•		
(vi) Recommend compensation for directors		•			•							
(vii) Establish equity ownership commitments for senior management and directors					•							
(viii) Review reports from management concerning personnel appointments and priorities		•		•	•		•			•		
(ix) Prepare an annual report on executive compensation for inclusion in the Company's proxy statement				•								

TERMS OF REFERENCE FOR THE COMPENSATION AND HUMAN RESOURCES COMMITTEE OF THE COMPANY

<i>Agenda Items</i>	J	F	M	A	M	J	J	A	S	O	N	D
(x) Recommend changes to the Compensation Committee Charter							•					

TERMS OF REFERENCE FOR THE ENVIRONMENTAL, HEALTH AND SAFETY COMMITTEE OF THE COMPANY

1. PURPOSE

The purpose of the Environmental, Health and Safety Committee is to review on behalf of the Board the policies and processes implemented by management, and the resulting impact and assessments of all health, safety and environmental related activities of the Company.

More specifically the Environmental, Health and Safety Committee is to:

- 1.1 review and approve, and if necessary revise, the environmental, health and safety policies and environmental compliance programs of the Company;
- 1.2 monitor the Company's environmental, health and safety management systems including internal and external audit results and reporting;
- 1.3 provide direction to management on the frequency and focus of external independent environmental, health and safety audits.

2. COMPOSITION AND ORGANIZATION

- 2.1 Annually, following the Annual General Meeting of the Company, the Board shall elect from its members not less than two directors to serve on the Committee, which shall include the Chief Executive Officer.
- 2.2 The Board shall appoint one of the directors on the Committee as the Committee Chair.
- 2.3 Each member shall hold office until the close of the next Annual General Meeting of the Company or until the member resigns or is replaced, whichever occurs first.
- 2.4 The Committee shall meet at least four times per year. Additional meetings may be held as deemed necessary by the Committee Chair or as requested by any member. Environmental, health and safety on-site reviews, when appropriate, will be included in the regular Board tours of Company operations.
- 2.5 The Committee is authorized to request the presence at any meeting, a representative from the external advisors, senior management, legal counsel or anyone else it considers to be able contribute substantively to the subject of the meeting, including directors, officers and employees of the Company.

3. DUTIES AND RESPONSIBILITIES

- 3.1 The Committee shall have authority and shall be required to satisfy itself that:

**TERMS OF REFERENCE FOR THE ENVIRONMENTAL, HEALTH AND SAFETY COMMITTEE
OF THE COMPANY**

- (i) the Company has implemented appropriate environmental, health and safety policies and systems and provide guidance to management with respect to the policies and systems;
- (ii) the Company carries out appropriate internal environmental, health and safety audits and, as required, external environmental, health and safety audits;
- (iii) the Company has a policy for reporting findings to the Board;
- (iv) Company environmental, health and safety policies are current and that operations are in compliance;
- (v) management is taking appropriate steps to ensure compliance with regulatory standards;
- (vi) the Company's environmental, health and safety management system is meeting the needs of environmental, health and safety stewardship;
- (vii) the principle areas of environmental, health and safety risk and impacts are identified and that sufficient resources are allocated to address these;
- (viii) a plan is prepared each year which identifies the environmental, health and safety areas that the Committee expects to focus on; and
- (ix) overall company environmental, health and safety strategy is reviewed and approved.

4. ACCOUNTABILITY

- 4.1 The Committee shall report to the Board at its next regular meeting all deliberations and actions it has taken since the previous report.
- 4.2 The minutes of all meetings of the Committee will be made available for review by any member of the Board on request to the Chairman of the Committee.

**TERMS OF REFERENCE FOR THE ENVIRONMENTAL, HEALTH AND SAFETY COMMITTEE
OF THE COMPANY**

INDICATIVE SCHEDULE FOR THE HEALTH, SAFETY AND ENVIRONMENT COMMITTEE MATTERS

<i>Agenda Items</i>	J	F	M	A	M	J	J	A	S	O	N	D
General duties												
(i) Confirm that health, safety and environmental policies are satisfactory and that they are being appropriately applied		•		•			•			•		
(ii) Review and confirm that health, safety and environmental policies are current and revise them as necessary		•		•			•			•		
(iii) Review the charter of the committee							•					

TERMS OF REFERENCE FOR THE EXECUTIVE CHAIRMAN OF THE BOARD OF THE COMPANY

1. The Executive Chairman of the Board is responsible for developing the overall corporate strategy, providing leadership and building consensus in conjunction with the chief executive officer of the Company ("CEO"), in the development of the Company's overall strategic plan, capital markets activities and corporate development initiatives within the context of the corporate strategy. The Executive Chairman will primarily act as a key driver of the development of the strategy and the CEO will be primarily responsible for the execution of the strategy.

Additionally, the Executive Chairman has the following duties and responsibilities:

Strategic Matters

- (i) to work with the CEO to build a strong senior management group to ensure that the objectives, policies and procedures of the Company, as agreed to by the Board, are fully, promptly and properly carried out;
- (ii) to ensure that the Company's management strategies and business plans are founded on the creation of shareholder value;
- (iii) to work with the CEO to develop management strategies and business plans, provide guidance to, and act as a 'sounding board' for, the CEO with respect to the implementation of such strategies and plans and in cooperation with the CEO, ensure that such strategies and plans are appropriately represented to the Board;
- (iv) to work with the CEO and other senior management of the Company to oversee and monitor the progress of the implementation of the Company's management strategies and business plans;
- (v) to work with the Board to ensure that appropriate objectives and goals are established for the CEO and senior management and monitor and evaluate the performance of the CEO and senior management against these objectives; and
- (vi) to hold the CEO to account for executive actions and performance and ensure the Board is kept informed as required.

Relations with Shareholders, Stakeholders and the Public

- (i) to chair, when present, all meetings of the shareholders;
- (ii) to be a spokesman for the Company with respect to shareholders, investors, analysts, public, government and industry regarding the Company's assets, operations, strategic goals and initiatives;

**TERMS OF REFERENCE FOR THE EXECUTIVE CHAIRMAN OF THE BOARD
OF THE COMPANY**

- (iii) to ensure that the views of major shareholders are communicated to the Board and that the Board develops an understanding of those views;
- (iv) to work with the CEO to develop and implement effective communication strategies with shareholders, investors, analysts, public, government and industry regarding the Company's assets, operations, strategic goals and initiatives; and
- (v) to assist the CEO and other senior management, if requested by the CEO or the Board, in representing the Company in its dealings with all other interested parties.

Managing the Board

- (i) to chair, when present, all meetings of the Board except as otherwise provided herein;
- (ii) to be the senior spokesman for the Board in conjunction with the Lead Director and maintain its relations with senior management and to communicate with the CEO information and feedback by the Board;
- (iii) to assist the Board in the discharge of its duties and responsibilities relating to the review and approval of the following:
 - (i) corporate goals and policies of the Board;
 - (ii) strategies and business plans developed by management;
 - (iii) management, capital and operating plans, financial statements and management reports;
 - (iv) the declaration and payment of distributions/dividends;
 - (v) mergers, acquisitions, new projects, diversifications and expansions;
 - (vi) the allocation of resources;
 - (vii) equity and debt financing; and
 - (viii) the assessment of the performance of senior officers of the Company;
- (iv) to keep himself or herself informed about the business and affairs and short and long range plans of the Company and the industrial, political and financial trends and activities in the United States, Germany, Canada and elsewhere which affect the Company;
- (v) to direct the administrative functions which are necessary for the due and efficient performance and discharge by the Board of its duties and responsibilities;

**TERMS OF REFERENCE FOR THE EXECUTIVE CHAIRMAN OF THE BOARD
OF THE COMPANY**

- (vi) to review all information and material prepared by management for submission to the Board and to supervise the procedure whereby it is distributed in time for due consideration;
- (vii) to circulate to all directors, subject to reasonable safeguards, the minutes and proceedings of the Board;
- (viii) to work in close cooperation with the senior management of the Company and the Lead Director so that the policies, goals, decisions and directives of the Board are fully understood and implemented by the Company;
- (ix) to ensure senior management succession and development plans are presented to the Board annually;
- (x) to foster a harmonious and constructive relationship between management and the Board;
- (xi) to communicate with the Board to keep it up-to-date on all major developments;
- (xii) to develop, with input from the Lead Director, Board agendas and timetables for future meetings;
- (xiii) to ensure, in conjunction with the Lead Director, that the Committees are working effectively; and
- (xiv) to assume such other duties and responsibilities as may be assigned to him or her from time to time by the Board.

TERMS OF REFERENCE FOR THE LEAD DIRECTOR OF THE COMPANY

The Lead Director's role is to provide leadership to the non-management directors of the Board, ensure that the Board can operate independently of management, that directors have an independent leadership contact, assist in enhancing the Board's effectiveness and managing the Board and to liaise with management, the Board and other stakeholders as required. In addition, the Lead Director shall also be the Deputy Chairman of the Board. The responsibilities of the Lead Director include:

1. ENHANCING BOARD EFFECTIVENESS

- Ensuring the Board has adequate resources, especially by way of full, timely and relevant information to support its decision-making requirements;
- Establishing, in consultation with the Chairman and Chief Executive Officer and any governance or other committee designated by the Board, procedures to govern the Board's work, ensuring that the Board is appropriately approving strategy and supervising management's progress against that strategy;
- Providing input and help to develop with the Chairman, Board agendas and timetables for Board meetings and committee meetings;
- Ensuring, in conjunction with the Chairman, that the committees are working effectively; and
- In conjunction with the Governance and Nominating Committee, annually reviewing the Board's and the committees' effectiveness;
- Leading and assisting the Board in the discharge of its duties and responsibilities relating to the review and approval of the following:
 - (i) corporate goals and policies of the Board;
 - (ii) governance matters;
 - (iii) strategies and business plan presented by the Chief Executive Officer and senior management of the Company; and
 - (iv) the allocation of resources.

2. MANAGING THE BOARD

- Ensuring that independent Directors have adequate opportunities to meet to discuss issues without management present;

TERMS OF REFERENCE FOR THE LEAD DIRECTOR OF THE COMPANY

- Chairing meetings of the Board when the Chairman is not in attendance, including executive sessions of the independent directors and meetings of the Board relating to governance and executive management compensation matters;
- Consulting with the Chairman and Chief Executive Officer and the Board on the effectiveness of Board committees;
- Serving as a liaison between the Chairman and the independent directors;
- Ensuring delegated committee functions are carried out and reported to the Board;
- Being the senior spokesman for the Board on governance matters and executive management compensation matters; and
- Ensuring that the Board is alert to its obligations to the Company, shareholders, management and other stakeholders;
- Ensuring the coordination of the agenda, information package and related events for Board meetings in conjunction with the Chairman and Chief Executive Officer;
- Ensuring that the Board receives adequate and regular updates from the Chief Executive Officer on all issues important to the welfare and future of the Company;
- In collaboration with the Chief Executive Officer, ensuring data requested by the directors or the committees of the Board is provided and meets their needs;
- Communicating with all directors and committee chairs to coordinate input from directors and optimize the effectiveness of the Board and its committees.

3. LIAISING BETWEEN BOARD AND MANAGEMENT

- Ensuring that the Chief Executive Officer is aware of the concerns of the Board, shareholders, other stakeholders and the public;
- Communicating to management, as appropriate, the results of private discussions among the outside Directors and acting as a liaison between the Board and the Chief Executive Officer;
- Working in close cooperation with senior management of the Company and the Chairman so that the policies, goals, decisions and directives of the Board are fully understood and implemented by the Company; and
- Ensuring senior management succession and development plans are presented to the Board annually.

TERMS OF REFERENCE FOR THE LEAD DIRECTOR OF THE COMPANY

- Acting as the principal sounding board and confidante of the Chief Executive Officer including helping to review strategies, define issues, maintain accountability and build relationships;
- At the request of the Chief Executive Officer, providing advice to him or her on major policy issues; and
- At the request of the Chief Executive Officer, assisting in representing the Company in a general industry and community context.

4. LIAISING WITH SHAREHOLDERS

- If requested by major shareholders or the Board, ensuring that he or she is available for consultation and direct communication with major shareholders;
- Being available for communication and questions with shareholders at all shareholder meetings; and
- In conjunction with the Chief Executive Officer, ensuring the Company's management and, where applicable, the Board are appropriately represented at official functions and meeting with major shareholder and other stakeholder groups.

5. OTHER

- Keeping himself or herself informed about the business and affairs and short and long range plans of the Company and the industrial, political and financial trends which affect the Company;
- Carrying out such other duties as may be requested by the Board;
- The Lead Director shall be authorized to retain such counsel as he may require from time to time to assist him with his duties and responsibilities hereunder, the cost of which shall be borne by the Company.

**TERMS OF REFERENCE FOR THE CHIEF EXECUTIVE OFFICER
OF THE COMPANY**

1. Subject to the overall control, direction and policies of the Board, the chief executive officer ("CEO") is responsible for the general supervision, management, organization, administration and operation of the Company and its subsidiaries in the ordinary course of business, and, subject to anything to the contrary herein, has all powers necessary to carry out his or her responsibilities. The CEO will work cooperatively with the Executive Chairman to develop and implement the strategic goals of the Company. The Executive Chairman will primarily act as a key driver of the development of the strategy and the CEO will be primarily responsible for the execution of the strategy.

Specifically, the CEO shall have the following duties, powers and authorities:

- (i) to make changes in the management organization of the Company as he or she shall consider appropriate and as shall be consistent with the policies established from time to time by the Board;
- (ii) to prescribe the duties and responsibilities of all officers and employees of the Company, other than the Executive Chairman and the Lead Director;
- (iii) to employ and discharge employees of the Company other than those whose appointments are made or confirmed by the Board;
- (iv) to recommend to the Board the employment or dismissal or change in office of any officer of the Company whose appointments are made or confirmed by the Board;
- (v) to suspend from duty an officer of the Company other than the Executive Chairman and to report to the Board on any such suspension;
- (vi) to delegate to the vice-presidents and department heads such power and authority to carry out their duties as he or she considers necessary or desirable;
- (vii) to submit to the Board:
 - (i) annual capital and operating plans of the Company;
 - (ii) longer term capital and operating plans of the Company;
 - (iii) proposals for commitments, capital expenditures, mergers and acquisitions, disposition of assets and financing in excess of the limits of his or her authority;
 - (iv) information involving major policy in respect of labour relations, major changes in pricing policies for the Company's products and the openings or closing of any major facility; and
 - (v) such other information and materials as the Board may require from time to time;

**TERMS OF REFERENCE FOR THE CHIEF EXECUTIVE OFFICER
OF THE COMPANY**

- (viii) to assist and work with the Executive Chairman to develop management strategies and business plans and ensure that such strategies and plans are appropriately represented to the Board;
 - (ix) to assist and work with the Executive Chairman and other senior management of the Company to oversee and monitor the progress of the implementation of the Company's management strategies and business plans;
 - (x) to provide the Executive Chairman, the Lead Director and the Board with such information respecting the Company and its business and affairs as they may require for the due performance of their duties and functions;
 - (xi) to plan and provide for management development and succession within the Company and to report at least annually thereon to the Board;
 - (xii) to play an active role in marketing and obtaining new shareholders and maintaining and managing relations with current shareholders;
 - (xiii) to act as a spokesman for the Company and work cooperatively with the Executive Chairman to maintain the Company's relations with the securityholders, investment analysts, public, government and industry and arrange for the Company to be appropriately represented in its relations with other companies and individuals with which it is associated in joint ventures or by way of investment;
 - (xiv) to ensure the Company is operating in the parameters of the law and appropriate ethical and moral standards;
 - (xv) to ensure that the principal risks of the Company have been identified and systems have been put in place to manage these risks and to report to the Executive Chairman and the Board regarding the same;
 - (xvi) to ensure the suitability and integrity of the Company's internal control systems; and
 - (xvii) to establish, in consultation with the Executive Chairman, the Board and/or appropriate Board committees, such policies and practice statements as may be necessary or desirable to facilitate the Company's business.
- 1.1 These powers and authorities are subject to:
- (i) any requirement of law or the by-laws of the Company that any action must be taken by the Board of directors or by the security holders: and

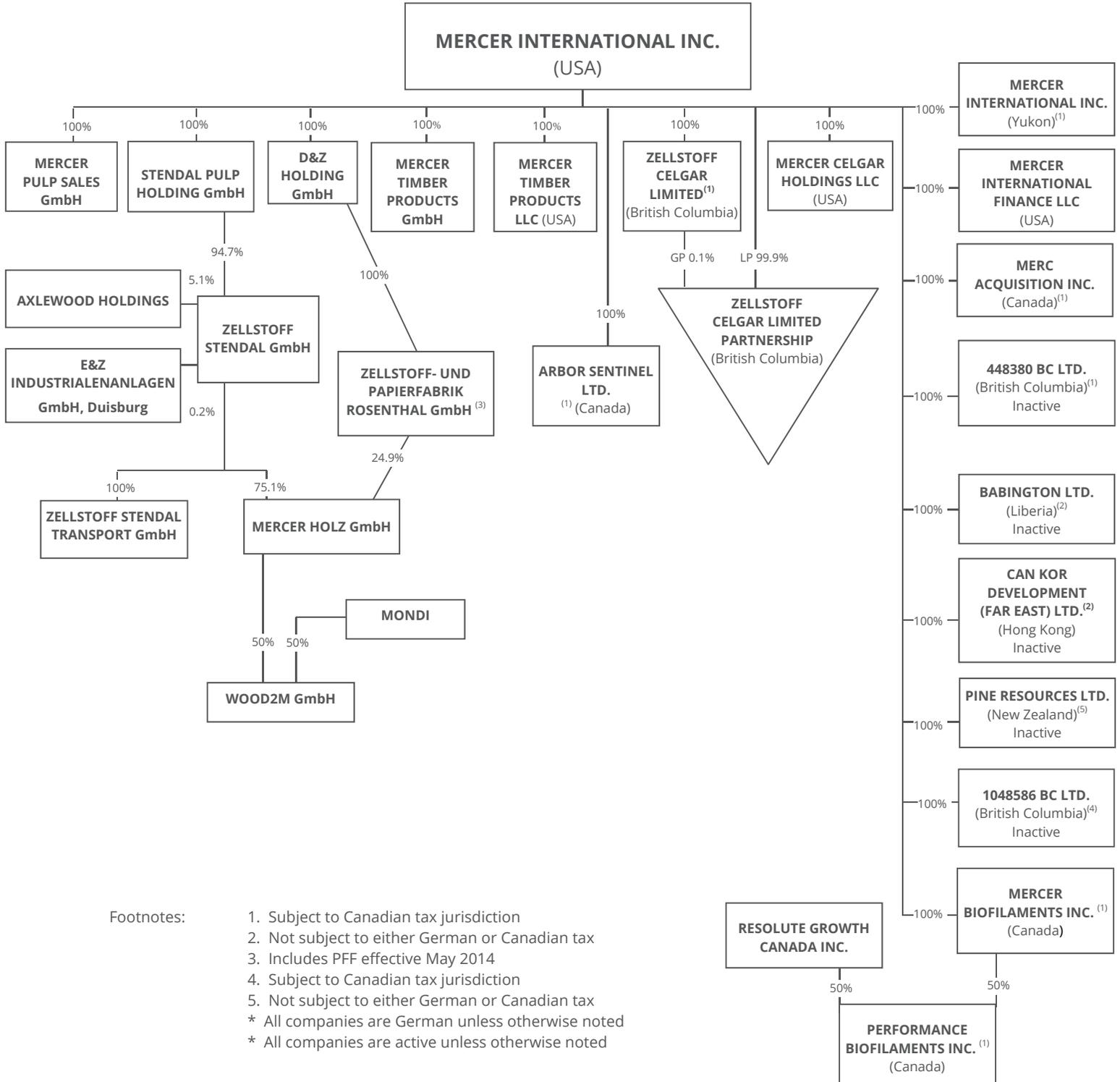
**TERMS OF REFERENCE FOR THE CHIEF EXECUTIVE OFFICER
OF THE COMPANY**

- (ii) any specific limitation by the Board.
- (iii) the limitations in the following schedule:

	Authority
Capital Expenditures and Leases:	
In an approved plan	Full
Not planned	€ 3,000,000
Special Maintenance	€ 3,000,000
Property Purchases and Leases	€ 5,000,000
Acquisitions and Dispositions	€ 5,000,000
Hedging and Derivatives:	
In an Approved Plan	Full
Not Planned	€5,000,000
Operating Contracts and Supply Agreements	Full
Product Sales Agreements	Full
Consulting Services	Full

- 1.2 The CEO is authorized to delegate such of his powers and authorities as he sees fit, together with power to authorize subdelegation.
- 1.3 The CEO shall devote his full time, effort and energies to the business and affairs of the Company and shall not without the prior approval of the Board act as a director of, or consultant or advisor to, any other firm or corporation (other than existing non-executive directorships at the date hereof and personal and familial investment and holding companies or firms), unless the same is affiliated or associated with the Company or unless the Company has a substantial interest therein.

Appendix "A"
CORPORATE STRUCTURE
(As of Sep. 30, 2017)



Footnotes:

1. Subject to Canadian tax jurisdiction
 2. Not subject to either German or Canadian tax
 3. Includes PFF effective May 2014
 4. Subject to Canadian tax jurisdiction
 5. Not subject to either German or Canadian tax
- * All companies are German unless otherwise noted
* All companies are active unless otherwise noted

Appendix "B"

MERCER INTERNATIONAL INC.

LIST OF DIRECTORS AND OFFICERS

(As of June 1, 2018)

Mercer International Inc.

Jimmy S.H. Lee	Executive Chairman of the Board
David M. Gandossi	Chief Executive Officer/President and Director
R. Keith Purchase	Lead Director
William D. McCartney	Director
Bernard J. Picchi	Director
James Shepherd	Director
Martha A.M. Morfitt	Director
Alan C. Wallace	Director
Linda J. Welty	Director
David K. Ure	Senior Vice President, Finance/Chief Financial Officer and Secretary
Leonhard Nossol	Group Controller for Europe
Eric X. Heine	Vice President Sales, Marketing and Logistics for North America and Asia
Wolfram Ridder	Vice President of Business Development
Brian Merwin	Vice President of Strategic Initiatives
Richard Short	Vice President, Controller
Genevieve Stannus	Treasurer

Zellstoff Stendal GmbH

André Listemann	Managing Director
Adolf Koppensteiner	Managing Director

ZPR GmbH

Leonard Nossol	Managing Director
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Zellstoff Celgar Limited

Vacant	Managing Director
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Appendix "C"

MERCER INTERNATIONAL INC.

COMMITTEES OF BOARD OF DIRECTORS

(As of June 1, 2018)

<u>Committees</u>	<u>Members</u>
Audit	William D. McCartney (Chairperson) Martha A.M. Morfitt Alan C. Wallace
Governance and Nominating	R. Keith Purchase (Chairperson) William D. McCartney Linda J. Welty
Compensation and Human Resources	Bernard J. Picchi (Chairperson) James Shepherd Martha A.M. Morfitt Alan C. Wallace
Environmental, Health and Safety	James Shepherd (Chairperson) R. Keith Purchase Linda J. Welty Jimmy S.H. Lee David M. Gandossi

Appendix "D"

MERCER INTERNATIONAL INC.

CODE OF BUSINESS CONDUCT AND ETHICS

Purpose

The Board of Directors (the "Board") of Mercer International Inc. ("Mercer" or the "Company") has adopted this Code of Business Conduct and Ethics (the "Code") in connection with Section 406 of the Sarbanes-Oxley Act of 2002 (as amended). The Code applies to Mercer's Chief Executive Officer, President, Chief Financial Officer, and all other executive officers (collectively, the "Officers"), to all other employees of Mercer and its majority-owned subsidiaries, and to the members of the Board (the "Directors"). The Code is designed to deter wrongdoing and to promote: (i) honest and ethical conduct; (ii) avoidance of conflicts of interest; (iii) full, fair, accurate and timely disclosure in Mercer's public filings with the Securities and Exchange Commission (the "SEC"); (iv) compliance with applicable governmental laws, rules and regulations; (v) prompt internal reporting to the Board or a committee of the Board of violations of the Code; and (vi) accountability for adherence to the Code.

The Board believes the Code should be an evolving set of guidelines, subject to alteration as circumstances warrant. Any modification to or waiver of the Code may be made only by the Board, will be promptly disclosed as required by SEC rules and other applicable laws and regulations.

Those who violate the standards in the Code will be subject to disciplinary action, which may include loss of pay, termination, referral for criminal prosecution and reimbursement to the Company or others for any losses or damages resulting from the violation. If you are in a situation which you believe may violate or lead to a violation of this Code, you must inform the Audit Committee of the Board as soon as practicable.

Ethical Principles

Each Director, Officer and employee is expected to conduct his or her affairs with honesty and integrity, and is required to adhere to the highest ethical standards in carrying out his or her duties on behalf of the Company. Directors, Officers and employees are expected to be honest and ethical in dealing with each other, clients, vendors and third parties. All Directors, Officers and employees' actions must be free from illegal discrimination, libel, slander or harassment. Each person must be accorded equal opportunities in compliance with applicable law.

Conflicts of Interest

All of us must be able to perform our duties and exercise judgment on behalf of Mercer without influence or impairment, or the appearance of influence or impairment, due to any activity, interest or relationship that arises outside of work. Put more simply, when our loyalty to Mercer is affected by actual or potential benefit or influence from an outside source, a conflict of interest exists. We should all be aware of any potential influences that impact or appear to impact our loyalty to Mercer. In general, we should avoid situations where our personal interests conflict, or appear to conflict, with those of Mercer.

Any time you believe a conflict of interest may exist, Officers and Directors must disclose the potential conflict of interest in writing to their supervisor and to the Audit Committee. Employees can disclose their actual or apparent conflicts of interest to their supervisors or managing directors. Any activity that is approved, despite the actual or apparent conflict, must be documented. A potential conflict of interest that involves an Officer must be approved in writing by the Audit Committee.

It is not possible to describe every conflict of interest, but some situations that could cause a conflict of interest include:

- Doing business with family members, including your spouse, parents, children, siblings and in-laws;
- Having a financial interest in another company with whom Mercer does business;
- Managing your own business;
- Serving as a director of another business;
- Being a leader in some organizations; and
- Diverting a business opportunity from Mercer to another company.

Employing Friends and Relatives

Employing relatives or close friends who report directly to you may also be a conflict of interest. Although our company encourages employees to refer candidates for job openings, employees who may influence a hiring decision must avoid giving an unfair advantage to anyone with whom they have a personal relationship. In particular, you should not hire relatives or attempt to influence any decisions about the employment or advancement of people related to or otherwise close to you, unless you have disclosed the relationship as provided herein and the decision has been approved.

Ownership in Other Businesses

Investments can cause a conflict of interest. In general, you and your family members should not own, directly or indirectly, a significant financial interest in any company that does business with Mercer or seeks to do business with Mercer or in any of our competitors.

Service on Boards

Serving as a director of another corporation may create a conflict of interest. Being a director or serving on a standing committee of some organizations, including government agencies, also may create a conflict. Before accepting an appointment to the board or a committee of any organization whose interests may conflict with Mercer's interests, you must discuss it with and obtain written approval from the Audit Committee. This rule does not apply to non-employee Directors.

Public Filings and Communications

The Officers are responsible for ensuring full, fair, accurate, timely and understandable disclosure in the reports and documents that the Company files with the SEC and in the Company's other public communications (collectively, "Reports"). However, if you are requested to provide information to be included in, or to participate in the preparation of, Reports, you are responsible for providing such information and preparing such Reports in a manner that will help to ensure full, fair, accurate, timely and understandable disclosure.

Accounting, Recordkeeping and Personal Transactions

Mercer requires honest and accurate recording and reporting of information in order to make responsible business decisions. All Mercer books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect Mercer's transactions and must conform both to applicable legal requirements and to Mercer's system of internal controls. Unrecorded or "off-the-books" funds or assets should not be maintained unless permitted by applicable law or regulation and approved by Mercer's Audit Committee.

Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your supervisor or the accounting department.

Business records and communications often become public. Avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies in all e-mail, internal memos and reports. Records should always be retained or

destroyed according to Mercer's record retention policies. In accordance with those policies and in the event of litigation or governmental investigation, please consult the Audit Committee or the Company's counsel for instructions.

If you suspect misconduct, irregularity, or other questionable matters regarding accounting, internal accounting controls or auditing matters, immediately contact your supervisor, the general counsel or the Audit Committee.

Relations with Auditors

None of us shall directly or indirectly attempt to coerce, influence, manipulate, or mislead any of the Company's independent or internal financial staff or auditors in connection with the preparation of the Company's financial statements. This prohibits not only threats, bribery and blackmail, but also offering non-bribe financial incentives such as future employment or engagements and providing misleading information or analysis. If you become aware of any such attempt, promptly report it in writing to the Audit Committee.

Compliance with Laws, Rules and Regulations

Obeying the law is the foundation on which Mercer's ethical standards are built. All Directors, Officers and employees must respect and obey the laws, rules and regulations of the cities, states and countries in which Mercer operates. Although not all employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers, counsel or other appropriate personnel. If an employee suspects misconduct, he or she may anonymously report it to supervisors, managers, counsel or the Audit Committee.

Insider Trading

Confidential information is the Company's property and you may not improperly use it for your personal benefit. Directors, Officers and employees who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of Mercer's business. All non-public information about Mercer or its customers should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is both unethical and illegal. Mercer will fully cooperate with any investigation by the SEC or other law enforcement authorities regarding the misuse of Mercer's confidential information.

Corporate Opportunities

You may not take for yourself business opportunities discovered through the use of Mercer's property, information, or position, and you may not use Mercer's property or

information or your position for personal gain. Directors, Officers and employees owe a duty to Mercer to advance Mercer's legitimate interests when the opportunity to do so arises.

Discrimination and Harassment

Mercer's long-standing policy is to offer fair and equal employment opportunity to every person regardless of age, race, color, creed, religion, disability, marital status, sex, sexual orientation, national origin, or other legally protected status, as required by law. Mercer seeks to provide a work environment that is free from intimidation and harassment based on any of these characteristics and Mercer specifically prohibits such intimidation and harassment.

Health and Safety

Mercer strives to provide each employee with a safe and healthful work environment. Each employee is responsible for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting incidents, injuries and unsafe equipment, practices or conditions. Violence and threatening behavior are never permitted for any reason. Employees must report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol and the use of illegal drugs in the workplace will not be tolerated.

Environmental Protection

Mercer is an environmentally responsible company and operates its facilities in compliance with applicable environmental, health and safety regulations and in a manner that has the regard for the safety and well being of its employees and the general public. Necessary permits, approvals and controls are maintained at all Mercer facilities and Mercer strives to improve products, packaging and manufacturing operations to minimize their environmental impact.

You are responsible for complying with all applicable environmental laws, regulations and Mercer policies and for diligently following the proper procedures with respect to the handling and disposal of hazardous materials. Mercer insists that its suppliers and contractors also follow appropriate environmental laws and guidelines. If you have questions or concerns relating to Mercer's environmental compliance requirements or activities, you should contact your local supervisor.

Protection and Proper Use of Company Assets

Mercer's resources should be used only for legitimate business purposes and for the benefit of the Company. All of us should endeavor to protect Mercer's assets and ensure

their efficient use. Theft, carelessness, and waste directly impact Mercer's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Mercer equipment should not be used for non-Company business, though incidental personal use may be permitted.

Our obligation to protect Mercer's assets includes its proprietary information, including intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy and could result in civil or criminal penalties.

International Operations

The United States Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country.

In addition, the United States government has a number of laws and regulations regarding business gratuities which may be accepted by United States government personnel. The promise, offer or delivery to an official or employee of the United States government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. If you need any guidance regarding relationships with government personnel please consult the Company's counsel.

All Mercer employees worldwide must comply with Mercer policies and procedures applicable to international business transactions, with the legal requirements and ethical standards of each country in which they conduct Mercer business and with all U.S. laws applicable in other countries, including the Foreign Corrupt Practices Act.

Reporting Concerns

Any employee who has a concern about the Company's conduct, its disclosure, accounting or internal controls or about a possible violation of the Code is strongly encouraged to report that concern to any non-employee Director or to the Audit Committee. Any Officer who has such a concern shall report it to any non-employee Director or the Audit Committee.

The Company will forward all such concerns to the appropriate Director and/or the Audit Committee for review, and the status of all outstanding concerns addressed to the non-employee Directors or the Audit Committee will be reported to the Board on a quarterly

basis. The non-employee Directors or the Audit Committee may direct special treatment, including the retention of outside advisors or counsel, for any concern addressed to them. Any retaliation or adverse action against anyone for raising or helping to resolve an integrity concern is absolutely prohibited.

This Code of Business Conduct and Ethics is not a contract of employment or a guarantee of continuing Mercer policy. The Company may amend, supplement or discontinue this Code of Business Conduct and Ethics or any part of it at any time.

Appendix "E"

MERCER INTERNATIONAL INC. **Securities Law Compliance Policy** (March 1, 2006) (Revised September 16, 2009)

This document (the "**Policy**") contains Mercer's policy concerning the handling of material, nonpublic information relating to Mercer International Inc. and its subsidiaries ("**Mercer**" or "**we**") or other companies with whom we deal and with the buying and selling of stock and other securities of Mercer and those other companies.

1. Insider Trading Prohibited

Except in a Permitted Transaction as described in Section 5, no director, employee, or agent may purchase or sell securities of Mercer or of any other company with whom Mercer deals while aware of material, nonpublic information concerning Mercer or the other company until at least one full trading day has elapsed after the public disclosure of the information.

(a) Directors, Employees, and Agents

This Policy applies to all directors, employees, and agents of Mercer and its subsidiaries. When we refer to "you" or to "directors, employees, or agents" in this Policy, in addition to you, we also mean members of your immediate family or other person with whom you share a household, persons who are your economic dependents, and any person over whom or entity over which you have control. We will regard trades made at your direction or at the direction of those named in the preceding sentence as trades made by you.

(b) Material, Nonpublic Information

Information is considered "material" if (1) a reasonable investor would consider it important in making a decision on whether to buy, sell, or hold the security or (2) a reasonable investor would view the information as significantly altering the total mix of information in the marketplace about the issuer of the security. Information is considered nonpublic if the information has not been broadly disseminated to the public for a period sufficient to be reflected in the price of the security. Examples of material, nonpublic information might include information about upcoming earnings or losses, negotiation of a merger or acquisition, news of a significant sale of assets, the declaration of a stock split, the offering of additional securities, changes in top management, significant new products, and the gain or loss of a substantial customer or supplier. Either positive or negative information may be material. Information is nonpublic until it has been "publicly disclosed," meaning that it is published in such a way as to provide broad, non-exclusionary distribution of the information to the public. Examples of public disclosure include the filing of a Form 8-K with the Securities and Exchange Commission (the "**SEC**") or the issuance of a press release.

(c) *Other Companies*

While the Policy prohibits trading in Mercer securities when you are aware of material, nonpublic information about Mercer, it also prohibits trading in securities of any other company about which you learn material, nonpublic information in the course of performing your duties for Mercer. For example, you may be involved in a transaction in which Mercer expects to buy a substantial amount of stock in another company or enter into a new venture or other relationship with the company. Even though the amount of the transaction may be immaterial to Mercer, it may be material to the other company. The Policy prohibits you from trading in the securities of the other company while aware of this information as long as it remains nonpublic.

(d) *Securities*

The Policy prohibits certain transactions in the "securities" of Mercer or other companies. Though it is usually the case that the information you gain will be material with respect to the equity securities of Mercer, Mercer may also issue debt or convertible debt securities that are subject to the Policy, as are such securities of other companies with whom we deal.

(e) *Purchase and Sale*

The Policy prohibits all purchases and sales of securities while you are aware of material, nonpublic information. These terms encompass not only traditional purchases and sales but any arrangement by which you change your economic exposure to changes in the price of the securities. For example, a "purchase" or "sale" would include a purchase of standardized put or call options, the writing of put or call options, selling stock short, buying or selling securities convertible into other securities, or merely engaging in a private agreement where the value of the agreement varies in relation to the price of the underlying security.

(f) *Two Full Trading Days*

Two full trading days following public disclosure have elapsed when, after the public disclosure, trading in the security has opened for trading, then closed. For example, suppose you are aware that Mercer is considering a stock repurchase program that has not been announced to the public. You are prohibited from trading in Mercer's stock until two full trading days after release of the announcement. If the announcement is made on Tuesday at 8:00 a.m., EST, before the opening of NASDAQ, you can begin trading again on Thursday morning because, after the announcement, trading on Mercer's stock opened and closed on Tuesday and Wednesday. On the other hand, if the announcement were not made until Tuesday at 11:00 a.m., you would not be able to trade until after the open and close of trading on Thursday, that is, on the opening of trading on Friday, after two full trading days have elapsed.

(g) *Margin Loans*

Purchases or sales of securities can result in liability whether executed in the public markets or in a private transaction. In addition, you should be aware that sales forced because you have borrowed money and pledged securities as security for the loan are not exempt from the insider trading rules.

Accordingly, you should be careful when making a margin loan in a brokerage account. Under margin arrangements, the broker may be entitled to sell your shares without your permission if the value of your securities falls below the broker's margin requirements. The sale, even though not initiated at your request, is still a sale for your benefit and may subject you to liability under the insider trading rules if made at a time when you are aware of material, nonpublic information. Similar cautions apply to a bank or other loans for which you have pledged stock as collateral.

2. Unauthorized Disclosure of Material, Nonpublic Information Prohibited

No director, employee, or agent may disclose material, nonpublic information about Mercer or any company with whom Mercer deals to anyone outside Mercer unless authorized to do so. Authorized disclosure to those not subject to the Policy may require you to have the party to whom you are disclosing information agree not to disclose the information or trade in the securities until the information is publicly disclosed.

(a) Tipping

You can be held responsible not only for your own insider trading, but also for trading performed by anyone to whom you disclose material, nonpublic information. Even if those to whom you disclose such information do not trade while aware of the information, you can be responsible for the trades of persons who received material, nonpublic information indirectly from you if you are the ultimate source of their information. Because even casual remarks by you recommending a purchase, sale, or hold of Mercer's or another company's securities could be misconstrued by others as being based on material, nonpublic information, you should exercise caution in making any such recommendations.

(b) Authorization to Disclose Material, Nonpublic Information

Mercer authorizes only certain employees and agents of Mercer to make disclosures of material, nonpublic information. Unless you are authorized to do so by senior management, you should refrain from discussing material, nonpublic information with anyone not subject to the Policy. Even in discussions with others subject to the Policy, you should consider the consequences of disclosing material, nonpublic information to them. By doing so, you would cause these individuals to be prohibited from trading in Mercer's securities until the information is publicly disclosed. Accordingly, you should restrict the dissemination of material, nonpublic information to those employees and agents having a need to know in order to serve Mercer's interests.

(c) Regulation FD (Fair Disclosure)

The SEC has enacted rules explicitly banning selective disclosure. Generally, the regulation provides that when a public company (such as Mercer) discloses material, nonpublic information, it must provide broad, non-exclusionary public access to the information. Violations of this regulation can result in SEC enforcement actions, resulting in injunctions and severe monetary penalties. Regulation FD applies largely to a limited group of senior executives who regularly communicate with securities market professionals and shareholders. Remember that no other Mercer employees are authorized to communicate with securities market professionals or shareholders.

(d) *Non-Disclosure Agreements*

Those involved in transactions or other negotiations that require disclosure of material, nonpublic information with parties other than Mercer's employees or agents should have those to whom the information is being disclosed sign a non-disclosure agreement. The non-disclosure agreement must require that the recipient of the information not disclose the information to others and should require them not to trade on such information.

3. **Blackout Periods**

The following persons may not purchase or sell Mercer's securities or enter into a Trading Plan (as defined below) during the following blackout periods:

- for directors and "designated employees" (except for Permitted Transactions (as defined below)), during the period beginning on the 10th day prior to the end of the last month of each fiscal quarter and ending at the close of trading on the first full trading day following the release of financial results;
- for those identified in the announcement or otherwise (except for Permitted Transactions as possibly modified by the announcement), during any period when Mercer has announced a blackout period with respect to a transaction or other event; and
- for directors and executive officers, to the extent and during the periods required by Section 306 of the *Sarbanes-Oxley Act* of 2002 and its implementing regulations.

(a) *Pre-Earnings Blackouts*

Because of the particular sensitivity of trading by those who have access to Mercer's financial information as Mercer's financial statements are being prepared, all directors, executive officers, and designated employees are subject to blackout on trading during the period leading up to the release of quarterly financial statements. Those subject to this blackout are members of Mercer's board of directors, Mercer's executive officers—those subject to reporting under Section 16 of the *Securities Exchange Act of 1934, as amended* (the "**Exchange Act**")—and those employees that are directly involved in the preparation of Mercer's consolidated and group financial statements or that have access to information from those financial statements while they are being prepared. Mercer's Chief Financial Officer is responsible for determining who will be considered "designated employees" for purposes of this section of the Policy.

Notice that, if you are an employee subject to this section, you are still subject to Section 1 (which prohibits transactions at any time when you are aware of material, nonpublic information) during periods outside the blackout period. For example, you are not necessarily free to trade in the second month of each quarter simply because it is not during a blackout period. You must also make sure that you are not aware of material, nonpublic information during these periods or otherwise prohibited from trading under the Policy.

(b) *Transactional Blackouts*

Mercer reserves the right to impose a trading blackout from time to time on specified groups of its directors, employees, or agents when, in the judgment of any one of Mercer's Audit Committee, CEO or CFO, a blackout is warranted. Though these blackouts generally will arise because Mercer is involved in a material transaction, they may be declared for any reason. If any one of the Audit Committee, CEO or CFO declares a blackout to which you are subject, we will notify you when the blackout begins and when it ends.

(c) *Entering into Trading Plans*

During a blackout period, not only are you prohibited from trading, but you are also prohibited from entering into a Trading Plan as defined in Section 5 below.

4. Section 16 Reporting Persons

Directors and certain executive officers of Mercer are subject to the reporting provisions, liability and trading restrictions of Section 16 of the Exchange Act and the underlying rules and regulations promulgated by the SEC ("**Section 16 Reporting Persons**").

(a) *Pre-Clearance Requirement*

To ensure compliance with the reporting requirements of Section 16(a) of the Exchange Act, all Section 16 Reporting Persons must, before entering into a purchase or sale of Mercer's securities or a Trading Plan, notify the Corporate Secretary to obtain clearance of the transaction and, immediately following completion of the transaction, notify the Corporate Secretary of the date, quantity, price, and the nature of the transaction. Section 16 Reporting Persons do not have to pre-clear or provide immediate notice of Permitted Transactions unless the transaction is subject to the two-business-day or other accelerated reporting under Section 16(a) of the Exchange Act. In general, other employees of Mercer do not need to pre-clear their trades with Mercer. In all cases, the Corporate Secretary is available to answer any questions on the application of the Policy, but ultimate responsibility for trading in securities lies with you.

(b) *Notification Requirement*

Under Section 16(a) of the Exchange Act, Section 16 Reporting Persons must file certain forms (Forms 3, 4 and 5) with the SEC when they engage in transactions in Mercer's securities. Form 4s disclosing changes in a Section 16 Reporting Person's share ownership must be filed within two business days following the date of the transaction. Accordingly, Section 16 Reporting Persons must immediately notify Mercer of sufficient details of the transaction to allow time to prepare and file the required reports within the two-business-day deadline. Since Mercer requires a day to prepare the Form 4 and a day to transmit same to the SEC, you must report the details of the transaction to us at least by the close of business on the date the transaction occurred. Although Permitted Transactions are generally not subject to this requirement, to the extent any of them are subject to the two-business-day or other accelerated reporting deadline, they are nonetheless subject to the pre-clearance and notification requirements.

(c) *Section 16(b) Short-Swing Liability*

Section 16(b) of the Exchange Act imposes liability on Section 16 Reporting Persons for any profit derived by them as a result of a purchase and sale of Mercer securities occurring within any six-month period, whether or not the trading was actually based on material, non-public information. Any excess of the sale price over the purchase price is considered to be "profit" and is recoverable by Mercer. It does not matter whether the purchase or sale occurred first, and it is not necessary for the same securities to be involved in each of the matched transactions. Transactions are paired so as to extract the maximum profit by matching the lowest purchase price with the highest sale price within a six-month period. Losses of any kind, including those for taxes paid, cannot be offset.

(d) *Section 16(c) Trading Restrictions*

Section 16(c) of the Exchange Act prohibits Section 16 Reporting Persons from short-selling Mercer securities. A short sale is a sale of securities not owned by the seller, or if owned, not delivered, or any other transaction in which the person engaging in such transaction derives a benefit as a result of a decline in the price of the securities.

(e) *Margin Loans*

Although not prohibited, directors and executive officers should understand the potential difficulties that may be caused by borrowing money in transactions in which stock of Mercer is used as collateral and is subject to being sold upon a decline in the market price of the stock. Sales made by a lender in these "margin loans" can be difficult to manage and can easily lead to violations of the pre-clearance and notification requirements of this Policy as well as the two-business day reporting deadline under Section 16(a) of the Exchange Act. Also, see the discussion in section 1(g) of this Policy on page 2 of the insider trading implications associated with margin loans.

5. Permitted Transactions

No transaction is a Permitted Transaction until the director or employee proposing to enter into the transaction, before execution of the transaction, has fully disclosed to Mercer any material, nonpublic information that (1) the director or employee is aware of; and (2) that Mercer may not be aware of. Disclosure to Mercer means disclosure to senior management or, in the case of the Chief Executive Officer or a director, to the board of directors or the Audit Committee. Subject to the foregoing, "Permitted Transaction" means:

- acceptance or purchase of a stock option issued or offered under one of Mercer's stock option plans, including elections to acquire stock options in lieu of other compensation or the cancellation or forfeiture of options pursuant to the plans;
- vesting of stock options or shares of restricted stock and any related stock withholding;

- exercise of stock options issued under a Mercer stock option plan in a stock-for-stock exercise, payment of the exercise price in shares of stock, and any related stock withholding transactions but not any sale of the stock acquired in the option exercise;
- acceptance of shares of restricted stock;
- transferring shares to an entity that does not involve a change in the beneficial ownership of the shares, for example, to an inter vivos trust of which you are the sole beneficiary during your lifetime;
- acquisition or disposition of stock in a stock split, stock dividend, or other transaction affecting all stockholders equally;
- execution of a transaction pursuant to a contract, instruction, or plan described in Exchange Act Rule 10b5-1 (c)(1)(i)(A) (called a "Trading Plan") but only if, with respect to directors and executive officers, the contract, instruction, or plan requires the broker or other counter-party to notify the Corporate Secretary immediately upon execution of a transaction pursuant to the plan; or
- any other transaction designated by the board of directors or any committee thereof or senior management, with reference to the Policy, as a Permitted Transaction.

(a) *Pre-Disclosure of Undisclosed Material, Nonpublic Information*

You may not enter into any transaction, including transactions listed above as Permitted Transactions under the Policy, unless you have disclosed to Mercer's senior management any material, nonpublic information which you are aware of but Mercer is not. If you are a member of senior management, the information must be disclosed to the Chief Executive Officer, and if you are the Chief Executive Officer or a director, you must disclose the information to Mercer's board of directors or the Audit Committee before any transaction listed above qualifies as a Permitted Transaction. This ensures that Mercer is fully aware of any material information affecting any security before you execute the transaction.

(b) *Director and Employee Benefit Plan Transactions*

Included in the definition of Permitted Transactions are most of the ongoing transactions you might enter into under Mercer's equity-based benefit plans. Transactions in employee stock options are considered Permitted Transactions if there is no related sale to third parties. Notice, however, that a sale of stock following or in connection with an option exercise is not a transaction with Mercer and is, therefore, not a Permitted Transaction. Thus, you may engage in a cash exercise of an option only if you retain the stock you buy in the exercise.

(c) *Transactions not Changing Beneficial Ownership*

Certain transactions involve merely a change in the form in which you own securities. For example, you may transfer shares of stock to a trust if you are the only beneficiary of the trust during your lifetime. Likewise, changing the form of ownership to include a member of your immediate household

as a joint owner is a Permitted Transaction since members of your household are considered the same as you for purposes of the Policy.

(d) *Trading Plans*

The SEC has enacted rules that provide an affirmative defense against violations of the insider trading rules. In general, these rules provide for an affirmative defense if you enter into a contract, provide instructions, or adopt a written plan for trading in securities when you are not aware of material, non-public information. The contract, instructions, or plan must (a) specify the amount, price, and date of the transaction, (b) specify an objective method for determining the amount, price, and date of the transaction, or (c) place the discretion for determining amount, price, and date of the transaction in another person who is not, at the time of the transaction, aware of material, nonpublic information. You may not exercise discretion or influence over the amount, price, and date of the transaction after entering into the arrangement. The rules regarding Trading Plans are complex and must be complied with completely to be effective. You should consult with your legal advisor before proceeding. A Trading Plan, if used at all, should avoid purchases or sales shortly before known announcements, such as earnings announcements. Even though transactions executed in accordance with a properly formulated Trading Plan are exempt from the insider trading rules, the trades may nonetheless occur at times shortly before Mercer announces material news, and the investing public and media may not understand the nuances of trading pursuant to a Trading Plan. This could result in negative publicity for you and Mercer and is something you should consider when entering into a Trading Plan. Finally, if you are a director or an executive officer, Trading Plans require special care. Because in a Trading Plan you can specify conditions that trigger a purchase or sale, you may not be aware that the transaction has taken place and you may not be able to comply with the new Sarbanes-Oxley requirement that you report transactions to the SEC within two business days of their execution. Accordingly, transactions pursuant to a Trading Plan are not Permitted Transactions unless the Trading Plan requires the broker to notify Mercer immediately of the execution of a transaction.

6. Administration of Policies

(a) *Administration by Corporate Secretary*

The day-to-day administration of the Policy will be carried out by David Gandossi. If you have any questions concerning the interpretation of the Policy, you should direct your questions to him.

(b) *Confidentiality of Policy Decisions*

Employees should keep certain information concerning the operation of the Policy in strict confidence, since knowledge of certain decisions made pursuant to the Policy could itself constitute material, nonpublic information. For example, if you are made subject to a special blackout pursuant to Section 3, you should keep that fact confidential.

(c) *Amendment of the Policy*

Mercer reserves the right to amend and interpret the Policy from time to time. Remember, the ultimate responsibility for complying with the Policy and applicable laws and regulations rests with you. You should use your best judgment and consult with your legal and financial advisors, as needed.

APPENDIX "F"

BYLAWS OF

MERCER INTERNATIONAL INC.

(formerly called Mercer International Regco Inc.)

(as at March 1, 2006)

Table of Contents

	Page
ARTICLE 1. OFFICES	4
1.1 Principal Office	4
1.2 Registered Office and Registered Agent	4
1.3 Other Offices	4
ARTICLE 2. SHAREHOLDERS	4
2.1 Annual Meeting	4
2.2 Special Meetings	6
2.3 Notice of Meetings	6
2.4 Quorum	7
2.5 Voting of Shares	7
2.6 Adjourned Meetings	8
2.7 Record Date	8
2.8 Record of Shareholders Entitled to Vote	8
2.9 Telephonic Meetings	8
2.10 Proxies	9
2.11 Organization	9
ARTICLE 3. BOARD OF DIRECTORS	9
3.1 Management Responsibility	9
3.2 Number of Directors, Qualification	10
3.3 Election	10
3.4 Vacancies	10
3.5 Resignation	10
3.6 Removal	10
3.7 Annual Meeting	11
3.8 Regular Meetings	11
3.9 Special Meetings	11
3.10 Notice of Meeting	11
3.11 Quorum of Directors	12
3.12 Presumption of Assent	12
3.13 Action by Directors Without a Meeting	12
3.14 Telephonic Meetings	12
3.15 Compensation	13
3.16 Committees	13

ARTICLE 4. OFFICERS.....	13
4.1 Appointment	13
4.2 Qualification	14
4.3 Officers Designated	14
4.4 Delegation.....	16
4.5 Resignation	16
4.6 Removal	16
4.7 Vacancies	16
4.8 Compensation.....	16
ARTICLE 5. EXECUTION OF CORPORATION INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION	16
5.1 Execution of Corporate Instruments.....	16
5.2 Voting of Securities Owned by the Corporation	17
ARTICLE 6. STOCK.....	17
6.1 Form and Execution of Certificates	17
6.2 Lost Certificates.....	18
6.3 Transfers	18
6.4 Registered Shareholders	18
6.5 Execution of Other Securities.....	18
ARTICLE 7. BOOKS AND RECORDS.....	19
7.1 Books of Accounts, Minutes and Share Register	19
7.2 Copies of Resolutions.....	19
ARTICLE 8. FISCAL YEAR.....	20
ARTICLE 9. CORPORATE SEAL	20
ARTICLE 10. INDEMNIFICATION.....	20
10.1 Right to Indemnification	20
10.2 Right of Indemnitee to Bring Suit	21
10.3 Nonexclusivity of Rights.....	21
10.4 Insurance, Contracts and Funding.....	21
10.5 Indemnification of Employees and Agents of the Corporation	22
10.6 Persons Serving Other Entities	22
ARTICLE 11. AMENDMENT OF BYLAWS	22

**BYLAWS OF
MERCER INTERNATIONAL REGCO INC.**

These Bylaws (the "Bylaws") are promulgated pursuant to the Washington Business Corporation Act, as set forth in Title 23B of the Revised Code of Washington.

**ARTICLE 1.
OFFICES**

1.1 Principal Office

The principal office of the Corporation shall be located at the principal place of business or such other place as the Board of Directors may designate.

1.2 Registered Office and Registered Agent

The registered office of the Corporation shall be located in the State of Washington at such place as may be fixed from time to time by the Board of Directors upon filing of such notices as may be required by law, and the registered agent shall have a business office identical with such registered office. Any change in the registered agent or registered office shall be effective upon filing such change with the office of the Secretary of State of the State of Washington.

1.3 Other Offices

The Corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors, and may also have offices at such other places, both within and without the State of Washington, as the Board of Directors may from time to time determine or the business of the Corporation may require.

**ARTICLE 2.
SHAREHOLDERS**

2.1 Annual Meeting

(a) The annual meeting of the shareholders of the Corporation for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held each year on a date and at a time and place to be set by the Board of Directors.

(b) Only persons who are nominated in accordance with the procedures set forth in this Section 2.1(b) shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders by or at the direction of the Board of Directors or by any stockholder of the Corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Section 2.1(b). Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the secretary of the Corporation. Stockholders may bring other business before the annual meeting, provided that timely notice is provided to the

secretary of the Corporation in accordance with this section, and provided further that such business is a proper matter for stockholder action under the Washington Business Corporation Act. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the prior year's meeting; provided, however, that in the event that (i) the date of the annual meeting is more than thirty (30) days prior to or more than sixty (60) days after such anniversary date, and (ii) less than sixty (60) days notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a directors, (i) the name, age, business address and residence address of such person, (ii) the principal occupation or employment of such person, (iii) the class and number of shares of the Corporation which are beneficially owned by such person and (iv) any other information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934 (including, without limitation, such person's written consent to being name in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of such business, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made (i) the name and address of the stockholder, as they appear on the Corporation's books, and of such beneficial owner and (ii) the class and number of shares of the Corporation which are owned of record by such stockholder and beneficially by such beneficial owner. At the request of the Board of Directors any person nominated by the Board of Directors for election as a director shall furnish to the secretary of the Corporation that information required to be set forth in a stockholder's notice of nomination which pertains to the nominee. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 2.1(b). The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by the Bylaws, and if he or she should so determine, he or she shall so declare to the meeting and the defective nomination shall be disregarded.

Notwithstanding the foregoing provisions of this Section 2.1(b), a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder with respect to matters set forth in this Section 2.1(b).

2.2 Special Meetings

Special meetings of the shareholders for any purpose or purposes may be called at any time by a majority of the Board of Directors or by the Chairperson of the Board (if one be elected) or by the Chief Executive Officer or by one or more shareholders holding shares in the aggregate entitled to cast not less than 20% of the votes at that meeting. The Board of Directors may designate any place as the place of any special meeting called by the Chairperson, the Chief Executive Officer, the Board or by shareholders as provided in this Section 2.2.

If a special meeting is called by any shareholder or group of shareholders, the request shall be in writing, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or delivered by first-class mail to the Secretary of the Corporation. No business shall be transacted at such special meeting other than as specified in such notice. Upon receiving such notice, the Secretary shall cause notice to be given to the shareholders, in accordance with Section 2.3, that a meeting will be held at the time requested by the shareholder or shareholders calling the special meeting. Such notice shall be sent not less than 35 nor more than 60 days after the receipt of the request. Nothing contained in this paragraph of this Section 2.2 shall be construed as limiting, fixing or affecting the time when a meeting of shareholders called by action of the Board of Directors, Chairperson of the Board or by the Chief Executive Officer may be held.

2.3 Notice of Meetings

Except as otherwise provided in Subsections 2.3(b) and 2.3(c) below, the Secretary, Assistant Secretary, or any transfer agent of the Corporation shall deliver, either personally or by mail, private carrier, telegraph or teletype, or telephone, wire or wireless equipment which transmits a facsimile of the notice, not less than ten (10) nor more than sixty (60) days before the date of any meeting of shareholders, written notice stating the place, day, and time of the meeting to each shareholder of record entitled to vote at such meeting. If mailed in the United States, such notice shall be deemed to be delivered when deposited in the United States mail, with first-class postage thereon prepaid, addressed to the shareholder at his address as it appears on the Corporation's record of shareholders. If mailed outside the United States, such notice shall be deemed to be delivered five (5) days after being deposited in the mail, with first-class airmail postage thereon, return receipt requested, addressed to the shareholder at the shareholder's address as it appears on the Corporation's record of shareholders.

(a) **Notice of Special Meeting.** In the case of a special meeting, the written notice shall also state with reasonable clarity the purpose or purposes for which the meeting is called and the actions sought to be approved at the meeting. No business other than that specified in the notice may be transacted at a special meeting.

(b) **Proposed Articles of Amendment or Dissolution.** If the business to be conducted at any meeting includes any proposed amendment to the Articles of Incorporation or the proposed voluntary dissolution of the Corporation, then the written notice shall be given not less than twenty (20) nor more than sixty (60) days before the meeting date and shall state that the purpose or one of the purposes is to consider the advisability thereof, and, in the case of a proposed amendment, shall be accompanied by a copy of the amendment.

(c) **Proposed Merger, Consolidation, Exchange, Sale, Lease or Disposition.** If the business to be conducted at any meeting includes any proposed plan of merger or share exchange, or any sale, lease, exchange, or other disposition of all or substantially all of the Corporation's property otherwise than in the usual or regular course of its business, then the written notice shall state that the purpose or one of the purposes is to consider the proposed plan of merger or share exchange, sale, lease, or disposition, as the case may be, shall describe the proposed action with reasonable clarity, and, if required by law, shall be accompanied by a copy or a detailed summary thereof; and written notice shall be given to each shareholder of record, whether or not entitled to vote at such meeting, not less than twenty (20) nor more than sixty (60) days before such meeting, in the manner provided in Section 2.3 above.

(d) **Declaration of Mailing.** A declaration of the mailing or other means of giving any notice of any shareholders' meeting, executed by the Secretary, Assistant Secretary, or any transfer agent of the Corporation giving the notice, shall be prima facie evidence of the giving of such notice.

(e) **Waiver of Notice.** Notice of any shareholders' meeting may be waived in writing by any shareholder at any time, either before or after the meeting. Except as provided below, the waiver must be signed by the shareholder entitled to the notice, and be delivered to the Corporation for inclusion in the minutes or filing with the corporate records. A shareholder's attendance at a meeting waives objection to lack of notice, or defective notice, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

2.4 Quorum

A quorum shall exist at any meeting of shareholders if one-third of the shares entitled to vote is represented in person or by proxy. Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares exists with respect to that matter. The shareholders present at a duly organized meeting may continue to transact business at such meeting and at any adjournment of such meeting (unless a new record date is or must be set for the adjourned meeting), notwithstanding the withdrawal of enough shareholders from either meeting to leave less than a quorum. Once a share is represented for any purpose at a meeting other than solely to object to holding the meeting or transacting business at the meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for the adjourned meeting.

2.5 Voting of Shares

Except as otherwise provided in the Articles of Incorporation or these Bylaws, every shareholder of record shall have the right at every shareholders' meeting to one vote for every share standing in his name on the books of the Corporation. If a quorum exists, action on a matter, other than the election of directors, is approved by a voting group if the votes cast within the voting group favoring the action exceed the votes cast within the voting group opposing the action, unless a greater number is required by the Articles of Incorporation or the Washington Business Corporation Act.

2.6 Adjourned Meetings

One-half of the shares represented at a meeting, even if less than a quorum, may adjourn the meeting from time to time without further notice. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. However, if a new record date for the adjourned meeting is or must be fixed in accordance with the Washington Business Corporation Act, notice of the adjourned meeting must be given to persons who are shareholders as of the new record date. At any adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting.

2.7 Record Date

For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or any adjournment thereof, or entitled to receive payment of any dividend, the Board of Directors may fix in advance a record date for any such determination of shareholders, such date to be not more than seventy (70) days and, in the case of a meeting of shareholders, not less than ten (10) days prior to the meeting or action requiring such determination of shareholders. If no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the day before the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned more than one hundred twenty (120) days after the date is fixed for the original meeting.

2.8 Record of Shareholders Entitled to Vote

After fixing a record date for a shareholders' meeting, the Corporation shall prepare an alphabetical list of the names of all shareholders on the record date who are entitled to notice of the shareholders' meeting. The list shall be arranged by voting group, and within each voting group by class or series of shares, and show the address of and number of shares held by each shareholder. A shareholder, shareholder's agent, or a shareholder's attorney may inspect the shareholders list, beginning ten days prior to the shareholders' meeting and continuing through the meeting, at the Corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held during regular business hours and at the shareholder's expense. The shareholders list shall be kept open for inspection during such meeting or any adjournment. Failure to comply with the requirements of this Section shall not affect the validity of any action taken at such meeting.

2.9 Telephonic Meetings

Shareholders may participate in a meeting by means of a conference telephone or other communications equipment by which all persons participating in the meeting can hear each other during the meeting, and participation by such means shall constitute presence in person at a meeting.

2.10 Proxies

At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

2.11 Organization

(a) At every meeting of shareholders, the Chairperson of the Board of Directors, or, if a Chairperson has not been appointed or is absent, the Chief Executive Officer, or, if the Chief Executive Officer is absent, a chairman of the meeting chosen by a majority in interest of the shareholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his absence, an Assistant Secretary directed to do so by the Chief Executive Officer, shall act as secretary of the meeting.

(b) The Board of Directors of the Corporation shall be entitled to make such rules or regulations for the conduct of meetings of shareholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to shareholders of record of the Corporation and their duly authorized and constituted proxies and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of shareholders shall not be required to be held in accordance with rules of parliamentary procedure.

ARTICLE 3. BOARD OF DIRECTORS

3.1 Management Responsibility

All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors, except as may be otherwise provided in the Articles of Incorporation or the Washington Business Corporation Act.

3.2 Number of Directors, Qualification

The authorized number of directors of the Corporation shall be not less than three (3) nor more than thirteen (13), the specific number to be set by resolution of the Board of Directors. Directors need not be shareholders. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

3.3 Election

Except as provided in Sections 3.4 and 3.5, and unless otherwise provided in the Articles of Incorporation, directors shall be elected at each annual meeting of stockholders to hold office until the next annual meeting. If, for any reason, the directors shall not have been elected at an annual meeting, they may be elected at a special meeting of shareholders called for that purpose in accordance with these Bylaws. Despite the expiration of a director's term, the director shall continue to serve until the director's successor shall have been elected and qualified or until there is a decrease in the number of directors.

3.4 Vacancies

Any vacancy occurring in the Board of Directors (whether caused by resignation, death, an increase in the number of directors, or otherwise) may be filled the Board of Directors or the shareholders if not filled by the Board. If the directors in office constitute fewer than a quorum of the Board, they may fill the vacancy by the affirmative vote of a majority of all the directors in office. A director elected to fill any vacancy shall hold office until the next shareholders meeting at which directors are elected.

3.5 Resignation

Any director may resign at any time by delivering his written resignation to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective at the pleasure of the Board of Directors. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office for the unexpired portion of the term of the Director whose place shall be vacated and until his successor shall have been duly elected and qualified.

3.6 Removal

One or more members of the Board of Directors (including the entire Board) may be removed, with cause, at a meeting of shareholders called expressly for that purpose. A director may be removed only if the number of votes cast to remove the director exceeds the number of votes cast not to remove the director. Neither the Board of Directors nor any individual director may be removed without cause.

3.7 Annual Meeting

The first meeting of each newly elected Board of Directors shall be known as the annual meeting thereof and shall be held without notice immediately after the annual shareholders' meeting or any special shareholders' meeting at which a Board is elected. Said meeting shall be held at the same place as such shareholders' meeting unless some other place shall be specified by resolution of the Board of Directors.

3.8 Regular Meetings

Regular meetings of the Board of Directors or of any committee designated by the Board may be held at such place and such day and hour as shall from time to time be fixed by resolution of the Board or committee, without other notice than the delivery of such resolution as provided in Section 3.10 below.

3.9 Special Meetings

Special meetings of the Board of Directors or any committee designated by the Board may be called by the Chief Executive Officer or the Chairperson of the Board (if one be elected) or any director or committee member, to be held at such place and such day and hour as specified by the person or persons calling the meeting.

3.10 Notice of Meeting

Notice of the date, time, and place of all special meetings of the Board of Directors or any committee designated by the Board shall be given by the Secretary, or by the person calling the meeting, by mail, private carrier, telegram, facsimile transmission, or personal communication over the telephone or otherwise, provided such notice is received at least one (1) day prior to the day upon which the meeting is to be held.

No notice of any regular meeting need be given if the time and place thereof shall have been fixed by resolution of the Board of Directors or any committee designated by the Board and a copy of such resolution has been delivered by mail, private carrier, telegram or facsimile transmission to every director or committee member and is received at least one (1) day before the first meeting held in pursuance thereof.

Notice of any meeting of the Board of Directors or any committee designated by the Board need not be given to any director or committee member if it is waived in a writing signed by the director entitled to the notice, whether before or after such meeting is held.

A director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting, or promptly upon the director's arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors or any committee designated by the Board need be specified in the notice or waiver of notice of such meeting unless required by the Articles of Incorporation or these Bylaws.

Any meeting of the Board of Directors or any committee designated by the Board shall be a legal meeting without any notice thereof having been given if all of the directors or committee members have received valid notice thereof, are present without objecting, or waive notice thereof in a writing signed by the director and delivered to the Corporation for inclusion in the minutes or filing with the corporate records, or any combination thereof.

3.11 Quorum of Directors

A majority of the number of directors fixed by or in the manner provided by these Bylaws shall constitute a quorum for the transaction of business. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board of Directors unless the Articles of Incorporation or these Bylaws require the vote of a greater number of directors.

A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place. If the meeting is adjourned for more than forty-eight (48) hours, then notice of the time and place of the adjourned meeting shall be given before the adjourned meeting takes place, in the manner specified in Section 3.10 of these Bylaws, to the directors who were not present at the time of the adjournment.

3.12 Presumption of Assent

Any director who is present at any meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless (a) the director objects at the beginning of the meeting, or promptly upon the director's arrival, to holding the meeting or transacting business at the meeting; (b) the director's dissent or abstention from the action taken is entered in the minutes of the meeting; or (c) the director delivers written notice of dissent or abstention to the presiding officer of the meeting before the adjournment thereof or to the Corporation within a reasonable time after adjournment of the meeting. Such right to dissent or abstain shall not be available to any director who voted in favor of such action.

3.13 Action by Directors Without a Meeting

Any action required by law to be taken or which may be taken at a meeting of the Board of Directors or of a committee thereof may be taken without a meeting if one or more written consents, setting forth the action so taken, shall be signed by all of the directors or all of the members of the committee, as the case may be, either before or after the action taken and delivered to the Corporation for inclusion in the minutes or filing with the corporate records. Such consent shall have the same effect as a unanimous vote at a meeting duly held upon proper notice on the date of the last signature thereto, unless the consent specifies a later effective date.

3.14 Telephonic Meetings

Members of the Board of Directors or any committee designated by the Board may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other during the meeting. Participation by such means shall constitute presence in person at a meeting.

3.15 Compensation

By resolution of the Board of Directors, the directors and committee members may be paid their expenses, if any, or a fixed sum or a stated salary as a director or committee member for attendance at each meeting of the Board or of such committee as the case may be. No such payment shall preclude any director or committee member from serving the Corporation in any other capacity and receiving compensation therefor.

3.16 Committees

The Board of Directors, by resolution adopted by a majority of the full Board, may from time to time designate from among its members one or more committees, each of which must have two (2) or more members and, to the extent provided in such resolution, shall have and may exercise all the authority of the Board of Directors, except that no such committee shall have the authority to:

- (a) authorize or approve a distribution except according to a general formula or method prescribed by the Board of Directors;
- (b) approve or propose to shareholders action that the Washington Business Corporation Act requires to be approved by shareholders;
- (c) fill vacancies on the Board of Directors or on any of its committees;
- (d) adopt any amendment to the Articles of Incorporation;
- (e) adopt, amend or repeal these Bylaws;
- (f) approve a plan of merger; or
- (g) authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences and limitations of a class or series of shares, except that the Board of Directors may authorize a committee, or a senior executive officer of the Corporation, to do so within limits specifically prescribed by the Board of Directors.

Meetings of such committees shall be governed by the same procedures as govern the meetings of the Board of Directors. All committees so appointed shall keep regular minutes of their meetings and shall cause them to be recorded in books kept for that purpose at the office of the Corporation.

ARTICLE 4. OFFICERS

4.1 Appointment

The officers of the Corporation shall be appointed annually by the Board of Directors at its annual meeting held after the annual meeting of the shareholders. If the appointment of officers is not held at such meeting, such appointment shall be held as soon thereafter as a Board meeting

conveniently may be held. Except in the case of death, resignation or removal, each officer shall hold office at the pleasure of the Board of Directors until the next annual meeting of the Board and until his successor is appointed and qualified.

4.2 Qualification

None of the officers of the Corporation need be a director, except as specified below. Any two or more of the corporate offices may be held by the same person.

4.3 Officers Designated

The officers of the Corporation shall include, if and when designated by the Board of Directors, a Chief Executive Officer, a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Chief Financial Officer and a Treasurer. The Board of Directors may also appoint such other officers and assistant officers as it may deem necessary.

The Board of Directors may, in its discretion, appoint a Chairperson of the Board of Directors; and, if a Chairperson has been appointed, the Chairperson shall, when present, preside at all meetings of the Board of Directors and the shareholders and shall have such other powers commonly incident to his office and as the Board may prescribe.

(a) **Chief Executive Officer.** The Chief Executive Officer shall be the chief executive officer of the corporation and, subject to the direction and control of the Board, shall supervise and control all of the assets, business, and affairs of the corporation. The Chief Executive Officer shall vote the shares owned by the corporation in other corporations, domestic or foreign, unless otherwise prescribed by resolution of the Board. In general, the Chief Executive Officer shall perform all duties incident to the office of Chief Executive Officer and such other duties as may be prescribed by the Board from time to time.

The Chief Executive Officer shall, unless a Chairperson of the Board of Directors has been appointed and is present, preside at all meetings of the shareholders and the Board of Directors.

(b) **President.** The President shall report to the Chief Executive Officer. In the absence of the Chief Executive Officer or his inability to act, the President, if any, shall perform all the duties of the Chief Executive Officer and when so acting shall have all the powers of, and be subject to all the restrictions upon, the Chief Executive Officer; provided that no such President shall assume the authority to preside as Chairperson of meetings of the Board unless such President is a member of the Board. In general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

(c) **Vice Presidents.** In the absence of the President or his inability to act, the Vice Presidents, if any, in order of their rank as fixed by the Board of Directors or, if not ranked a Vice President designated by the Board shall perform all the duties of the President and when so acting shall have all the powers of, and be subject to all the

restrictions upon, the President; provided that no such Vice President shall assume the authority to preside as Chairperson of meetings of the Board unless such Vice President is a member of the Board. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be respectively prescribed for them by the Board, these Bylaws or the President.

(d) **Secretary.** The Secretary shall attend all meetings of the shareholders and of the Board of Directors and shall record all acts and proceedings thereof in the minute book of the Corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the shareholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties given him in these Bylaws and other duties commonly incident to his office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time. The President may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(e) **Chief Financial Officer.** The Chief Financial Officer shall keep or cause to be kept the books of account of the Corporation in a thorough and proper manner and shall render statements of the financial affairs of the Corporation in such form and as often as required by the Board of Directors or the President. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the Corporation. The Chief Financial Officer shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time. The President may direct the Treasurer or any Assistant Treasurer, or the Controller or any Assistant Controller to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer and each Controller and Assistant Controller shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(f) **Treasurer.** Subject to the direction and control of the Board of Directors, the Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation; and, at the expiration of his term of office, he shall turn over to his successor all property of the Corporation in his possession.

In the absence of the Treasurer, an Assistant Treasurer may perform the duties of the Treasurer.

4.4 Delegation

In case of the absence or inability to act of any officer of the Corporation and of any person herein authorized to act in his place, the Board of Directors may from time to time delegate the powers or duties of such officer to any other officer or director or other person whom it may select.

4.5 Resignation

Any officer may resign at any time by delivering written notice to the Corporation. Any such resignation shall take effect when the notice is delivered unless the notice specifies a later date. Unless otherwise specified in the notice, acceptance of such resignation by the Corporation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

4.6 Removal

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board at any time with or without cause. Election or appointment of an officer or agent shall not of itself create contract rights.

4.7 Vacancies

A vacancy in any office because of death, resignation, removal, disqualification, creation of a new office, or any other cause may be filled by the Board of Directors for the unexpired portion of the term or for a new term established by the Board.

4.8 Compensation

Compensation, if any, for officers and other agents and employees of the Corporation shall be determined by the Board of Directors, or by the Chief Executive Officer to the extent such authority may be delegated to him by the Board. No officer shall be prevented from receiving compensation in such capacity by reason of the fact that he is also a director of the Corporation.

ARTICLE 5. EXECUTION OF CORPORATION INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

5.1 Execution of Corporate Instruments

The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the Corporation any corporate instrument or document, or to sign on behalf of the Corporation the corporate name without limitation, or to enter into contracts on behalf of the Corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the Corporation.

All checks and drafts drawn on banks or other depositaries on funds to the credit of the Corporation or in special accounts of the Corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do.

Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

5.2 Voting of Securities Owned by the Corporation

All stock and other securities of other corporations owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairperson of the Board of Directors, the Chief Executive Officer, the President or any Vice President.

ARTICLE 6. STOCK

6.1 Form and Execution of Certificates

Certificates for the shares of stock of the Corporation shall be in such form as is consistent with the Articles of Incorporation and applicable law. Every holder of stock in the Corporation shall be entitled to have a certificate signed by or in the name of the Corporation by the Chairperson of the Board of Directors, the Chief Executive Officer, the President or any Vice President and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the Corporation. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue. Each certificate shall state upon the face or back thereof, in full or in summary, all of the powers, designations, preferences, and rights, and the limitations or restrictions of the shares authorized to be issued or shall, except as otherwise required by law, set forth on the face or back a statement that the Corporation will furnish without charge to each shareholder who so requests the powers, designations, preferences and relative, participating, optional, or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this Section or otherwise required by law or with respect to this Section a statement that the Corporation will furnish without charge to each shareholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Except as otherwise expressly provided by law, the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

6.2 Lost Certificates

A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or his legal representative, to agree to indemnify the Corporation in such manner as it shall require or to give the Corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

6.3 Transfers

(a) Transfers of record of shares of stock of the Corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(b) The corporation shall have power to enter into and perform any agreement with any number of shareholders of any one or more classes of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such shareholders in any manner not prohibited by the Act.

6.4 Registered Shareholders

The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Washington.

6.5 Execution of Other Securities

All bonds, debentures and other corporate securities of the Corporation, other than stock certificates (covered in Section 6.1), may be signed by the Chairperson of the Board of Directors, the Chief Executive Officer, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Chief Financial Officer or Treasurer or an Assistant Treasurer; provided, however, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the Corporation or such other person as may be

authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the Corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the Corporation.

Except as otherwise specifically provided in these Bylaws, no shares of stock shall be transferred on the books of the Corporation until the outstanding certificate therefor has been surrendered to the Corporation. All certificates surrendered to the Corporation for transfer shall be cancelled, and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled, except that in case of a lost, destroyed, or mutilated certificate a new one may be issued therefor upon such terms (including indemnity to the Corporation) as the Board of Directors may prescribe.

ARTICLE 7. BOOKS AND RECORDS

7.1 Books of Accounts, Minutes and Share Register

The corporation shall keep as permanent records minutes of all meetings of its shareholders and Board of Directors, a record of all actions taken by the shareholders or Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors exercising the authority of the Board of Directors on behalf of the Corporation. The corporation shall maintain appropriate accounting records. The corporation or its agent shall maintain a record of its shareholders, in a form that permits preparation of a list of the names and addresses of all shareholders, in alphabetical order by class of shares showing the number and class of shares held by each. The corporation shall keep a copy of the following records at its principal office: the Articles or Restated Articles of Incorporation and all amendments to them currently in effect; the Bylaws or Restated Bylaws and all amendments to them currently in effect; the minutes of all shareholders' meetings, and records of all actions taken by shareholders without a meeting, for the past three years; its financial statements for the past three years, including balance sheets showing in reasonable detail the financial condition of the Corporation as of the close of each fiscal year, and an income statement showing the results of its operations during each fiscal year prepared on the basis of generally accepted accounting principles or, if not, prepared on a basis explained therein; all written communications to shareholders generally within the past three years; a list of the names and business addresses of its current directors and officers; and its most recent annual report delivered to the Secretary of State of Washington.

7.2 Copies of Resolutions

Any person dealing with the Corporation may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board of Directors or shareholders, when certified by the Chief Executive Officer, the President or Secretary.

**ARTICLE 8.
FISCAL YEAR**

The fiscal year of the Corporation shall be set by resolution of the Board of Directors.

**ARTICLE 9.
CORPORATE SEAL**

The Board of Directors may adopt a corporate seal for the Corporation which shall have inscribed thereon the name of the Corporation, the year and state of incorporation and the words "corporate seal".

**ARTICLE 10.
INDEMNIFICATION**

10.1 Right to Indemnification

Each individual (hereinafter an "indemnitee") who was or is made a party or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or officer of the Corporation or that, while serving as a director or officer of the Corporation, he or she is or was also serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation or of a foreign or domestic partnership, joint venture, trust, employee benefit plan or other enterprise, whether the basis of the proceeding is alleged action in an official capacity as such a director, officer, employee, partner, trustee, or agent or in any other capacity while serving as such director, officer, employee, partner, trustee, or agent, shall be indemnified and held harmless by the Corporation to the full extent permitted by applicable law as then in effect, against all expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) incurred or suffered by such indemnitee in connection therewith, and such indemnification shall continue as to an indemnitee who has ceased to be a director, officer, employee, partner, trustee, or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators; provided, however, that no indemnification shall be provided to any such indemnitee if the Corporation is prohibited by the Washington Business Corporation Act or other applicable law as then in effect from paying such indemnification; and provided, further, that except as provided in Section 10.2 of this Article with respect to proceedings seeking to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized or ratified by the Board of Directors. The right to indemnification conferred in this Section 10.1 shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any proceeding in advance of its final disposition (hereinafter an "advancement of expenses"). Any advancement of expenses shall be made only upon delivery to the Corporation of a written undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this Section 10.1 and upon delivery to the Corporation of a written affirmation (hereinafter an

“affirmation”) by the indemnitee of his or her good faith belief that such indemnitee has met the standard of conduct necessary for indemnification by the Corporation pursuant to this Article.

10.2 Right of Indemnitee to Bring Suit

If a written claim for indemnification under Section 10.1 of this Article is not paid in full by the Corporation within ninety (90) days after the Corporation’s receipt thereof, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful, in whole or in part, in any such suit or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expenses of prosecuting or defending such suit. The indemnitee shall be presumed to be entitled to indemnification under this Article upon submission of a written claim (and, in an action brought to enforce a claim for an advancement of expenses, where the required undertaking and affirmation have been tendered to the Corporation) and thereafter the Corporation shall have the burden of proof to overcome the presumption that the indemnitee is so entitled. Neither the failure of the Corporation (including the Board of Directors, independent legal counsel or the shareholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances nor an actual determination by the Corporation (including the Board of Directors, independent legal counsel or the shareholders) that the indemnitee is not entitled to indemnification shall be a defense to the suit or create a presumption that the indemnitee is not so entitled.

10.3 Nonexclusivity of Rights

The right to indemnification and the advancement of expenses conferred in this Article X shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation or Bylaws of the Corporation, general or specific action of the Board of Directors, contract or otherwise.

10.4 Insurance, Contracts and Funding

The corporation may maintain insurance, at its expense, to protect itself and any individual who is or was a director, officer, employee or agent of the Corporation or who, while a director, officer, employee or agent of the Corporation, is or was serving at the request of the Corporation as a agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any expense, liability or loss asserted against or incurred by the individual in that capacity or arising from the individual’s status as a director, officer, employee or agent, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Washington Business Corporation Act. The corporation may enter into contracts with any director, officer, employee or agent of the Corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

10.5 Indemnification of Employees and Agents of the Corporation

The corporation may, by action of the Board of Directors, grant rights to indemnification and advancement of expenses to employees and agents of the Corporation with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the Corporation or pursuant to rights granted pursuant to, or provided by, the Washington Business Corporation Act or otherwise.

10.6 Persons Serving Other Entities

Any individual who is or was a director, officer or employee of the Corporation who, while a director, officer or employee of the Corporation, is or was serving (a) as a director or officer of another foreign or domestic corporation of which a majority of the shares entitled to vote in the election of its directors is held by the Corporation, (b) as a trustee of an employee benefit plan and the duties of the director or officer to the Corporation also impose duties on, or otherwise involve services by, the director or officer to the plan or to participants in or beneficiaries of the plan or (c) in an executive or management capacity in a foreign or domestic partnership, joint venture, trust or other enterprise of which the Corporation or a wholly owned subsidiary of the Corporation is a general partner or has a majority ownership or interest shall be deemed to be so serving at the request of the Corporation and entitled to indemnification and advancement of expenses under this Article.

ARTICLE 11. AMENDMENT OF BYLAWS

11.1 These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board, except that the Board may not repeal or amend any Bylaw that the shareholders have expressly provided, in amending or repealing such Bylaw, may not be amended or repealed by the Board. The shareholders may also alter, amend and repeal these Bylaws or adopt new Bylaws. All Bylaws made by the Board may be amended, repealed, altered or modified by the shareholders.

ADOPTION AND AMENDMENTS

<u>Date of Adoption/ Amendment</u>	<u>Section(s)</u>	<u>Effect of Amendment</u>	<u>Date of Shareholder Approval (if applicable)</u>
Adoption by Board on July 14, 2005	—	—	January 25, 2006
Amendment adopted by Board on January 25, 2006	2.2	Amended Section 2.2 to permit shareholders to call a special meeting	January 25, 2006