

Kapstone On-Site Service Terms & Conditions

1. The provisions of this Addendum shall apply to all work performed on Kapstone Kraft Paper Corporation ("Buyer") premises ("Work") by Seller, its subcontractors and its and their employees and agents, and shall apply in addition to the provisions on the face and back of Buyer's purchase order, except that if any conflict exists between them, the provisions on the face of the purchase order shall govern over these Addendum provisions, which shall govern over the provisions on the back of the purchase order.
2. Seller shall plan, coordinate and execute the work in such manner that Buyer's operations will not be interrupted or hampered and shall comply with Buyer's local safety and security rules. The Work shall be completed as expeditiously as the combined efforts of Buyer and Contractor will permit. Contractor shall exert its best efforts to expedite deliveries of materials, equipment, machinery, etc., that it is furnishing, and to schedule the required labor for which it is responsible, shall staff the job with knowledgeable supervisory personnel, shall plan the job, with the approval of Buyer, so as to minimize any down-time of its or Buyer's equipment and machinery, and shall, to the best of its ability, employ sufficient trained craftsmen to maintain the approved schedule.
3. Seller has familiarized itself with the site on which the Work is to be performed, with the drawings and specifications mentioned herein, with shipping and delivery facilities and with all other matters and conditions, which may affect completion of the Work. In accepting this purchase order and starting the Work, seller accepts the demands and requirements of the foregoing and assumes all the risks therefrom.
4. Seller shall keep Buyer's premises free of any accumulation of waste material or rubbish caused by Seller or its subcontractors or its or their employees or resulting from the Work and shall comply with Buyer's rules relating to segregation of waste material. On completion of the Work, Seller shall remove all rubbish, scaffolding and surplus material from and about Buyer's premises and shall leave Buyer's premises "broom clean" or the equivalent.
5. Buyer may order extra work or make changes by altering, adding to or deducting from the Work, the contract sum and final completion date being adjusted accordingly. However, except in an emergency endangering life or property, no such extra work or changes shall be made except upon written work order signed by Buyer, and no claim for adjustment to the contract sum or final completion date shall be valid unless covered by written work order. Adjustments to the contract sum and final completion date shall be determined by the parties at the time that the written work order is delivered to Seller and shall be stated therein. Failure to reach agreement on any such adjustment shall not excuse Seller from its performance of the Work. In the event the Contract Price is determined, in whole or in part, on a time and material basis, Buyer reserves the right to audit Seller's books and records relating to the Work in order to verify the amount of any Invoice for Progress Payments and/or Final Payment.
6. If requested by Buyer, Seller shall deliver to Buyer, before starting the work, a surety bond from a company and in form acceptable to Buyer in the full amount of the contract sum. Such bond shall cover full performance of the purchase order. Buyer shall reimburse Seller for the cost of such bond.
7. In addition to any other warranty applicable to the goods, Seller guarantees that it will, at its own expense, rectify, repair, and replace any and all defects arising from defective or improper construction materials or workmanship furnished by it, its subcontractors or its or their employees and agents, which may appear within one year after final completion of the Work.
8. Seller shall obtain and pay for all permits and licenses and shall give all notices and pay for all notices and pay for all fees required for the work.
9. Any drawings and specifications furnished by Buyer shall be used only for the Work and shall be returned to Buyer.
10. If services are to be provided hereunder, Seller (vendor/contractor) will, at its own expense, procure and maintain in full force and effect during the performance of such services, through companies and agencies satisfactory to Buyer, the following insurance:
 - a. For U.S. exposures Workers' Compensation and Employer's Liability Insurance in Seller's name with statutory limits for Workers' Compensation and Employer's Liability limits of not less than \$500,000.
 - b. Commercial General Liability Insurance, written on an occurrence form, including Contractual Liability Insurance, Contractor's Protective Liability in Seller's name, Broad Form Property Damage, and completed operation endorsements with not less than \$1,000,000 per occurrence Combined Single Limit. Exclusions for explosion, collapse and underground property (X, C, and U) shall be deleted.
 - c. Automobile Liability Insurance, written on an occurrence form with an Employer's Non-Ownership Liability Endorsement in Seller's name, with not less than \$1,000,000 per occurrence Combined Single Limit.

The insurance policies described in (b) and (c) above shall name Buyer as an additional insured, and shall afford Buyer with primary coverage, irrespective of other coverage maintained by Buyer or Seller, and Seller's self-insured retention in (b) and (c) above shall not exceed \$100,000. Seller shall be responsible for maintaining insurance covering its personal property used by it in its work and shall be solely responsible for damage to or loss of same from any cause. Seller hereby waives, and shall cause its insurers to waive, all rights of subrogation against Buyer. All insurance companies must have a Best rating of "A" or better.

BEFORE SELLER BEGINS WORK HEREUNDER, TWO CERTIFICATES EVIDENCING THE AFORESAID INSURANCE COVERAGE SHALL BE DEPOSITED WITH BUYER MARKED FOR THE ATTENTION OF: PURCHASING AGENT, BUYER, AT THE ADDRESS SHOWN ABOVE. Such certificates of insurance shall require at least thirty (30) days prior written notice to Buyer before cancellation, termination, or modification of the coverage specified therein. Seller must further certify to the aforementioned Purchasing Agent that it has obtained similar Certificates of Insurance from each of its subcontractors before their work commences and, upon request of Buyer, provide copies of the insurance policies of Seller and such subcontractors, including applicable declarations pages. Each subcontractor must be covered by insurance of the same character and in the same amounts as Seller unless Buyer and Seller mutually agree that reduced coverage is adequate due to the nature of the particular subcontract work.

11. Indemnification. Seller agrees to indemnify and save harmless the Buyer, its agents, employees, members, parent and affiliates (collectively, "Buyer Indemnitites") from and against any and all expenses, loss, damage, liability and attorneys' fees which any or all of the Buyer Indemnitites incur or may incur for any and all damages or injury of any kind or nature whatsoever (including death) to all persons (including those employed by Seller) or property which is caused by, results from, arises out of, or occurs in connection with the performance by Seller or any subcontractor of Seller regardless of the fault or negligence or alleged

strict liability on the part of the Buyer. Upon demand, Seller agrees to assume on behalf of the Buyer Indemnities the defense of any action, at law or in equity, which may be brought against any of the Buyer Indemnities upon any such claim and to pay on behalf of the Buyer Indemnities the amount of any settlement or the amount of any judgment that may be entered against any and/or all Buyer Indemnities in any such action. Seller hereby expressly waives any immunity from suit by Buyer Indemnities which may be conferred by Workers Compensation laws or any other laws of any state that would preclude enforcement of this indemnification clause by Buyer Indemnities. Seller agrees to pay any reasonable attorneys' fees incurred by Buyer Indemnities in securing compliance with the provisions of the Section entitled "Indemnification". If the validity or enforceability of this provision requires a monetary limitation on the extent of the indemnification, the amount of any such indemnification shall be limited to \$2,000,000 or the Contract Price, whichever is greater. This indemnification expressly includes claims made by Seller's employees for work related injuries.

12. Seller shall be solely responsible for the safe performance of all Work under the purchase order, including without limitation compliance with applicable standards of the Williams-Steiger Occupational Safety & Health Act of 1970. Seller must provide at seller's expense an interpreter for all non-English speaking employees or sub-contractors to ensure understanding and compliance of Buyer's safety instructions.
13. All Work performed under the purchase order by Seller shall be as an independent contractor and not as an agent or employee of Buyer.
14. Seller shall fully inform itself and its subcontractors and its and their employees concerning the chemical substances and hazardous materials and conditions located on Buyers premises and Seller shall take appropriate safety and protective measures to prevent injury to persons and property. Seller shall familiarize its subcontractors and its and their employees with the Hazardous Material Identification System in use at the site of the Work, and Buyer shall provide Seller's designated representative(s) with training in such Hazardous material Identification System. Buyer shall provide full access to, and upon Seller's request shall provide Seller copies of Material Safety Data Sheets for the chemicals substances that Buyer maintains on its premises.
15. Seller shall not expose Buyer's employees or Buyer's other contractors or their employees to any chemical substance or hazardous material or condition in connection with performance of the Work, unless Seller has taken appropriate safety and protective measures to prevent injury to persons and or property. Prior to bringing any chemical substance or other hazardous materials onto Buyer's premises, Seller shall provide Buyer, without request, the material Safety data Sheet applicable thereto and, when requested by Buyer, shall delay such entry until Buyer has given clearance.
16. Should Buyer permit Seller to use any of Buyer's equipment, tools or facilities or should Buyer furnish transportation, labor, electric power or other utility service or other assistance in connection with performance of the Work, such use or furnishing will be gratuitous, and Seller hereby waives, releases and renounces all claims relating thereto, whether for personal injury, occupational sickness or disease or death or for physical damage to property, or loss of use thereof, and whether based on the condition thereof or any negligence, strict liability or other fault of Buyer. Seller may store its tools and materials on Buyer's premises at designated locations as permitted by Buyer, but Buyer assumes no responsibility for loss or damage in connection therewith.
17. Seller shall not suffer or permit any lien to be placed upon any property or premises of Buyer growing out of or connected with the supplying of any material or the performance of any Work under the purchase order. In the event of any such lien, Buyer may apply any funds payable to Seller under the purchase order to the release and satisfaction of such lien.
18. Final payment shall be payable when Seller has fully performed the purchase order and, unless Buyer otherwise requests, has submitted evidence satisfactory to Buyer that all payrolls, materials and other indebtedness connected with the Work have been paid. Contractor agrees and warrants that the payments made by Buyer hereunder will be applied first to payment of the cost and expense of labor, materials and services incurred by, for, and on behalf of Contractor, its subcontractors and agents hereunder.
19. Seller may sublet portions of the Work, but only with the prior written approval of Buyer as to the portions of the Work to be sublet and as to the particular subcontractor.
20. Seller agrees to and shall hold in confidence any and all technical information, processes, designs, products or any other information which Buyer may, from time to time, designate as a trade secret, confidential or proprietary, and which Seller learns of in the performance of the Work, either because of direct or indirect use thereof by Seller or otherwise. Furthermore, Seller shall undertake to protect such information from disclosure by its employees, agents or subcontractors, shall not furnish said information to others without Buyer's prior written consent and shall hold Buyer harmless from any damage or loss suffered hereby.