



KAPSTONE PAPER AND PACKAGING CORPORATION

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INVOICING UPDATE

June 1, 2017

Dear Valued Supplier,

On February 6, 2017, KapStone Paper and Packaging Corporation made changes to its invoice handling processes. KapStone informed all suppliers of these impending changes in early February and provided an update in mid-March, to answer some questions. Today, we are summarizing those previously provided invoice handling instructions along with an update to KapStone's invoicing quality standards, which were previously distributed in March 2016 and prior. Now, therefore...

If your company submits invoices to KapStone for products and/or services purchased by KapStone from your company, the invoices you submit must be submitted to one of the following (*choose one only*):

Via E-mail to: apadvantage.kap@pnc.com

OR via hard-copy to: **KapStone Paper and Packaging Corporation
PO Box 842159
Boston, MA 02284-2159**

OR via parcel delivery: **KapStone Paper and Packaging Corporation
Lockbox #842159
20 Commerce Way, Suite 800
Woburn, MA 01801-1057**

Your invoices must also meet the following criteria:

- Emailed invoices must be in PDF format, as attachments
- Emailed invoices must not be embedded, encrypted or password protected
- Emailed invoices must be singular and unique (1 Invoice per PDF file)
- Emailed invoices are limited to 100 PDF files per individual email

The quality of information contained on your invoices, is critically important to assure prompt and correct payment to your company. KapStone previously provided you with required invoice quality requirements. Please note that these standards are also detailed in our contracts and purchase orders. **Failure to adhere to these invoice quality standards may cause your invoice to be returned to you without payment and delay in settlement of your account.**

All of your invoices must include:

1. Your company's name.
2. Your company's remit-to address.
3. Your unique invoice number.
4. Your invoice date.
5. A contact name and telephone number at your company.
6. KapStone's purchase order number (exactly as provided to you via a KapStone purchase order).
 - a. *If no KapStone purchase order was used to acquire products or services from your company, the KapStone contact name and telephone number ordering the product/service from your company.*
7. The KapStone legal entity name printed on the KapStone purchase order.
8. The address of the KapStone location to which products or services were provided by your company.
9. A description and dollar amount (excluding tax) of each individual charge or line, specifying:
 - a. *the KapStone purchase order line number,*
 - b. *the products or services attributed to each line,*
 - c. *the unit price per line, and*
 - d. *the extended line value (units x quantity provided).*
10. Invoice subtotal amount.
11. Tax amount (if applicable to the purchase/sale).
12. Invoice total amount (subtotal + applicable tax).
13. Backup documentation (time sheets, 3rd party material purchases, etc.) as stipulated on the KapStone purchase order.

Finally, please remember, that purchases by KapStone, regardless of context, must be documented in a valid KapStone purchase order or supply agreement/contract prior to shipment of product or performance of services. Also, KapStone assumes no obligation to pay for any product, material or service not properly ordered by KapStone via a purchase order, supply agreement/contract or other KapStone approved alternate ordering or payment process. Alternative ordering/payment processes (P-Card, Ghost-Card, VMI, Consignment, etc.) may only be used upon approval by KapStone Procurement.

If your company is currently providing any product, material or service that is not covered by a KapStone purchase order, contract, agreement or other KapStone Procurement approved ordering process, it is imperative that you immediately engage your KapStone contact to ensure that all proper authorizations and documentation are in place. Otherwise, any invoices submitted for unauthorized deliveries may not be paid.

Also, please remember:

- A. Suppliers on KapStone's ERS (evaluated receipts settlement) program do not submit invoices to KapStone for payment.*
- B. Suppliers on a KapStone alternative payment process (P-Card, Ghost-Card, etc.) do not submit invoices to KapStone for payment.*

In both cases, please disregard this update.

Questions concerning these standards may be directed to the KapStone Procurement associate supporting your account or to KapstoneVendors@Kapstonepaper.com

KapStone desires to continue to develop and enjoy long-term relationships with many valued suppliers, and KapStone's preference is to continue to grow business relationships with those suppliers who bring value to us. Embracing and performing to the instructions and standards contained in this update, will bring value to our relationship and will allow KapStone to issue prompt and correct payments to your company.

We look forward to continuing our valued relationship with your company.

Best regards,

Eric Choltco
Director
Strategic Sourcing