

KAPSTONE LONGVIEW FIBER SUPPLY PURCHASE ORDER TERMS AND CONDITIONS

1. **Applicable Terms.** This purchase order ("Order") may be accepted by Seller only in accordance with the terms hereof. Any acceptance herein of an offer of Seller, or any confirmation herein of a prior agreement between Buyer and Seller is expressly made conditional on Seller's assent to the additional or different terms contained herein. This Order may be accepted by Seller by commencement of work, shipment of goods, or furnishing the services hereunder. Dispatch of Seller's acknowledgment form or other written documentation will also act as an acceptance if it agrees with this Order with respect to the description, amount, price and time of delivery of the goods or services ordered. Notwithstanding any waiver in any instance, or any oral agreement, or any instructions, terms and conditions that may be contained in any quotation, acknowledgment, invoice or other written document of Seller, no addition to, waiver for the future or modification of any of the provisions herein contained shall be of any force or effect unless made in writing and executed by Buyer.
2. **Scope of Work:** Over the term specified in the Purchase Order(s), Buyer covenants and agrees to order and accept from Seller, and Seller covenants and agrees to sell and deliver and/or Seller agrees to cut, convert and/or transport Fiber to Buyer at the designated points, for the price listed, at the times provided, and for the volumes and species of Fiber as specified on the Purchase Order(s). When Seller is transporting Fiber pursuant to this Agreement, Seller agrees to furnish a sufficient number of safe and operationally sound tractors, trailers, and other transportation equipment of sufficient capacity, together with licensed, and insured, competent drivers unless delivery is by rail.
3. **Delivery/Title:** Unless otherwise agreed, delivery shall be f.o.b. point of destination and the title shall pass to Buyer upon acceptance at the final delivery point. Risk of damages or loss following shipment and prior to acceptance by Buyer shall be the responsibility of Seller or appointed designee.
4. **Price:** Buyer shall pay Seller according to the prices listed in the Purchase Order(s) for all Fiber delivered, and/or cut, converted and/or transported by Seller. The prices in the Purchase Order shall be subject to change upon notification from the Buyer, by issuing an amended or new Purchase Order. The purchase order is the document submitted by Buyer to Seller and together with any addenda or exhibits thereto, shall contain all of the terms required for the purchase and sale of Fiber pursuant to this Agreement.
5. **Order Management:** When Buyer desires to purchase, or have Seller cut, convert, or transport Fiber, it shall initiate a Purchase Order specifying the species, product, volume, delivery points and rates, if applicable, and other specifications for deliveries to be made pursuant to the Purchase Order. Buyer shall have the option to refuse to accept delivery from Seller of all Fiber, or a portion thereof, that does not meet Buyer's specifications. Seller acknowledges that it is fully aware that specifications for each Delivery Point are subject to frequent changes and agrees that it will be responsible for obtaining and acquainting itself with the applicable specifications.
6. **Inspection, Return, and Substitution:** Items purchased hereunder are subject to inspection and approval at Buyer's destination. Buyer reserves the right to reject and refuse acceptance of items which are not in full accordance with Buyer's specifications. Items not accepted may be returned at Seller's expense. Payment for any item shall not be deemed an acceptance thereof.
7. **Scaling and Weighing:** All Fiber delivered hereunder by Seller shall be scaled or weighed by Buyer, or its designee, upon delivery at the specified delivery points, which data shall be recorded by the scaler (or weigher) on scale or weight tickets and a copy of each ticket shall be given to Seller or Seller's designated representative. Buyer reserves the right to use average net weights for truck and/or rail tickets when scales are not operating properly. Each load of Fiber delivered to Buyer or its designee must be identified by providing information for the correct Purchase Order. Additional information required by the parties or by state laws shall also be included on the scale ticket. Buyer reserves the right to audit compliance with this provision as appropriate. Upon request by Buyer, Seller will also collect and provide to Buyer Fiber source information. If Seller breaches this condition, fails to maintain proper evidence of compliance, or fails to provide Buyer with Fiber source information, Buyer may terminate this agreement immediately.
8. **Size, Weight and Safety Requirements:** If Seller is transporting Fiber under this Agreement, Seller agrees to strictly obey all size, weight and safety requirements in the states which Seller operates. Regardless of whether loading is to be completed by Buyer or Seller, Seller agrees to be solely responsible for all penalties, fines or judgments assessed because of any size, weight or safety violations. Seller agrees to comply with the Occupational Safety and Health Act of 1970 and related standards and regulations ("OSHA Standards"). Seller further agrees to indemnify and hold harmless Buyer for any loss, damage, fine, penalty or any expense whatsoever as a result of the failure of Seller or its subcontractors to comply with OSHA Standards.
9. **Set Off:** Seller hereby specifically agrees that Buyer may at any time apply any payment due Seller, or Seller's parent company, subsidiary or other affiliate, hereunder to any other debt or sum that Seller, or Seller's parent company, subsidiary or other affiliate, may owe to Buyer, or Buyer's subsidiary or other affiliate. This right of set-off shall be without prejudice and in addition to any other right of set-off, lien or other entitlement to which Buyer might be allowed, whether by contract, in law or in equity. Buyer agrees to advise Seller in writing ten (10) days prior to applying its rights of set-off hereunder. The term "affiliate" as used herein shall include any entity that controls, is controlled by, or is under common control with the named party.
10. **Indemnification:** Seller shall defend, indemnify and hold Buyer and Buyer's officers, directors, employees and agents (collectively, the "Buyer Indemnitees") harmless from and against any and all losses, damages, fines, penalties, causes or action, lawsuits, demands, and expenses (including, but not limited to, attorneys' fees and litigation costs) (collectively, "Losses") caused by or arising in any manner whatsoever out of any goods or services supplied by Seller (regardless of whether such claim or demand arises under tort, negligence, contract, warranty, strict liability, or any other legal theories), except to the extent such Losses result solely from the negligence of one or more of the Buyer Indemnitees.
11. **Insurance:** If this Order involves the purchase of goods and/or services with labor to be provided on premises owned, leased or under the control of Buyer (collectively, the "Premises"), Seller shall maintain throughout the pendency of activities on the Premises, (a) commercial general liability insurance with not less than \$1 million per occurrence combined single limit, (b) automobile liability insurance with an employer's non-ownership liability endorsement in Seller's name, with not less than \$1 million per occurrence combined single limit, (c) workers' compensation insurance in the State in which the Premises is located with statutory limits, and (d) employer's liability insurance in Seller's name with limits of not less than \$100,000. The insurance policies described in (a) and (b) above shall name KapStone Paper and Packaging Corporation ("KapStone") and its affiliates as additional insured and shall afford KapStone and its affiliates with primary coverage, irrespective of other insurance maintained by Seller, KapStone or KapStone's affiliates. Seller shall waive, and shall cause its insurers to waive, all rights of subrogation against KapStone and its affiliates. Seller shall provide Buyer with certificates of insurance prior to providing labor on the Premises. Each certificate shall require at least 30 days prior written notice to Buyer before cancellation, termination, or modification of coverage. Each subcontractor must be covered by insurance of the same character and in the same amounts as required of Seller pursuant to this Agreement. Seller's shipping exclusively by rail are exempt from the requirement to maintain automobile liability insurance.
12. **Termination:** Either party shall have the right to terminate this Agreement without cause upon thirty (30) days written notice. Buyer shall only pay for work performed by Seller to the satisfaction of Buyer and through the termination date.

13. **Assignments:** Seller shall not transfer or assign its rights or obligations under this Agreement without the prior written approval of Buyer, which approval Buyer may withhold in its sole discretion. If Buyer approves the assignment of this Agreement, Seller shall remain liable for the liabilities and obligations herein.
14. **Warranty and Taxes:** Seller fully warrants title and merchantability of all Fiber to be sold under this Agreement. Seller further agrees to pay, or cause to be paid, all severance taxes or other levies upon or incident to the production and delivery of Fiber hereunder which will or may constitute a lien thereon or on any products manufactured therefrom.
15. **Confidentiality.** All specifications, data and other information furnished by Buyer or its agents, to Seller in connection with this Order remain the exclusive intellectual property of Buyer; shall be treated by Seller as proprietary; and shall not be disclosed or used, outside of this Order without prior written approval of Buyer. In addition, the purchase of Seller's product does not authorize Seller to use the name of or make reference to Buyer for any purpose in any releases for public or private dissemination, nor shall Seller divulge or use in any advertisement or publication any specifications, data, or other information pertaining to or relating to this usage without prior written approval of Buyer.
16. **Compliance with Laws:** All goods and services covered by this Order must be produced or performed in accordance with applicable federal, state, and local laws, regulations, rules and orders, including those dealing with slavery, human trafficking, child welfare, equal employment opportunity and the protection of the environment. Therefore, during its performance under this Order, unless exempt, Seller agrees to abide by the provisions of the following as applicable, which are incorporated herein by reference: 29 C.F.R. 470, 29 C.F.R. Part 471, 41 C.F.R. 60-1.4(a), 60-300.5(a), 60-300.44, 60-741.5(a), Executive Orders 11246 and 13465, and Appendix A to Subpart A of Executive Order 13496. **This contractor and subcontractor shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities. This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.** Seller certifies its work under this Order complies with §§ 6, 7 & 12 of the Fair Labor Standards Act and related U.S. Dept. of Labor regulations. If Seller provides any product incorporating wood, plants, or derivatives thereof, Seller complies with the Lacey Act, 16 U.S.C. 3371 et seq. Seller agrees to certify and re-certify compliance with this section from time to time as any party enforcing the laws may require of Buyer or Seller.
17. **Independent Contractor:** Neither Seller nor any of Seller's employees, contractors, agents or representative shall be deemed to be employees of Buyer nor any of Buyer's affiliated companies. Except as provided in this Order, neither Buyer nor any of Buyer's affiliated companies shall have control over Seller's methods, equipment, employees, contractors, agents or representatives. Seller shall at all times be an independent contractor of Buyer.
18. **Severability:** In the event any one or more provisions contained in this Order shall be invalid, illegal, or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
19. **Special Provisions/Governing Law:** Special provisions typed or applied by rubber stamp hereon supersede any conflicting printed provisions. Unless otherwise agreed, this Order shall be interpreted under laws of the State of Washington, without recourse to conflict of law provisions.
20. **Electronic Transactions:** BUYER and SELLER agree that, at their option, they may facilitate the transactions contemplated by this Agreement by electronically transmitting and receiving data. For the mutual benefit of the parties, it is agreed that all such electronically transmitted data shall be legally valid and enforceable.