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Dear Valued Supplier:

Over the years, KapStone Paper and Packaging Corporation developed and enjoyed long-term relationships with many different suppliers. KapStone's preference is to continue and grow business relationships with suppliers who bring value to us. As such, in order to continue to build value-added relationships, award business in support of those relationships, and provide timely payment for such business, KapStone will continue to enforce a few basic business practices.

Purchases made by KapStone, regardless of content, must be documented in a valid KapStone purchase order or supply agreement/contract. Also, KapStone assumes no obligation to pay for any product, material or service not properly ordered by KapStone Procurement via a purchase order, supply agreement/contract or other KapStone approved alternate ordering process. Alternative ordering processes (P-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.

In addition to the above information, invoices for authorized KapStone purchases must adhere to the following parameters to ensure prompt payments:

1. The correct purchase order number must be displayed on all invoice(s). Failure to display that purchase order number will result in payment delays or non-payment. Please remember that this is a condition stated in all KapStone contracts and in KapStone's Purchase Order Conditions contained on KapStone's Supplier web page at: <http://www.kapstonepaper.com/suppliers/>
2. Prices listed on your invoice must match prices listed on KapStone's purchase orders for prompt payment. If updates are required, please contact the buyer listed on the face of your purchase order prior to shipment of goods or performance of services.

Finally, starting the last week of January, a new KapStone acknowledgement E-mail is being sent in reply to all received supplier E-mailed invoice submissions. The intent of this E-mail reply is to confirm that your E-mailed invoice submission was received and to further let you know that this automated inbox is not intended for general communication. KapStone's Account Payables contacts will soon be listed on KapStone's Supplier web page noted above.

Any questions concerning these practices and policy may be directed to the KapStone Procurement associate supporting your account.

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

Best regards,



Eric J. Choltco
Director, Strategic Sourcing