



**POSITION STATEMENT
ON
REMEDIES UPON TERMINATION PRIOR TO DELIVERY**

December 31, 2017

Effectiveness and Revocation

This Position Statement shall be effective as of the date first set forth above and shall be binding upon, and enforceable against, KapStone Paper and Packaging Corporation and its current and future direct and indirect subsidiaries (collectively, "KapStone") until revoked in writing by KapStone's Chief Financial Officer. Any revocation of this Position Statement must be posted on KapStone's official company website, www.kapstonepaper.com, for a period of at least ten (10) business days and will become effective no earlier than the thirty-first (31st) day after initial posting.

Position Statement

Notwithstanding any contrary terms or conditions that may be found in any written agreement, any standard terms and conditions of sale or any other legally binding agreement applicable to sales of Goods (as defined below) by KapStone to a customer (the "Applicable Terms"), in the event a KapStone customer, without cause, terminates, revokes, cancels, repudiates or allows to expire any order for the purchase of Goods from KapStone or agreement to maintain safety stock or consignment inventory (a "Termination") prior to delivery (or deemed delivery) of such Goods in accordance with the Applicable Terms ("Delivery"), KapStone waives any right it may now have or may hereafter have or acquire to collect from any person (including such customer and any and all persons acting as guarantor of such customer) with respect to such Termination, and forever releases and discharges each such person from any obligation to pay to KapStone as a result of such Termination (the "Waiver and Release"), any amount in excess of KapStone's reasonable out-of-pocket costs and expenses incurred as a result of, and related to, such Termination, which sum shall always be less than the purchase price for the Goods impacted by such Termination. For the avoidance of doubt, the foregoing Waiver and Release shall have no force or effect with respect to any Goods after Delivery thereof in accordance with the Applicable Terms. For purposes of this Position Statement, the term "Goods" means, collectively, (a) corrugated products manufactured by KapStone and (b) products procured by KapStone for resale to a customer (i) that are designed or manufactured to such customer's specifications, (ii) that include, reflect or display any intellectual property (including, without limitation, logos, trademarks, tradenames and copyrights) owned or licensed by such customer and/or (iii) for which KapStone has no alternative use.

Legal Effect

It is KapStone's intent that this Position Statement (and the Waiver and Release set forth herein) be, and this Position Statement (and the Waiver and Release set forth herein) shall be, binding upon and enforceable against KapStone until revoked in accordance with the terms hereof, notwithstanding any law, rule, regulation or principle of legal interpretation to the contrary.