

GP HARMON RECYCLING LLC
TERMS AND CONDITIONS FOR PURCHASES OF RECYCLABLE MATERIAL

1. General: These Terms and Conditions for Purchases of Recyclable Material (these "**Terms**") shall apply to all purchases of recyclable material ("**Material**") by GP Harmon Recycling LLC d/b/a Georgia-Pacific Recycling ("**GP Harmon**") from seller ("**Seller**"). All purchases of Material by GP Harmon from Seller are expressly limited to and conditioned upon Seller's acceptance of these Terms, regardless of the media or means used by GP Harmon to place an order for the purchase of Material, including but not limited to, phone orders, written purchase orders, electronic orders, acknowledgements, confirmations, or other writings between GP Harmon and Seller. Unless expressly agreed to in a writing signed by a Vice President or the President of GP Harmon (each, an "**Authorized Representative**"), any additional or conflicting terms and conditions contained on, attached to or referenced by any other prior or later communication between Seller and GP Harmon, shall have no effect on the purchase of any Material by GP Harmon from Seller and are expressly rejected by GP Harmon. *Seller's commencement of performance, which shall include, but not be limited to, requesting a Purchase Order (defined below) for Material or shipping Material, shall in all cases constitute Seller's unqualified and unconditional acceptance of these Terms.*

2. Purchase Orders: GP Harmon shall order Material from Seller by issuing purchase orders that set forth the grade of Material, quantity, price, and any additional specifications required by GP Harmon for Material it desires to purchase (each, a "**Purchase Order**"). All terms and conditions set forth in a Purchase Order for a transaction(s) where ocean carrier containers will be used to transport the Material shall be binding between the parties upon Seller's receipt of such Purchase Order or commencement of performance. All terms and conditions set forth in a Purchase Order for a transaction(s) where ocean carrier containers will not be used to transport the Material shall be binding between the parties only with regard to the amount of Material delivered pursuant to such Purchase Order where title of the Material has transferred from Seller to GP Harmon.

3. Amendment; Cancellation: These Terms and Purchase Orders issued pursuant hereto may not be altered, modified, superseded or amended and no additional or different terms shall become a part of this these Terms or such Purchase Order, except pursuant to a writing (i) specifically referencing these Terms or a specific Purchase Order, (ii) specifically identifying the provision to be amended; and (iii) signed by Seller and an Authorized Representative. In the event of any conflict between the provisions set forth in these Terms and a provision set forth in a Purchase Order, the provision set forth in these Terms shall be the controlling provision. Notwithstanding any other provision of these Terms, GP Harmon may cancel or suspend any undelivered portion of a Purchase Order immediately upon providing notice to Seller.

4. Warranty: Seller warrants that Material delivered to GP Harmon shall (i) meet the quality standards applicable to the grade of Material being sold, as set forth in the ISRI Scrap Specification Circular for the current year; (ii) meet the specifications set forth in the applicable Purchase Order; (iii) be free of hazardous or radioactive substances or contamination; (iv) be free of any poisonous or deleterious substance which may create injury or illness; (v) be free of all medical and/or infectious waste; (vi) be delivered to GP Harmon in clean containers/railcars/trucks, which such containers/railcars/trucks have never been used to transport any material under a hazardous waste manifest; (vii) be free from any residue of herbicides, pesticides, fungicides, rodenticides or any other chemical residue; (viii) be free from any food residue; and (ix) conform to the samples of the Material (if any) supplied by Seller. Seller hereby agrees and acknowledges that GP Harmon shall be entitled to deem any Material defective and in breach of this warranty if, in GP Harmon's reasonable opinion, such Material fails to conform to any specification set forth in the applicable Purchase Order or fails to comply with these Terms.

5. Claims: In the event that Seller or the Material delivered by Seller (including any of Seller's suppliers) fails to comply with (i) the specifications set forth in the applicable Purchase Order or (ii) these Terms, Seller agrees to indemnify, hold harmless and immediately reimburse GP Harmon for all losses, damages or other costs of any nature incurred by GP Harmon or its customers as a result of such noncompliance, including, but not limited to, GP Harmon's cost to purchase the Material, freight charges (inland and/or ocean), all related fees and fines (including, but not limited to agent, survey, documentation fees), and any other disposal charges, damages or expenses (including attorneys and fees and court costs) arising out of or related to the forgoing (collectively, "**Losses**"). GP Harmon reserves the right to transport the Material using ocean carriers transporting additional materials for GP Harmon. Accordingly, Seller hereby agrees that if the Material delivered by Seller fails to comply with these Terms or the specifications set forth in the applicable Purchase Order and such noncompliance causes GP Harmon to incur Losses related to an ocean carrier's shipment which includes material other than the Materials delivered by Seller, Seller's indemnity obligations shall include all Losses related to or arising out of such ocean carrier's entire shipment. Seller agrees to reimburse GP Harmon for Losses arising out of or related to noncompliant Material for a period of six (6) months after Seller's delivery of such Material.

6. Offset: The parties agree that GP Harmon shall have the right to offset any Losses against any amounts payable by GP Harmon or its affiliates to Seller or its

affiliates pursuant to the applicable Purchase Order or any other agreement between any of the parties.

7. Acceptance: Seller acknowledges that Material may not be inspected until received by GP Harmon's customer(s). Material shall not be deemed accepted by GP Harmon until such Material is inspected and accepted by GP Harmon, GP Harmon's customer(s) or GP Harmon's authorized inspection agent.

8. Time of Essence: Time is of the essence with each Purchase Order. GP Harmon may cancel a Purchase Order in whole or in part if Seller fails or refuses to deliver the Material within the time of delivery set forth in the applicable Purchase Order or otherwise agreed to in writing by an Authorized Representative of GP Harmon.

9. Delivery; Title and Risk of Loss: All Material shall be delivered in accordance with the delivery terms set forth on the applicable Purchase Order. Title and Risk of Loss shall transfer in accordance with the applicable delivery terms; *provided, however,* that with respect to purchases from Canada title shall in all cases transfer in the United States, notwithstanding any delivery terms agreed to by the parties. GP Harmon shall not under any circumstances be deemed to hold any Material inventory in a foreign country and/or serve as exporter of record therefrom unless otherwise agreed in writing by the parties.

10. Assignment: Seller shall not assign any of its obligations arising under any Purchase Order without the written consent of an Authorized Representative.

11. Indemnity: To the greatest extent allowed by applicable law, Seller shall fully defend, indemnify and hold harmless GP Harmon and its affiliates, GP Harmon's customers which receive Seller's Material, and all of their respective owners, directors, officers, employees and agents, against any and all claims, demands, suits, damages, liabilities, judgments or expenses, (including, without limitation, attorney's fees and court costs) which arise out of or are related to Seller's performance or nonperformance of a Purchase Order. Seller's obligations under this Section 11 shall survive termination of the applicable Purchase Order(s) and/or the cessation of any business transactions between GP Harmon and Seller.

12. Invoicing & Payment Terms: Invoicing and payment terms shall be as set forth on the applicable Purchase Order. If the payment terms require Seller to send GP Harmon an invoice, the Seller's invoices shall include the applicable Purchase Order reference number, vehicle number(s), origin(s), date(s) shipped, grade(s) and received weight of Material. No invoice shall be required if the parties mutually agree to forgo such practice. The parties agree that no interest, finance or service charges shall be payable by GP Harmon. When invoices are subject to discount for prompt payment, the discount period shall begin on date when title transfers in accordance with Section 9 above. GP Harmon shall have no obligation to pay for Material that does not comply with these Terms and the specifications set forth on the applicable Purchase Order.

13. Grade and Weight Determinations: Unless otherwise agreed in writing by an Authorized Representative, the parties agree that the final grade and weight of Material delivered pursuant to a Purchase Order shall be determined by GP Harmon in its sole reasonable discretion.

14. Shipment Requirements: All Material shall comply with the following shipping requirements, and Seller shall immediately reimburse GP Harmon for any losses, excess freight costs, charges or penalties incurred by GP Harmon that arise from or are related to Seller's noncompliance with such requirements:

(a) **Transportation:** Seller shall comply with all applicable laws in transporting the Material for delivery. Material shall be suitably loaded, braced and secured in accordance with all applicable laws and any specified loading patterns. Material shall be marked and shipped in accordance with GP Harmon's instructions and in accordance with all applicable laws and any operating guidelines issued by transportation mode specific organizations (e.g., The Association of American Railroads). No additional charges shall be payable by GP Harmon for Seller's compliance with this subsection. Seller shall be liable for all damage to Material occurring prior to Seller's inspection of the Material.

(b) **Shipping Documents:** Packing slips shall accompany each shipment. An original bill of lading, or other shipping receipt, for each shipment shall be promptly forwarded by Seller in accordance with GP Harmon's instructions. Seller warrants that the release number used on the bill of lading shall match the paperwork received by the Seller from the carrier. In addition to the aforementioned, Seller shall prepare for each shipment of Material any additional requested documentation, reporting or otherwise, necessary to ensure GP Harmon's compliance with applicable import or export obligations and shall provide copies of such documentation to GP Harmon upon request.

(c) **Routing:** All shipments must be routed by Seller in the manner (if any) specified on the face of the applicable Purchase Order. If for any reason the designated routing cannot be achieved, Seller shall immediately contact GP Harmon for instructions and/or authorization to ship by other means.

(d) **Load to Full Capacity:** Seller warrants that all cars, trailers, and/or containers (as applicable) are loaded to full visible capacity and up to, but not in excess of, the maximum weight limit allowed by applicable law.

(e) **Bales:** Unless otherwise authorized by GP Harmon, Material shall be packaged by Seller in machine compressed bales. If Seller has received prior authorization from GP Harmon that bale headers are permitted, the header weight must not exceed 1% of the bale weight. Seller will ensure that the bales are clearly tagged or marked to show Material by grade, weight and country of origin.

(f) **Skidded Materials:** Upon receiving prior authorization from GP Harmon, Seller may use skidded packs; provided that (i) skids are to be securely banded with a minimum of three (3) metal bands in each direction (minimum of six (6) bands per skid); (ii) skids are to be a maximum of five (5) feet high; and (iii) skidded Material must be packed tightly in the head end of the truck or car and held securely in place.

(g) **Rolled Materials:** Prior authorization from GP Harmon must be obtained before Seller ships any rolled paper stock.

(h) **Door Seals:** Seller shall ensure that seals are applied to all trailer doors and rail cars, and that all old seals are removed prior to shipment. For containerized shipments, Seller shall ensure that seals are applied to all trailers and container doors and that all old seals are removed prior to shipment.

(i) **CCIC Photo and Video Requirements:** As applicable, Seller shall provide photos of the Material to GP Harmon and video record the loading process in accordance with the processes set forth on a Purchase Order and/or the GP Harmon website at: <http://www.gpharmon.com/terms-and-conditions>.

(j) **Verified Gross Mass:** In accordance with requirements under the International Convention for the Safety of Life at Sea, Chapter VI, Part A, Regulation 2 – Cargo information (the “**SOLAS VGM Regulation**”), Seller will ensure that GP Harmon is provided with the verified gross mass (as defined in the SOLAS VGM Regulation and hereinafter referred to as “**VGM**”) for each container included in a shipment prior to the VGM cut-off date and time for such shipment in order to enable GP Harmon to fulfill all shipper requirements under the SOLAS VGM Regulation. Any delays, loss, charges or damages incurred by GP Harmon as a result of Seller’s failure to provide an accurate VGM, submit the VGM in any way other than via the then-specified GP Harmon solution and/or transmit such VGM to GP Harmon in a timely manner, will be for the account of Seller.

15. Equipment: In the event that GP Harmon provides any equipment for use at Seller’s facility to assist in the collection and/or transportation of the Material, Seller accepts such equipment “AS IS”, “WHERE IS”, “WITH ALL FAULTS”. GP Harmon makes no warranty or representation, whether express or implied as to such equipment’s merchantability, fitness for a particular purpose, design, condition, quality, capacity, or any other representation, warranty or covenant. With respect to such equipment Seller agrees: (i) to be responsible for all loss or damage to the equipment (except for normal wear and tear) or for losses or damage resulting from Seller’s use or possession of the equipment; (ii) that it has no interest in such equipment; (iii) to indemnify, defend, and hold GP Harmon harmless against all claims, damages, suits, penalties, fines, and liability for injury or death to persons or loss or damage to property arising out of Seller’s use, operation, or possession of the equipment; and (iv) not to overload the equipment by weight or volume, move, or alter the equipment, and to use the equipment only for the purposes of fulfilling its obligations under Purchase Orders issued by GP Harmon for the Material.

16. Unloading Back Charges: Immediately upon receiving notice, Seller shall reimburse GP Harmon for any costs (including attorneys fee) incurred by GP Harmon that are arising out of or related to Seller’s failure to ship Material in accordance with these Terms.

17. Sustainability: Seller agrees that its performance and all Material delivered to GP Harmon or its customers pursuant to these Terms shall fully comply with Georgia-Pacific LLC’s supplier sustainability guidelines set forth at: http://www.gp.com/aboutus/sustainability/pdfs/supplier_guidelines.pdf.

18. Compliance with Applicable Laws: Seller and GP Harmon hereby incorporate into these Terms the requirements of 41 C.F.R. §§ 60-1.4(a) (women and minorities), 60-300.5(a) (protected veterans), and 60-741.5(a) (individuals with disabilities), if applicable. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability. Seller shall additionally comply with all applicable governmental laws, rules, regulations, executive orders, priorities, ordinances and restrictions now or hereafter in force, including, to the extent applicable, but not limited to, those concerning Seller’s employees and subcontractors including: (i) the Occupational Safety and Health Act; (ii) the employee notice requirements set forth in 29 C.F.R. Part 471, Appendix to Subpart A; (iii) the Fair Labor Standards Act of 1938, as amended; (iv) Title VII of the Civil Rights Act of 1964, as amended; (v) the Age Discrimination in Employment Act of 1973; (vi) Section 503 of the Rehabilitation Act of 1973; (vii) Executive Order 11246; (viii) the Vietnam Era Veterans’ Readjustment Assistance Act of 1974; (ix) The Civil Rights Act of 1991; (x) The Americans with Disabilities Act; and (xi) the rules, regulations and orders pertaining to the above.

19. Confidentiality: Seller will not disclose to others and will not take or use for its own purposes or the purposes of others any information, knowledge or data relating to (i) GP Harmon’s confidential or proprietary business plans, policies, strategies and philosophy, financial statements and information, prices and costs, suppliers, customers and customer requirements, marketing strategies and targets, skills of GP Harmon employees, and the manner in which GP Harmon provides products and services to its customers or (ii) GP Harmon’s secret, proprietary or confidential information, knowledge (know-how) or data relating to any business idea, product, apparatus, machine, process, procedure, formula, data, database, computer software, hardware and network architecture, manufacturing, purchasing, accounting, engineering, or marketing method at any time used, invented, developed, acquired, discovered, or investigated by GP Harmon (“**Confidential Information**”). To the extent the parties have executed a separate agreement relating to the protection of Confidential Information, such terms and conditions shall continue in full force and effect and shall supersede any contrary terms or conditions herein. Seller shall not use any name, trade name, logo, trademark or service marks owned or used by GP Harmon, or publish or represent directly or indirectly that any goods and/or services offered by Seller have been approved, used or endorsed by GP Harmon unless otherwise agreed in writing.

20. Insurance: At its own expense, Seller shall provide the following minimum insurance coverages and limits with respect to liability arising out of services performed and/or Material supplied by Seller: (i) Worker’s Compensation Insurance, as prescribed by applicable law, and Employers Liability Insurance with minimum limits of \$1,000,000 each accident; (ii) Commercial General Liability Insurance, with minimum limits of \$3,000,000 for bodily injury and property damage, per occurrence and in the aggregate; and (iii) Automobile Liability Insurance, with a minimum combined single limit of \$1,000,000 for bodily injury and property damage. Such insurance shall list GP Harmon as an additional insured and provide coverage on an “occurrence” policy form acceptable to GP Harmon. The coverage afforded under any such insurance policies shall be primary and non-contributory to any other insurance available to GP Harmon. No cancellation, modification or change in such policies shall affect Seller’s obligation to maintain the coverages required. Seller shall provide GP Harmon with a certificate of insurance and additional insured endorsement evidencing the insurance coverages set forth above. Acceptance of any insurance certificate shall not constitute acceptance of the adequacy of coverage or compliance with the requirements of these Terms. Seller shall waive all rights of subrogation that the insurers may have against GP Harmon. These obligations to carry insurance shall not limit or modify in any way any other obligations assumed by the Seller under these Terms.

21. Effective Period: Unless otherwise directed in writing by an Authorized Representative of GP Harmon, no shipments of Material may be made pursuant to a Purchase Order after the last day of the effective period set forth in such Purchase Order. GP Harmon may, in its sole discretion, reduce or extend the effective period of a Purchase Order upon providing notice to Seller.

22. Remedies: The remedies specified herein shall be cumulative, nonexclusive and in addition to any other remedies available at law or in equity. No waiver by either party of any breach or the failure of either party to enforce any of these Terms shall affect, limit or waive that party’s right to (i) enforce and compel compliance with these Terms or (ii) terminate a Purchase Order in accordance with these Terms.

23. Law/Venue: These Terms and any Purchase Order, any other document or instrument delivered pursuant hereto or thereto, and all claims or causes of action, whether in contract or tort, that may be based upon, arise out of or relate to these Terms, a Purchase Order, or the negotiation, execution, termination, performance or nonperformance of the foregoing, shall be governed by and construed in accordance with the laws of the State of Delaware, USA, without regard to its conflicts of law provisions. The United Nations Convention on Contracts for the International Sale of Goods or any subsequently enacted treaty or convention shall not apply to or govern these Terms or any Purchase Order or the performance thereof or any aspect of any dispute arising therefrom. The parties hereby irrevocably submit to the exclusive jurisdiction of any state or federal court sitting in Wilmington, Delaware over any suit, action or proceeding relating to a Purchase Order or these Terms.