

# Consolidated Paper Company

## TERMS AND CONDITIONS OF SALE

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1. All invoices are to be paid within the terms set for Customer's account.
2. Customer agrees that payment will be made for goods and services by the due date for each order invoiced according with quoted terms. Customer acknowledges liability of all amounts due Consolidated Paper Company, its parent, subsidiaries or affiliates (collectively, "the Company") for purchases of the Company's products in accordance with the terms of sale. Customer agrees that all past due invoices are subject to finance charges on any balances past due equal to 1.5% per month (an ANNUAL PERCENTAGE RATE OF 18%), but not to exceed the maximum amount allowed by law. If the Company takes action to collect any balance owing, Customer agrees to pay all reasonable costs and expenses incurred in collection including, but not limited to, reasonable attorney fees, court costs, and interest thereon at the then maximum legal rate.
3. The Company does not accept, and Customer agrees not to make, deductions from or credits against invoices unless pursuant to written authorization from the Sales Associate, Customer Service or Credit Department. The Company reserves the right to withhold shipment of orders for any Customer that has made unauthorized deductions.
4. Once authorized in writing, authorized credits issued by the Company may be deducted from future invoice payments by the Customer.
5. The Company reserves the right to limit or cancel the credit of Customer as to time and amount and, as a consequence, may require payment of either cash before delivery or cash on delivery. The Company reserves the right to withhold shipment of orders for any Customer exceeding its established credit limits, even though amounts outstanding may be within terms.
6. Sales tax will be charged on all items for those customers that have not provided the Company with a proper blanket sales tax exemption certificate completely filled in and signed by customer's authorized officer.
7. If payments are not made within terms, the Company may, at its discretion, immediately convert all invoices to a status of due and payable.
8. In the event of breach or repudiation by Customer of any contract with the Company or in the event of the commencement by or against Customer of any bankruptcy, insolvency, reorganization or arrangement proceeding with respect to Customer, or in the event Customer becomes insolvent or calls a meeting of creditors, or makes an assignment for the benefit of creditors, the Company may cancel any contract with Customer

### MISC. TERMS AND CONDITIONS OF SALE

1. No order will be deemed binding upon the Company unless and until acceptance by the Company. Acceptance of an order by the Company constitutes a complete and binding contract governed by the terms and conditions set forth herein and by the laws of the State of New York. The Company is not bound by any provision in Customer's purchase order, if any, which may impose any term and condition at variance with the terms and conditions herein or in the Company's order documents, even if the Company's failed to object to that term or provision.
2. The Company reserves the right to limit or cancel the credit of Customer as to time and amount and, as a consequence, may require payment either (i) cash before delivery (ii) cash payment of sight draft against bill of lading or (iii) cash on delivery. The Company may demand payment in cash before delivery of any unfilled portion of this contract. In the event of breach or repudiation by Customer of any contract with the Company or in the event of the commencement by or against Customer of any bankruptcy insolvency reorganization or arrangement proceeding with respect to Customer or in the event Customer becomes insolvent, or calls a meeting of its creditors, or makes any assignment for the benefit of creditors, the Company may cancel this or any other contract with Customer. In the event of such cancellation, Customer shall remain liable for damages.
3. Any delivery dates noted on the face of an order are subject to reasonable adjustment. The Company shall not be liable for delay or for failure to fill all or any portion of an order if such delay or failure is occasioned by fire, casualty, act of God, extraordinary natural phenomenon, strike or other labor dispute, inability to obtain necessary labor, materials or supplies at current prices, lawful rules, regulations or orders of government authority, war, act of terror, political upheaval, civil disturbance, delays or unavailability of transportation, shortages of energy or fuel or any other cause whether or not similar to the foregoing which is beyond the reasonable control of the Company.

4. The Company reserves the right to make shipments in installments. Each installment may be separately invoiced and shall be paid when due without regard to subsequent shipments. The Company may in addition to its other rights and remedies defer shipments or deliveries in the event Customer shall fail to make any payment due the Company.
5. Title to goods and risk of loss, damage, deterioration or destruction pass upon completion of delivery. If delivery of goods is made by the Company's trucks, delivery is deemed complete when the goods are made available to Customer at Customer's premises or other place named in the order. If the delivery of goods is made at the Company's premises, delivery is deemed complete when the goods are made available to Customer at the Company's premises. If the delivery of goods is made by third party carrier, delivery is deemed complete when the goods are made available to the carrier.
6. The Company may increase the price of the goods ordered in the event of increases in costs of production or marketing or in the event of a general advance by the Company in the price of such products to like purchasers.
7. The Company warrants that goods sold will be free of defects in workmanship and materials within recognized tolerances. THE FOREGOING WARRANTIES ARE IN LIEU OF ANY OTHER WARRANTIES EXPRESSED OR IMPLIED WRITTEN OR UNWRITTEN AND THE COMPANY MAKES NO OTHER WARRANTIES, IN FACT OR LAW, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY STATUTORY WARRANTY OR ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. The Company's liability with respect to goods sold whether for breach of warranty or contract, defective goods, non-delivery, late delivery, negligence or otherwise is limited in amount to the purchase price of such goods, regardless of the nature, cause or extent of any loss. In no event shall the Company be liable for incidental, consequential, or special damages or for loss of profits.
8. Customer shall inspect goods upon receipt. Failure to inspect at time of receipt shall constitute a waiver of Customer's right of inspection and shall constitute an acceptance of the goods. All claims for defects shall be deemed waived unless made in writing within two (2) days of receipt. No credits or deductions will be allowed by the Company as to claims made after said period and no returns will be authorized unless a request is made within said period stating the nature of the defect or non-conformance.
9. No agreement in any way altering or modifying the terms and conditions of sale will be binding upon the Company unless made in writing and signed by an officer of the Company.

#### **PAYMENT TERMS:**

1. Invoices may be paid by company check by customers with acceptable credit, or by Visa, MasterCard, bank check, money order, wire transfer, or ACH.
2. Payments are not to be made with "third party" checks.
3. All COD checks must be current dated and fully funded.
4. Orders paid by credit card will be immediately charged upon placement of order.
5. The Company will charge, and the Customer agrees to pay, a credit card payment fee for those invoices paid by credit card beyond 10 days of invoice due date. The fee is equal to 3% of the total past due invoices being paid by credit card.
6. If payment is not available at the time of a scheduled COD delivery the Company reserves the right to withhold delivery, charge a re-delivery charge on the next delivery, and /or convert the account to a payment in advance basis.

#### **BOUNCED CHECKS**

1. Customer agrees to pay a fee of \$50 to the Company for a check returned as unpaid for any reason. This fee increases to \$100 per occurrence for each additional check returned unpaid within six months of the last occurrence.
2. Customer agrees that the Company reserves its right to convert Terms of Sale to payment on delivery or in advance should the account bounce a check in payment of amounts due.
3. Cash discounts relating to bounced checks are considered unearned and therefore will be re-paid by the customer. Re-payment of unearned discount is payable immediately.

#### **COLLECTION PROCEDURE**

We strive to have a consistent and courteous approach to collection. Customers may be called whenever there is a concern relating to their open balance or open orders. Additionally, the Company provides sales representatives with

information on customers who are past due on their accounts. If no payments are received after two calls by the credit department, the sales associate is asked to contact the customer. The Sales Associate calls to supplement the calls of the Credit Department. In some cases, credit personnel will visit customers with sales personnel.

**RECEIVABLE MAINTENANCE AND SERVICE:**

The policy of the Credit Department is to initiate the handling of all deductions promptly to assure quality receivables. Customer inquiries always receive immediate attention.

The Company is dedicated to behaving in a moral and legal manner. The sharing of business information and other credit matters will be in compliance with National Association of Credit Management Canons of Business Credit Ethics.