

TERMS AND CONDITIONS OF SALE

1. **OFFER AND GOVERNING PROVISIONS:** This writing constitutes an offer or counter-offer by J&L Fiber Services, Inc., Part of Valmet ("Seller") to sell the products and/or services described herein in accordance with these terms and conditions, is not an acceptance of any offer made by Buyer, and is expressly conditioned upon assent to these terms and conditions. Buyer will be deemed to have assented to these terms and conditions when:

- a. Buyer signs and delivers to Seller either Seller's original invoice or an acknowledgment copy thereof;
- b. At Seller's option, when Buyer shall have given to Seller specification of assortments, delivery dates, shipping instructions, or instructions to bill and hold as to all or any part of the merchandise herein described;
- c. When Buyer has received delivery of the whole or any part thereof;
- d. Buyer fails to specifically object to these Terms and Conditions within three (3) business days; or
- e. When Buyer has otherwise assented to the terms and conditions hereof. No additional or different terms or conditions will be binding upon Seller unless specifically agreed to in writing: failure of Seller to object to provisions contained in any purchase order or other communications from a Buyer shall not be construed as a waiver of these terms and conditions nor an acceptance of any of such provisions. This contract and these terms and conditions shall constitute the entire agreement between Seller and Buyer, and shall be governed by and shall be construed according to the Uniform Commercial Code and internal laws of the State of Wisconsin.

2. **ESCALATION:** When the Order specifies ESCALATION, as part of the Contract, price of the Products is subject to adjustment upward or downward to reflect changes in the Special Industry Machinery Code II-6 Price Index as published monthly by the United States Department of Labor, Bureau of Labor Statistics, starting with date of order and ending with date of shipment.

Auxiliary Products prices included in the order (such as motors, controls, drives, gear reduction units, etc.) purchased by the Seller and resold by it to the Purchaser as part of the Contract, are subject to adjustment to prices in effect at time of shipment.

3. **TERMS OF PAYMENT:** Payment for the Products, and for applicable escalation, will be Net 30 Days unless otherwise presented in the body of the order.

The aforementioned terms of the payment do not include any allowance for credit terms and shall apply notwithstanding any request for delay in delivery by Purchaser.

Purchaser will pay interest at a rate of one and one half percent (1-1/2%) per month on any past due payments.

As a condition precedent to Purchaser asserting any claims or backcharges against Seller, Purchaser shall have paid to Seller all of the scheduled payments due and payable hereunder. Payments shall not be withheld because minor parts of the Products not necessary to start-up of the Products have not been shipped.

4. **TAXES:** Any sales tax, use tax, retailer's occupation tax or similar tax imposed by any governmental authority on, or measured by, the transaction between the Seller and the Purchaser, shall be paid by the Purchaser in addition to the price set forth herein. In the event that the Seller shall be required to pay any such tax, the Purchaser shall reimburse the Seller therefor. The Purchaser may provide the Seller at the time the order is entered with an exemption certificate or other document acceptable to the authority imposing the tax.

5. **SHIPMENT:** Shipment of the Products shall be completed as set forth herein.

The shipment date has been established on the basis of prompt receipt of the Purchaser's approval of engineering production layout drawings, and receipt of the Purchaser's decision on any other engineering changes within 15 days after submission by the Seller. If the Purchaser's approvals and decisions are not received within the periods set forth above, the Seller may extend the shipment date.

Unless special shipping instructions are received from the Purchaser substantially before the shipment date, the Seller will use its own judgment as to the best means of shipment and routing consistent with the nature of the Products shipped and shipment schedule.

Upon delivery of the Products to the carrier, F.O.B. Waukesha, Wisconsin and/or other shipping points, title, possession and risk of loss of the Products shall transfer to the Purchaser.

The Seller will use all reasonable diligence to meet the scheduled dates for shipment, but shall not be liable for any loss, damage, expense or charge resulting from delay in shipment. All delivery dates are estimates and do not constitute a guaranty of delivery on such dates.

6. **CHANGES:** The Purchaser may request changes in the design, drawings and specifications, shipping instructions and shipment schedules of the Products. As promptly as practicable after receipt of a written request, the Seller will advise the Purchaser in writing as to any amendments to the contract which may be necessitated by such requested changes, including but not limited to any amendment of price, specifications or shipment schedule. If such proposed amendments are accepted in writing by the Purchaser, the Seller will make such requested changes to the Products. The Seller reserves the right to make minor changes in details of design construction or arrangement of the Products as shall, in its judgment, constitute an improvement over such former practice as may be shown or described in the specifications

TERMS AND CONDITIONS OF SALE (continued)

7. FORCE MAJEURE: Seller shall not be liable for any delay in delivery or failure to perform any of its obligations if such delay or failure is caused or if performance of the obligation is made impractical or commercially unreasonable by any cause beyond the control of Seller or its sources of supply, including without limitation, acts of God, government restrictions, material shortages, strikes or work stoppages, accidents or transportation delays, irrespective of whether such contingency is specified herein or is presently occurring or anticipated.
8. PRODUCT WARRANTY: The products delivered hereunder are warranted for a period of sixty (60) days from the date of shipment, to be free from defects in material and workmanship disclosed under normal use and operation. If the Purchaser notifies the Seller in writing of any claimed defect in the Products within ninety (90) days of shipment and if, after appropriate tests and inspections by the Seller, the Products are found not to be in conformity with this warranty, the Seller will refund or credit the Purchaser only for the Products involved.

The foregoing Warranty does not cover, and the Seller makes no warranty with respect to and shall have no liability with respect to:

- a. Failures not reported to the Seller within the warranty period above specified.
- b. Failures or damage due to negligence, accident, abuse, improper storage or maintenance, or abnormal conditions of temperature, moisture, dirt or corrosion.
- c. The costs of dismantling and installation and assembly of any Product or equipment. As an accommodation to the Purchaser, the Seller will assign any rights it may have under warranties given to it by the manufacture of standard equipment (such as controls, motors, gear reduction units, etc.) purchased by the Seller and resold by it to the Purchaser.

THE FOREGOING REMEDIES SHALL CONSTITUTE PURCHASER'S SOLE AND EXCLUSIVE REMEDIES FOR BREACH OF WARRANTY AND ALL OTHER REMEDIES ARE HEREBY EXPRESSLY EXCLUDED. THE FOREGOING WARRANTIES ARE IN LIEU OF, AND SELLER EXPRESSLY DISCLAIMS, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

9. CANCELLATION: The contract may be canceled if requested in writing by the Purchaser and accepted in writing by the Seller. In the event of such cancellation, the Purchaser agrees to pay to the Seller upon presentation of invoices all costs and expenses incurred by the Seller prior to and as a result of the cancellation. Such costs shall include allocable overhead on the full absorption basis, the cost of any material and labor supplied to the work, and the cost of purchased materials and components applicable to the work, including such cancellation charges as may be imposed on the Seller by the Seller's suppliers or subcontractors. To the sum of the foregoing costs, there shall be added any amount equal to fifteen percent (15%).
10. SAFETY DEVICES: The Seller will furnish such guards and safety devices as are described in the Product specification and/or shown on the engineering drawings. The Purchaser may inform the Seller on a timely basis of the need for other or different guards or safety devices, which will be supplied by the Seller under the CHANGES paragraph above.

Because the mill operating environment is within the exclusive control of the Purchaser, the Seller does not guarantee that the guards and safety devices furnished hereunder will comply with safety requirements applicable to the use or operation of the Product or will eliminate hazards to operating personnel. Purchaser assumes responsibility for injuries resulting from the removal of, additions to, or modifications to safety devices furnished or recommended by Seller.

The Purchaser hereby waives its right and the rights of its insurers to subrogation against the Seller for amounts paid to employees of the Purchaser for injuries arising from the use and operation of the Product.

11. LIMITATION OF LIABILITY: The Seller shall not be liable for any incidental or consequential damages of any kind including but not limited to loss of use or loss of anticipated profits, whether arising in contract, tort, product liability or otherwise. In the event that any warranty fails of its essential purpose or is held to be invalid or unenforceable for any reason in consideration of the other provisions set forth herein, the Sellers and Purchaser understand and agree that all Limitations of Liability for special, incidental, and consequential damages will nevertheless remain in effect. In no event shall Seller be liable for damages arising from machine work, welding, inserts or chills performed or furnished by Purchaser or on Purchaser's behalf.

12. CONFIDENTIALITY: Proposals, drawings, specifications and technical data furnished to Purchaser by Seller (1) shall be retained in confidence; (2) shall remain the exclusive property of Seller; (3) shall not be disclosed by Purchaser to third parties or used in any manner not authorized by Seller; and (4) shall be returned to Seller upon request.
13. WAIVER: No right or remedy of Seller shall be deemed to have been waived or renounced, in whole or in part, unless such waiver or renunciation is supported by consideration and is in writing signed by Seller. Any such waiver or renunciation shall be effective only to the extent expressed in such writing.
14. SELLER'S REMEDIES: Seller shall have all rights and remedies specified herein in addition to those specified in the Uniform Commercial Code as adopted in the State of Wisconsin. All such rights and remedies are cumulative. No delay or failure by Seller to exercise any right or remedy shall impair in any manner whatsoever any of such rights or remedies or be construed to be a waiver of any breach or acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude other or further exercise thereof or the exercise of any other right or remedy. Purchaser shall pay all costs and expenses paid or incurred by Seller in enforcing its rights hereunder including with limitation reasonable attorney's fees and court costs.
15. GOVERNING LAW: This transaction shall be deemed to have been made and entered into in and shall be construed and enforced in accordance with the laws of the State of Wisconsin without giving effect to the principles of conflict of laws thereof.