

## GLATFELTER PURCHASE TERMS AND CONDITIONS

1. **DEFINITIONS:** The following words shall mean the following:

"Agreement" means these Purchase Terms and Conditions, together with any Purchase Agreement between Buyer and Seller (if applicable), any Buyer Purchase Orders, Buyer Purchase Order Releases or Buyer Change Orders issued under these Purchase Terms and Conditions, and the On-Site Work Rules, if applicable.

"Buyer" means P. H. Glatfelter Company and any of its subsidiaries (collectively, "Glatfelter").

"Contract Price" means the maximum amount payable to Seller hereunder (subject only to change by Buyer pursuant to Paragraph 2 of these Purchase Terms and Conditions). The Contract Price shall not include any sales, use or other similar taxes, and no such charges or taxes shall be paid by Buyer unless otherwise stated in the Agreement.

"Drawings and Specifications" means the drawings and specifications described elsewhere in this Agreement.

"Merchandise" means all goods, materials, equipment, machinery and other items, leasehold or services to be provided or performed pursuant to the Agreement.

2. **AGREEMENT:** This Agreement constitutes an offer by Buyer to purchase the Merchandise upon the terms and conditions stated herein and is not an acceptance of any offer by Seller to sell Merchandise. Seller shall indicate its acceptance of this offer by executing and returning the signed Purchase Agreement or Buyer's Purchase Order, as the case may be. This Agreement, together with the documents attached hereto or incorporated herein by reference, and any confidentiality or secrecy agreement executed by Buyer and Seller, shall constitute the entire agreement of the parties and may not be modified, except by a written change order issued by Buyer or a written amendment signed by both parties. No terms stated by Seller in its proposal or in accepting or acknowledging this Agreement shall be binding except as expressly agreed to by Buyer in writing, and Seller is hereby notified of Buyer's objection to and rejection of any additional or different terms in Seller's quotation, acknowledgement, invoice, or other forms. **THIS AGREEMENT IS EXPRESSLY LIMITED TO THE TERMS AND CONDITIONS CONTAINED HEREIN.**

3. **PRICE PROTECTION:** Should Buyer receive and wish to accept a bona fide firm offer from any supplier of like grade, quality and quantity at a delivered price less than Seller's delivered price, Buyer shall provide Seller with written notice of such lower offer. Seller shall then give notice to Buyer stating whether it is willing to adjust the then prevailing price under the Agreement to meet the offer of such other supplier or allow Buyer to purchase such said quantity from the competitive source so long as Seller remains uncompetitive. If Seller elects not to meet such competitive offer, the quantities the Buyer is obligated to purchase from Seller, if any, shall be reduced by the quantity purchased under said offer.

4. **DRAWINGS AND SPECIFICATIONS:** Any specifications, drawings, notes, instructions, engineering information, or technical data referenced in the Agreement shall be incorporated herein by reference. Seller shall be fully and solely responsible for obtaining product data from Buyer adequate to design, manufacture, fabricate, construct and deliver the Merchandise in compliance with all the requirements of the Agreement. Buyer shall retain title to all such documents which it provides or causes to be given to Seller, and Seller shall not use any of such documents or the information contained therein for any purpose other than in performance of the Agreement. Seller shall not disclose such documents or information to any party other than Buyer or a party duly authorized by Buyer. Upon Buyer's request, Seller shall promptly either return to Buyer all such documents and copies thereof or destroy the same at the sole discretion and instruction of Buyer.

5. **DELIVERY:** The Seller shall deliver the Merchandise to Buyer on the date(s) indicated in the Buyer's Purchase Order or Purchase Agreement. If Seller fails to make delivery of any part of the Merchandise on the date(s) indicated, the Buyer may, upon notification to the Seller, purchase merchandise from another seller in order to meet its requirements set forth in its Purchase Order. The Seller agrees that it will be responsible for promptly remitting to the Buyer any difference in price which the Buyer had to pay as a result of the Seller's failure to meet its delivery requirements hereunder. All shipments shall be delivered to the destination designated by Buyer in its Purchase Order, with Seller paying all shipping costs unless otherwise provided in the Agreement, and risk of loss shall remain with Seller until the conforming Merchandise in a completed state is received by Buyer, its agent or consignee. A packing slip must accompany each such shipment, and if a shipment is to a consignee or agent of Buyer, a copy of the packing slip shall be forwarded concurrently to Buyer. If no such packing slip is sent, the count or weight by Buyer or its agent or consignee is agreed to

be final and binding. Buyer reserves the right to change the quantity, delivery date or delivery point on any of its Purchase Order(s) by providing reasonable written notice of such change to Seller.

6. **WARRANTY:** Seller warrants that for a period of eighteen months after the delivery of or performance of the Merchandise to or for Buyer, the Merchandise will (a) be fit for the Buyer's particular purposes, (b) be of high quality, and be free from defects in material and workmanship; (c) comply with the most stringent of Buyer's or Seller's specifications, performance guarantees and requirements; and (d) comply with all nationally recognized codes and established industry standards. All Merchandise shall be sold by Seller to Buyer free and clear of any liens and encumbrances. Seller's warranties and guarantees shall survive inspection, delivery and acceptance of the Merchandise and/or payment by Buyer. If the Merchandise does not conform to any of these warranties, then, at Buyer's option, Seller shall repair or replace the defective Merchandise, and shall deliver the repaired or replacement Merchandise to Buyer's designated site, with Seller paying all shipping costs and retaining risk of loss until delivery, or in the case of services, re-perform the services at Seller's expense. The foregoing warranties and obligations shall also apply to the Merchandise supplied by Seller in such repair, replacement or re-performance. Seller agrees to pass on to Buyer the benefit of manufacturer's warranties, if any. Buyer may, at its option, perform remedial work at Buyer's cost, which shall be charged back to Seller according to Buyer's standard cost accounting practices.

7. **PATENTS AND LICENSES:** Seller shall indemnify and defend Buyer against all suits, claims, and allegations and shall hold Buyer harmless from any liability of any nature or kind, including reasonable attorney's fees, costs and expenses, caused by or attributable to, alleged or actual infringement of any patent or other intellectual property right by the Merchandise or any process, or apparatus manufactured or supplied by Seller as part of the Merchandise or by operation of the Merchandise. Seller's indemnity shall include but not be limited to the sale or use of the Merchandise by Buyer. Seller grants to Buyer and its assignees, if any, full right and license to use any process or apparatus patents or other intellectual property incorporated into or used by the Merchandise during its operation.

8. **WAIVER:** Buyer's waiver of any breach by Seller of any of the provisions of this Agreement shall not constitute a waiver of any other breach of the same or any other provision. Buyer's rights and remedies under any provision of this Agreement shall be cumulative and in addition to and not in substitution or limitation of any other rights and remedies available to Buyer at law or in equity.

9. **ASSIGNMENT:** Seller shall not assign, delegate, or otherwise dispose of the whole or any part of this Agreement or its obligations hereunder, nor shall Seller assign any money due or to become due hereunder without the prior written consent of Buyer, which consent shall not be unreasonably withheld.

10. **COMPLIANCE WITH LAWS AND REGULATIONS:** Seller warrants that neither any of the Merchandise provided to Buyer nor its manufacture, fabrication, construction transportation or use (in the usual course of Buyer's operation) shall violate any federal, state or local law, code, ordinance, regulation, standard, rule, requirement or order. Seller shall promptly take, at its expense, all action reasonably necessary to ensure Merchandise complies with applicable federal, state or local laws, codes, ordinances, regulations, rules, standards, requirements or orders after Seller receives either from the applicable agency or from Buyer a notice that some violation exists with respect to the Merchandise. If Seller fails to promptly take such action, Buyer may take all such action reasonably necessary to ensure conformity at Seller's expense. Seller shall be liable for the payment of any penalties and/or fines imposed as a result of the failure of any Merchandise provided by Seller hereunder to comply with all of the requirements of this Paragraph 10.

11. **INDEMNIFICATION:** Seller shall indemnify, defend and hold Buyer and its affiliates, officers, directors, employees, agents, licensees, sub-licensees and all their successors and assigns (collectively, the "Indemnitees") harmless from and against any and all losses, claims, demands, suits, damages, liabilities and related costs and expenses (including reasonable attorneys' fees and litigation expenses) incurred by or asserted against any Indemnitee arising out of or in connected with: (a) the Seller's failure to perform under the Agreement; (b) Seller's breach of any provisions or warranties of the Agreement; (c) accidents, occurrences, injuries or losses to or of any person or property that are related to or result from, in whole or in part, the use (except where the Indemnitee is negligent), of the Merchandise by the Buyer; (d) any and all claims for infringement of any patent, copyright, trademark or trade secret by reason of manufacture, use or sale of Merchandise to Buyer; and/or (e) Seller's failure to comply with the On-Site Work Rules, if applicable. Seller's indemnification obligations hereunder shall not be limited by any limitation on the amount or types of damages, compensation or benefits payable under workers' compensations acts, disability benefits acts, or other employee benefit acts.

12. **INSURANCE:** Seller, at its expense, shall carry and maintain in force at all times relevant hereto the following insurance, on policy forms and with insurance companies acceptable to Buyer, at the indicated minimum coverage limits, or such higher limits as Buyer may require, or the limits provided under insurance currently held by Seller as of the

effective date of the Agreement, whichever is greater.

a. Workers' Compensation - Statutory; Employer's Liability – Coverage in accordance with the laws of the Commonwealth of Pennsylvania. This policy shall include a waiver of subrogation to Buyer.

b. Comprehensive General Liability - Bodily injury and property damage with limits of \$2,000,000 combined single limit each occurrence, and umbrella excess liability of an amount equal to 50% of the Contract Price. This policy shall name Buyer as a certificate holder.

c. Comprehensive Automobile Liability (if applicable) - Covering Seller owned, hired and non-owned vehicles with limits of \$1,000,000 combined single limit each occurrence, with an umbrella excess liability of an amount equal to 50% of the Contract Price.

d. Employers' Liability - Amount not less than \$1,000,000, with umbrella excess liability of an amount equal to 50% of the Contract Price.

e. Product Liability - Coverage with an annual aggregate limit of an amount equal to not less than 50% of the Contract Price

f. All Builders Risk Insurance - All Builders Risk is part of Buyer's Property Insurance Policy. Seller is responsible for the deductible amount of \$100,000 per incident, occurrence or casualty to the extent such loss is caused by Seller and/or any of Seller's subcontractors and/or anyone for whom the Seller is responsible. Seller shall be named as a certificate holder on Buyer's Builder Risk Insurance.

Seller shall maintain in force the insurance required by this Paragraph 12 and shall seasonably renew all required coverage during the term of the Agreement. Seller shall provide Buyer with certificates of insurance, signed by authorized representatives of the applicable insurance companies naming the Buyer as a certificate holder and stating that in the event of any material change in or cancellation of the Seller's coverage, Seller will provide at least ten (10) days' prior written notice to the Buyer.

13. **FORCE MAJEURE:** Neither party hereto shall be liable to the other for failure or delay in performance hereof when such failure or delay is caused by conditions beyond such party's reasonable control including, but not limited to, acts of God, floods, fires, storms, strikes, wars and other acts of force majeure, as well as government restrictions, prohibitions, regulations and requisitions or other interferences not presently in effect, provided that the party claiming the benefit of the clause shall promptly notify the other party of its inability to perform hereunder and shall use commercially reasonable efforts to fulfill its obligations assumed hereunder.

14. **LIENS:** Seller hereby waives, to the fullest extent permitted by law, for itself and all other parties claiming by, through or under Seller, all lien rights, including but not limited to mechanic's lien rights, against Buyer and the property of Buyer, and Seller agrees promptly to satisfy and discharge (within 7 days after receiving notice thereof) any claim of lien against Buyer or the property of Buyer which may arise out of, or relate to the Agreement or the Merchandise.

15. **SUSPENSION OR TERMINATION:** Buyer reserves the right to terminate this Agreement, in whole or in part, with ten (10) days' written notice to Seller. Upon receipt of such notice, Seller shall stop all performance hereunder except as otherwise directed by Buyer. If Seller is not in default of any of its obligations hereunder at the time of such termination, Buyer shall pay to Seller, as Seller's sole and exclusive remedy, an amount equal to: (a) reasonable and documented costs incurred by Seller prior to termination in connection with the Merchandise, plus (b) the reasonable cost, if any, incurred by Seller in winding up its work, not to exceed five percent (5%) of the total Contract Price; provided, however, that the above amounts plus prior payments shall in no event exceed the Contract Price then in effect. If Seller is in material breach of any of its obligations hereunder or in default (as set forth in Paragraph 16 hereunder), at the time of termination, Seller shall not be entitled to any further payments from Buyer.

16. **DEFAULT:** If the Seller: (a) becomes insolvent; (b) has a petition under any chapter of the bankruptcy laws filed by or against it; (c) makes an assignment for the benefit of its creditors; (d) has a receiver requested for or appointed to it; (e) fails to use properly skilled personnel in its performance under the Agreement; (f) should fail to make prompt payment to any subcontractors it may have or for any material, labor, transportation, supplies, fuel, use of equipment or any other expense it incurs under the Agreement; or (g) fails to comply with any of its obligations under the Agreement then Buyer may, in addition to its rights under Section 6 above, at its option either cure the default at Seller's expense or allow the Seller a reasonable period in which to cure (not to exceed 30 days). Buyer may immediately, or after Seller cure period, as applicable, (in addition to any of its other rights and or remedies): (i) take possession of the Merchandise wherever it may be located and in whatever state of completion it may be, together with all drawings and other information necessary

to enable Buyer to have the Merchandise completed, installed, operated, maintained and/or repaired; (ii) pay to Seller any amount then due under the Agreement after taking full credit for any offsets to which Buyer may be entitled; (iii) contract with or employ any other party or parties to finish the Merchandise; and (iv) collect from the Seller any additional expense, losses or damage which Buyer may suffer as a result of Seller's default.

17. **WORK ON PREMISES:** In the event any work or services are performed on Buyer's premises by Seller, its employees, agents, or subcontractors, Seller, and all individuals or entities working or providing services on its behalf, shall be subject to the On-Site Work Rules. Before Seller provides any services or work on Buyer's premises, Seller will examine the premises and any specifications or other documents furnished in connection with the Merchandise and satisfy itself as to the condition of the premises and site. No allowance shall be made in respect of any error as to any of the foregoing on the part of Seller. Seller shall at all times keep the premises free from accumulations of waste material or rubbish. At the completion of installation of the Merchandise, Seller shall leave the premises and the Merchandise broom-clean. Absent Indemnitee negligence (as defined above), Seller assumes all risks and shall indemnify, defend and hold Indemnitees harmless from and against all damages, claims, suits or liabilities arising out of, or in any way connected with damages to vehicles or other personal property of Seller, its employees and subcontractors caused by accidents or occurrences on Buyer's premises.

18. **ENTIRE AGREEMENT:** This Agreement sets forth the entire agreement between Seller and Buyer regarding the subject matter herein, and, unless made in accordance with the Agreement, no terms, conditions, understanding or agreement purporting to modify or vary the terms of the Agreement shall be binding unless made in writing and signed by authorized representatives of Seller and Buyer. In the event of any conflict between any provision of this Agreement and any provisions of a Buyer's Purchase Order or Change Order, as the case may be, this Agreement shall prevail or control, unless the conflicting provision in such other document expressly states that it supersedes the Agreement or unless the conflicting provision is typed or handwritten on the face of the Buyer's Purchase Order by Buyer before acceptance by Seller. Any terms and conditions printed on any other purchase order, release order, acknowledgment, invoice or other form issued by either Seller or Buyer which conflicts in any way with the terms and conditions of the Agreement are superseded by the Agreement.

19. **LOST PROFIT:** In no event shall either party be responsible or liable for the other party's loss of actual or anticipated profits arising out of or resulting from this Agreement or from the performance, suspension, termination, or breach hereof, or for any other delay or incidental or consequential damages that the other party may incur, unless otherwise provided in the Agreement.

21. **SURVIVAL:** All indemnification, payment and other covenants and obligations of Seller and Buyer under this Agreement that could possibly imply the necessity for performance after the expiration or sooner termination of this Agreement shall so survive such expiration or termination, including but not limited to those contained in Paragraphs 4, 5, 6, 10, 11, 15 and 16 of these Purchase Terms and Conditions.

22. **GOVERNING LAW:** The Agreement shall be construed and interpreted under, and all respective rights and duties of the parties shall be governed by, the substantive laws of the Commonwealth of Pennsylvania without regard to its conflicts of law principles.

23. **TITLE:** Seller represents and warrants that it shall convey to Buyer good title to the Merchandise, free from any liens security interests or other title defects or encumbrances, upon payment therefor or delivery thereof, whichever occurs first.

24. **HEADINGS AND SEVERABILITY:** Any headings preceding the text of the Paragraphs hereof are inserted solely for convenience of reference, shall not constitute a part of the Agreement, and shall not otherwise affect the meaning, content, effect, or construction of the Agreement. If any provision contained herein is held to be invalid or unlawful, such provision shall be severable from the remaining provisions of the Agreement, which shall remain in full force and effect.

25. **PAYMENT TERMS.** The terms of payment shall be net 60 days from date of invoice or date of receipt of material for shipments received without invoices.