

GLATFELTER PURCHASE TERMS AND CONDITIONS

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

"Agreement" means these Purchase Terms and Conditions including Exhibit 1, together with any Purchase Agreement between Buyer and Seller, 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, affiliates, successors and assigns (collectively, whether one or more, "Glatfelter").

"Contract" means this Agreement.

"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 the Agreement.

"Laws" means any applicable federal, state, provincial or local law, code, ordinance, regulation, standard, rule, requirement or order.

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

"Seller" means the entity obligated by the Agreement to sell Buyer the Merchandise.

2. **AGREEMENT:** This Agreement constitutes an offer by Buyer to purchase the Merchandise upon the terms and conditions stated herein and shall not be construed as 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.

3. **PRICE PROTECTION:** Should Buyer receive and wish to accept a bona fide firm offer from any supplier of like grade, quality and quantity of Merchandise at a delivered price less than Seller's delivered price, Buyer may provide Seller with written notice of such lower offer. Seller shall then give notice with ten (10) days to Buyer stating whether it is willing to adjust its price under the Agreement to meet the offer of such other supplier. **NOTWITHSTANDING THE FOREGOING, THIS AGREEMENT DOES NOT OBLIGE BUYER TO PURCHASE MERCHANDISE EXCLUSIVELY FROM SELLER OR TO PURCHASE ANY PARTICULAR QUANTITY OF MERCHANDISE EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT.**

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, and notwithstanding any express terms to the contrary, purchase merchandise from another seller in order to meet its requirements. 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 accepted 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, and Seller shall convey to Buyer good title to the Merchandise. 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, a royalty-free, irrevocable, transferable, worldwide license to use any process or apparatus patents or other intellectual property incorporated into or associated with the use of the Merchandise during its operation.

8. **WAIVER:** Buyer's waiver or, or its failure to enforce its rights with respect to, 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 its operations and the Merchandise provided to Buyer, including its manufacture; fabrication; construction; transportation; import and export; and use shall fully comply with all Laws. Without limitation, Seller warrants that it will comply with Executive Order 13496, which requires, among other things: (a) that all federal contracts, and subcontracts of such federal contracts, include certain text, as further described in Exhibit 1 hereto; and (b) that such contractors and subcontracts post Employee Notices in their respective workplaces, as also described in Exhibit 1. Seller shall promptly take, at its expense, all action reasonably necessary to ensure Merchandise complies with all Laws 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 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) 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 or the environment that are related to or result from, in whole or in part, the use (except where the Indemnitee is grossly negligent), of the Merchandise by the Buyer; (d) Seller's failure to comply with the On-Site Work Rules, if applicable; and/or (e) 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 entrance by Seller's employees or agents onto Buyer's property to deliver, install, repair, inspect, service or remove the Merchandise, including where such accidents, occurrences, injuries or losses are caused by Indemnitee's gross negligence. Notwithstanding any other provision of this Agreement, Seller expressly agrees that it shall cover any and all liability for the specified acts or occurrences which result in harm to Seller's employees or agents, including specifically acts or occurrences involving Indemnitee's own negligence. 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 – Workers' Compensation coverage in accordance with the Laws, and Employer's Liability coverage in an amount not less than \$1,000,000. This policy shall include a waiver of subrogation to Buyer.

b. Commercial General Liability - Bodily injury and property damage with limits of \$2,000,000 combined single limit each occurrence, to include product liability coverage. This policy shall name Buyer as a certificate holder.

c. Commercial Automobile Liability (if applicable) - Covering Seller's owned, hired and non-owned vehicles with limits of \$1,000,000 combined single limit each occurrence.

d. Umbrella or Excess Liability - In an amount equal to at least \$5,000,000, to provide an extra layer of coverage beyond the limits required above.

e. If the Seller is providing any construction services on the Buyer's owned or controlled property, All-Risk Builder's Risk Insurance for the full value of the improvements to be erected or, if applicable, the improvement to be altered by Seller. 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. Seller shall cause Seller's subcontractors, successors, assigns, and/or anyone for whom the Seller is responsible to maintain all insurance as required of the Seller by this Paragraph 12.

13. **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.

14. **SUSPENSION OR TERMINATION:** Buyer reserves the right to terminate this Agreement, in whole or in part, with ten (10) days' prior 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 solely in connection with the Merchandise, plus (b) the reasonable cost, if any, incurred by Seller in winding up its work for Buyer, 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 such payments from Buyer.

15. **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) fails 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 the 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.

16. **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.

17. **ENTIRE AGREEMENT:** 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 AND CONTAINED IN OTHER DOCUMENTS THAT EXPRESSLY CONSTITUTE THE AGREEMENT, AS DEFINED HEREIN.**

18. **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.

19. **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.

20. **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.

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

Exhibit 1

1. During the term of this contract, the contractor agrees to post a notice, of such size and in such form, and containing such content as the Secretary of Labor shall prescribe, in conspicuous places in and about its plants and offices where employees covered by the National Labor Relations Act engage in activities relating to the performance of the contract, including all places where notices to employees are customarily posted both physically and electronically. The "Secretary's Notice" shall include the following information:

NOTICE TO EMPLOYEES: RIGHTS OF EMPLOYEES UNDER THE NATIONAL LABOR RELATIONS ACT

It is the policy of the United States to encourage collective bargaining and protect the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid and protection.

Under federal law, you have the right to:

Organize a union to negotiate with your employer concerning your wages, hours, and other terms and conditions of employment. Form, join or assist a union. Bargain collectively through a duly selected union for a contract with your employer setting your wages, benefits, hours, and other working conditions. Discuss your terms and conditions of employment with your co-workers or a union; join other workers in raising work-related complaints with your employer, government agencies, or members of the public; and seek and receive help from a union subject to certain limitations. Take action with one or more co-workers to improve your working conditions, including attending rallies on non-work time, and leafleting on non-work time in non-work areas.

Strike and picket, unless your union has agreed to a no-strike clause and subject to certain other limitations. In some circumstances, your employer may permanently replace strikers.

Choose not to do any of these activities, including joining or remaining a member of a union.

It is illegal for your employer to:

Prohibit you from soliciting for the union during non-work time or distributing union literature during non-work time, in non-work areas.

Question you about your union support or activities.

Fire, demote, or transfer you, or reduce your hours or change your shift, or otherwise take adverse action against you, or threaten to take any of these actions, because you join or support a union, or because you engage in other activity for mutual aid and protection, or because you choose not to engage in any such activity.

Threaten to close your workplace if workers choose a union to represent them.

Promise or grant promotions, pay raises, or other benefits to discourage or encourage union support.

Prohibit you from wearing union hats, buttons, t-shirts, and pins in the workplace except under special circumstances, for example, as where doing so might interfere with patient care.

Spy on or videotape peaceful union activities and gatherings or pretend to do so.

It is illegal for a union or for the union that represents you in bargaining with your employer to: discriminate or take other adverse action against you based on whether you have joined or support the union.

If your rights are violated:

Illegal conduct will not be permitted. The National Labor Relations Board (NLRB), an agency of the United States government, will protect your right to a free choice concerning union representation and collective bargaining and will prosecute violators of the National Labor Relations Act. The NLRB may order an employer to rehire a worker fired in violation of the law and to pay lost wages and benefits and may order an employer or union to cease violating the law. The NLRB can only act, however, if it receives information of unlawful behavior within six months. If you believe your rights or the rights of others have been violated, you must contact the NLRB within six months of the unlawful treatment. Employees should seek assistance from the nearest regional NLRB office, which can be found on the Agency's website: www.nlr.gov.

Click on the NLRB's page titled "About Us," which contains a link, "Locating Our Offices." You can also contact the NLRB by calling toll-free: 1-866-667-NLRB (6572) or (TTY) 1-866-315-NLRB (1-866-315-6572) for hearing impaired.

This is an official Government Notice and must not be defaced by anyone.

2. The contractor will comply with all provisions of the Secretary's Notice, and related rules, regulations, and orders of the Secretary of Labor.

3. In the event that the contractor does not comply with any of the requirements set forth in paragraphs (1) or (2) above, this contract may be cancelled, terminated, or suspended in whole or in part, and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in or adopted pursuant to Executive Order 13496 of January 30, 2009. Such other sanctions or remedies may be imposed as are provided in Executive Order 13496 of January 30, 2009, or by rule, regulation, or order of the Secretary of Labor, or as are otherwise provided by law.

4. The contractor will include the provisions of paragraphs (1) through (4) herein in every subcontract or purchase order entered into in connection with this contract (unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 3 of Executive Order 13496 of January 30, 2009, so that such provisions will be binding upon each subcontractor. The contractor will take such action with respect to any such subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including the imposition of sanctions for noncompliance: Provided, however, if the contractor becomes involved in litigation with a subcontractor, or is threatened with such involvement, as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Source: Appendix A to Subpart A of Part 471 of the Code of Federal Regulations