

1. Applicability

UPM's acknowledgement of Customer's order and these Terms and Conditions contain all of UPM's obligations and supersede all prior oral and written statements by the parties or their representatives. No change is binding on UPM unless acknowledged in writing by UPM.

2. Order Changes

The purchaser may change, by written notice to UPM communicated by fax or email, the quantity ordered, date of delivery, grade or basis weight of paper ordered at any time prior to the last date of change shown on the order acknowledgement.

3. DELAYED PAYMENT

(a) The purchase price of delivered paper shall bear interest at the rate of one per cent per month (12% per annum) from the due date until payment.

(b) UPM has the right to cancel, and may refuse to deliver any paper ordered: (i) pursuant to any contract with respect to which the purchase price of paper is not paid on or before its due date; or (ii) if the Customer becomes insolvent or goes into liquidation or has a receiver appointed or otherwise may reasonably be assumed not to be able to fulfil its obligations.

4. LIMITATION OF DAMAGES

(a) UPM's paper is warranted to be of merchantable quality and to conform to UPM's grade specifications. UPM's sole obligation is to replace, or at its option refund the purchase price of, any paper found not to conform to the foregoing warranty.

(b) THE WARRANTIES, OBLIGATIONS AND LIABILITIES OF UPM AND THE REMEDIES OF CUSTOMER SET FORTH IN THESE GENERAL SALES CONDITIONS ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND CUSTOMER HEREBY WAIVES, RELEASES AND RENOUNCES, ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF UPM, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY DEFAULT OR NON-PERFORMANCE RESPECTING THE PAPER OR ITS DELIVERY INCLUDING BUT NOT LIMITED TO THE FOLLOWING RIGHTS AND OBLIGATIONS WITH RESPECT TO ANY DEFAULT OR NON-PERFORMANCE: (A) ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (B) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM, OR REMEDY IN TORT, WHETHER OR NOT ARISING FROM THE NEGLIGENCE OF UPM, ACTUAL OR IMPUTED; AND (C) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY TO ANY LOSS OF PROFITS OR ANY OTHER SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES.

5. GROUNDS OF DISCHARGE FROM PERFORMANCE (FORCE MAJEURE)

(a) UPM may suspend performance of any order if that performance is prevented by events beyond its reasonable control including without limitation any one or more of the following events ("force majeure"): war; war risk; insurrection; requisition; embargo; calling up of personnel for military service; currency restrictions; export or import prohibitions or restrictions; restrictions in use of power; labour conflicts; closure of a UPM production facility; general shortage of labour, transport and materials; water shortage; fire; flood; storm; obstruction of railways; environmental catastrophe; obstruction of navigation by ice or other obstacle at port of shipment or discharge; loss or detention at sea; non-delivery, faulty or delayed delivery by UPM's suppliers of raw material and other commodities for industrial production, shortage or rationing of fuel oil affecting production and/or transportation and any other circumstances beyond the control of the parties. UPM shall not be liable to Customer for any damage resulting from any suspension caused by force majeure.

(b) If UPM wishes to claim relief by reason of force majeure, it shall notify the buyer in writing as soon as reasonably possible of the occurrence of an event of force majeure and to what extent the event can reasonably be expected to necessitate a suspension of performance.

6. CLAIMS

(a) Claims for defective paper shall be made by the buyer within 30 days from the time the paper is printed or 180 days from delivery whichever comes earlier. A notice of defective paper must clearly identify the paper and state fully the facts on which the claim is based. Customer shall preserve the paper in the state received until the claim has been resolved. All claims must be made in writing and hand delivered or sent by mail, courier, telecommunication or email.

(b) Claims for damages occurring in transit shall be governed by UPM's Transit Damage Claim Policy which, by this reference, is incorporated into these Terms and Conditions.

8. Assignment

Customer shall not assign this order nor subcontract the supply of paper without UPM's prior written consent.

9. APPLICABLE LAW

The contract and the legal relations between the buyer and UPM shall be governed by the laws of the State of Illinois.

10. ARBITRATION

All disputes arising in connection with the present contract shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with those Rules.

Signature Block

Customer Representative:

Date:

UPM Representative:

Date:



Transit Damage Claim Policy

January 2010

UPM-Kymmene, Inc. (hereinafter "UPM") strives to supply damage free paper to all of its customers through continuous improvement of our securing and loading practices. However, transit damage resulting from shipping, warehousing, or handling is inevitable. Transit damage is not the same as quality claims. Quality issues or defects should be referred to a UPM Technical Service Representative.

To minimize transit damage and provide a safe transport and unloading environment, UPM inspects its product and each vehicle, container or rail car prior to loading. UPM complies with all Federal, state and local laws pertaining to cargo handling. UPM complies with the American Association of Railroad (AAR) loading practices.

The following procedures and requirements will apply in the event a customer receives transit damaged paper. UPM reserves the right to decline any transit damage claim for noncompliance with this policy.

1. General conditions for claims Acceptance

Transit damage claims will be considered for any shipment in which UPM selected the mode of transportation, the carrier, and the routing. Transit damage claims will not be accepted for any f.o.b. UPM mill or warehouse order or any shipment in which UPM did not select the mode of transportation, the carrier or the routing.

UPM must receive transit damage claims within the time limit set forth in Section 4 of this policy. UPM is not responsible for time delays as the result of claims processed through brokers or merchants.

A separate claim must be submitted for each purchase order. However, if a purchase order covers more than one vehicle, rail car or container, a separate claim must be submitted for each vehicle, rail car or container.

The maximum claim value may not exceed the contractual value of the paper. UPM is not responsible for any consequential or indirect damages. The minimum claim must be for more than 200 pounds or \$100.

2. Receipt of a shipment

Inspect the shipment carefully. Slight damage on the wrapper can mean concealed damage inside.

For truck, intermodal or container shipments, the receiver is required to inspect for damage or the presence of water and validate shipper's load count prior to signing the bill of lading. Any discrepancies in the load count, damage or presence of water must be noted on the bill of lading and signed by receiver and carrier.

For rail shipments, the receiver is required to inspect for damage, the presence of water and validate shipper's load

count. The receiver is required to notify the delivering rail carrier of any damage, evidence of water or load count discrepancy and request an immediate inspection. If the carrier waives inspection, the receiver is required to provide a copy of the signed and dated waiver.

The receiver must take photographs of (1) the damaged condition of the paper before it is removed from the railcar, trailer or container and (2) any defective equipment or extraneous substance or object that may have contributed to the damage.

Damaged goods should not be rejected. Delivery should be accepted and this policy's claim process followed. The customer remains liable for the full purchase price of any rejected deliveries.

3. Document the Damage

Describe the damage in writing on both the carrier's copy and the receiver's copy of the bill of lading. The description should specify:

- Number and identification of damaged (or missing) roll, carton or pallet
- Type of damage
- Cause of damage, if known
- Date and signature



Transit Damage Claim Policy
January 2010

4. Claim Filing

UPM will assume responsibility for processing transit claims submitted by our customers. All apparent transit damage claims should be submitted to UPM within 60 days of delivery. If damage is not apparent, the claim should be submitted within 90 days of delivery. Transit claims may be sent to UPM as follows:

UPM-Kymmene, Inc.
Transit Claims
999 Oakmont Plaza Drive, Suite 200
Westmont, Illinois 60559
Tel 866.300.4174
E-mail: na.transit@upm-kymmene.com

Transit claims may also be submitted after April 1, 2010 through UPM's Customer Online e-Claims application.
<http://papersurf.upm-kymmene.com>

The following supporting documents should be attached to the claim:

1. Transit Damage Claim Form (UPM can provide on request).
2. Rail carrier's inspection report or waiver.
3. A signed copy of the original shipper's bill of lading (with damage noted).
4. A copy of the shipment manifest noting the damage.
5. Photographs of damage, including the identifying label, for water, core or whole roll damage claims.
6. A copy of written notification to rail carriers.

5. Inspection

UPM reserves the right to inspect or survey, on its own or with the insurer, carrier or other interested third party, any damage to establish the extent of the loss, its cause and other relevant facts.

6. Minimize the Damage

The receiver must take protective measures to prevent further damage. Damaged paper should be handled with care and kept separate from undamaged paper. Do not destroy or dispose of damaged paper without UPM's knowledge and prior approval.

7. Claim acceptance and customer credit

Customers will be entitled to a credit against their purchase order upon approval by UPM of a properly submitted claim. UPM's goal is to issue a credit within 10 business days of receipt of a properly submitted claim.

8. Salvage and Disposition of Paper

UPM retains title to any transit damaged paper for which a Transit Damage Claim is filed.

The following guidelines apply to the salvage and disposition of transit-damaged paper. All salvage proceeds, whether received by UPM or the customer belong to UPM.

Less than Complete Roll, Carton or Pallet claimed: The customer or printer is responsible for disposition of the paper. If the stripped paper roll cannot be weighed, the weight of the stripping waste is gauged as follows:

$$W_X = W_O * (1 - (D_1/D_O)^2)$$

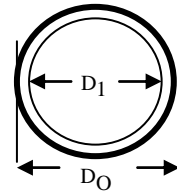
Where,

W_X = Weight of Stripping Waste

W_O = Original Weight

D_O = Original Diameter

D_1 = New Diameter



Complete Roll, Carton or Pallet Claimed: UPM will authorize disposition of the damaged paper. UPM or a surveyor acting on behalf of UPM will negotiate any salvage value directly with a third party Salvage Company or the carrier. Once the claim has been settled, the customer or printer can request a letter of disposition from UPM. If UPM has not authorized disposition of the damaged paper within 90 days of receipt of a properly submitted claim, the customer may dispose of the paper.