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# Sales Terms and Conditions

## 1. COMPLETE TERMS

Sales by Packaging Corporation of America and its subsidiaries and affiliates; including PCA Corrugated and Display, L.L.C.; PCA Southern Indiana Corrugated, LLC, Boise White Paper, L.L.C.; Hexacomb Corporation; and Hexacomb Canada Corp. ("PCA"), are governed by these terms and conditions, unless the parties have entered into a mutually executed written agreement stating applicable terms and conditions. This is an offer conditioned on Buyer's acceptance of all, and only, these terms. PCA objects to any different or additional terms.

This is the final and complete expression of all terms and conditions of the agreement. Any representations, promises, warranties, or statements that are not contained here are void. These terms and conditions can be modified, waived, or amended only by a writing signed by both Buyer and PCA.

## 2. INSTALLMENT CONTRACT

If Buyer's order requests or requires delivery in more than one installment, then the products involved in each delivery shall be deemed to be covered by a separate contract. Default in one or more deliveries shall not affect Buyer's obligation to accept the balance of the required deliveries (unless otherwise specified in the acknowledgement).

## 3. NONCANCELLATION

Buyer may not cancel or terminate for convenience, or direct suspension of manufacture (collectively, a "Cancellation") except with PCA's written consent. In the event of a Cancellation without PCA's written consent, and solely with respect to orders for corrugated packaging and honeycomb products, if the Cancellation occurs prior to PCA's completion of the corrugated converting process (as defined below), PCA's remedies shall be limited to any reasonable, incidental, out of pocket expenses incurred by PCA as result of such Cancellation. The term "corrugated converting process" shall be defined as (i) for corrugated products, the act of processing or modifying corrugated sheets into corrugated packaging products or displays and (ii) for honeycomb paper products, the act of processing honeycomb sheets into a finished products.

## 4. PAYMENT TERMS; FINANCIAL RESPONSIBILITY

Payment will be net cash thirty (30) days from the date of invoice. If PCA has any reasonable doubt at any time as to Buyer's financial responsibility, PCA, at its option, may either (a)

decline to make further shipments except upon receipt of cash in advance or upon giving of other security satisfactory to PCA, or (b) terminate this agreement. Nothing in this paragraph is intended to affect the obligation of Buyer to accept and pay for the products.

## **5. MUTUALITY**

All debts and obligations of Buyer and PCA to each other are mutual and subject to setoff. For purposes of this paragraph, "Buyer" and "PCA" shall be deemed to include each party's respective subsidiaries and affiliates which directly or indirectly control or are controlled by that party through 100% equity ownership.

## **6. WARRANTY**

PCA warrants that the quality of the products delivered shall be at least commercially equal to the quality of like products which PCA is then selling to others. EXCEPT AS SET FORTH IN THIS PARAGRAPH, PCA MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, CONDITION, OR ANY OTHER MATTERS WITH RESPECT TO THE PRODUCTS.

## **7. LIMITATION OF LIABILITY**

Neither Buyer nor PCA shall have recourse against the other for any loss which could be reasonably prevented by cover or otherwise. Buyer must commence any action at law or in equity against PCA within one year after PCA ships the involved products. Under no circumstances shall PCA's liability in aggregate to Buyer for breach of contract or warranty, or commission of any tort, including negligence and strict liability, or indemnity, exceed the invoice price for the involved products. PCA will not be liable for special, consequential, indirect, or incidental damages, and Buyer assumes the risk of these damages, regardless of whether the damages are based upon PCA's breach of contract or warranty, or commission of any tort, including negligence or strict liability, indemnity, or any other legal theory.

## **8. DELIVERY**

Delivery shall be as specified in the acknowledgement. Title and risk of loss shall pass to Buyer upon delivery to carrier for FOB mill/plant orders, and upon delivery to destination for FOB destination orders. Shipments outside the continental United States will be EXW (Incoterms 2010) PCA's facility. Selection of routing and carrier is reserved to PCA. PCA will use commercially reasonable efforts to meet requested delivery dates, but specific delivery dates are not guaranteed. Buyer must give PCA written notice of claims for shortages or incorrect or damaged products within 30 days after Buyer receives shipment. Failure to give this notice shall constitute an unqualified acceptance and waiver by Buyer of all claims for shortages or damaged or incorrect items.

## **9. DELAYED SHIPMENT, STORAGE**

PCA may place in storage for Buyer's account and risk any products on which Buyer delays manufacture, receipt, or shipment. Buyer shall pay all charges which PCA incurs for storage,

trucking, and other incidental expenses. If shipment is delayed, PCA may invoice Buyer upon completion of manufacture or upon the date the products would have been ready for shipment.

## **10. DEFAULT**

Buyer will be in default if (a) Buyer fails to pay to PCA any amount when due under this agreement, (b) Buyer fails for a period of five days after receiving written notice from PCA to fulfill or perform any provisions of this agreement (other than the prior provision relating to due date of payments), (c) Buyer becomes insolvent or bankrupt, or a petition therefor is filed voluntarily or involuntarily and not dismissed within 30 days from filing, or (d) Buyer makes a general assignment for the benefit of its creditors, or a receiver is appointed, or a substantial part of Buyer's assets are attached or seized under legal process and not released within 30 days thereafter.

Upon Buyer's default, PCA may, at its option, without prejudice to any of its other rights and remedies, and without demand for payments past due, (a) make shipments subject to receipt of cash in advance, (b) terminate this agreement and declare immediately due and payable the obligations of Buyer for products previously shipped, notwithstanding any other provision in these terms and conditions, (c) demand reclamation, and/or (d) suspend any further deliveries until the default is corrected, without releasing Buyer from its obligations under this agreement. In any event, Buyer shall remain liable for all loss and damage sustained by PCA because of Buyer's default, including, but not limited to collection fees, reasonable attorneys fees, and interest at the lower of 1½ % per month or the highest amount allowed by applicable law.

## **11. CONTINGENCIES**

If PCA fails to deliver or Buyer fails to take products due to any cause beyond PCA's or Buyer's control, respectively, then (a) the failing party shall give prompt written notice to the other with its best estimate as to when the contingency will be ended (but without any liability for error or inaccuracy in making that estimate), and then (b) the other party shall have the right to omit during the period of the contingency all or any portion of the quantity deliverable during that period, and the total quantity deliverable shall be reduced by the quantity omitted.

## **12. ALLOCATION**

If PCA is unable to supply the total demands for products because of a contingency or otherwise, PCA shall have the right to allocate its available supply among its customers and its own divisions in a manner which it deems fair and equitable. In any exercise of its right of allocation, PCA may allocate its production on a mill-by-mill or company-wide or product basis, change the product mix at any or all of its mills, or make any other production decisions concerning its mills as it may deem necessary under the circumstances. In no event shall PCA be obligated to purchase material from others to enable it to deliver the products to Buyer.

### **13. TAXES**

Except for federal or state income taxes, Buyer is responsible for all taxes on the sale of products. PCA may either bill the taxes to Buyer separately or add the taxes to the price of the products shipped. PCA will notify Buyer in writing of the nature of any such tax or charge and of the law imposing the tax.

### **14. GOVERNING LAW**

Transactions shall be governed by the laws of the State of Illinois, without reference to choice of law rules or to the United Nations Convention on Contracts for the International Sale of Goods.

The most current version of these Sales Terms and Conditions may be found at Seller's website ([www.packagingcorp.com/doing-business-with-pca](http://www.packagingcorp.com/doing-business-with-pca)) and is otherwise available upon request.

Revised August 7, 2017