

## ADDENDUM TO AGREEMENT

### PAPER SERVICES

This Addendum is incorporated by reference and is made a part of the Agreement between the Parties. All terms included in this Addendum shall be in addition to, and not in replacement of, those terms set forth in the Agreement. All capitalized terms not specifically defined in this Addendum shall be read to have the meaning given to those terms as provided in the Agreement.

#### 1. APPOINTMENT AND SERVICES

- A. Appointment. This Addendum applies with respect to Quad's supply of paper materials to Client and Client's supply of paper materials to Quad ("**Paper Services**").
- B. Quad-Supplied Paper. If Quad supplies paper materials to Client for use in the performance of the Work, the terms on Attachment A will apply.
- C. Client-Supplied Paper. If Client, or Client's agents, supply paper materials to Quad for use in the performance of the Work, the terms on Attachment B will apply.

#### 2. MISCELLANEOUS

Additional paper resources, such as Paper Specifications, Paper Marketplace, and Quad's FSC Certificate of Registration, are available to Client at [www.Quad.com/clients](http://www.Quad.com/clients).

**ATTACHMENT A**  
**QUAD-SUPPLIED PAPER TERMS**

**1. CLIENT RESPONSIBILITIES**

Client is responsible for providing Quad with a forecast that minimally includes the following:

- Paper Specifications
  - Basis weight
  - Paper grade
  - Forestry chain-of-custody certification requirements (if any)
  
- Production Specifications
  - Frequency
  - Production schedule
  - Volume
  - Print quantity
  - Trim size
  - Page count

The Paper Specifications and Production Specifications will collectively be referred to as the “**Forecast**”). Client is responsible for the accuracy of the Forecast. The Forecast should be reviewed and updated by Client on a regular basis but not less than every six (6) months. Quad cannot guarantee its ability to source the paper on Client’s behalf if Client fails to provide a Forecast or Updated Forecast (defined below).

To use Quad’s licensed forestry chain-of-custody trademark, Client is responsible for following all of the applicable requirements described in Client Requirements on [www.Quad.com/clients](http://www.Quad.com/clients). Client will be liable for its violations of these requirements.

**2. QUAD RESPONSIBILITIES**

Quad will have the exclusive right to source the paper, including the selection of the mill and brand, and to order such paper for the production of the work. Quad will supply paper for the production of work based on the Forecast supplied by Client.

**3. CHANGE IN FORECAST**

- A. The availability of paper is based on the Paper Specifications described above. In the event Client (i) makes a change to the Forecast, or (ii) cancels or discontinues production of all or some of the print work, Client will promptly provide an updated Forecast (“**Updated Forecast**”) to us. To the extent the Updated Forecast includes any changes to the Paper Specifications, Quad cannot guarantee the availability of the required paper and such changes may not be achievable and are subject to Quad’s written acceptance.
- B. There are certain restrictions on Quad’s ability to purchase paper due to lead times required by paper mills and ordering schedules. As a result, the “**Last Date to Change**” or “**LDC**” is six (6) weeks prior to commencement of print production when North American-sourced paper is sourced for Client’s work, and fourteen (14) weeks prior to commencement of print production when European-sourced paper is sourced for Client’s work.
- C. To the extent Client requests any changes to the Production Specifications for any print order after LDC, Quad will be excused from its obligation to perform the work. If such

changes require Quad to supply more paper for the work, Quad will use commercially reasonable efforts to order more paper. If such changes result in excess paper ordered on Client's behalf, Quad will first try to use the ordered paper on Client's work or alternatively, on work for Quad's other clients. If Quad is unable to use the excess paper within fifteen (15) days after the paper is delivered to Quad, Quad will, in its reasonable discretion, either (i) invoice Client for all excess paper at the price previously agreed upon between Quad and Client for such paper and transfer the paper to Client's ownership, or (ii) retain ownership of the paper and invoice Client a restocking fee at Quad's then standard rates. Payment of the invoiced amount will be due as described in such invoice. These terms will no longer apply to paper that is transferred to Client's ownership.

#### **4. PRICE**

The paper price invoiced to Client will be the price quoted plus any subsequent price increases enacted by the mill up to commencement of print production. Any additional charges for unique roll size, shipping requirements, or other unique requirements, will be provided on the applicable quote. All paper charges will be invoiced according to payment terms established by Quad's Credit Department.

#### **5. ACKNOWLEDGEMENT**

Quad furnishes paper as a value-added service. Therefore, the invoiced price for paper supplied by Quad will not be included in any calculation of damages.

#### **6. MARKET CONDITIONS / PAPER MILL DELIVERY**

Quad will not be responsible for inability to purchase paper or for changes in paper and transportation pricing due to an event beyond Quad's reasonable control, including, without limitation, no market availability, an act of god, a strike at a paper mill, closure of a mill, unavailability of shipping, government imposed duties or taxes, production problems at a mill or failure of a mill for any reason to meet its pricing or delivery commitments.

## ATTACHMENT B

### CLIENT-SUPPLIED PAPER TERMS

#### 1. CLIENT RESPONSIBILITIES

- A. Ordering Paper. It is Client's responsibility to prepare a complete and accurate paper order and communicate that order to the mill, as well as any subsequent changes Client makes to the print project that would affect the amount of paper required, including changes to print order quantity, trim size, number of versions, etc.

Information on Client's final paper order must be sent to Quad at time of mill order but not less than 2 weeks before delivery so Quad may prepare for the receipt of the paper order; such information will include: brand, basis weight, roll width, ship-to location, due date and total pounds ordered ("Order Acknowledgement").

It is Client's responsibility to disclose to Quad if the paper supplied for Client's work is provided on a consignment basis and/or owned by a third party. Client's failure to do so will be deemed a warranty that Client owns the paper supplied for its work and Client agrees to indemnify Quad for a breach of such warranty.

- B. Quad Paper Assumptions. Quad assumes Client will provide first-run paper that is backed by a guarantee of performance from the mill of manufacture. If paper is more than one year old ("aged paper") or not first-run paper, such as paper procured from other sources (e.g., paper that has been converted by sawing or slitting and rewinding, or paper purchased on the seconds market and/or from foreign mills), such paper does not have a mill guarantee of performance and may not be eligible to run in Quad's pressroom; therefore Quad reserves the right to not run such paper. If Quad runs the paper there will be a surcharge of \$2.00 per thousand impressions. If paper is aged or not first-run paper, paper mills may reject claims made for latent damage or defective paper; therefore, Quad is not responsible for any failures resulting from such paper and Client is responsible for paper overconsumption and any related production delays or costs.
- C. Chain of Custody. To use Quad's licensed forestry chain-of-custody trademark, Client is responsible for following all of the applicable requirements described in Client Requirements on [www.Quad.com/clients](http://www.Quad.com/clients). Client will be liable for its violations of these requirements.

If Quad is being provided with Client's licensed chain-of-custody-trademark, Client is responsible for providing all necessary documentation to Quad reasonably in advance of scheduled production. Quad is not responsible for Client's failure to adhere to licensed chain-of-custody requirements and Client is responsible for any related production delays or costs.

- D. Delivery and Production Requirements. When supplying paper for use in print production at Quad, Client agrees to require its paper suppliers to comply with Quad's specifications, including labeling, loading and shipping requirements described in Client Requirements on [www.Quad.com/clients](http://www.Quad.com/clients).
- E. Supply Choice. Because Client has chosen to furnish paper, which is a material component of the manufacturing process, Quad is not liable for loss or damage to the paper: (i) caused by any defects in the manufacturing or packaging of such paper; (ii) attributable to third-party transportation providers failing to deliver the full shipment of paper to Quad or otherwise caused by the acts or omissions of such third-party

transportation providers; (iii) delivered to Quad in damaged condition and such damage was reported to Client; (iv) attributable to hidden, latent, or concealed damage, shortage, or tampering, or (v) caused by a force majeure event.

## 2. QUAD RESPONSIBILITIES

- A. Paper Receiving and Inventory. Quad will receive and unload paper shipments arriving at the plant location(s) identified by the parties. Paper is received in Quad's facilities and reported as gross received weight less the weight of the core; the wrapper and header weight(s) are entered into Quad's system at the time the paper reaches press and is prepared for consumption.
- B. Reporting. Upon Client's request, Quad will send Client a standard Paper Inventory Report reflecting the type, quantity and amount of paper: (i) received; (ii) damaged, and (iii) remaining in inventory. If detail is needed beyond the scope of these reports, or if there is a need for additional reporting, Quad will provide information on additional charges and the necessary implementation timeline.
- C. Underconsumed Paper. All right, title and interest in and to any paper remaining due to underconsumption will be and is owned by Quad.

## 3. PAPER AMOUNTS AND WAREHOUSE SERVICES

- A. Limits on Paper for Manufacturing. Client will only send the amounts of paper required for manufacturing during the scheduled production period, consistent with the information provided on Client's Order Acknowledgement ("**Required Paper**").
- B. Excess Paper. If Client sends in more paper than the Required Paper ("**Excess Paper**"), Quad reserves the right to store or not store such Excess Paper in its facilities in Quad's sole discretion. Quad may assist Client in arranging to store Excess Paper off-site with another party. Client is responsible for all additional costs resulting from off-site storage, which may include but is not limited to: charges to store paper in rail cars in a rail yard (i.e., demurrage), all transportation charges, storage charges, loading and handling charges, additional transit damage and waste.
- C. Quad Warehouse Services.
  - i. Receiving. Quad will receive Required Paper into Quad's facility(ies), provide a general inspection of such paper for transit damage, and record the paper quantities received.
  - ii. Handling. If Client decides to modify or transfer paper out of Quad's facility(ies) for any reason, Quad reserves the right to assess a handling charge for the warehouse services Quad provides to move and prepare that paper for shipment. If Client instructs Quad to scrap or sell paper and the realized value to Client is in excess of \$75.00, Quad will issue Client a credit for such value.
  - iii. Repair. If the paper damage described in Section 4 is not major or extensive, Quad will notify Client if warehouse labor is available to complete any necessary repair(s), as well as the cost to complete such repair(s). Quad agrees that no chargeable repair(s) will be performed unless Quad obtains Client's express written consent to perform such repair(s).
  - iv. Storage. To the extent Quad stores any paper in its facilities, Client will be subject to a storage charge (defined below) beginning in the month that marks 30 days following receipt of such paper.

For purposes of this section, "**Storage Charge**" will refer to a monthly charge that is the greater of Quad's current monthly minimum storage charge or the amount based on Quad's current per hundredweight (CWT) storage rate.

If Client's paper remains in storage with Quad for more than 365 days following receipt, Quad will request disposition instructions from Client; if Client fails to provide disposition instructions within 30 days following Quad's written notice, then Quad will have the right to scrap such paper.

- v. Filing Claims. The process of filing claims for damaged or defective paper is described in Section 4.

#### **4. DAMAGED PAPER; DEFECTIVE OR REJECTED PAPER; CLAIMS**

Quad will use commercially reasonable efforts to discover and mitigate the effects of damaged paper, but Quad is not responsible to discover such damage, nor is Quad responsible for delays or inability to produce work resulting from such damage. Client authorizes and appoints Quad to act as its agent in order that Quad may file claims on the Client's behalf with the mill, as described below; Quad reserves the right to charge Client for filing such claims. Quad will provide Client with a copy of the claim and accompanying documentation. Other than filing such claim, Quad has no other responsibility to Client or the mill, including collection of such claim.

- A. Damaged Paper. When receiving Client's paper, Quad will use commercially reasonable efforts to determine if there is any noticeable damage. Quad will notify Client of supplied paper received in a damaged condition and will file a claim on Client's behalf with the mill. Depending on the type and extent of the damage, Quad will strip off up to one (1) inch of damaged paper. However, if the paper rolls are unusable or if there is a large quantity of damaged rolls, Quad will reject the roll(s) and notify Client and the mill. Disposition of damaged paper will be made at the earliest practicable time.

Paper may also have hidden damage that affects its mechanical condition, such as hidden water damage, holes, wrinkles, stuck spots or edges and foreign matter. If Quad finds paper damage not noticeable at receipt, Quad will gather the appropriate information and file a claim on Client's behalf with the mill. In no event will Quad be responsible for the discovery of hidden damage, including but not limited to gouges, water and crushed cores.

- B. Defective Paper. If Quad documents runnability issues on press, the paper may be evidencing less visible defects that affect the ability of the paper to go through the press. If Quad experiences such issues, Quad will contact the appropriate mill and require a mill representative to assess the paper. Quad will notify Client of the issue, the amount of rejected paper based upon the mill's inspection, and will file a claim for the rejected paper on Client's behalf with the mill. Quad will contact the mill directly to address any press downtime or other operational costs Quad directly incurs as a result of such rejected paper.
- C. Disposition of Damaged or Defective Paper. If the amount of defective/rejected paper or paper with latent damage totals more than 8,000 pounds, disposition is determined by the mill and may be contingent upon mill inspection. However, if disposition is not forthcoming from the mill within a reasonable period following inspection, Quad will request disposition instructions from Client and disposition will be made within thirty (30) days after Quad receives Client's direction.

If the amount of defective/rejected paper or paper with latent damage totals less than 8,000 pounds, then Quad will scrap the paper at its discretion.

- D. Printer Damage. Paper damaged by Quad will be reported as consumed paper.
- E. Print Production. If damaged or defective paper affects Quad's ability to produce Client's work, then Quad is relieved from the obligation to perform until Client provides adequate substitute paper and the parties reach mutual agreement on an alternative production schedule. In the event this occurs, Quad will use commercially reasonable efforts to review and coordinate upcoming press date(s) with Client and the paper available in Client's inventory in an effort to perform the print services.