



## **Diesel Fuel Price Adjustment Policy**

### Goal

CleanFiber’s goal is to build long-term relationships with customers, where customers can rely on stability in product pricing. However, despite that intent, CleanFiber cannot control the price of diesel fuel, which can fluctuate markedly, depending on global economic factors.

For that reason, when CleanFiber quotes a long-term fixed price for product that is delivered to customers, that pricing is subject to fuel price adjustments (if the cost of diesel fuel and transportation were to change significantly). The goal of this surcharge is to fairly adjust the price of product if diesel fuel pricing moves sharply in either direction. This policy adjusts the price of the product to reflect the added costs of diesel fuel that will be paid by the trucking company (and which will be passed on to CleanFiber and the customer). This policy also assumes that competitive product pricing will adjust similarly, since every one of our competitors will also be facing similar changes in transportation costs.

### Mechanics of Adjustments

Customer pricing be adjusted on a calendar quarterly basis, based on quarterly average pricing of PADD1A (New England) at <https://www.eia.gov/petroleum/gasdiesel/> (the “Price of Diesel Fuel”). If the Price of Diesel Fuel averages higher than \$3.000/gallon for any calendar quarter or if Price of Diesel Fuel averages lower than \$2.00/gallon for any calendar quarter, then the Base Price of Product will be adjusted for the following calendar quarter. The calculation will be based on the miles from the Supplier’s plant address to the Customer’s destination address as determined by Google Maps for trucks (the “Miles to Destination”), the bag count on truck shipments (the “Bags Per Truck”) and assume an average MPG for hauling freight of 6 MPG unless otherwise agreed to in writing.

The table below determines the Price Adjustment:

<b>Price of Diesel Fuel</b>	<b>Price Adjustment</b>
<\$2.00	$(\text{Miles to Destination} / 6\text{MPG}) * (\text{Price of Diesel Fuel} - \$2.00) / (\text{Bags Per Truck})$
$\geq \$2.00$ and $\leq \$3.00$	ZERO – NO ADJUSTMENT
>\$3.00	$(\text{Miles to Destination} / 6\text{MPG}) * (\text{Price of Diesel Fuel} - \$3.00) / (\text{Bags Per Truck})$

The calculated price adjustment shall be added to the previously quoted base price to calculate the price paid by Customer (the “Adjusted Price”). This Adjusted Price shall be updated each calendar quarter in the same manner (as may be appropriate on the basis of the Price of Diesel Fuel in the prior quarter) throughout the term of any customer agreement, which is subject to this Diesel Fuel Price Adjustment Policy.

*Please contact us directly at (888) 616-8393 with any questions on this policy.*

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