Penalty Notice and Chart for CSSB Members  
Effective August 2, 2012

This document does not limit the Board of Directors’ and/or third party inspection agency’s ability to impose additional penalties, as deemed necessary, to address non-conforming actions.

Please note that **ALL CSSB Members, both Manufacturers and Affiliates**, are responsible for ensuring CSSB personnel are granted access to Member premises in order to conduct inspections. Failure to provide access will result in a 30 calendar day suspension for the first offense with termination as a result of the second offense. Also, if membership has been in force for less than 12 months, then failure to grant access will result in automatic termination.

### 2012 MANUFACTURING PENALTY CHART

<table>
<thead>
<tr>
<th>Non-Conforming Action</th>
<th>Penalty for All CSSB Manufacturing Members holding membership term greater than 12 months</th>
<th>Penalty for All CSSB Manufacturing Members holding membership term less than 12 months</th>
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</table>
| Non-labeling or contravention of CSSB bylaws, policies and/or procedures | First offense: 30 calendar day suspension plus fine of double dues on estimated production for period.  
Second offense: Termination. |  |
| Shipping red tagged product prior to permission being granted by inspection agency or Cedar Quality Auditor | First offense: 30 calendar day suspension plus fine of double dues on estimated red tag production shipped.  
Second offense: Termination. | Zero tolerance= Termination for all non-conforming actions listed in first column of this chart |
| Manufacturing non-CSSB product at a member manufacturer facility | First offense: 60 calendar day suspension plus fine of double dues on estimated non-CSSB production manufactured.  
Second offense: Termination. |  |

**Please Note:**
1. “Double Dues” fine means another payment equaling the regular production dues paid IN ADDITION TO the regular dues paid.
2. Third party inspection agency AND Cedar Quality Auditor inspections count.
3. Suspension means that ALL mill production is halted for duration of period.