



GENERAL SALES TERMS OF UPM-KYMMENE GROUP FOR PAPER PRODUCTS AND SERVICES

1. General

These General Sales Terms shall apply to all contracts, sales agreements and arrangements governing sales relationships between UPM-Kymmene Corporation, UPM Sales Oy and/or their Affiliates ("UPM-Kymmene Group") and Purchasers of the Products ("Sale Agreements" or "Sales Agreement"). All capitalised terms used in these General Sales Terms and in any of the Sale Agreements shall have the meanings specified for such terms in the Sale Agreement in question or section 18 ("Definitions") or in text of these General Sales Terms.

2. Product Warranties

The Supplier warrants that at the Delivery Date of the Products to the Purchaser:

- (i) the Products shall conform to any quantity and quality specification and description specified in the applicable Sales Agreement, subject to the accepted tolerances mentioned below;
- (ii) the Products shall conform to the laws and regulations of the Supplier's country applicable to such products and services

("the Product Warranties").

The Products are deemed to be delivered in accordance with the contracted quantity, grammage, size and other characteristics if they are within the Tolerances, unless other tolerances are specifically agreed between the Parties.

The foregoing Product Warranties are the sole warranties, whether oral, written, express, implied or statutory. All other warranties and conditions whether express or implied by statute, common law or otherwise (including but not limited to satisfactory quality, title, and fitness for purpose) are hereby excluded to the fullest extent permitted by law.

3. Breach of warranties

If any of the Products do not meet the Product Warranties the Supplier shall at its discretion:

- (i) refund to Purchaser a part of the purchase price corresponding to the decrease of the Products' value caused directly by such breach of Product Warranties; or
- (ii) supply replacement Products to conform with the Product Warranties.

Any claims with respect to breach of Product Warranties shall be made by the Purchaser to the Supplier in writing and within two (2) weeks from the date when the Purchaser became aware of the breach and in any event no later than within three (3) months from the Delivery Date, after which periods the claims shall not be valid. If requested by the Supplier, the Purchaser shall, at the Supplier's cost and expense, send a sample of such non-conforming Products to the Supplier or allow the Supplier to otherwise inspect the non-conforming Products.

The Supplier's obligations as set forth above shall not apply to any claims relating to the Products arising out of normal wear and tear, accident, improper or negligent storage, installation, use, handling, maintenance or repair or modifications made not in conformity with the Supplier's instructions or approval by the Supplier. The Supplier shall not be liable for any defects to any Product arising out of materials provided or a design stipulated or specified by or on behalf of the Purchaser.

This Section sets forth the exclusive remedies for claims based upon non-conforming products or breach of Product Warranties, whether the claim is based on contract, tort delict or otherwise.

4. Invoicing and payment terms

The method and timing of invoicing and payments shall be specified by the Supplier and the Purchaser in the Sale Agreement. In the event the Parties have not agreed thereon, payment shall be made in Euros by wire transfer to the Supplier's bank account on the due date for payment. The reels are invoiced in gross weight and sheets in net or theoretical weight.

Payment shall be made without deduction or set off and it shall be considered effected when it is wholly and freely at the Supplier's disposal.

Failure by the Purchaser to comply with the terms of payment shall be regarded as material breach of the Sales Agreement time being of the essence.

Any amount that is not paid in full by the due date for payment thereof shall be subject to penalty interest as agreed or in case the Parties have not agreed thereon equal to the lesser of two percent (2%) per month or the maximum interest rate permitted by applicable law from the due date thereof until paid.

5. Taxes

Unless otherwise agreed in the Sales Agreement, the prices, fees and charges do not include, and the Purchaser shall be responsible for payment of, VAT, any other taxes, withholding taxes, levies, duties, charges, assessments or fees of any nature (including interest, penalties and additions thereto) now existing or hereafter enacted which relate to the sale, delivery and purchase of the Products under the Sales Agreement.

6. Delivery, warehousing and transfer of title

Applicable Incoterm 2020 delivery term and the mode and destination of the delivery shall be specified in the Sales Agreement. Unless otherwise agreed, the Products shall not be delivered in other than full truck loads.

The Supplier shall use its reasonable endeavours to deliver the Products in time in accordance with the delivery schedule agreed in the Sales Agreement. The Supplier shall not be obligated to meet the lead times and delivery times, if the Purchaser has not complied with its obligations including among others the agreed forecasting.

Any Product ordered or agreed to be warehoused may be called off by the Purchaser from the Supplier within the call off period as specified in the Sales Agreement. In the event that the Products are not called off within the call off period, the Supplier



shall be entitled to charge Stock Reservation Fee for the time period after the Final Call Off Date until the delivery of the Products. Supplier may invoice the Stock Reservation Fee monthly at the end of each calendar month. The Supplier is entitled to deliver and the Purchaser shall receive the Products regardless of call off order latest at the Final Delivery Date.

The Supplier may refuse to make deliveries or provide services if the Purchaser has any unpaid amounts that are due, or if the Supplier has reason to doubt the Purchaser's ability or readiness to pay. The Supplier expressly reserves the right to stop any shipment in transit or the provision of any service for any reasonable cause.

The products are at the risk of the Purchaser from the time of delivery pursuant to applicable delivery term.

Should the Purchaser fail to perform its obligations in regard to delivery, take the delivery in time or should the delay in delivery be caused by the Purchaser's failure to accept delivery, take the delivery in time or take any other measures in accordance with its contractual obligations in regard to the delivery, the Supplier shall be entitled to arrange for the storage of the Products at the risk and cost of the Purchaser and claim damages the Purchaser's failure has caused to the Supplier. When the delay is caused by the Purchaser or its customers, it shall nevertheless make payment of the Products in full.

Title and ownership to all products comprised in the Products shall remain with the Supplier until the Purchaser has paid the purchase price of the Products in full. The Purchaser hereby assigns to the Supplier all claims arising from the resale of the Products subject to retention of title. The Purchaser shall give the Supplier every assistance in taking any measures required to protect the Supplier's title or other rights to the Products in accordance with the Supplier's applicable law.

7. Delay of delivery

The Supplier shall inform the Purchaser of any foreseeable delay in delivery as soon as practicable after the Supplier becomes aware of such fact.

If a delivery is delayed solely due to the fault of the Supplier, the Purchaser may:

- (i) demand that the Supplier deliver the Products within a reasonable time period after the Delivery Date, as agreed by the Purchaser and the Supplier acting reasonably; or
- (ii) if the Supplier does not meet the extended delivery date pursuant to (i) above, cancel the delivery and demand that the Supplier return to the Purchaser the purchase price of all such products already paid by the Purchaser, (provided that the products have been returned to the Supplier undamaged),

This Section sets forth the exclusive remedies for claims based upon the delay of delivery of the Products, whether the claim is based on contract, tort, delict or otherwise.

8. Inspections

The Purchaser shall inspect the quantity and quality of the Products at the time of the delivery.

Unless the Purchaser notifies the Supplier in writing to the contrary without undue delay after the receipt of the Products, or in case of hidden faults without delay when the Purchaser has discerned them or, applying the utmost care could have discerned them, the Products shall be deemed to have been duly received in agreed quantity, quality and specification. Should there be any evidence of damage in transit, the Purchaser shall duly give notice of claim to the carrier. In the event that the Purchaser considers the product in question to be in non-conformity with the Product Warranties, the Supplier shall be provided an opportunity to inspect the Products. No return of the Products shall be accepted without the Supplier's prior written authorisation.

Claims for the Products shall be excluded if the Products have already been taken into use, installed or used for production except in case of hidden faults which could not have been detected at the inspection by Purchaser, made according to this section.

9. Packaging

Unless otherwise agreed in the Sales Agreement, the Supplier shall cause the Products to be packed and marked in accordance with the Supplier's customary methods.

Special packing or marking arrangements are subject to a surcharge in accordance with the Supplier's customary practice.

10. Limitation of Liability

In the event of the Supplier being liable in damages under any Sales Agreement, the damages shall be limited to any proven direct damages (but excluding loss of revenues or profits) incurred by the Purchaser up to the amount equal to the purchase price of the Products giving rise to such claim.

The Supplier shall in no circumstances be liable for any indirect, consequential, incidental or punitive damages or losses incurred by the Purchaser in connection with the Products or the Sales Agreement including but not limited to loss of profits, revenue, production or goodwill.

The Purchaser shall use its best endeavours to mitigate the damages arising in relation to any claim which the Purchaser may bring against the Supplier under or in connection with any Sales Agreement.

11. Ownership and other rights to Intellectual Property

The delivery of the Products under any Sales Agreement and/or under the General Sales Terms shall not be construed as granting any express or implied rights or licenses to Supplier's Intellectual Property other than necessary for the use of the Products by the Purchaser, which use is known to the Supplier when entering into the Sales Agreement. Each Party retains ownership and other rights to any Intellectual Property owned or used by the respective Party at the time of entering into the Sales Agreement as well as to Intellectual Property created by the respective Party in connection with the fulfilment of the Sales Agreement.

12. Force majeure

Neither Party shall be liable for non-performance whole or partial of its obligations under any Sales Agreement if such non-



performance is caused by any event beyond the reasonable control of the Party including, without limitation, fire, embargo, icing of sea, flooding or other natural disaster, strike, lock-out or other labour dispute, distributed denial of service attacks or other cyber threats and incidents, viruses and other malware, shortage of raw material, disruption in the energy supply or supply failures by the Supplier's suppliers ("Force Majeure"). The Party invoking Force Majeure shall inform the other Party in writing of the Force Majeure and the expected duration of the Force Majeure and shall use its reasonable endeavours to mitigate the adverse effects of the Force Majeure, to overcome the effects of the Force Majeure and to resume performance of its obligations under the Sales Agreement.

13. Increased Costs

Should there after the conclusion of any Sales Agreement occur a substantial increase in the total costs of production or delivery due to considerable changes in costs, including but not limiting to, the cost of energy, raw materials, freight levels and/or exchange rates, the Supplier shall have the right to demand a renegotiation of the price in respect of Products due for delivery by giving notice of the same to the Purchaser and the Supplier may cancel any undelivered part of the contracted quantity of Products by giving a 30 days' prior notice to the Purchaser. The prices in the Sales Agreement are valid for all effected shipments and/or deliveries up to a possible notice given by the Supplier pursuant to this Section.

14. Compliance with laws

The data necessary for contract fulfilment is recorded in compliance with the appropriate legal requirements. When processing an order or providing a service, data may be transmitted to Affiliates and third parties for the purposes of contract fulfilment and commissioned data processing. The Purchaser acknowledges that data may be transmitted to countries which are not members of the European Union and which are not in accordance with the European data protection standards. The Supplier may also use the data collected during the business relationship with the Purchaser to inform the Purchaser about the Supplier's products. In case the Purchaser does not want to receive such information, it may at any time notify the Supplier accordingly.

Purchaser warrants that it shall comply with all applicable laws and regulations, among others applicable Sanctions regulations and anti-money laundering legislation.

Further the Purchaser warrants, and is fully liable for the consequences to the Supplier caused by a failure thereof, that: (a) it is not a person that is listed on, or owned or controlled by a person listed on, a Sanctions List; and (b) it does not engage, in activities that are prohibited by Sanctions applicable to the Purchaser under the Sales Agreement or otherwise.

Purchaser shall, and is fully liable for the consequences to the Supplier caused by a failure thereof, (a) comply with all applicable anti-bribery laws, anti-money laundering laws and related books and records requirements (together "Anti-Bribery Laws"); (b) maintain adequate written anti-corruption procedures to ensure compliance by it, its affiliates and their respective employees, directors and officers ("Employees") with all Anti-Bribery Laws; (c) Purchaser shall further monitor and take reasonable measures to ensure that the performance of its suppliers, any agents or other third parties ("Agents") acting on its behalf in connection with the UPM business

comply with all Anti-Bribery Laws; (d) notify Seller promptly of any breach of Anti-Bribery Laws by Buyer or any affiliate, Employee or Agent; and (e) take immediate and thorough actions in cases where their performance is questioned.

Purchaser warrants that it shall not distribute, or in any way contribute to the distribution of, the Products, directly or indirectly, to the Russian Federation and/or Belarus. The Supplier may refuse to make deliveries if the Supplier has reason to suspect that the Products are distributed to the Russian Federation and/or Belarus. The Supplier expressly reserves the right to also stop any shipment in transit.

15. Miscellaneous

The Supplier shall be entitled to use subcontractors for the performance of its obligations under the Sales Agreement and these General Sales Terms without the prior consent of the Purchaser. The Supplier shall be liable to the Purchaser for the performance or non-performance of such subcontractors to the extent of Supplier's obligations under the Sales Agreement and these General Sales Terms.

The Purchaser shall not be entitled to assign any Sales Agreement or any of its rights or obligations under the Sales Agreement, in whole or in part, to any third party without the prior written consent of the other Party. The Supplier shall be entitled to assign its receivables under the Sales Agreements to any third party.

Any amendments or variation to any Sales Agreement or these General Sales Terms shall require to be made in writing and shall be signed by both Parties.

If any term of any Sales Agreement or these General Sales Terms is held invalid or unenforceable, such determination shall not invalidate or render unenforceable any other term of the Sales Agreement or these General Sales Terms.

The Sales Agreement and these General Sales Terms constitute the entire agreement between the Supplier and the Purchaser with respect to the delivery and provision of the Products and exclude and supersede prior representations of the Parties and any general purchasing conditions of the Purchaser or any other general or standard trading terms which may be written on or referred to in any order, request for quotation or other documentation used by the Purchaser.

16. Governing law and dispute resolution

The Sales Agreement and these General Sales Terms shall be governed by and construed in accordance with the laws of Finland. The applicability of CISG is specifically excluded. Any disputes arising out of or relating to the Sales Agreement and these General Sales Terms will be finally settled by arbitration in Helsinki in accordance with the Rules of the Arbitration Institute of the Finland Chamber of Commerce. However, the Supplier is always entitled, at its sole discretion, to make claims for payment of monetary receivables based on the sale of Products or services also in the Courts of the Purchaser's place of business.

17. Definitions

The following capitalized terms used in these General Sales Terms and Sales Agreement shall have the following meanings:



"Affiliate" shall mean any entity controlling, controlled by or under the common control with a Party.

"Appendices" shall mean the appendices to the Sales Agreement as amended from time to time by the Parties as well as these General Sales Terms.

"Delivery Date" shall mean the date when the Products are due to be delivered to the Purchaser pursuant to Incoterms 2020 delivery term agreed in any Sales Agreement.

"Final Call Off Date" shall mean the latest date on which the Products may be called off by the Purchaser from the Supplier's warehouse as agreed and specified in any Sales Agreement and after which date the Supplier is entitled to invoice warehousing fee

"Final Delivery Date" shall mean the date the Supplier is entitled to deliver the Products from the Purchaser even if the Products have not been called off as agreed in any Sales Agreement.

"Force Majeure" shall have the meaning set forth in section 12 of these General Sales Terms.

"General Sales Terms" shall mean these General Sales Terms of UPM-Kymmene Group for Products

"Intellectual Property" shall mean any patents, utility models, designs, copyrights, trademarks, trade names, inventions, trade secrets, know-how and any other industrial or intellectual property rights, and applications thereof.

"Party" shall mean the Supplier or the Purchaser.

"Parties" shall mean the Supplier and the Purchaser.

"Products" shall mean the products and services to be provided by the Supplier to the Purchaser as specified in any Sales Agreement.

"Purchaser" shall mean the legal entity as specified in the Sales Agreement purchasing the Products from the Supplier.

"Sales Agreement" or "Agreement" shall mean the written or oral sale and purchase agreement or order of the Purchaser which is confirmed by the Supplier for the delivery of the Products entered into between the Supplier and the Purchaser, including its Appendices and these General Sales Terms.

"Sanctions" shall mean economic or financial sanctions or trade embargos or other equivalent restrictive measures imposed, administered or enforced from time to time by the European Union, the governments of other member states of the European Union, the United Nations Security Council, the United States government or an United States agency (including OFAC, the US State Department, the US Department of Commerce and the US Department of Treasury) or the equivalent regulator of any other country which is relevant to the Sales Agreement.

"Sanctions List" shall mean any of the lists of specifically designated nationals or designated persons or entities (or equivalent) in relation to Sanctions, each as amended, supplemented or substituted from time to time.

"Stock Reservation Fee" shall be the fee agreed between the Supplier and the Purchaser (and if not agreed otherwise EUR / 1,00 / ton / day) charged for the Products at the Supplier's warehouse as from the Final Call Off Date until the delivery.

"Supplier" shall mean UPM Sales Oy, except with respect to deliveries to Asia Pacific and Japan a company mentioned in the respective order confirmation: UPM Asia Pacific Pte. Ltd and UPM Japan K.K, respectively.

"Tolerances" shall mean the following tolerances:

Quantity Tolerances				Diameter Tolerances	Running meter Tolerances
	Volume		Package (= Reel)		
MIX default	under 10 tons		-1/+1 package	-50/+20 mm	+/- 50 m
	10 tons but under 100 tons 100 tons and over	+/- 5% +/- 3%			
MIN specified	under 10 tons		-0/+1 package	-0/+20 mm	
	10 tons but under 100 tons 100 tons and over	+ 5% + 3%			
MAX specified	under 10 tons		-1/+0 package	-50/+0 mm	
	10 tons but under 100 tons 100 tons and over	- 5% - 3%			

Other tolerances not specified above with respect to quantity, grammage and size of reels and sheets of the Products the Tolerances shall be the supplying mill's latest published tolerances.