

GENERAL SALES TERMS OF UPM-KYMMENE GROUP FOR PAPER PRODUCTS AND SERVICES – US, CAN & LATAM

1. General

These General Sales Terms shall apply to all contracts, sales agreements and arrangements governing sales relationships between UPM-Kymmene Inc., 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 in writing. Any quality specifications set by the Purchases are renounced, unless specifically accepted by the Supplier in writing.

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 Sales Agreement. In the event the Parties have not agreed thereon, payment shall be made in United States Dollars 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, Sales tax or 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 with the payment term of 14 days. 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 in accordance with the Transit Damage Claim Policy. 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, SPECIAL, 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, or the performance of Supplier's suppliers under any Sales Agreement if such non-performance is caused by any event beyond the reasonable control of the party including but not limited to: war; war risk; insurrection; requisition, governmental or similar restrictions for production or logistics due to a pandemic; embargo; calling up of personnel for military service; currency restrictions; export or import prohibitions or restrictions; restrictions in use of power; strike, lock-out or other labour dispute; distributed denial of service attacks or other cyber threats and incidents, viruses and other malware; closure of production facility; general shortage of labour, transport and materials; water shortage; fire; flood; storm; obstruction of railways; environmental catastrophe; obstruction of navigation by ice or other obstacle at port of shipment or discharge; loss or detention at sea; non-delivery, faulty or delayed delivery by Supplier's suppliers of raw material and other commodities for industrial production, shortage or rationing of fuel oil affecting production and/or transportation and any other circumstances beyond the control of the parties ("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 between the United States and the European Union. 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.

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 the State of New York. The applicability of CISG is specifically excluded. Any disputes arising out of or relating to the Sales Agreement and these General Sales Terms shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with those Rules.. 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 2000 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 USD / 0,70 /short 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-Kymmene Inc.

"Tolerances" shall mean the following tolerances:

Change in General Sales terms

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

	Diameter Tolerances	Running meter Tolerances
MIX	Nothing specified: -50/+20 mm	+/- 50 m
MIN	Minimum specified specified: -0/+20 mm	
MAX	Maximum specified specified: -50/+0 mm	

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.

Transit Damage Claim Policy means the transit damage claim policy of UPM in effect time.



Transit Damage Claim Policy

December 2021

UPM-Kymmene, Inc.'s (hereinafter "UPM") goal is to supply damage free paper to all of its customers. Transit damages are only damages that result from shipping, warehousing, or handling and are not the same as quality damages. If a customer receives paper with quality issues or defects, the customer should contact their UPM Technical Service Representative.

UPM has developed cargo care and paper-handling instructions together with its rail, over the road and sea carriers as well as its terminal and warehouse operators. UPM service providers have committed to following UPM guidelines and quality commitment when handling and transporting UPM cargo. Each roll and vehicle are inspected prior to loading in compliance with UPM's Cargo Handling Manual, to ensure damages are minimized and to provide a safe transport and unloading environment. UPM complies with all Federal and local laws as it pertains to cargo handling, in addition to compliance of the American Association of Railroad (AAR) loading practices.

UPM strives for damage free deliveries and focuses on continually improving our securing and loading practices. We do however, recognize, that our customers may receive damaged product. In these cases, we request the customer follow the claims process and requirements as contained herein.

The following procedures and requirements will apply in the event a customer receives transit-damaged paper. "Paper" or "Package" refers to paper shipped in rolls, cartons or as a palletized product.

1. General conditions for claims acceptance

Transit damage claims will be accepted based on this policy for any shipment in which UPM selected the mode of transportation, the carrier, and the routing.

- UPM and its carriers must receive notifications and claims for transit related damages directly within the time limits defined in Section 4 of this policy in order to be accepted. UPM is not responsible for time delays as the result of claims processed through broker or merchant.
- Claims must be submitted using the E-claims portion of UPM's customer online (or COL) site.
- A separate claim must be submitted for each manifest received. Claims with consolidated shipments will not be accepted.
- Claims for transit damages on customer furnished pick-ups will not be processed.
- When multiple purchase orders exist on one load/vehicle, damage from each purchase order must be submitted as separate claims.
- The maximum claim value may not exceed the contractual value of the paper. UPM-Kymmene does not compensate any consequential losses due to transport damages.

2. Receipt of a shipment

On truck, intermodal or container shipments, the receiver is required to inspect the order for damage and validate shippers load count prior to signing the bill of lading. Any discrepancies in the load count or damage must be noted on the bill of lading and signed by receiver and carrier. Inspect the packages carefully. Note, that slight damage on the roll can mean concealed damage inside.

On rail shipments, UPM requires photos of the railcar doorways upon opening to be used as evidence for potential claims against

the railroad. The receiver is required to inspect the order for damage and validate shippers load count. In the event of any count discrepancy, or evidence of damage (water, broken bands, load shift, burst airbags, broken seals) the receiver is required to contact the delivering rail carrier with notification of loss and request an inspection immediately. If the carrier waives inspection, the receiver is required to record the name of the carrier representative who waived the inspection, date and time of call or provide a copy of the signed and dated waiver. As with truck and container shipments, slight damage on rolls could indicate concealed damage.

The receiver must take photos to demonstrate the damaged condition of the paper whilst still in the railcar, trailer or container in order to assist both UPM and the carrier in determining cause of damage and in validating any claim filed.

With the exception of severely shifted loads, where unloading the product may put the safety of the receiver at risk, the fact that a shipment contains damage is not a sufficient reason for a receiver to refuse all or part of a delivery. All products should be received, regardless of their condition, and the outlined claims process and procedure followed if necessary. If a receiver rejects a shipment and subsequent investigation establishes that the carrier was not liable for the damage, the claimant is only entitled to salvage amount the carrier realized.

UPM reserves the right to decline any transit claim as a result of noncompliance as noted in this section.

3. Safeguard the recovery

Make a note of the damage on the freight documents. The remark should be written on the carrier's copy of the freight document as well as receiver's own copy and should specify:



Transit Damage Claim Policy

December 2021

- Number of damaged (or missing) packages
- Type of damages (see specification)
- Date and signature (of both driver & receiver)
- Pictures of damaged paper while still in vehicle
- Pictures of equipment if holes, leakage, or water is visible, objects causing end damage are on the floor or equipment has any other visible defects.

4. Claim Filing

With the exception of a customer pick-up, or if the purchasing customer is responsible for the payment and carriage of goods to a designated carrier, all claims should be filed using the e-claims portal of UPM's Customer Online site. All overages, shortages and visible damage related to transit should be noted on the bill of lading prior to the release of the driver and submitted to UPM within 60 days of delivery. At the time of delivery, any evidence of damage should signal further inspection to determine the extent of damages. Inspect the packages carefully. Slight damage on the roll can indicate concealed damage inside.

If there is any sign of water ingress in the vehicle, all packages on that vehicle should be inspected to ensure there are no hidden water damages found later.

UPM considers hidden damages to be those damages located on the bottom end cap of the roll which cannot be seen when the roll is sitting on end on the warehouse floor.

If damage is concealed, customer claims must be submitted within 60 days of the damage being discovered. Please include a clear picture of the end cap if possible so the damage can be investigated.

Transit claims are to be submitted through UPM's E-claims portal on the UPM Customer Online site. For follow up information, please contact na.transit@upm.com

The following supporting documents should be attached to the claim:

1. If rail delivery, a copy of the damage notification & confirmation.
2. If truck or intermodal delivery: a driver-signed copy of the original shipper's bill of lading with damages noted
3. A copy of the shipment manifest noting the damage
4. Pictures of damages. On water, core or whole roll damage claims, a picture showing roll ID or label is required. For all damages, UPM requires photos of damage to the white paper (

All inspection rules still apply - UPM reserves the right to inspect or survey the damage in order to establish the extent of the loss, its cause and other relevant facts bearing on the matter. UPM may arrange a joint survey with the insurers and/or carriers or other liable third party.

5. Minimize the damage

The consignee must prevent further damage by taking protective measures regarding the damaged shipment. Damaged goods should be handled with care and should be separated. Do not destroy or dispose of damaged goods without UPM's knowledge and approval.

6. Claims acceptance and customer credit

UPM's customers will be entitled to a credit against their purchase order once a proper claim has been received and approved by UPM. UPM will not accept a claim for less than 200 pounds. The claim and supporting documents must comply with this policy. The subsequent dollar amount of the credit will be determined by the value of the claim. UPM aims to credit customers within 10 working days of claim submission.

7. Salvage and Disposition of Paper

Unless otherwise notified, UPM retains ownership rights to any transit damaged paper for which a Transit Damage Claim is filed. The following guidelines apply concerning the salvage and disposition of transit-damaged paper.

Less than Complete Package: The customer or printer is responsible for disposition of the paper. If necessary, once the claim has been settled, the customer or printer can request a letter of disposition. If the stripped paper roll cannot be weighed, the weight of the stripping waste is gauged as follows:

$$WX = WO * (1 - (D1/DO)^2)$$

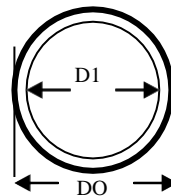
Where,

WX = Weight of Strip Waste
D

WO = Original Weight

DO = Original Diameter

D1 = New Diameter



Complete Package(s) Claimed: The paper will belong to UPM, and UPM will authorize disposition of the damaged paper. UPM or a surveyor acting on behalf of UPM will negotiate any salvage value directly with a third-party salvage company or the carrier. After 90 days, the printer can dispose of the paper. Any salvage proceeds obtained by the printer via a third-party salvage company must be paid to UPM.

Partial Package (s) Claimed: Documentation is still required for partial roll damages.

1. **BOL must be signed with damage**
2. **If photographic evidence is used, the roll must be opened up and damage depth measured.**
3. **In lieu of opening up rolls, estimated damage may be filed. However, the printer, upon UPM request, shall provide actual strip waste due to damage recorded at press.**

UPM North America Roll Stock Quality Policy

May 2023

General

The purpose of this policy is to outline quality specifications for paper supplied by UPM, outline quality situations UPM will consider for claims and convey a framework for working in a spirit of cooperation with printers and customers.

Mechanical pulp grades of paper should be used within 1 year of manufacture, woodfree pulp grades should be used within 2 years of manufacture. UPM reserves the right to reject claims against paper older than 1 or 2 years as applicable.

In the event of runnability or quality concerns which may be related to paper the printer must contact the UPM Technical Service Manager responsible for the plant as soon as possible after problem is discovered. Failure to notify UPM in a timely manner is cause for rejecting a resulting claim. Contact info for UPM Technical Service is listed below under UPM Technical Service Team Contact Information.

Roll Specifications

UPM will supply paper according to the following:

Roll Numbers	North American Roll Identifier (NARI). See UPM Roll Numbering system below for more information.
Diameter	Ordered diameter $\pm .75''/-2''$ <i>UPM European mills typically produce 50" orders to 1250mm with +20mm allowance. 1270mm is 50".</i>
Width	Ordered width $\pm 1/16''$
Cores <ul style="list-style-type: none"> Type Metal end caps Notches Core plugs Diameters <i>Core diameters are descriptive only. Industry standard sizes are used in practice (ie. 6" cores in North America are 5.95" nominal, Europe supplies 150mm).</i>	<ul style="list-style-type: none"> High strength fiber cores No As ordered No 3", 6" as ordered. For other sizes enquire with UPM Customer Service.
Mill splices <ul style="list-style-type: none"> # per roll Distance from core Distance from outer diameter Distance between <i>UPM does not monitor % of rolls with splices at the order level.</i>	<ul style="list-style-type: none"> Maximum 3 Minimum 2" Minimum 1" Minimum 1"
Roll stencilling <ul style="list-style-type: none"> Mill roll number Unwind direction Splices* <i>Caledonian does not mark base paper splices (before coating).</i>	<ul style="list-style-type: none"> Within 10" of core Arrow end of roll Marked with arrow or line at splice.
Labels <ul style="list-style-type: none"> Bilge Ends 	<ul style="list-style-type: none"> Minimum 1 Minimum 0
Multiple rolls in package <ul style="list-style-type: none"> Individual labels Stencils 	<ul style="list-style-type: none"> Some mills yes, some not able Some mills yes, some not able
Other	UPM does not guarantee % of rolls supplied from end positions or number of paper production runs per customer order.

Basis weight

UPM supplies paper as close as possible to ordered basis. Allowed variation on any order is $\pm 1\%$. Allowed variation on individual reel or short run is $\pm 3\%$. The intention is to supply at ordered basis weight for long term, repeat orders.

Basis weight is calculated as paper weight / by paper surface area in the appropriate ream size (ie, text weight 500 sheets of 25"x38" = 3298.6ft²). Paper surface area in a roll is calculated using length of paper measured by the winder control system and the ordered width. Weight is taken from scale at wrapping line. Weight of paper is calculated as paper weight + core weight less core weight allowance. (Some mills may calculate as gross weight less an allowance for wrapper, headers and core weights). Claims for basis weight variation must be based on printer yield measurements and be substantiated by mill analysis.

Claims

Claims must be submitted by the UPM invoiced customer or by the printer on customer's behalf. Claims must be submitted within 30 days of discovery or print date. UPM Technical Service contact requirements, claim information requirements and evidence collection requirements are necessary to substantiate a claim (*See Claim Information & Evidence Collection Guidelines below*).

Claims will be settled within 30 days after receipt of a completed claim including appropriate evidence.

Claims can be settled to the invoiced customer and/or the ship-to party. Traditionally claims are filed by the printer to the invoiced customer with a copy to the mill. The entirety of the claim, including press charges and waste, is paid by UPM to the invoiced customer who in turn reimburses the printer for press charges.

Alternatively, claims for press charges can be paid directly to the printer (ship-to party) and waste paid to the invoiced customer. Contact UPM Technical sales to arrange for press charges to be paid directly to the printer.

Web break claims

UPM is willing to work in 2 ways to calculate web break claims:

Method 1 – Paper + $\frac{1}{2}$ Unknown breaks greater than 3% of total rolls run are claimable. A press downtime charge and waste allowance per chargeable break must be negotiated.

Method 2 – All Paper related breaks are claimable, unknown breaks are not claimable. A press downtime charge and waste allowance per chargeable break must be negotiated.

Rolls may be rejected after 2 paper related breaks meeting evidence requirements or 3 unknown breaks.

Note: for a break to qualify as paper related there must be evidence: physical, photographic or video, to substantiate a paper problem.

Printability/Other claims

Claims for printability and other claims will be handled on a case-by-case basis. UPM recommends washing blankets at every roll-to-roll splice. UPM will not be held responsible for any costs associated with blanket build up/piling if blankets are not washed at this frequency.

Printed waste weight should be a reasonable amount for the problem experienced.

UPM North America Roll Stock Quality Policy

May 2023

UPM does not honor claims for:

- Fluting
- Scuffing
- Roll to roll splicing breaks at splice diameter less than $\frac{3}{8}$ ".
- Problems related to paper stiffness (press or bindery speed reduction, bindery problems, etc.)
- Paper converted / resized by printer or customer.

Disposition of remaining paper

In the event a paper problem results in rejected stock the stock will be held for 30 days from claim filing date for disposition by UPM. If a disposition is not received from UPM within 30 days the printer may dispose of stock at a price to be negotiated and agreed with UPM.

UPM will disposition remaining stock to a broker to be picked up at the printer site. UPM reserves the right to amend the rejected weight based on scaled weight from broker.

Rejected stock should be stored in original wrappers in a condition that allows the paper to go back to press. UPM may request to put the stock back on press due to evidence discovery or troubleshooting. If stock is put back on press the web break allowances are waived and UPM will be responsible for all paper related breaks. UPM will not be responsible for press related web breaks.

Claim Information requirements

UPM requires the following information on a formal claim emailed to the appropriate Technical Customer Service Manager.

- A clear description of the issue encountered including press reports if applicable.
- Mill order number (ie. US-1234567-01) and/or customer purchase order number.
- Basis weight, grade name, roll width.
- Itemized list of secondary charges as appropriate (press down time charges, start-up waste, timeframes, etc.)
- A mill roll number (NARI) for each roll rejected and for each web break or print issue claimed.
- All evidence as outlined in Evidence Collection Guidelines.
- If an alternate mill order or competitive sheet is used the substitute order # or mill and grade name with samples.
- Claims for baggy rolls cannot be accepted with Schmidt hammer readings alone. Physical evidence must be supplied as well.

Evidence Collection Guidelines

All claims require white and printed paper samples. In addition, the following evidence is required:

Claim reason	Typical Examples	Evidence Required
Paper Defects	Picking, scale, hickies	Tape pulls
	Blade lines	
	Slitter dust	Tape pulls
	Blister	Press settings
	Crack at fold	Press settings, folder settings
Runnability	Holes	
	Wrinkles	
	Width variation	
	Corrugations/roping	
	Turnover	

	Loose core	Picture of core in paper roll
	Burst	White paper only
	Baggy roll	Schmidt hammer readings
Printability	Mottle	Press settings, progressive prints
	Offsetting, ghosting, piling	Press settings and ink information
	Ink drying, setting	Press settings and ink information
	Felt hair	Tape pulls
Notes All defect evidence should have the defect circled for easy identification. Video/photographic evidence may be accepted for some paper defects in lieu of physical evidence (holes, turnover, etc.)		

UPM Roll Numbering System

UP	4	4	1	B	25	13	1	00
Company	Mill	Paper machine	Year	Month	Day	Jumbo	Set	Position

Position means % of way across jumbo reel where the front edge of the customer roll starts (back roll is 99), or winder position.

Mills:

Augsburg	= A	Jamsankoski	= 7	Nordland	= N
Blandin	= 9	Kaukas	= 1	Plattling	= 2
Caledonian	= 3	Kymi	= K	Rauma	= 4

Month Code:

A=January	D=April	G=July	K=October
B=February	E=May	H=August	L=November
C=March	F=June	J=September	M=December

Please contact your Customer Service Specialist or Sales Manager to initiate Technical Sales Support