

GENERAL SALES CONDITIONS OF UPM-KYMMENE GROUP FOR UPM FORMI PRODUCTS

1. General

These General Sales Conditions shall apply to all contracts, sales agreements and arrangements governing sales relationships between UPM-Kymmene Corporation and/or its Affiliates and Purchasers of the Products. All capitalised terms used in these General Sales Conditions and in any of the Agreements shall have the meanings specified for such terms in the Agreement in question or Section 22 ("Definitions") or in text of these General Sales Conditions.

These General Sales Conditions shall prevail over any general terms and conditions and other terms of the Purchaser included in the orders or otherwise and such conditions shall not be applied in the contractual relationship between the Purchaser and the Supplier.

2. Validity of Offers and Acceptance of Orders

Any offers or quotation issued by Supplier shall be valid for the period defined in such offer or quotation, or if such period has not been defined, for a period of fourteen (14) days. Any order of the Purchaser shall become binding upon the Supplier only when accepted in writing. The Purchaser shall not be entitled to revoke or cancel any order after such order has reached the Supplier, unless the Supplier has agreed in writing to such cancellation and has received from the Purchaser a written undertaking to pay all costs, charges and expenses incurred in respect thereof.

3. Packaging

Unless otherwise agreed in the 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.

4. Delivery and Acceptance of Products

Applicable Incoterm® 2010 delivery term and the mode and destination of the delivery shall be specified by the Supplier and the Purchaser in the Agreement. If no delivery term is specified in the Agreement, the applicable delivery term shall be Free Carrier (FCA) Supplier's premises (Incoterms® 2010).

The Supplier shall use its reasonable endeavours to deliver the Products in time in accordance with the delivery schedule agreed in the Agreement. In case no specific delivery time has been agreed, the Products shall be delivered in the framework of the Supplier's customary delivery schedule.

The Supplier may refuse to make deliveries, 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 for a reasonable cause.

Unless expressly otherwise agreed, partial deliveries and transshipment shall be permitted.

The Purchaser shall carefully examine the Products immediately upon delivery and inform the Supplier in writing if the Products or their packaging is found to be defective in any respect. Any lack of conformity which cannot be discovered, despite of careful examination as described above, must be notified immediately when it becomes known to the Purchaser. The Products shall be deemed accepted if the Purchaser does not give such notification.

5. Delay

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 demand that the Supplier delivers the Products within a reasonable time period after the Delivery Date, as agreed by the Purchaser and the Supplier acting reasonably.

If the delivery is not affected or, in case of customer specific Products, the production has not been started within two (2) weeks from the extended delivery date agreed pursuant to the paragraph above, the Purchaser may cancel the delivery of the delayed Products and demand the Supplier to return to the Purchaser the purchase price of such Products, provided that the Products have been returned to the Supplier.

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.

6. Transfer of Title and Risk of Loss

The risk of loss and damage to the Products shall pass to the Purchaser at the time of delivery pursuant to applicable delivery term. Title and ownership to the Products shall remain with the Supplier, to the fullest extent permitted under applicable law, until the Purchaser has paid the purchase price of the Products in full. The Purchaser shall give the Supplier all assistance in taking any measures required to protect the Supplier's title to the Products or such other right in respect of thereof in accordance with the applicable law.

7. Inspections

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

Unless the Purchaser notifies the Supplier in writing to the contrary within a period of two (2) weeks from the receipt of the Products, the Products shall be deemed to have been duly received in agreed quantity and free of any apparent or visible quality defects. In the event that the Purchaser considers the product in question to be in non-conformity with the product warranties set out in Section 11 of these General Sales Conditions, the Supplier shall be provided an opportunity to inspect the Products. No return shall be accepted without Supplier's prior written authorisation.

No claims for the Products shall be accepted, 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 according to this section.

8. Prices

The prices for the Products shall be specified in the Agreement.

9. Invoicing and Payment Terms

The method and timing of invoicing and payments shall be specified in the Agreement. In the event the Parties have not agreed thereon, the payment shall be made in euros and

(i) within thirty (30) days from the Delivery Date by wire transfer to the Supplier's bank account, if the Purchaser has an accepted credit limit with the Supplier, or

(ii) in advance prior to the delivery, if the Purchaser does not have an accepted credit limit with the Supplier.

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 Agreement.

Any amount that is not paid in full by the due date for payment thereof shall be subject to penalty interest as agreed in the Agreement or, in case the Parties have not agreed thereon, set according to Euribor (12) +8% p.a. or the maximum interest rate permitted by applicable law, whichever is lower, from the due date thereof until paid.

10. Taxes, Duties and other Fees

Unless otherwise agreed in the 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 Agreement.

11. Product Warranties

The Supplier warrants to the Purchaser that at the Delivery Date,

- (i) the Products shall conform in all material respects with the Product specifications specified in the Agreement; and
- (ii) the Products shall conform to the laws and regulations of the Supplier's domicile.

For avoidance of doubt, each single delivery of Products shall be considered to have been completed in accordance with the Agreement with respect to the quantity when the quantity delivered neither exceeds nor falls short of the quantity set out in the Agreement by more than the limit of tolerance, which is +/- 10 % of the quantity set out in the Agreement. The Purchaser shall pay for the quantity actually delivered when the quantity is within the tolerance limit.

The Supplier disclaims any other warranty, whether express, implied or statutory, with respect to the Products, including without limitation any warranty of merchantability or fitness for any particular purpose, application or manufacturing process or any warranty that the Products or use of the Products will not infringe or violate any Intellectual Property of any third party.

12. Breach of Warranties

If any of the Products do not meet the product warranties specified in Section 11 of these General Sales Conditions, Purchaser shall notify Supplier thereof in writing and provide sufficient evidence of such breach of product warranty 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 nonconforming Products to the Supplier or allow the Supplier to otherwise inspect the non-conforming Products.

In case of a valid warranty claim, the Supplier shall at its discretion either:

- (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;

(ii) supply replacement Products to conform with the product warranties.

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.

13. Limitation of Liability

In the event of the Supplier being liable for any loss or damage under any Agreement, the liability shall be limited to any proven direct loss or damage (but always excluding any 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 damage or loss incurred by the Purchaser in connection with the Products or the Agreement including but not limited to loss of profits, revenue, production or goodwill.

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

14. Intellectual Property

The delivery of the Products under any Agreement and/or under these General Sales Conditions 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 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 Agreement as well as to Intellectual Property created by the respective Party in connection with the fulfilment of the Agreement.

15. Compliance

Purchaser warrants that it shall comply with all applicable laws and regulations, among others applicable trade sanction regimes and anti-money laundering legislation as well as best industry practices when performing its obligations under the Agreement or these General Sales Conditions, purchasing and/or

utilizing Products from Supplier, or otherwise conducting business with UPM-Kymmene Group.

16. Force Majeure

Neither Party shall be liable for non-performance of its obligations under any 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, trade sanctions, 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 best 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 Agreement.

17. Increased Costs

Should there after the conclusion of any 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 Agreement are valid for all effected shipments and/or deliveries up to a possible notice given by the Supplier pursuant to this Section.

18. Data Protection

The data necessary for the fulfilment of the Agreement 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 the performance of the Agreement 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.

19. Confidentiality

Each Party shall keep in confidence all commercial, technical, financial and other confidential information (including without limitation technical and commercial

terms) of the other Party during the term of any Agreement and for a period of two (2) years thereafter. Each Party shall not disclose such information to any third party or use such information for any other purpose than the performance of its obligations under the Agreement save for information which enters the public domain without breach of the receiving Party. Additional terms contained in any applicable confidentiality or nondisclosure agreement entered into between the Supplier and the Purchaser shall also be applied to the exchange of information under the Agreement.

20. Miscellaneous

The Supplier shall be entitled to use subcontractors for the performance of its obligations under the Agreement and these General Sales Conditions 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 Agreement and these General Sales Conditions.

The Parties shall not be entitled to assign any Agreement or any of their rights or obligations under the Agreement, in whole or in part, to any third party without the prior written consent of the other Party, excluding Supplier's right to assign its right to collection of receivables from the Purchaser.

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

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

The Agreement and these General Sales Conditions 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.

21. Governing law and Dispute Resolution

The Agreement and these General Sales Conditions shall be governed by and construed in accordance with the laws of Finland, excluding its conflict of laws principles. The applicability of CISG is specifically excluded.

Any disputes arising out of or relating to the Agreement and/or these General Sales Conditions shall be finally settled in arbitration by one arbitrator in accordance

with the Rules of the Arbitration Institute of Finland Chamber of Commerce. The arbitration proceedings shall be held in Helsinki, Finland. The language of the arbitration proceedings shall be English. Notwithstanding the abovementioned, the Supplier is always entitled to collect receivables from the Purchaser in courts of the Purchaser's place of business or other courts having jurisdiction over such collection of receivables.

22. Definitions

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

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

"Agreement" shall mean the written or oral sale and purchase agreement or order of the Purchaser as 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 Conditions.

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

"Delivery Date" shall mean the date when the Products are due to be delivered to the Purchaser agreed in the Agreement.

"Force Majeure" shall have the meaning set forth in Section 16 of these General Sales Conditions.

"General Sales Conditions" shall mean these General Sales Conditions of UPM-Kymmene Group for UPM Formi 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 the Agreement.

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

"Supplier" shall mean UPM-Kymmene Corporation or any Affiliate of UPM-Kymmene Corporation, as specified in the Agreement.



UPM

The Biofore
Company