



**UPM PULP SALES OY
TERMS AND CONDITIONS FOR SALE OF TIMBER PRODUCTS**

1 General

1.1 UPM PULP SALES OY, a company incorporated in Finland (Business Identity Code: FI2096078-9) having its registered office at Alvar Aallon Katu 1, PO Box 380, 00101 Helsinki, Finland (“**the Supplier**”) shall supply the Products to the Purchaser and the Purchaser agrees to purchase such Products in accordance with these Conditions.

1.2 All capitalised terms used in these Conditions shall have the meanings set out in condition 23 (**Definitions**) or in the text of these Conditions.

2 Application of the Conditions

2.1 Unless otherwise agreed in writing by the Supplier, these Conditions are the only conditions upon which the Supplier is prepared to supply the Products to the Purchaser.

2.2 The Contract shall constitute the entire agreement between the Supplier and the Purchaser and shall govern the agreement between the Parties, to the entire exclusion of all other: (i) terms or conditions (including the Purchaser’s terms and conditions or those implied by trade, custom or practice); (ii) prior representations, (iii) agreements; or (iv) arrangements.

2.3 No terms or conditions endorsed on, delivered with or contained in any purchase order of the Purchaser, confirmation of order, specification or other document shall form part of the Contract.

2.4 The Order constitutes an offer by the Purchaser to purchase Products in accordance with these Conditions. The Order shall only be deemed to be accepted when the Supplier issues an Order Confirmation (where relevant) or the Invoice, which shall constitute written acceptance of the Order, at which point the Contract shall come into existence on the date of the Order Confirmation (where relevant) or the Invoice (“**Commencement Date**”).

2.5 Any quotation given by the Supplier to the Purchaser shall not constitute an Order and no Contract shall come into existence until the Purchaser submits an Order and this is accepted by the Supplier in accordance with condition 2.4 above. The Supplier may withdraw any quotation at any time at its sole discretion.

2.6 The Purchaser acknowledges and agrees that it has not relied on any statement, promise or representation made or given by or on behalf of the Supplier which is not set out in the Contract. Nothing in this condition 2.6 shall exclude or limit the Supplier’s liability for fraudulent misrepresentation.

2.7 Any variation to the Contract, including the introduction of any additional terms and conditions, shall only be binding when agreed in writing and signed by the Supplier.

3 Product Warranties

3.1 The Supplier warrants that, at the Delivery Date, and for period of 3 months from the Delivery Date (or such other period agreed in writing by the Supplier) (“**Warranty Period**”), the Products:

3.1.1 shall conform in all material respects with their description, subject to the accepted tolerances referred to in condition 3.2 below; and

3.1.2 shall be free from material defects in design, material and workmanship,

(“**the Product Warranties**”).

3.2 The accepted tolerances with respect to quantity, dimension and moisture content of the Products shall be the supplying mill’s latest published tolerances, unless otherwise agreed by the Parties.

3.3 The Product Warranties are the only warranties given under this Agreement. 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.

4 Breach of Warranties

4.1 Subject to conditions 4.2, 4.3 and 4.3 below, if the Purchaser gives the Supplier notice in writing during the Warranty Period that some or all of the Products do not comply with the Product Warranties and if the Supplier is given a reasonable opportunity of examining such Products, the Supplier shall, at its sole discretion, select an appropriate remedy from the following:

4.1.1 refund the price of the defective Products in full to the Purchaser;

4.1.2 if applicable to the Products and following the Supplier’s inspection of the Products, the Supplier may: (i) agree to downgrade the quality banding of the defective Products; and (ii) reduce the Price of the defective Products by a proportionate amount (“**Adjusted Price**”). The Supplier shall then refund to the Purchaser the difference between the Price paid for the defective Products and the Adjusted Price; or

4.1.3 repair or supply replacements of the defective Products to the Purchaser.

4.2 For the avoidance of doubt, any claims in respect of a breach of Product Warranties shall be made by the Purchaser to the Supplier in writing:

4.2.1 within 1 week from the date when the Purchaser became aware of the breach; and

- 4.2.2 in any event, within the Warranty Period, after which Warranty Period, any such claim shall not be valid.
- 4.3 If requested by the Supplier, the Purchaser shall, at the Purchaser's cost and expense, send a sample of such defective Products to the Supplier or allow the Supplier to otherwise inspect the defective Products.
- 4.4 The Supplier's obligations as set forth above shall not apply to any claims relating to the Products arising from: (i) normal wear and tear; (ii) accident; (iii) improper or negligent storage; (iv) installation; (v) use; (vi) handling; (vii) maintenance; and/or (viii) repair or modifications, not made in accordance with the Supplier's instructions or approval. The Supplier shall not be liable for any defects to any Product arising out of materials provided by or a bespoke design specified by, or on behalf of, the Purchaser.
- 4.5 This condition 4 sets out the exclusive remedies for any claims for defective products which breach the Product Warranties.
- 5 Invoicing and Payment Terms**
- 5.1 The price for the Products shall be the price set out in the Order Confirmation or Invoice (“**the Price**”).
- 5.2 The Purchaser shall pay each Invoice submitted by the Supplier:
- 5.2.1 no later than the due date specified in the Invoice (or otherwise agreed between the parties); and
- 5.2.2 in full and in cleared funds to the bank account specified on the Invoice.
- 5.3 The Purchaser shall pay all amounts due under the Contract without any deduction or withholding except as required by law and the Purchaser shall not be entitled to assert any credit, set-off or counterclaim against the Supplier in order to justify withholding payment of any such amount in whole.
- 5.4 Failure by the Purchaser to comply with the terms of payment shall be regarded as material breach of the Contract, time being of the essence.
- 5.5 Without limiting any other right or remedy of the Supplier, any amount that is not paid in full by the Purchaser by the due date for payment shall be subject to late penalty interest of four percent (4%) per annum above the then current base rate of Barclays Bank Plc until the date of actual payment of the overdue amount, whether before or after judgement, and compounding quarterly.
- 6 Taxes**
- Unless otherwise agreed in the Contract, 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 Contract.
- 7 Delivery, risk and transfer of title**
- 7.1 The applicable Incoterm 2010 for delivery and the mode and destination of the delivery shall be specified in the Order Confirmation and/or Invoice.
- 7.2 The Supplier shall use its reasonable endeavours to deliver, or procure the delivery of, the Products on the Delivery Date. Any dates quoted for delivery are approximate only and the time of delivery is not of the essence. The Supplier shall not be liable for any delay in the delivery of the Products. The Supplier shall not be obligated to meet the delivery times if the Purchaser has not complied with its obligations under these Conditions.
- 7.3 The Supplier may refuse to make deliveries if the Purchaser has failed to pay any amounts that are due under these Conditions, or if the Supplier has any reason to doubt the Purchaser's ability to pay. The Supplier expressly reserves the right to stop any shipment of the Products in transit or the provision for any reasonable cause.
- 7.4 The Products are at the risk of the Purchaser pursuant to the applicable delivery Incoterm 2010.
- 7.5 Title and ownership to all Products shall remain with the Supplier until the Purchaser has paid the Price in full in accordance with condition 5.3.
- 7.6 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 applicable laws
- 7.7 Until title to the Products has passed to the Purchaser, the Purchaser shall:
- 7.7.1 hold the Products on a fiduciary basis as the Supplier's bailee; and
- 7.7.2 wherever practical, store the Products separately from all other goods held by the Purchaser so that they remain readily identifiable as the Supplier's property;
- 7.7.3 not remove, deface or obscure any identifying mark or packaging on or relating to the Products;
- 7.7.4 maintain the Products in satisfactory condition and keep them insured against all risks for their full price from the date of delivery
- 7.7.5 notify the Supplier immediately if it becomes subject to any of the events listed in conditions 11.1.2 – 11.1.8; and
- 7.7.6 give the Supplier such information relating to the Products as the Supplier may require from time to time,
- but the Purchaser may resell or use the Products in the ordinary course of its business.
- 7.8 If before title to the products passes to the Purchaser the Purchaser becomes subject to any of the events listed in conditions 11.1.2-11.1.8, or the supplier reasonably believes that any such event is about to happen and notifies the Purchaser accordingly, then, provided that the Products have not been resold, or irrevocably incorporated into another product, and without limiting any other right or remedy the Supplier may have, the Supplier may at any time require the Purchaser to deliver up the Products and, if the Purchaser fails to do

so promptly, enter any premises of the Purchaser or of any third party where the Products are stored in order to recover them.

8 Delay to delivery

- 8.1 The Supplier shall use reasonable endeavours to inform the Purchaser of any foreseeable material delay to the Delivery Date, as soon as practicable after the Supplier becomes aware of such fact.
- 8.2 If delivery of the Products is delayed solely due to an act or omission by the Supplier, the Purchaser may:
- 8.2.1 request that the Supplier deliver the Products within a reasonable time period after the Delivery Date, and such time period shall be agreed by the Purchaser and the Supplier acting reasonably; or
- 8.2.2 if the Supplier does not meet the extended Delivery Date pursuant to condition 8.2.1 above, cancel the delivery and request that the Supplier return to the Purchaser the Price of all such products already paid by the Purchaser (provided that the Products have been returned to the Supplier undamaged).
- 8.3 This condition 8 sets forth the exclusive remedies for claims based upon the delay of delivery of the Products, whether the claim is based on contract, tort or otherwise.

9 Inspections

- 9.1 The Purchaser shall inspect the quantity and quality of the Products at the time of the delivery on the Delivery Date.
- 9.2 Unless the Purchaser notifies the Supplier in writing within the Warranty Period of the type, nature and quantity of any defective Products, the Products shall be deemed to have been duly received in agreed quantity, quality and specification.
- 9.3 Should there be any evidence of damage to the Products caused in transit, the Purchaser shall duly give notice of the type and extent of the damage to the carrier and the Supplier, and shall note a full description of the damage on the proof of delivery note accordingly. No return of the Products under this condition 9.3 shall be accepted without the Supplier's prior written authorisation.

10 Packaging

- 10.1 Unless otherwise agreed in the Contract, the Products shall be packed and branded in accordance with the Supplier's standard packaging methods.
- 10.2 If the Purchaser requests bespoke packaging or branding arrangements, these will be subject to a surcharge to be agreed between the Parties.

11 Termination

- 11.1 Without limiting its other rights or remedies, each Party may terminate the Contract with immediate effect by giving written notice to the other Party if:
- 11.1.1 the other Party commits a material breach of its obligations under this Contract and (if such breach is remediable) fails to remedy that breach within 30 days after receipt of notice in writing of the breach;

11.1.2 the other Party suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or (being a company) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or (being a partnership) has any partner who is deemed either unable to pay its debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the Insolvency Act 1986 or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986;

11.1.3 the other Party commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors;

11.1.4 a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the other Party (being a company) other than for the sole purpose of a scheme for a solvent amalgamation of the other Party with one or more other companies or the solvent reconstruction of that other Party;

11.1.5 a creditor or encumbrancer of the other Party attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its assets and such attachment or process is not discharged within 14 days;

11.1.6 an application is made to court, or an order is made, for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over the other Party (being a company);

11.1.7 a floating charge holder over the assets of the other Party (being a company) has become entitled to appoint or has appointed an administrative receiver;

11.1.8 a person becomes entitled to appoint a receiver over the assets of the other Party or a receiver is appointed over the assets of the other Party;

11.1.9 any event occurs, or proceeding is taken, with respect to the other Party in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in condition 11.1.2 to condition 11.1.8 (inclusive); or

11.1.10 the other Party suspends, threatens to suspend, ceases or threatens to cease to carry on, all or substantially the whole of its business.

11.2 Without limiting its other rights or remedies, the Supplier may terminate the Contract with immediate effect by giving written notice to the Purchaser if the Purchaser fails to pay any amount due under this Contract on the due date for payment.

11.3 Without limiting its other rights or remedies, the Supplier shall have the right to suspend all further

deliveries of Products under the Contract or any other contract between the Purchaser and the Supplier if:

- 11.3.1 the Purchaser fails to make pay any amount due under this Contract on the due date for payment; or
- 11.3.2 the Purchaser becomes subject to any of the events listed in conditions 13.1.2 to condition to 13.1.10, or the Supplier reasonably believes that the Purchaser is about to become subject to any of them.

12 Consequences of Termination

12.1 On termination of the Contract for any reason:

- 12.1.1 the Purchaser shall immediately pay to the Supplier all of the Supplier's outstanding unpaid Invoices and any applicable interest and, in respect of Products supplied but for which no Invoice has yet been submitted, the Supplier shall submit an Invoice, which shall be payable by the Purchaser immediately on receipt;
- 12.1.2 the accrued rights and remedies of the parties as at termination shall not be affected, including the right to claim damages in respect of any breach of the Contract which existed at or before the date of termination or expiry; and
- 12.1.3 clauses which expressly or by implication have effect after termination shall continue in full force and effect.

13 Limitation of Liability

13.1 Nothing in these Conditions shall limit or exclude the Supplier's liability for:

- 13.1.1 death or personal injury caused by the Supplier's negligence, or the negligence of the Supplier's employees, agents or subcontractors;
- 13.1.2 fraud or fraudulent misrepresentation;
- 13.1.3 breach of the terms implied by section 2 of the Supply of Goods and Services Act 1982 (title and quiet possession);
- 13.1.4 breach of the terms implied by section 12 of the Sale of Goods Act 1979 (title and quiet possession); or
- 13.1.5 defective products under the Consumer Protection Act 1987.

13.2 Subject to condition 13.1:

- 13.2.1 the Supplier shall under no circumstances whatever be liable to the Purchaser, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, or any indirect or consequential loss arising under or in connection with the Contract; and
- 13.2.2 the Supplier's total liability to the Purchaser in respect of all other losses arising under or in connection with the Contract, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall in no circumstances exceed 100% of the value of the Contract.

13.3 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 Contract.

13.4 This condition 13 shall survive termination of the Contract.

14 Ownership and other rights to Intellectual Property

14.1 Each Party retains ownership and any other rights, in or to, any Intellectual Property owned, licensed or used by the respective Party at the time of entering into the Contract.

14.2 Any Intellectual Property created by the Supplier in connection with the fulfilment of the Contract, shall be owned by the Supplier.

14.3 The delivery of the Products under any Contract shall not be construed as granting any express or implied rights or licenses to Supplier's Intellectual Property other than is necessary for the use of the Products by the Purchaser.

15 Force Majeure

15.1 Neither Party shall be liable for the non-performance, in whole or in part, of its obligations under the Contract 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, shortage of raw material, disruption in the energy supply or supply failures by the Supplier's suppliers ("**Force Majeure Event**").

15.2 A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of a Force Majeure Event:

15.2.1 notify the other party of the nature and extent of such Force Majeure Event; and

15.2.2 use all reasonable endeavours to remove any such causes and resume performance under the Contract as soon as feasible.

16 Increased Costs

If the Supplier incurs 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 prices 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 30 days' prior notice to the Purchaser. The Prices are valid for all affected shipments and/or deliveries up to the date of notice of variation in the costs given by the Supplier, pursuant to this condition 18.

17 Data Protection

17.1 Both Parties undertake and agree to comply with the appropriate legal requirements when processing personal data pursuant to the Contract.

17.2 When processing an Order, personal data may be transmitted to Affiliates and third parties for the purposes of fulfilment of the Contract and data processing.

- 17.3 The Purchaser acknowledges that personal data may be transmitted to countries which are outside of the European Economic Area and which are not subject to European data protection standards.
- 17.4 The Supplier may also use the personal data collected during the business relationship with the Purchaser to inform the Purchaser about the Supplier's products. If the Purchaser does not want to receive such information, it may at any time notify the Supplier accordingly.

18 Confidentiality

A Party (“**Receiving Party**”) shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives and market sensitive information (which shall include, but not be limited to, the Price and details of any quotations or refunds) which are of a confidential nature and have been disclosed to the Receiving Party by the other party (“**Disclosing Party**”), its employees, agents or subcontractors, and any other confidential information concerning the Disclosing Party's business or its products or its services which the Receiving Party may obtain. The Receiving Party shall restrict disclosure of such confidential information to such of its employees, agents or sub-contractors as need to know it for the purpose of discharging the Receiving Party's obligations under the Contract, and shall ensure that such employees, agents or sub-contractors are subject to obligations of confidentiality corresponding to those which bind the Receiving Party. This condition 18 shall survive termination of the Contract.

19 Compliance

- 19.1 The Purchaser warrants that it shall comply with all applicable laws and regulations, among others applicable Sanctions regulations, anti-bribery and anti-money laundering legislation as well as best industry practices when performing its obligations under the Contract or these Conditions, purchasing or utilizing Products from the Supplier, or otherwise conducting business with the Supplier or its Affiliates.
- 19.2 The Purchaser shall cooperate fully with the Supplier in any official or unofficial audit or inspection related to applicable Sanctions regulations.
- 19.3 Further the Purchaser warrants 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) to the best of its knowledge and belief, it does not engage, without prior authorisation from a competent authority (where permitted), in activities that are prohibited by Sanctions applicable to the Purchaser under the Contract or otherwise. For the purposes of this section, “ownership” and “control” have the meaning given to them in the applicable Sanctions or in any official guidance in relation to such Sanctions.
- 19.4 If the Purchaser fails to comply with the provisions of this section, the Purchaser shall indemnify, defend and hold harmless the Supplier and its Affiliates from and against any claim, loss, damage, liability, expense, cost of whatever nature arising out of or related to, or connected with any breach of this section by its agent or employees, consultants or customers.

20 Miscellaneous

- 20.1 The Supplier shall be entitled to appoint sub-contractors for the performance of its obligations under the Contract without the prior consent of the Purchaser. The Supplier shall be liable to the Purchaser for the performance or non-performance of such sub-contractors to the extent of Supplier's obligations under the Contract.
- 20.2 The Supplier may at any time assign the Contract or any of its rights or obligations under it. The Purchaser shall not, and shall not purport to assign or otherwise transfer the Contract or any rights or obligations under it without the Supplier's prior written consent. Any such consent shall not excuse the Purchaser from performance of any obligations on its part to be performed.
- 20.3 If any term of any Contract is held invalid or unenforceable, such determination shall not invalidate or render unenforceable any other term of the Contract.
- 20.4 A waiver of any right or remedy under the Contract is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. No failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.
- 20.5 A person who is not a party to the Contract shall not have any rights under or in connection with it.

21 Governing law and Jurisdiction

This Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with, English law, and the Parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.

22 Definitions

In these Conditions, the following words and expressions shall have the following meanings:

"Affiliate" means any entity controlling, controlled by or under the common control of a Party.

"Adjusted Price" has the meaning set out in condition 4.1.2.

"Business Day" means a day (other than a Saturday, Sunday or a public holiday) when banks in London are open for business.

"Commencement Date" has the meaning set out in condition 2.4.

"Conditions" means these terms and conditions as amended from time to time in accordance with condition 2.7.

"Contract" means the contract between the Supplier and the Purchaser for the supply of Products, which is subject to these Conditions and which includes: (i) the Order; (ii) the Invoice; and (iii) the Conditions.

"Delivery Date" means the date when the Products are due to be delivered to the Purchaser pursuant to and in

accordance with any Incoterms 2010 delivery term agreed in the Contract.

"Force Majeure Event" shall have the meaning set out in condition 15 of these Conditions.

"Intellectual Property" all patents, rights to inventions, utility models, copyright and related rights, trade marks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, moral rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world.

"Incoterms 2010" means the internationally recognised standards used worldwide in international and domestic contracts for the sale of goods, as amended from time to time.

"Invoice" means the itemised statement or written account of the Products sent to the Purchaser by the Supplier (or, in relation to certain Orders, sent to the Purchaser by an Affiliate of the Supplier) that sets out the quantity and price of the Products ordered by the Purchaser.

"Order" means the Purchaser's order for the supply of Products which may be an oral or written order, including, but not limited to, by telephone or by email.

"Order Confirmation" means the written confirmation of the Customer's Order sent to the Purchaser by the Supplier (or, in relation to certain Orders, sent to the Purchaser by an Affiliate of the Supplier) prior to the sending of an Invoice by the Supplier.

"Party" means either the Supplier or the Purchaser and **"Parties"** means the Supplier and the Purchaser.

"Price" shall have the meaning set out in condition 5.1.

"Products" means the products to be provided by the Supplier to the Purchaser as specified in any Contract.

"Purchaser" means the company or organisation who purchases the Products from the Supplier as specified in the Contract.

"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 Contract.

"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.

"Term" means the term of the contract from the Commencement Date until the Products have been delivered, unless the Contract is terminated earlier in accordance with condition 11.