

# GENERAL TERMS AND CONDITIONS OF SALE for RFID products by Stora Enso Oyj

## 1. Definitions

"Seller" - Stora Enso Oyj, its direct and indirect subsidiaries or any affiliated company of Seller which sells and delivers Products to Buyer. "Buyer" - the buyer of any Products and / or services from Seller. "Contract" - any contract between Seller and Buyer for the sale and purchase of Products. "GT&C" - these General Terms and Conditions of Sale of Seller. "PO" - any purchase order between Seller and Buyer for the sale and purchase of Products. "Products" - the RFID goods and / or services to be supplied by Seller under a Contract or PO or otherwise.

## 2. General

These GT&C shall apply exclusively between Seller and Buyer in relation to the offer, sale or supply of Products unless the Parties expressly agree otherwise in writing. For the avoidance of doubt, it is herewith expressly agreed that any general terms and conditions of Buyer shall not apply.

A Contract or PO becomes effective when Seller has confirmed Buyer's order. If Seller is unable to deliver the order under the conditions stated, Buyer shall be informed without undue delay. When Seller has confirmed the order, Buyer is bound to receive the delivery accordingly.

Unless otherwise agreed prices are valid for 30 days from the date of quotation, provided however that any offer may be withdrawn or revoked by Seller at any time prior to its receipt of Buyer's written acceptance.

## 3. Price & Terms of delivery

Unless stated otherwise the price in a quotation or order confirmation does not include value added tax or other public charges to be added to the invoiced amount. The cost of non-standard packaging is not included in the price and shall be paid by Buyer. Seller is entitled to supply Products in instalments and to invoice these instalments separately.

Delivery to the agreed place of destination shall be made according to Ex Works Seller's premises (Incoterms 2010), unless otherwise is expressly agreed.

If significant changes occur in one or more of the elements determining Seller's costs after a Contract or PO is concluded, such as increased freight rates, exchange rates, taxes, duties or other governmental charges, Seller may pass on these additional costs to Buyer by increasing its prices accordingly.

## 4. Delivery Time

The delivery times indicated by Seller are estimates only. Any delivery dates expressly agreed in writing are subject to a reasonable grace period. Seller shall promptly inform Buyer if Seller cannot perform the Contract or PO within the period indicated.

## 5. Payment

Unless otherwise agreed payment is to be made in 30 days from date of invoice. Any complaints against the invoice must be made without delay after receipt. All payments by Buyer shall be made in the currency in which the agreed prices are denominated on the invoice, without set-off, discount or deferral.

For Buyer's delay in payment an interest rate of 24 % per annum shall apply. In the event of any default by Buyer in the payment of any invoices or charges due, Seller reserves the right to refuse performance of any work and delivery of any Products until due payments are made and Seller may suspend, delay or cancel any credit, delivery or any other performance by Seller, and Seller may terminate any Contract and / or PO.

## 6. Retention of title

Delivered Products shall - to the extent permitted by applicable law - remain the property of Seller until the whole purchase price is paid. The ownership of the Products includes a joint ownership for Seller to any new products in which Buyer has incorporated the Products as well as full or joint ownership to any receivables or money which Buyer acquires from disposing of the Products or any products in which the Products are incorporated. Buyer shall immediately notify Seller if a third party enforces or intends to enforce rights in the Products in which title has been retained.

## 7. Warranty

Seller warrants that it has the title to the Products sold and that the Products are free from defects in workmanship and substantially conforming to any specifications explicitly agreed between the Parties for the Products. All other warranties, express or implied, including without limitation any warranty of fitness for a particular purpose or use, are hereby excluded.

Any brochures, samples or similar information or materials that are made available to Buyer with regard to the Products, other than the agreed specifications, are for indicative purposes only. Seller is further not obliged to ask Buyer about the intended use of the Products or the circumstances under which the Products will be used, such use by Buyer being Buyer's sole responsibility.

Seller shall have no liability for any third-party products or elements incorporated into the Products, including without limitation integrated circuit chips and / or operating systems including related software, but Seller shall use its reasonable efforts to procure that such third parties shall extend their standard terms of warranty to Buyer. Seller shall have no liability of any kind whatsoever for the failure of the Products to conform to any technical characteristics, security standards or other features other than the explicitly agreed Product specifications. Any recommendation of Seller for use of the Product is based upon tests or circumstances believed to be reliable, but Seller makes no warranty of the results to be obtained.

If Buyer has assembled, treated, processed, packaged and / or finished the Products in any manner, Buyer is obliged to indemnify and hold Seller and its affiliated entities harmless against any and all claims of third parties relating to such activities of Buyer in relation to the Products.

## 8. Complaints and claims

Complaints concerning transportation damages must be notified to Seller immediately after Buyer's receipt of the Products. Other complaints regarding the delivered Products and any claims for breach of warranty must be presented to Seller immediately upon detection or when detection reasonably should have been made, however in no case later than six (6) months after delivery.

When giving notice of a claim Buyer must clearly identify the Products which the claim concern and state the facts on which the claim is based. Relevant documents and / or Products samples to support the claim are to be attached together with the claim or sent as soon as possible thereafter. Products samples are essential for an effective root cause analysis and to determine corrective/preventive actions.

## 9. Remedies and Limitation of Liability

The Seller will compensate for direct losses caused by defective Products, however, amounting to the invoiced value of the delivery concerned at the most. Seller shall be contacted to agree appropriate remedies regarding any defective Products. If due to a defect of quality or deviation from contracted quantity, Seller accepts that Buyer rejects the Products delivered, or rejection is awarded by arbitrators, Seller shall, at Seller's option, refund the purchase price, replace the defective Products or make good the short delivery, and Seller shall reimburse any additional expenses incurred by Buyer for handling, storing and insuring the defective Products but shall not otherwise be liable to Buyer for compensation or damages of any kind whatsoever because of the defect or short delivery.

Where there is a defect of quality that does not result in rejection of the Products, Buyer shall pay the reduced value of the faulty Products and shall not be entitled to recover other compensation or damages. Should a lack in quantity be acceptable to Buyer or constitute no real reason for rejection, payment shall be made only for the exact quantity delivered.

The Seller will be responsible for the damage caused by the product only in case the product has been used for the purposes expressly agreed or generally accepted in the industry for the specific products. Products must further have been properly handled, stored and used by Buyer, and – upon discovery of a defect – Buyer must have tried to reasonably mitigate its costs and damage. Minor deviations concerning to material, design or the Products' performance will not be regarded as faults in the delivery, nor differences in quantity of plus / minus five per cent (5 %) or less from the agreed volumes.

When either Party is liable for damages to the other, these shall not exceed the loss, which the Party in fault could reasonably have foreseen at the time of the conclusion of the contract nor include consequential or indirect damages. Damages shall in no case exceed the invoiced value of the delivery concerned.

## 10. Intellectual Property

All intellectual property rights to the Products and any software, data files, hardware or other materials developed or made available to the Buyer shall remain exclusively vested in the Seller or its own suppliers. All rights, title and



interest in any development, adaptation, modification, enhancement or improvement of any nature performed whether by the Buyer or by Seller pursuant to Buyer's specifications or requirements or otherwise, shall be the exclusive property of Seller and may be used by Seller in other products, designs and projects, and may not be used by Buyer except as a part of the Products purchased by Buyer.

Any software or other intellectual property included or embedded in the Products does not convey to Buyer any license or rights of use of such software or intellectual property except as necessary a limited, non-exclusive, non-transferable right to use and sell the Product.

The Products will be delivered free of any rightful claim of infringement of any patent. If Seller breaches this limited patent warranty, Seller will, at its expense and option, either (i) procure for Buyer the right to continue using the Product, (ii) replace the Product with a non-infringing product, (iii) modify the Product so it becomes non-infringing or (iv) refund the purchase price (less reasonable depreciation for any period of use). The aforesaid states Seller's entire liability for such infringement and is subject to all the limitations set forth in section 9 above. All claims under this section must be brought within three (3) years from the date of delivery of the Products.

The Buyer represents and warrants that any and all material, information, content, and data submitted to the Seller in connection with its order for Products, including any request to personalize, modify, alter, or customize the Products, (collectively, "Material"), and which Material is required by it to be included in the Products, (a) does not contain any item, data, or information that is unlawful; (b) has been scanned for and removed of any viruses or other contaminating or destructive features; and (c) is rightfully owned by the Buyer or the Buyer has an unrestricted right to provide it to the Seller and/or incorporate it in the Products without accountability or liability or requiring any further permissions, licenses, or consents. Furthermore, the Buyer represent and warrant that it shall not take any action or make any claim against the Seller in relation to Material that it submits and will indemnify, defend, and hold the Seller harmless against and from any third-party claims, demands, and actions, including claims based on alleged infringements of third-party intellectual property rights, howsoever made against the Seller, in relation to the Material it submits and the content thereof.

#### 11. Termination

Without prejudice to each Parties' other rights and remedies, any Contract or PO may be terminated by either Party with immediate effect in the event of any material breach or default by the other Party with respect to any of such Party's contractual obligations, provided, however, that the terminating Party have first given the other Party written notice to fulfil its obligations, sent by registered post and that the other Party have not remedied such breach or default within thirty (30) days after having received such notice. A Contract or PO may further be terminated with immediate effect by the non-defaulting Party in the event of a Party's bankruptcy, insolvency or liquidation of assets.

#### 12. Force majeure

Neither Party shall be liable to the other Party for non-performance or delay in performance of any obligation stipulated in a Contract or PO between the Parties if such non-performance or delay is caused by Force Majeure, as evaluated according to Finnish law.

"Force Majeure" shall include fires, floods, explosions, earthquakes, strikes, riots or hostilities between or within countries related to the performance of the Parties' Contract or PO, changes in applicable legislation making performance illegal, blockades, labour disputes (even if the Party is a party to such disputes) or any other cause beyond the reasonable control of the affected party, provided that there is no reasonably available alternative means of otherwise performing under the Contract or PO between the Parties.

#### 13. Confidentiality

The Parties shall keep confidential and not disclose to third parties (other than to its affiliates, directors, officers and employees on a strict need to know basis), nor use for any purpose other than for the proper fulfilment of the contract, any trade or business secret of the other party or any other information that is manifestly of confidential nature received from the other party or its representatives, including without limitation all technical, financial or commercial information, in whatever form.

The obligation of confidentiality shall not apply to information which (a) was rightfully in the possession of the receiving party prior to any disclosure (b) was in the public domain at the time of disclosure or later became part of the public domain without any breach of confidentiality hereunder; (c) was disclosed by a third party without breach of any confidentiality obligation owed to the disclosing Party; (d)

was independently developed by personnel of the receiving Party having no access to the confidential information as proven by contemporaneous documentation; or (e) a Party is required to disclose by mandatory law (in which case said Party shall promptly inform the other Party and provide reasonable assistance to avoid or limit disclosure or to seek confidential treatment).

Each party shall at all times be liable for the failure of its affiliates, directors, officers and employees to comply with above obligation of confidentiality. Each Party shall promptly upon the other Party's written request destroy or return all documents containing received confidential Information.

#### 14. Compliance with laws

The Seller undertakes to comply with all relevant laws regarding the Products (including their manufacture, delivery and supply) in force in the countries in which they are produced. Buyer shall further comply with all laws and regulations applicable to the purchase and its use of the Products, including without limitation all export and import laws and controls.

#### 15. Discontinuation of Products

Seller may at any time in its discretion decide to discontinue the manufacturing, sale or production of the Products. Seller in such event shall use reasonable commercial efforts to give Buyer at least two (2) months prior notice and to permit Buyer to make reasonable last orders of such Products, subject to Seller's discontinuance process and policy.

#### 16. Applicable law and dispute resolution

These GT&C, any Contract, PO or other legal relations between Buyer and Seller shall be governed by, and construed in accordance with the laws of Finland without regard to its principles and rules on conflict of laws.

Any dispute, controversy or claim arising out of or relating to these GT&C or the Parties' Contract or PO, or the breach, termination or validity thereof, shall be finally settled by arbitration in Helsinki in accordance with the Arbitration Rules of the Finland Chamber of Commerce. The place of arbitration shall be in Helsinki, Finland. The arbitration proceedings shall be conducted in the English language unless otherwise agreed.

#### 17. Miscellaneous

These GT&C and related Contract or PO constitute the entire understanding and agreement between the Parties regarding the agreed sale of goods and supersede all other prior written and oral communications regarding the relationship of the Parties.

No failure or delay by a Party in exercising any of its rights, powers or remedies hereunder, whether upon breach or default by the other Party or otherwise, shall be deemed a waiver of such right, power or remedy or of any other such breach or default theretofore or thereafter occurring.

If any provision of GT&C is unenforceable, invalid or prohibited by any applicable law or treaty or court of competent jurisdiction, the Agreement will be amended to include a provision which, not being void or unenforceable, most nearly achieve the object of the allegedly void or unenforceable provision.

All terms and conditions of the GT&C which are destined, whether express or implied, to survive the termination or the expiration of the GT&C or any Contract or PO between the Parties, shall survive.

#### 18. Amendments and Assignment

Seller reserves the right to modify and amend the GT&C at any time. Such modified GT&C shall apply to all Contracts or POs for Products made by Buyer after the date of notice by Seller to Buyer of such modified GT&C.

The contracting Parties may not assign any of their rights or obligations under the Contract or the PO to a third party without the other party's prior written consent. Seller may, however, assign its performance to any of its affiliates within the Stora Enso group of companies.

