

ESSITY GENERAL TERMS AND CONDITIONS FOR THE PURCHASE OF SERVICES - CANADA

THESE TERMS AND CONDITIONS ARE INCORPORATED BY REFERENCE INTO ANY ATTACHED OR REFERENCED PURCHASE ORDER. THEY FORM AN INTEGRAL PART OF THE PURCHASE ORDER AND MAY NOT BE MODIFIED EXCEPT BY SPECIFIC REFERENCE IN THE PURCHASE ORDER OR FRAME AGREEMENT OF WHICH THEY FORM A PART. THESE TERMS AND CONDITIONS, AS MODIFIED AS AND IF PERMITTED HEREIN, SHALL BE DEEMED TO HAVE BEEN ACCEPTED UPON FIRST PERFORMANCE BY THE SUPPLIER OF ITS OBLIGATIONS UNDER THE PURCHASE ORDER.

1. Definition

The term “**Agreement**” as used in these General Terms and Conditions shall mean either (i) the purchase order, issued by ESSITY, together with any documents expressly incorporated therein, including these General Terms and Conditions, or (ii) the service agreement, if one was entered into by ESSITY and Supplier, all appendices attached thereto, including these General Terms and Conditions (collectively the “**Frame Agreement**”), and the relevant purchase orders made pursuant to the Frame Agreement. These documents are an integral part of the Agreement and are meant to supplement each other.

2. Application

- 2.1 ESSITY’s obligation to purchase and Supplier’s obligation to provide Services shall be evidenced by purchase orders issued from time-to-time by ESSITY (individually, a “Purchase Order”, and, collectively, “Purchase Orders”).
- 2.2 Supplier’s performance against a Purchase Order constitutes its unconditional acceptance of these General Terms and Conditions.
- 2.3 Terms and Conditions proposed by Supplier that are different from or in addition to the provisions of the Agreement are expressly rejected by ESSITY and shall form no part of the Agreement.
- 2.4 In the event of a conflict between the Purchase Order and the Frame Agreement, if any such Frame Agreement exists, the Frame Agreement, shall take precedence.

3. Condition of the Services

- 3.1 The Services to be provided shall be defined by an agreed specification included in the Purchase order, any applicable Frame Agreement or in a separate document.
- 3.2 Scope of Services. Supplier Shall:
 - 3.2.1 Perform Services in accordance with the description of Services set forth in the Purchase Order, ESSITY reserves the right to request, at any time, that Supplier reduce or expand the scope of any Services. In the event ESSITY exercises this option, ESSITY and Supplier shall negotiate in good faith the expanded or diminished scope of the Services, and the appropriate charges, therefore. If agreement on a change in scope of the Services is reached between the parties, such agreement shall be recorded as an amendment to the Agreement in accordance with Section 20;
 - 3.2.2 furnish and pay for all labor, materials, services, supervision, tools, and equipment necessary to perform the Services;
 - 3.2.3 obtain and, to the extent required, pay for all permits, licenses, inspections, fees, and charges necessary for the proper execution and completion of the Services.
 - 3.2.4 comply with all applicable statutes, laws, ordinances, rules, and regulations.
- 3.3 Standard of Service. Supplier shall:
 - 3.3.1 render the Services conscientiously and shall devote best efforts and abilities thereto;
 - 3.3.2 hold, at the disposal of ESSITY, qualified personnel capable of performing the Services;
 - 3.3.3 perform the Services with the degree of care, skill, and diligence ordinarily exercised by expert professionals engaged in Supplier's business, ensuring that the Services and the results of the Services comply in all cases with any applicable professional standards and good engineering practices;
 - 3.3.4 at its sole expense re-perform any Services that ESSITY determines are not acceptable;

- 3.3.5 and ensure that any analysis, reports, or information provided to ESSITY as part of the Services will be complete and accurate as of the date of the delivery of it to ESSITY.
- 3.4 If Supplier performs all or part of the Services on an ESSITY site:
- 3.4.1 Supplier shall abide by ESSITY's corporate and local safety standards (a copy of which will be made available upon request);
 - 3.4.2 Supplier understands that the possession, sale, transfer, purchase and/or presence in one's system of a controlled substance(s) or alcohol by any person on ESSITY property is prohibited;
 - 3.4.3 Supplier accepts that entry onto ESSITY property constitutes consent to an inspection of any individual and their personal effects when entering, on, or leaving ESSITY property;
 - 3.4.4 Any individual found in violation of Section 3.4.2 above or who refuses to permit an inspection may be removed and barred from ESSITY property at the discretion of ESSITY; and
 - 3.4.5 Supplier agrees to abide by and to advise its subcontractors, agents and its employees of the provisions herein.
- 3.5 Unless otherwise agreed, Supplier shall provide all tools, supplies and any other means, as well as sufficient skilled human resources, necessary to fulfil its obligations under the Agreement.
- 3.6 Supplier shall be responsible for all wages, taxes, and benefits with respect to any employee of Supplier who performs Services under the Agreement. Supplier hereby agrees to indemnify, defend, and hold harmless ESSITY from and against any and all Losses arising out of or related to Supplier's employees. Nothing contained in the Agreement shall be construed as establishing an employment relationship between ESSITY and any employee of Supplier.

4. Invoicing and Payment

- 4.1 Unless otherwise stated in the Purchase Order, charges for Services performed will be invoiced monthly at the rates set forth in the Purchase Order. Invoices shall cite the Purchase Order number, the line item number and shall indicate with particularity the nature of the Services actually performed. Unless specified otherwise in the Purchase Order, ESSITY shall make all payments on the basis of net cash sixty (60) days

following acceptance ESSITY's receipt of a correct and sufficiently substantiated invoice. All payments shall be paid in Canadian dollars.

4.2 ESSITY may withhold payment if Supplier's invoice is inaccurate, does not meet ESSITY's reasonable requirements or fails to satisfy applicable legal or tax requirements. Supplier shall include all documentation reasonably required by ESSITY to support Supplier's claim for payment.

4.3 Payment for the Services shall not constitute acceptance.

5. Delivery

5.1 The Services shall be performed in accordance with the agreed time table.

5.2 Supplier shall inform ESSITY immediately of any potential delay in delivery of the Services. Acceptance of delayed delivery shall not constitute a waiver of ESSITY's rights or remedies.

6. Title and Risk of Loss

Title to and risk of loss with respect to goods, materials or other results ("Work Product") included in the Services, if any, shall pass to ESSITY on delivery.

7. Warranties and Guarantees

7.1 Supplier warrants and guarantees that:

- a) the Services shall conform with all specifications and quality standards either (i) furnished by ESSITY, or (ii) furnished by Supplier and approved by ESSITY, and shall be free of any defects in materials and workmanship and fit for the particular purposes intended by ESSITY;
- b) Work Product included in the Services, if any, shall conform with all specifications, drawings, samples and quality standards either (i) furnished by ESSITY, or (ii) furnished by Supplier and approved by ESSITY, shall be of good material and workmanship, free of defect and fit for the particular purposes intended by ESSITY;
- c) it shall convey full legal and beneficial title to the Work Product included, if any, free and clear of any liens or other encumbrances;

- d) it shall comply with all applicable laws and regulations in the performance of its obligations under the Agreement including but not limited to all legislation and standards set forth in the Supplier Standard;
- e) Services and Work Products covered by the Agreement do not and will not violate, infringe, directly or indirectly, any patent, copyright, trademark, intellectual property or other proprietary rights owned by a person other than ESSITY; and
- f) it shall comply in all respects with ESSITY's Global Supplier Standard ("Supplier Standard") published on www.essity.com/gss as updated from time to time.

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7.2 Supplier's warranties and guarantees shall survive acceptance and shall continue until the date a warranty period for the Services under applicable law expires, if any, or if no such warranty period exists, until ESSITY's right to claim shall be statute-barred under applicable law but in no event less than two years following ESSITY's receipt of the Services.

8. Remedies for defective Services

- 8.1 ESSITY shall have the right to put Supplier on notice of defects within a reasonable time following the detection of a defect provided that such defect appears to have been detected during the applicable warranty or claim period.
- 8.2 Supplier shall, at ESSITY discretion, rectify the defect, re-perform the Services, deliver substitute Work Product included in the Services, if any, or reduce the price of the defective Services. ESSITY's option in this regard is an absolute and unconditional right. Furthermore, Supplier shall indemnify ESSITY against losses arising from defective Services or Work Product included in the Services according to Section 10 below.

9. Remedies in the event of delay in the delivery of the Services

If the Services are not delivered or delivered late ESSITY shall have an absolute and unconditional right to demand performance or terminate the Agreement. Furthermore, Supplier shall indemnify ESSITY against losses arising from such delay according to Section 10 below.

10. Indemnity

Supplier shall indemnify, defend and hold ESSITY harmless, from and against any and all claims, demands, suits, actions, causes of action, liabilities, fines, penalties, losses, damages and expenses, including, without limitation, attorney's fees and charges arising from or related to Supplier's acts or omissions in its performance of the Agreement, including, without limitation, a breach by Supplier of any of its warranties or guarantees.

11. Proprietary Rights

11.1 ESSITY shall retain ownership of its intellectual property and other proprietary rights. Supplier may use such rights only to the extent necessary to fulfill its obligations under the Agreement. In particular, Work Product utilizing intellectual property or other proprietary rights owned by or licensed to ESSITY may not be used for Supplier's own use or sold to third parties without ESSITY's consent.

11.2 Except as provided under Section 11.3, all intellectual property and/or proprietary rights obtained during the performance of Services and included in the Work Product shall be assigned to and become the property of ESSITY for all methods and means of exploitation, for the entire duration of the respective rights and for the whole world. Supplier agrees that it shall sign all documents required or deemed appropriate by ESSITY to effect such assignment.

11.3 To the extent that a Work Product includes any material or information in which Supplier has pre-existing rights, Supplier shall grant to ESSITY a fully paid-up, nonexclusive, worldwide, irrevocable license to use such material or information for the intended purposes set forth in the Agreement and for the entire duration of these rights.

Supplier shall be free to use or exploit any independently obtained discovery or improvement of its own knowledge or existing rights contained in the Work Product, provided, however, that (i) Supplier shall not disclose the full content of the Work Product, and (ii) said discoveries or improvements shall never include or refer to ESSITY's proprietary and/or confidential information, data, knowledge, technology, processes, products, specifications and any other information that is considered by nature as being confidential and/or proprietary to ESSITY.

11.4 Supplier shall make no reference to the Agreement, nor ESSITY names, logos, designs, images, trademarks and any other ESSITY intellectual property rights in any commercial document, advertising or other promotional material without the prior consent of ESSITY.

11.5 Upon request, Supplier shall immediately return all materials containing ESSITY intellectual property or other proprietary rights, including, without limitation, moulds or other tooling, without retaining copies.

12. Insurance

12.1 Supplier shall obtain and maintain at its own expense insurance of the type and in the amounts set forth below:

12.1.1 statutory worker's compensation in accordance with all federal, state, and local requirements;

12.1.2 employer's liability insurance in an amount not less than \$1,000,000 per occurrence, covering bodily injury by accident or disease, including death;

12.1.3 commercial general liability (including contractual liability insurance) in an amount not less than \$2,000,000 per occurrence in the aggregated;

12.1.4 comprehensive automobile liability covering all vehicles that Vendor owns, hires, or leases, in an amount not less than \$1,000,000 (combined single limit for bodily injury and property damage); and

12.1.5 umbrella coverage (including commercial general liability coverage) of not less than \$1,000,000 per occurrence; \$5,000,000 aggregate over the coverages shown above.

The insurer selected by Supplier shall have and maintain an A.M. Best rating of A or better, or, if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency.

Before commencing the Services, Supplier shall furnish to ESSITY certificates of insurance or other appropriate documentation (including evidence of renewal of insurance) evidencing all coverages referenced in this Section. All insurance shall provide for thirty days' prior written notice to be given to ESSITY if coverage is substantially changed, canceled, or renewed.

13. Termination

13.1 ESSITY may terminate all or any part of the Agreement, without liability to Supplier, upon notice if Supplier (i) breaches the Agreement, (ii) states its intention not to perform or otherwise rejects its obligations under the Agreement, (iii) fails to make progress in performance so as to put at risk timely and proper performance of the Services, or (iv) undergoes a direct or indirect change in control or ownership; provided, however, that if any failure or breach under clauses (i) through (iii) is curable, ESSITY shall provide Supplier with an opportunity to cure within a commercially reasonable period of time, but in no event more than 10 days following ESSITY's notice of default. Termination of the Agreement shall not limit or constitute a waiver of ESSITY's rights or remedies.

13.2 Termination for Convenience. ESSITY may, at its sole option, terminate any of the Services or the entire Agreement, or any part thereof at any time, by giving Supplier thirty (30) days advance written notice of such termination.

13.2.1 In the event of a termination of the Agreement in accordance with this Section, upon the delivery of such notice by ESSITY, Supplier shall, in consultation with ESSITY, wind up its performance in an orderly manner, and suspend or complete particular tasks or deliverables as ESSITY may direct, subject to ESSITY's obligation to pay for services rendered hereunder, on a pro-rated basis. Supplier shall not be paid for costs that it could have reasonably avoided following its receipt of such notice.

14. Confidentiality

Each party agrees not to disclose the other party's confidential information to third parties without the other party's prior **consent** unless such party is required to disclose such information pursuant to law, nor to use such confidential information for purposes other than performance of its obligations under the Agreement. Disclosure of such information shall be limited to those officers, employees, consultants and/or agents of the receiving party who have a need to know and who are bound by confidentiality obligations no less stringent than those contained herein. These confidentiality and non-use obligations shall survive for a period of five years from expiration or termination of the Agreement, except with respect to information that constitutes a trade secret or proprietary technical knowledge in which case such obligations shall survive for so long as such information is not publicly known.

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15. Audit Rights

Supplier shall provide ESSITY or any independent auditing company with access to its premises and all pertinent information for the purpose of auditing Supplier's compliance with the terms of the Agreement or inspecting or conducting an inventory of finished goods included in the Services, work-in-process, raw materials, any of ESSITY's property and all work or other items to be provided pursuant to the Agreement located at Supplier's premises. Supplier agrees to pay for all reasonable fees and expenses incurred in implementing compliance audits, the estimated amount of which shall be communicated by ESSITY or the auditing company before implementation of the audit. Supplier will preserve all records pertinent to a Purchase Order, and Supplier's performance under such Purchase Order, for a period of not less than five years following ESSITY's final payment for Services under such Purchase Order.

16. Cooperation

Supplier shall provide ESSITY, at no additional cost, with such documentation and/or information, as ESSITY may reasonably request. Supplier shall cooperate fully with ESSITY in the event of investigations, enquiries or audits by public authorities or governmental agencies with respect to ESSITY's compliance with laws and regulations.

17. Assignment and Subcontracting

Neither party shall assign or subcontract its rights or obligations under the Agreement without the prior consent of the other party.

In the event that ESSITY would authorize Supplier to subcontract part of the Services, Supplier shall not be relieved of any of its responsibilities and obligations under this Agreement and shall be primarily liable for all acts or omissions of any subcontractor.

- 18. Force Majeure.** Neither ESSITY nor Supplier shall be liable to the other for damages caused by the failure or delay in fulfilling their obligations under the Agreement, other than ESSITY's obligation to make payments due hereunder, if and to the extent such failure is caused by any war, riot, insurrection, civil commotion, explosion, fire, flood, accident, storm or any act of God, delay of common carriers, or embargo, or any other cause beyond the control of the affected party (each an "Event of Force Majeure"). If such Event of Force Majeure delays or prevents performance by the affected party for more than thirty (30) days, such other party may, by notice to the affected

party, cancel the Purchase Order with no further liability to the affected party. If the affected party is Supplier and only a part of Vendor's ability to perform under the Agreement is excused due to the occurrence of an Event of Force Majeure, Supplier must allocate its overall capacity to perform services in a fair and equitable manner among its various customers then under contract during the continuation of the Event of Force Majeure, and shall not give preference to any other customer over ESSITY.

19. Communications

Notices, demands and consents related to the Agreement must be in writing, all of which shall be deemed to have been properly served if delivered to the other party's contact person designated in the Purchase Order by (a) a recognized overnight courier service, or (b) registered mail . In the case of any other communication, the foregoing as well as email will be considered proper delivery.

20. Entire Agreement

The Agreement constitutes the entire understanding between Supplier and ESSITY with respect to the purchase and supply of Services. No amendment, modification or waiver shall be effective unless in writing, signed by both parties.

21. Governing Law

The Agreement shall be interpreted and enforced under the laws of the Province of Ontario, without regard for its conflict of laws principles.

- 22. Language.** The parties have required that this agreement and all documents, notices and communications relating to this agreement and to the subject matters arising therefrom be in the English language. / Les parties ont exigé que la présente convention et tous les documents, avis et communications rattachés à cette convention et aux questions qui en découlent soient rédigés en anglais.