

GENERAL TERMS AND CONDITIONS FOR THE PURCHASE OF GOODS – GERMANY

1. Definition

The term “**Agreement**” as used in these General Terms and Conditions has the meaning set forth in the Frame Agreement, if one was entered into by ESSITY and Supplier. If there is no Frame Agreement, then the term refers to the purchase order, issued by ESSITY, together with any documents expressly incorporated therein.

2. Application

- 2.1 ESSITY’s obligation to purchase and Supplier’s obligation to sell Goods 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, the Frame Agreement shall take precedence.

3. Condition of the Goods

- 3.1 The Goods shall be defined by an agreed specification with a unique identification code.
- 3.2 ESSITY reserves the right at any time to change by written notification any of the following: (a) specifications, drawings and data incorporated in the Agreement where the items to be furnished are to be specifically manufactured for ESSITY; (b) quantity; (c) methods of shipment or packaging; (d) place of delivery; or (e) time of delivery. If any change by ESSITY causes an increase or decrease in the cost of Goods or change in the delivery schedule, the parties shall agree on an equitable adjustment in the contract price or delivery schedule, or both. Any claim by Supplier for adjustment under this clause shall be deemed waived unless

asserted in writing within thirty (30) days following Supplier's receipt of a written change notice from ESSITY.

4. Invoicing and Payment

- 5.1 Unless otherwise provided in the Agreement or required by law, payment is due 90 days from the date of invoice, it being understood that Supplier shall not send invoices before the date upon which transfer of title and risk of loss to Goods occurs.
- 5.2 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.
- 5.3 Payment for Goods shall not constitute acceptance.

5. Delivery

Delivery dates set forth in a Purchase Order are binding. Supplier shall inform ESSITY immediately of any potential delay in delivery of Goods. 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 shall pass to ESSITY at the time and place of delivery determined in accordance with the agreed Incoterm.

7 Warranties and Guarantees

- 7.1 Supplier warrants and guarantees that:
 - a) Goods covered by the Agreement shall conform with all specifications, drawings, samples and quality standards either (i) furnished by ESSITY, or (ii) furnished by Supplier and approved by ESSITY, and will be merchantable, of good material and workmanship, free of defect and fit for the particular purposes intended by ESSITY;
 - b) it shall convey full legal and beneficial title to the Goods, free and clear of any liens or other encumbrances;

- c) it shall comply with all applicable laws and regulations in the performance of its obligations under the Agreement, being understood and agreed that with respect to Goods that are aimed at being resold, leased or otherwise supplied by ESSITY to its own clients, the applicable laws and regulations that shall be complied with shall not be only the laws and regulations of the countries where ESSITY is located but also the laws and regulations of the Intended Market, including but not limited to all legislations and standards set forth in the Supplier Standard and all legally required labelling requirements as applicable. “Intended Market” means country(ies) where the Goods are placed or are to be placed on the market, as communicated by ESSITY from time to time ;
 - d) Goods covered by the Agreement and their manufacture, importation, sale, offer for sale and use 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;
 - e) it shall comply in all respects with ESSITY’s Global Supplier Standard (“Supplier Standard”) published on www.essity.com/gss;
 - f) as relevant, it shall comply with the requirements of the European Union Regulation concerning the registration, evaluation, authorisation and restriction of chemicals (Regulation EC No 1907/2006), including any amendments and/or implementing legislation (“REACH Regulation”) in its production of Goods, as well as with ESSITY requirements related to the REACH Regulation described in the relevant appendix to the Agreement or in a separate REACH Agreement; and
 - g) as relevant, it shall comply with the requirements of the European Union Regulation 1223/2009 on cosmetic products, including any amendments and/or implementing legislation (“Cosmetic Regulation”), as well as with ESSITY requirements related to the Cosmetic Regulation described in the relevant Appendix to the Agreement.
- 7.2 Supplier’s warranties and guarantees shall survive acceptance and shall continue until the date a warranty period for the Goods 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 Goods. In addition, with respect to Goods that are intended to be delivered to final consumers, the warranty period(s) for the Goods shall be the same warranty period(s) set forth in the relevant laws and regulations enacted for the protection of consumers.

8. Remedies for defective Goods

- 8.1 ESSITY shall not be obliged to inspect the Goods prior to sale or following delivery. Neither omission to inspect the Goods nor ESSITY's knowledge of a defect shall in any way limit ESSITY's right to claim for remedies.
- 8.2 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 period.
- 8.3 Supplier shall, at ESSITY discretion, rectify the defect, deliver substitute Goods or reduce the price of the defective Goods. ESSITY's option in this regard is an absolute and unconditional right. Furthermore Supplier shall indemnify ESSITY against losses arising from defective Goods according to section 10 below.
- 8.4 If ESSITY elects to receive substitute Goods and so requests, Supplier shall replace the entire delivery containing defective Goods, at its own cost, or separate the defective Goods from the delivery/batch, provided such separation is practicable and can be performed in such a manner as not to interfere with the conduct of ESSITY's business.

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

If the Goods 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, except to the extent that Supplier is not responsible for such acts or omissions (Vertretenmüssen).

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.

11.2 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.

11.3 Goods manufactured 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.

11.4 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. Termination

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 delivery of Goods, 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. Confidentiality

13.1 Each party agrees not to disclose all non-public commercial and technical know-how and information of the respective other party that they become aware of due to the business relationship ("Confidential Information") to third parties without the other party's prior consent, nor to use such Confidential Information for purposes other than performance of its obligations under the Agreement.

Disclosure of such Confidential 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.

13.2 The obligations with respect to Confidential Information set forth in Section 13.1 above shall not include information which

- (a) is in the public domain as at the date of this Agreement or subsequently enters the public domain other than as a result of a breach of law or agreement;
- (b) was demonstrably known to the receiving Party prior to the date of disclosure of the information by the disclosing Party;
- (c) is acquired from a third party having the right to disclose the information to the receiving Party without any breach of obligation of confidence (provided that the receipt of information does not constitute a breach of an obligation of confidence or a breach of this Agreement);
- (d) is independently developed by the receiving Party without reliance on, use of, or strategic guidance derived from, any Confidential Information; or
- (e) a Party is required to disclose by any stock exchange, self-regulatory body, court or governmental agency or authority to disclose, provided that the receiving Party notifies the disclosing Party prior to such disclosure and co-operates with the disclosing Party in the event the disclosing Party choose to legally contest and avoid such disclosure or otherwise seek confidential treatment.

14. 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, 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 Goods under such Purchase Order.

15. Cooperation

Supplier shall provide ESSITY, at no additional cost, with such documentation and/or information including but not limited to customs documentation, 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.

16. Assignment; Subcontracting

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

17. Communications

Notices, demands, consents and any other communications 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, (b) registered mail or (c) email.

18. Entire Agreement

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

19. Governing Law

The Agreement shall be governed by and construed in accordance with the laws of Germany without reference to its conflict-of-laws provisions.

The convention on contracts for the international sale of goods shall not apply to the Agreement.

20. Disputes

The parties hereby consent and agree to the exclusive jurisdiction of the courts of Germany for any dispute, controversy or claim directly or indirectly arising out of or in connection with the Agreement, or the breach, termination or invalidity thereof, and waive any and all objections to such courts, including but not limited to objections based on improper venue or inconvenient forum, and each party hereby irrevocably submits to the jurisdiction of such courts in any dispute, controversy or claim directly or indirectly arising out of or in connection with the Agreement, or the breach, termination or invalidity thereof.
