

## GENERAL TERMS AND CONDITIONS FOR THE PURCHASE OF GOODS - FRANCE

### 1. Definition

The term “**Agreement**” as used in these General Terms and Conditions (“**GTC**”) has the meaning set forth in the frame agreement to which these GTC are annexed to, if one was entered into by an entity of the ESSITY group and Supplier. If there is no frame agreement, then the term refers to the Purchase Order, issued by the entity of the ESSITY group, together with any documents expressly incorporated therein.

### 2. Application

- 2.1 These GTC shall apply to all Agreements relating to purchases of goods entered into with any entity of the ESSITY group located in France (hereinafter referred to as “ESSITY”).
- 2.2 Supplier’s general terms and conditions of sale, if applicable for the Goods, shall be submitted to ESSITY no later than the time Supplier issues its first offer for the supply of the Goods to ESSITY and will be reviewed during negotiations between the parties as the case may be. In any case, Supplier’s general terms and conditions shall not be deemed accepted by ESSITY unless ESSITY expressly agrees to them entirely or with exceptions, in consideration of these GTC.
- 2.3 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**”) and accepted by Supplier. Purchase Orders shall be deemed accepted by Supplier in all terms and conditions contained in the Purchase Order, unless Supplier sends reservations to ESSITY within five (5) business days from receipt by Supplier of the Purchase Order. If reservations are sent by Supplier within such period, these shall only be made a part of the Agreement if ESSITY agrees to them in writing.
- 2.4 Supplier’s performance against a Purchase Order constitutes its unconditional acceptance of the terms and conditions set forth in the Purchase Order and/or incorporated by reference therein.
- 2.5 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 request a change by written notification to any of the following: (a) specifications, drawings and data 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 requested by ESSITY causes an increase or decrease in the cost of Goods or change in the delivery schedule originally agreed upon between the parties, 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 request notice from ESSITY.

### **4. Pricing**

- 4.1 Prices appearing on Purchase Orders are fixed and are not subject to adjustment unless otherwise agreed. Except for VAT (Value Added Tax), prices are all inclusive and compensate the Supplier for all costs, risks, charges and obligations of any kind in relation to said Purchase Order.
- 4.2 Prices agreed upon in a frame agreement shall be fixed for a time period agreed upon between the parties. Any agreed price revision shall apply to Purchase Orders issued from the effective date of the revision.

### **5. Invoicing and Payment**

- 5.1 Unless otherwise provided in the Agreement or required by law, payment is due by bank transfer:
- 45 days from the end of the month in which the invoice is issued, or 45 days from the invoice date in case of summary monthly invoices, in the event that the imperative provisions of article L441-6 of the French code of commerce are applicable,
  - 90 days from the date of invoice, in other situations,

it being understood that Supplier shall not send invoices before the date upon which transfer of title and risk of loss to Goods occur.

- 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.

ESSITY's reasonable requirements shall mean all information stated on the Purchase Order allowing ESSITY to identify the Goods and verify that they actually have been delivered to ESSITY, as well as information required to create a Supplier account in ESSITY IT system for payment purposes.

- 5.3 Payment for Goods shall not constitute acceptance and shall not constitute a waiver of ESSITY's rights or remedies.

## **6. Delivery**

Delivery dates set forth in a frame agreement or, if no frame agreement is entered into, in an accepted 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.

## **7. 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.

## **8 Warranties and Guarantees**

8.1 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](http://www.essity.com/gss), a copy of which has been provided to Supplier;
  - 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.
- 8.2 Supplier's warranties and guarantees shall survive acceptance and any termination of the Agreement, provided that Supplier's warranty under section 8.1 (a) shall continue until the date a warranty period

for the Goods under applicable law expires, if any, but in no event less than two (2) years following ESSITY's receipt of the Goods. Notwithstanding the foregoing, 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.

## **9. Remedies for defective Goods**

- 9.1 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.
- 9.2 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.
- 9.3 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 11 below.
- 9.4 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.

## **10. 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 11 below.

## **11. 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.

## **12. Proprietary Rights**

12.1 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.

12.2 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.

12.3 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.

12.4 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.

## **13. Insurance**

The Supplier shall at all times carry and maintain liability insurance coverage to satisfactorily cover its respective liabilities under the Agreement.

## **14. Termination**

14.1 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 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 15 days following ESSITY's notice of default. Termination of the Agreement shall not limit or constitute a waiver of ESSITY's rights or remedies.

14.2 Supplier may terminate all or any part of the Agreement, without liability to ESSITY, upon notice if ESSITY (i) commits repeated breaches in the payment of Supplier's accrued and undisputed invoices, or (ii) breaches the Agreement otherwise than under clause (i), provided, however, that if any failure or breach under clauses (i) through (ii) is curable, Supplier shall provide ESSITY with an opportunity to cure the breach within a commercially reasonable period of time, but in no event more than 15 days following notice of default. Termination of the Agreement shall not limit or constitute a waiver of Supplier's rights or remedies.

## **15. Confidentiality**

Each party agrees not to disclose the other party's 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 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 (5) 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.

## **16. 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.

## **17. 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.

## **18. Assignment**

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

## **19. Personal Data**

19.1 Any personal data collected by a party shall be processed solely for the purposes of the performance, management and monitoring of the Agreement and in compliance with the applicable laws and regulations, including but not limited to the European Union Data Privacy Directive 95/46/EC ("EU Directive"), its implementation into the applicable national law of a member state of the European Union, and any future laws and regulations that shall replace the EU Directive from time to time.

19.2 Each party and their respective employees, directors and officers shall have a right to have access, ask for rectification and deletion of their personal data. Such rights may be exercised by writing to the address of the other party stated in the Agreement.

## **20. Change in circumstances**

The parties being fully informed about their rights under article 1195 of the French civil code accept the risks related to a change in circumstances making the performance of the Agreement excessively onerous and waive their entire rights under said article 1195.

## **21. Entire Agreement**

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



## **22. Governing Law**

### 22.1 Domestic Agreements

With respect to Agreements entered into between parties located in the same country (domestic Agreements), the Agreement shall be governed by and construed in accordance with the laws of France without reference to its conflict-of-laws provisions.

### 22.2 International Agreements

With respect to Agreements entered into between parties located in different countries (international Agreements), the Agreement shall be governed by and construed in accordance with the laws of Sweden without reference to its conflict-of-laws provisions.

## **23. Disputes**

### 23.1 Domestic Agreements

Any dispute, controversy or claim arising out of or in connection with any domestic Agreement (as defined above in section 22.1), or the breach, termination or invalidity thereof, shall be exclusively settled by the courts of Paris, France.

### 23.2 International Agreements

Any dispute, controversy or claim arising out of or in connection with any international Agreement (as defined above in section 22.2), or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitral tribunal shall be composed of three arbitrators . The seat of arbitration shall be Stockholm. The language to be used shall be English.

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