

## GENERAL TERMS AND CONDITIONS FOR THE PURCHASE OF SERVICES - 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 services 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 for the supply of services, if applicable to the Services, shall be submitted to ESSITY no later than the time Supplier issues its first offer for the supply of the Services 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 provide Services 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 Services**

- 3.1 The Services to be provided shall be defined by an agreed specification included in the Purchase order, the Frame Agreement or in a separate document.
- 3.2 The Services shall be of first-class quality and the Supplier shall exercise due care and diligence in the performance of the Services.
- 3.3 Supplier shall freely and independently arrange its activities, which it undertakes to pursue with all due diligence and in compliance with all laws and regulations applicable to these activities. If Supplier performs all or part of the Services on an ESSITY site, it shall abide by ESSITY's corporate and local safety standards (a copy of which will be made available upon request). In case Supplier is a foreign company and/or appoints foreign subcontractors, Supplier shall ensure that Supplier and each subcontractor have a representative who has a sufficient fluency level in French to participate in the risk assessment and the implementation of preventive measures for the safety of their personnel.
- 3.4 Supplier shall bear all costs occasioned by its activity and all social security and tax charges in relation to its business.
- 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 The staff assigned by Supplier to perform the Services shall not have any subordinate relationship with ESSITY and shall at all times comply with the guidelines and instructions of Supplier.

### **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.

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 Services provided by Supplier, as well as information required to create a Supplier account in ESSITY IT system for payment purposes.

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

## **6. Delivery**

6.1 Delivery / performance dates set forth in a Frame Agreement or, if no Frame Agreement is entered into, in an accepted Purchase Order are binding.

6.2 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.

## **7. 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.

## **8 Warranties and Guarantees**

8.1 Supplier warrants and guarantees that:

- a) the Services covered by the Agreement 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 legislations 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](http://www.essity.com/gss), a copy of which has been provided to Supplier.
- 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 Services under applicable law expires, if any, but in no event less than two (2) years following ESSITY's receipt of the Services.

## **9. Remedies for defective Services**

- 9.1 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 period.

9.2 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 11 below.

## **10. 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 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. 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.

12.2 Except as provided under section 12.3, 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.

12.3 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.

12.4 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.

12.5 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.

### **13. Prevention of illegal labour and transnational posting of foreign workers in France**

#### **13.1 Suppliers located in France**

Supplier located in France shall provide ESSITY with the following documents:

1) in the context of any Agreement for an amount equal or greater than € 5,000 excl. taxes, before the execution of the contract or the issuance of a purchase order, and every six months during the term of the contract or business relationship (if applicable):

- A trade register extract (Kbis) or professionnel register extract where supplier is registered, dated less than 3 months,
- a certificate providing the filing of social security returns issued by the social security body responsible for collecting the social charges and contributions for which supplier is liable and certifying payment of such charges and contributions by supplier (URSSAF or other social security body). This document must be less than six months old.

- If Supplier employs non-European Union foreign staff, a list with the names of foreign staff who require a work permit to work in France. The list must state for each personnel:
  - o Hiring / recruitment date;
  - o Nationality;
  - o Type and number of the work permit.

If no such foreign staff is employed by Supplier, Supplier shall certify that no foreign staff is employed.

All the above documents under point 1) shall be sent in French or accompanied by a French translation.

2) If supplier uses transnational posting of workers in France (company group employees, subcontractors or temporary workers), before the start of the work in France and before any new posting of workers in France, whatever the amount of the Agreement is:

- A copy of the preliminary declaration of posting transmitted for each company / posted worker, before the start of the works or services, to the French local labour authority through the SIPSI electronic system. The preliminary declaration of posting shall be accompanied with the official declaration number delivered by the SIPSI system and eventually the SIPSI email confirming that the declaration is registered.
- A copy of the document appointing the representative(s) in France of each company posting workers in France, who will be responsible for liaising with the French local labour authority, particularly for the duration of the works.

All the above documents under point 2) must be issued in French language.

### 13.2 Suppliers located abroad

Supplier shall provide ESSITY with the following documents:

- 1) in the context of any Agreement for an amount equal or greater than € 5,000 excl. taxes, before the execution of the contract or the issuance of a purchase order, and every six months during the term of the contract or business relationship (if applicable):

- A trade register extract or other extract of professional register concerning Supplier's company dated less than 3 months;
- A document certifying supplier's conformity under Regulation (EC) No 883/2004 of 29 April 2004 or of an international social security agreement and, where the legislation of the country of domicile provides so, a document providing the filing of social security returns issued by the social security body responsible for collecting the social charges and contributions for which supplier is liable and certifying regular payment by supplier of such charges and contributions or an equivalent document or, failing that, a certificate relating to filing of social security returns and payment of social security charges and contributions provided for in Article L. 243-15 of the Social Security Code. This document must be dated less than six months,
- A document mentioning Supplier's individual identification number (VAT number) allocated by virtue of article 286 ter of the French General Taxation Code or a document mentioning Supplier's identity and address or, where applicable, the details of Supplier's individual tax representative in France.
- If Supplier employs non-European Union foreign staff, a list with the names of foreign staff who require a work permit to work in France.  
The list must state for each personnel:
  - o Hiring / recruitment date;
  - o Nationality;
  - o Type and number of the work permit.

If no such foreign staff is employed by Supplier, Supplier shall certify that no foreign staff is employed.

All the above documents under point 1) shall be sent in French or accompanied by a French translation.

2) If supplier uses transnational posting of workers in France (company group employees, subcontractors or temporary workers), before the start of the work in France and before any new posting of workers in France, whatever the amount of the Agreement is:

- A copy of the preliminary declaration of posting transmitted for each company / posted worker, before the start of the works or services, to the French local labour authority through the SIPS electronic system. The preliminary declaration of posting shall be



accompanied with the official declaration number delivered by the SIPSI system and eventually the SIPSI email confirming that the declaration is registered.

- A copy of the document appointing the representative(s) in France of each company posting workers in France, who will be responsible for liaising with the French local labour authority, particularly for the duration of the works.

All the above documents under point 2) must be issued in French language.

#### **14. Insurance**

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

#### **15. Termination**

15.1 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 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.

15.2 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.

#### **16. 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.

## **17. 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.

## **18. 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.

## **19. Assignment - Subcontracting**

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

19.2 Supplier may be authorized to subcontract part of its obligations under a Purchase Order, provided that any subcontractor has been previously and formally approved by ESSITY in accordance with the French law of 31<sup>st</sup> December 1975 on subcontracting (loi n° 75-1334 du 31 décembre 1975 relative à la sous-traitance).

The subcontractor's identity and the payment terms agreed between Supplier and its subcontractor must be submitted to ESSITY before the subcontracting approval request can be reviewed by ESSITY. It is also a condition that Supplier provides ESSITY with a copy of the several and joint guarantee bond underwritten by a reputable bank in favour of the subcontractor.

ESSITY reserves the right not to approve a subcontractor. 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.

## **20. Personal Data**

21.1 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.

21.2 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.

## **21. 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.

## **22. Entire Agreement**

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

## **23. Governing Law**

### 23.1 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.

### 23.2 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.

## **24. Disputes**

### 24.1 Domestic Agreements

Any dispute, controversy or claim arising out of or in connection with any domestic Agreement (as defined above in section 23.1), or the breach, termination or invalidity thereof, shall be exclusively settled by the courts of Paris, France.

### 24.2 International Agreements

Any dispute, controversy or claim arising out of or in connection with any international Agreement (as defined above in section 23.2), 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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