

## TERMS AND CONDITIONS FOR SAPPI PURCHASE ORDERS IN BELGIUM

### 1. CONFLICT RULE:

Purchases for a Sappi company and their respective subsidiaries and affiliates incorporated in Belgium (collectively "**Sappi**"), are governed by these terms and conditions, unless the Parties have entered into a mutually executed written master agreement stating applicable terms and conditions. If this Sappi Purchase Order ("**PO**") is issued as shipping instructions (and/or release document) pursuant to the terms of an existing master agreement, this PO will be governed exclusively by the terms of such existing master agreement.

### 2. DEFINITIONS:

Seller agrees to sell, and Sappi agrees to buy, the goods, articles, materials, or services ("**Items**") described on a PO for the price, at the time, and on the terms of payment shown on this PO. This PO and the provisions of any drawings, prints, plans, descriptions, specifications, samples, data, and other documents expressly referred to therein and adopted by reference ("**Documents**") constitute the entire agreement and supersede all proposals, negotiations, and counterproposals.

### 3. EXCLUSION OF SELLER'S TERMS:

Sappi objects to the inclusion of any different or additional terms by Seller in Seller's acceptance of this PO. If Seller includes or attaches any different or additional terms in Seller's acceptance, commences performance, or tenders the Items, a contract of sale will result upon the terms and conditions as stated in this PO, without inclusion of any different or additional terms and conditions.

### 4. PRICE:

(a) The price set forth on the PO ("**Price**") is fixed and not subject to any changes. If a cash or early payment discount is provided for on the PO, the discount period begins when the Items or invoices are received whichever is later.

(b) Seller will issue invoices after the shipment or performance of the Items, and Sappi will make no payment prior to receipt or performance of such Items and of a proper invoice. Sappi may withhold any payment to the extent necessary to protect itself from loss on account of:

- (i) evidence of Seller's financial difficulty which might prevent complete performance by Seller; or
- (ii) a breach by Seller of any provision of this PO.

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5. QUALITY:

All Items furnished must strictly conform to the Documents and must be of the quality specified. No deviation or substitution is permitted without the prior written consent of Sappi. Sappi is entitled at all times during the performance of this PO to conduct such tests and inspections as it deems necessary to assure Seller's compliance with this PO. Seller will supply to Sappi, as needed, data, drawings, specifications, test results, quality documentation, schedules, and other documents and information.

6. CONFIDENTIALITY:

Seller agrees that any ideas, concepts, inventions, know-how, processes or other information acquired from Sappi or created by Seller arising from the performance of this PO are the property of Sappi. Seller must keep such information confidential and is not allowed to disclose or use such information except as is necessary for the proper performance of this PO. Upon Sappi's request, Seller will promptly return to Sappi all such information and copies thereof.

7. DELIVERY:

Seller delivers in accordance with the agreed INCOTERM 2010. Seller will indicate plainly the PO number on all bills of lading, invoices, and freight bills. Each package or shipment must contain a memorandum showing Seller's name, contents of package, and PO number. Partial shipments must be identified as such on shipping memoranda and invoices.

8. WARRANTY:

(a) Seller warrants that, for a period of (2) years after the delivery or performance of the Items, the Items will

- (i) be of merchantable quality;
- (ii) be fit for Sappi's particular purposes of use;
- (iii) be of high quality, and be free from defects in material and workmanship; and
- (iv) comply with the most stringent of Sappi's or Seller's specifications, performance guarantees and requirements.

(b) All Items sold by Seller to Sappi are free of any encumbrances.

(c) If the Items do not conform to any of these warranties then, at Sappi's option, Seller will, at Seller's expense, repair or replace the defective Items, or in the case of services, re-perform the services. Seller is responsible for all expenses and damages which Sappi incurs as a result of non-conformance of the Items. The foregoing warranties and obligations also apply to such Items repaired, replaced or re-performed by Seller. Seller agrees to pass on to Sappi the benefit of any manufacturers' warranties.

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9. FINAL ACCEPTANCE:

On completion of this PO and prior to the beginning of the warranty period stated in Section 8, Seller agrees to co-operate in carrying out an inspection and any tests Sappi deems necessary to determine the proper functioning and general performance of the Items and, at Seller's own cost, will make any adjustments and changes required to the end that an efficient and fully operative project will result. Final acceptance by Sappi will be conditional upon fulfillment of this requirement. Items may be rejected for defects revealed by such inspection or testing even if such Items may have previously been inspected and accepted. Such rejected Items may, at Sappi's option, be returned to Seller for full refund, including removal, shipping and transportation charges.

10. COMPLIANCE WITH LAWS:

Seller warrants that the Items provided to Sappi fully comply with the applicable laws and regulations.

11. INDEMNITY:

The Seller will fully indemnify Sappi for any losses that Sappi suffers due to Provider's breach of its obligations under this PO, including

- a) Seller's breach of its warranties under Section 8,
- b) infringement or alleged infringement of any intellectual property right affecting the design, manufacture, purchase, use or sale of the Items.

Each party will give the other party prompt notice of such infringement or alleged infringement, and upon such notice, Seller agrees to, if requested by Sappi, enter and defend, settle or otherwise terminate such claim, demand or suit.

12. WORK ON PREMISES:

If Seller is to perform any work, including supervision of installation, at Sappi's premises, Seller must carry at Seller's own expense appropriate and meaningful insurance coverage. Seller will prior to commencing work, provide Sappi with certificates evidencing all such coverages from insurance companies acceptable to Sappi.

13. FORCE MAJEURE:

Neither party shall be liable for any delay or failure to deliver or accept any or all of the Items where such delay or failure is caused by fire, flood, other act of God, act of war, labor disturbance, or other event beyond such party's control ("**Force Majeure**"). Where only a portion of Seller's capacity to perform is so impaired, Seller will make a fair allocation of its remaining production among the various customers then under contract for similar Items during the period. If this PO is for Items to be used in the regular production of Sappi's facility, Sappi may at its option delete the undelivered Items from this PO or appropriately extend the time for performance of this PO.

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14. TERMINATION FOR CAUSE/CONVENIENCE:

In the event of default, bankruptcy, insolvency, or failure or inability of Seller to perform, Sappi may terminate this PO for cause.

15. ASSIGNMENT OR USE OF SUBCONTRACTORS:

Seller may not assign or subcontract the performance of this PO or any right hereunder without the prior written consent of Sappi.

16. SEVERABILITY:

If any provision of this PO is held invalid such invalidity shall not affect the enforceability of any other provisions not held to be invalid.

17. MODIFICATIONS AND AMENDMENTS:

No waivers, amendments, or modifications of any of the terms or conditions of the PO are valid unless reduced to writing and signed by both parties. The terms and conditions of this PO will not be amended or modified by the course of performance or course of dealing between the parties.

18. GOVERNING LAW/COMPETENT COURT:

a) This PO is exclusively governed by the laws of Belgium.

b) Exclusive jurisdiction for all disputes arising out of or in connection with this PO will be the competent court of Hasselt.